UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): **May 22, 2015**

Akoustis Technologies, Inc.

(Exact name of registrant as specified in its charter)

Nevada	**333-193467**	**33-1229046**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification Number)

9805 Northcross Center Court, Suite H
Huntersville, NC 28078
(Address of principal executive offices, including zip code)

704-997-5735
(Registrant's telephone number, including area code)

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

TABLE OF CONTENTS

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Current Report contains forward-looking statements, including, without limitation, in the sections captioned "Description of Business," "Risk Factors," and "Management's Discussion and Analysis of Financial Condition and Plan of Operations," and elsewhere. Any and all statements contained in this Report that are not statements of historical fact may be deemed forward-looking statements. Terms such as "may," "might," "would," "should," "could," "project," "estimate," "pro-forma," "predict," "potential," "strategy," "anticipate," "attempt," "develop," "plan," "help," "believe," "continue," "intend," "expect," "future," and terms of similar import (including the negative of any of the foregoing) may be intended to identify forward-looking statements. However, not all forward-looking statements may contain one or more of these identifying terms. Forward-looking statements in this Report may include, without limitation, statements regarding (i) the plans and objectives of management for future operations, including plans or objectives relating to the development of commercially viable radio frequency filters, (ii) a projection of income (including income/loss), earnings (including earnings/loss) per share, capital expenditures, dividends, capital structure or other financial items, (iii) our future financial performance, including any such statement contained in a discussion and analysis of financial condition by management or in the results of operations included pursuant to the rules and regulations of the SEC, and (iv) the assumptions underlying or relating to any statement described in points (i), (ii) or (iii) above.

The forward-looking statements are not meant to predict or guarantee actual results, performance, events or circumstances and may not be realized because they are based upon our current projections, plans, objectives, beliefs, expectations, estimates and assumptions and are subject to a number of risks and uncertainties and other influences, many of which we have no control over. Actual results and the timing of certain events and circumstances may differ materially from those described by the forward-looking statements as a result of these risks and uncertainties. Factors that may influence or contribute to the inaccuracy of the forward-looking statements or cause actual results to differ materially from expected or desired results may include, without limitation, our inability to obtain adequate financing, our limited operating history, our inability to generate revenues or achieve profitability, our inability to achieve acceptance of our products in the market, upturns and downturns in the industry, our limited number of patents, failure to obtain, maintain and enforce our intellectual property rights, our inability to attract and retain qualified personnel, our substantial reliance on third parties to manufacture products, existing or increased competition, failure to innovate or adapt to new or emerging technologies, results of arbitration and litigation, stock volatility and illiquidity, and our failure to implement our business plans or strategies. A description of some of the risks and uncertainties that could cause our actual results to differ materially from those described by the forward-looking statements in this Report appears in the section captioned "Risk Factors" and elsewhere in this Report.

Readers are cautioned not to place undue reliance on forward-looking statements because of the risks and uncertainties related to them and to the risk factors. We disclaim any obligation to update the forward-looking statements contained in this Report to reflect any new information or future events or circumstances or otherwise.

Readers should read this Report in conjunction with the discussion under the caption "Risk Factors," our financial statements and the related notes thereto in this Report, and other documents which we may file from time to time with the Securities and Exchange Commission (the "SEC").

EXPLANATORY NOTE

We were incorporated as Danlax, Corp., in Nevada on April 10, 2013. Prior to the Merger and Split-Off (each as defined below), our business was development and sales of mobile games.

As previously reported, on April 15, 2015, (i) we changed our name to Akoustis Technologies, Inc., and (ii) we increased our authorized capital stock from 75,000,000 shares of common stock, par value $0.001 per share, to 300,000,000 shares of common stock, par value $0.001 per share (the "Common Stock"), and 10,000,000 shares of "blank check" preferred stock, par value $$0.001 per share.

Also as previously reported, on April 23, 2015, we completed a 1.094891-for-1 forward split of our Common Stock in the form of a dividend, with the result that the 11,740,000 shares of Common Stock outstanding immediately prior to the stock split became 12,854,024 shares of Common Stock outstanding immediately thereafter. All share and per share numbers in this Report relating to our Common Stock have been adjusted to give effect to this stock spilt, unless otherwise stated.

On May 22, 2015, our wholly owned subsidiary, Akoustis Acquisition Corp., a corporation formed in the State of Delaware on May 15, 2015 ("Acquisition Sub") merged (the "Merger") with and into Akoustis, Inc., a corporation incorporated in the State of Delaware on May 12, 2014. Akoustis, Inc., was the surviving corporation in the Merger and became our wholly owned subsidiary. All of the outstanding stock of Akoustis, Inc., was converted into shares of our Common Stock, as described in more detail below.

In connection with the Merger and pursuant to the Split-Off Agreement (defined below), we transferred our pre-Merger assets and liabilities to our pre-Merger majority stockholder, in exchange for the surrender by him and cancellation of 9,854,019 shares of our Common Stock. See Item 2.01, "Split-Off," below.

As a result of the Merger and Split-Off, we discontinued our pre-Merger business and acquired the business of Akoustis, Inc., and will continue the existing business operations of Akoustis, Inc., as a publicly-traded company under the name Akoustis Technologies, Inc.

Also on May 22, 2015, we closed a private placement offering (the "Offering") of 3,531,104 shares of our Common Stock, at a purchase price of $1.50 per share. Additional information concerning the Offering is presented below under Item 2.01, "Merger and Related Transactions—the Offering" and "Description of Securities," and Item 3.02, "Unregistered Sales of Equity Securities."

In accordance with "reverse merger" accounting treatment, our historical financial statements as of period ends, and for periods ended, prior to the Merger will be replaced with the historical financial statements of Akoustis, Inc., prior to the Merger in all future filings with the SEC.

Also on May 22, 2015, we changed our fiscal year from a fiscal year ending on July 31 of each year, which was used in our most recent filing with the SEC, to one ending on March 31 of each year, which is the fiscal year end of Akoustis, Inc.

As used in this Current Report henceforward, unless otherwise stated or the context clearly indicates otherwise, the terms "Akoustis," the "Company," the "Registrant," "we," "us," and "our" refer to Akoustis Technologies, Inc., incorporated in Nevada, after giving effect to the Merger and the Split-Off.

This Current Report contains summaries of the material terms of various agreements executed in connection with the transactions described herein. The summaries of these agreements are subject to, and are qualified in their entirety by, reference to these agreements, which are filed as exhibits hereto and incorporated herein by reference.

This Current Report is being filed in connection with a series of transactions consummated by the Company and certain related events and actions taken by the Company.

This Current Report responds to the following Items in Form 8-K:

Item 1.01.	Entry into a Material Definitive Agreement
Item 2.01.	Completion of Acquisition or Disposition of Assets
Item 3.02.	Unregistered Sales of Equity Securities
Item 4.01.	Changes in Registrant's Certifying Accountant
Item 5.01.	Changes in Control of Registrant
Item 5.02.	Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers
Item 5.06.	Change in Shell Company Status
Item 9.01.	Financial Statements and Exhibits

Prior to the Merger, we were a "shell company" (as such term is defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended (the "Exchange Act")). As a result of the Merger, we have ceased to be a shell company. The information contained in this Current Report, together with the information contained in our Annual Report on Form 10-K for the fiscal year ended July 31, 2014, and our subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, as filed with the SEC, constitute the current "Form 10 information" necessary to satisfy the conditions contained in Rule 144(i)(2) under the Securities Act of 1933, as amended (the "Securities Act").

ITEM 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT

The information contained in Item 2.01 below relating to the various agreements described therein is incorporated herein by reference.

ITEM 2.01 COMPLETION OF ACQUISITION OR DISPOSITION OF ASSETS

The Merger and Related Transactions

Merger Agreement

On May 22, 2015 (the "Closing Date"), the Company, Acquisition Sub and Akoustis, Inc., entered into an Agreement and Plan of Merger and Reorganization (the "Merger Agreement"), which closed on the same date. Pursuant to the terms of the Merger Agreement, Acquisition Sub merged with and into Akoustis, Inc., which was the surviving corporation and thus became our wholly-owned subsidiary.

Pursuant to the Merger, we acquired the business of Akoustis, Inc., of developing advanced, more efficient bulk acoustic wave filters for use in mobile and wearable devices.

At the closing of the Merger each of the 11,671 shares of common stock and the 5,300 shares of preferred stock of Akoustis, Inc., issued and outstanding immediately prior to the closing of the Merger was converted into 324.082 shares of our Common Stock. As a result, an aggregate of 5,500,006 shares of our Common Stock were issued to the holders of Akoustis, Inc., stock.

The Merger Agreement contained customary representations and warranties and pre- and post-closing covenants of each party and customary closing conditions. Breaches of the representations and warranties will be subject to indemnification provisions. Each of the stockholders of Akoustis, Inc., as of the date of the Merger initially received in the Merger 95% of the shares to which each such stockholder is entitled, with the remaining 5% of such shares being held in escrow for two (2) years to satisfy post-closing claims for indemnification by the Company ("Indemnity Shares"). Any of the Indemnity Shares remaining in escrow at the end of such two-year period shall be distributed to the pre-Merger stockholders of Akoustis, Inc., on a pro rata basis. The Merger Agreement also contains a provision providing for a post-Merger share adjustment as a means for which claims for indemnity may be made by the pre-Merger stockholders of Akoustis, Inc. Pursuant to this provision up to 250,000 additional shares ("R&W Shares") of Common Stock may be issued to the pre-Merger stockholders of Akoustis, Inc., pro rata, during the two-year period following the Merger for breaches of representations and warranties by the Company. The value of the Indemnity Shares and the R&W Shares issued pursuant to the foregoing adjustment mechanisms is fixed at the per share of Common Stock equivalent price of the securities sold in the Offering. The foregoing mechanisms are the exclusive remedies of the Company on the one hand and the pre-Merger stockholders of Akoustis, Inc., on the other hand for satisfying indemnification claims under the Merger Agreement.

The Merger will be treated as a recapitalization of the Company for financial accounting purposes. Akoustis, Inc. will be considered the acquirer for accounting purposes, and our historical financial statements before the Merger will be replaced with the historical financial statements of Akoustis, Inc., before the Merger in all future filings with the SEC.

The Merger is intended to be treated as a tax-free reorganization under Section 368(a) of the Internal Revenue Code of 1986, as amended.

The issuance of shares of our Common Stock to holders of Akoustis, Inc., capital stock in connection with the Merger was not registered under the Securities Act, in reliance upon the exemption from registration provided by Section 4(a)(2) of the Securities Act, which exempts transactions by an issuer not involving any public offering, and Regulation D promulgated by the SEC under that section. These securities may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirement, and are subject to further contractual restrictions on transfer as described below.

We also agreed not to register under the Securities Act the resale of the shares of our Common Stock received in the Merger by stockholders of Akoustis, Inc., for a period of two years following the closing of the Merger.

The form of the Merger Agreement is filed as an exhibit to this Report. All descriptions of the Merger Agreement herein are qualified in their entirety by reference to the text thereof filed as an exhibit hereto, which is incorporated herein by reference.

Split-Off

Upon the closing of the Merger, under the terms of a split-off agreement and a general release agreement, the Company transferred all of its pre-Merger operating assets and liabilities to its wholly-owned special-purpose subsidiary, Danlax Enterprise Corp., a Nevada corporation ("Split-Off Subsidiary"), formed on May 15, 2015. Thereafter, pursuant to the split-off agreement, the Company transferred all of the outstanding shares of capital stock of Split-Off Subsidiary to Ivan Krikun, the pre-Merger majority stockholder of the Company, and the former sole officer and director of the Company (the "Split-Off"), in consideration of and in exchange for (i) the surrender and cancellation of an aggregate of 9,854,019 shares of our Common Stock held by Mr. Krikun (which were cancelled and will resume the status of authorized but unissued shares of our Common Stock) and (ii) certain representations, covenants and indemnities. All descriptions of the split-off agreement and the general release agreement herein are qualified in their entirety by reference to the text thereof filed as exhibits hereto, which are incorporated herein by reference.

The Offering

Concurrently with the closing of the Merger and in contemplation of the Merger, we held a closing of our Offering in which we sold 3,531,104 shares of our Common Stock (including shares issued on conversion of convertible notes of Akoustis, Inc., as described below), at a purchase price of $1.50 per share (the "Offering Price").

Investors in the shares will have anti-dilution protection with respect to the shares of Common Stock sold in the Offering such that if within 12 months after the final closing of the Offering the Company shall issue additional shares of Common Stock or Common Stock equivalents (subject to customary exceptions, including but not limited to issuances of awards under the Company's 2015 Plan (as defined below) and certain issuances of securities in connection with credit arrangements, equipment financings, lease arrangements or similar transactions) for a consideration per share less than the Offering Price (the "Lower Price"), each such investor will be entitled to receive from the Company additional shares of Common Stock in an amount such that, when added to the number of shares of Common Stock initially purchased by such investor, will equal the number of shares of Common Stock that such investor's Offering subscription amount would have purchased at the Lower Price.

The aggregate gross proceeds from the Offering were $5,296,656 (including $645,000 principal amount of convertible notes of Akoustis, Inc., that converted into our Common Stock by their terms upon closing of the Offering, at a conversion price per share equal to the Offering Price, and before deducting placement agent fees and expenses of the offering estimated at approximately $763,000).

The Offering was exempt from registration under Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"), in reliance upon the exemption provided by Regulation D promulgated by the SEC thereunder. The Common Stock in the Offering was sold to "accredited investors," as defined in Regulation D, and was conducted on a "best efforts" basis.

The closing of the Offering and the closing of the Merger were conditioned upon each other.

In connection with the Offering, we agreed to pay Northland Securities, Inc., and Katalyst Securities LLC, each a U.S. registered broker-dealer (the "Placement Agents") a cash commission of 10% of the gross proceeds (or 2% in the case of certain existing Akoustis, Inc., investors) raised from investors in the Offering. In addition, the Placement Agents received warrants to purchase a number of shares of Common Stock equal to 10% (or 2% in the case of certain existing Akoustis, Inc., investors) of the number of shares of Common Stock sold in the Offering, with a term of five (5) years and an exercise price of $1.50 per share (the "Placement Agent Warrants"). Any sub-agent of the Placement Agents that introduced investors to the Offering was entitled to share in the cash fees and warrants attributable to those investors as described above.

As a result of the foregoing, the Placement Agents and their sub-agents were paid an aggregate commission of $470,266 and were issued Placement Agent Warrants to purchase an aggregate of 313,510 shares of our Common Stock. We were also required to reimburse the Placement Agents approximately $77,150 of legal expenses incurred in connection with the Offering.

We agreed to indemnify the Placement Agents and their sub-agents to the fullest extent permitted by law, against certain liabilities that may be incurred in connection with the Offering, including certain civil liabilities under the Securities Act, and, where such indemnification is not available, to contribute to the payments the Placement Agents and their sub-agents may be required to make in respect of such liabilities.

All descriptions of the Placement Agent Warrants herein are qualified in their entirety by reference to the text thereof filed as exhibits hereto, which are incorporated herein by reference.

Registration Rights

In connection with the Offering, we entered into a Registration Rights Agreement, pursuant to which we have agreed that promptly, but no later than 90 calendar days from the final closing of the Offering, the Company will file a registration statement with the SEC (the "Registration Statement") covering (a) the shares of Common Stock issued in the Offering, (b) the shares of Common Stock issuable upon exercise of the Placement Agent Warrants, (c) any shares of Common Stock issuable to investors in the Offering pursuant to the anti-dilution rights described above and (d) 1,841,606 additional shares of Common Stock held by a pre-Merger stockholder (the "Registrable Shares"). The Company shall use its commercially reasonable efforts to ensure that such Registration Statement is declared effective within 180 calendar days after filing with the SEC. If the Company is late in filing the Registration Statement or if the Registration Statement is not declared effective within 180 days after filing with the SEC, the Company will make payments to each holder of Registrable Securities as liquidated damages at a rate equal to 12% of the Offering Price per annum for each share affected during the period that (i) the Company is late in filing the Registration Statement or (ii) the Registration Statement is late in being declared effective by the SEC; provided, however, that in no event shall the aggregate of any such liquidated damages exceed 8% of the Offering Price per share. No liquidated damages shall accrue with respect to any Registrable Shares removed from the Registration Statement in response to a comment from the staff of the SEC limiting the number of shares of Common Stock which may be included in the Registration Statement (a "Cutback Comment") or after the shares may be resold under Rule 144 under the Securities Act or another exemption from registration under the Securities Act.

The Company must keep the Registration Statement "evergreen" for two (2) years from the date it is declared effective by the SEC or until Rule 144 is available to the holders of Registrable Shares who are not and have not been affiliates of the Company with respect to all of their Registrable Shares, whichever is earlier.

The holders of Registrable Shares (including any shares of Common Stock removed from the Registration Statement as a result of a Cutback Comment) and the stockholders of the Company prior to the Merger (but not holders of the shares issued to the stockholders of Akoustis, Inc., in consideration for the Merger) shall have "piggyback" registration rights for such Registrable Shares with respect to any registration statement filed by the Company following the effectiveness of the Registration Statement that would permit the inclusion of such shares, subject to customary cutback pro rata in an underwritten offering.

We will pay all expenses in connection with any registration obligation provided in the registration Rights Agreement, including, without limitation, all registration, filing, stock exchange fees, printing expenses, all fees and expenses of complying with applicable securities laws, and the fees and disbursements of our counsel and of our independent accountants. Each investor will be responsible for its own sales commissions, if any, transfer taxes and the expenses of any attorney or other advisor such investor decides to employ.

All descriptions of the Registration Rights Agreement herein are qualified in their entirety by reference to the text thereof filed as an exhibit hereto, which is incorporated herein by reference.

2015 Equity Incentive Plan

Before the Merger, our Board of Directors adopted, and our stockholders approved, the 2015 Equity Incentive Plan (the "2015 Plan"), which provides for the issuance of incentive awards of up to 1,200,000 shares of our Common Stock to officers, employees, consultants and directors. See "Market Price of and Dividends on Common Equity and Related Stockholder Matters—Securities Authorized for Issuance under Equity Compensation Plans" below for more information about the 2015 Plan and outstanding stock options.

Departure and Appointment of Directors and Officers

Our Board of Directors is authorized to consist of, and currently consists of, five members. On the Closing Date, Ivan Krikun, our sole director before the Merger, resigned his position as a director, and Jeffrey Shealy, Steve Denbaars, Jerry Neal, Arthur Geiss and Jeffrey McMahon were appointed to the Board of Directors.

Also on the Closing Date, Mr. Krikun, our Chief Executive Officer, President, Secretary and Treasurer before the Merger, resigned from these positions, and our Board of Directors appointed Jeffrey Shealy as our Chief Executive Officer, President and Chairman of the Board of Directors, Cindy Payne as our Chief Financial Officer, David Aichele as our Vice President of Business Development, Mark Boomgarden as our Vice President of Operations.

See "Management – Directors and Executive Officers" below for information about our new directors and executive officers.

Lock-up Agreements and Other Restrictions

In connection with the Merger, each of our executive officers and directors named above and each of the stockholders of Akoustis, Inc., who received shares of our Common Stock in the Merger (each a "Restricted Holder", and, collectively, the "Restricted Holders"), holding at that date in the aggregate 5,734,006 shares of our Common Stock, entered into agreements (the "Lock-Up Agreements"), whereby they are restricted for a period of 24 months after the Merger from certain sales or dispositions of our Common Stock held by them immediately after the Merger, except in certain limited circumstances (the "Lock-Up").

In addition, each Restricted Holder has agreed in the Lock-Up Agreement that it will not, for a period of 24 months following the Closing Date, directly or indirectly, effect or agree to effect any short sale (as defined in Rule 200 under Regulation SHO of the Exchange Act), whether or not against the box, establish any "put equivalent position" (as defined in Rule 16a-1(h) under the Exchange Act) with respect to the Common Stock, borrow or pre-borrow any shares of Common Stock, or grant any other right (including, without limitation, any put or call option) with respect to the Common Stock or with respect to any security that includes, relates to or derives any significant part of its value from the Common Stock or otherwise seek to hedge its position in the Common Stock.

Pro Forma Ownership

Immediately after giving effect to (i) the Merger and (ii) the cancellation of 9,854,019 shares in the Split-Off, and (iii) the closing of the Offering, there were 12,131,115 issued and outstanding shares of our Common Stock, as follows:

- The stockholders of Akoustis, Inc., prior to the Merger hold 5,500,006 shares of our Common Stock;
- the stockholders of the Company prior to the Merger hold 3,000,005 shares of our Common Stock;
- a consultant holds 100,000 shares of our Common Stock; and
- investors in the Offering hold 3,531,104 shares of our Common Stock.

In addition,

- the Placement Agents and their sub-agents hold Placement Agent Warrants to purchase 313,510 shares of our Common Stock; and
- the 2015 Plan authorizes issuance of up to 1,200,000 shares of our Common Stock as incentive awards to executive officers, key employees, consultants and directors; options to purchase 160,000 shares of our Common Stock have been granted under the 2015 Plan to date.

See "Description of Securities" below. No other securities convertible into or exercisable or exchangeable for our Common Stock are outstanding.

Our common stock is quoted on the OTC Markets (OTCQB) under the symbol "AKTS," which changed from "DNLX" on May 1, 2015.

Accounting Treatment; Change of Control

The Merger is being accounted for as a "reverse merger," and Akoustis, Inc., is deemed to be the accounting acquirer in the reverse merger for accounting purposes. Consequently, the assets and liabilities and the historical operations that will be reflected in the financial statements prior to the Merger will be those of Akoustis, Inc., and will be recorded at the historical cost basis of Akoustis, Inc., and the consolidated financial statements after completion of the Merger will include the assets and liabilities of Akoustis, Inc., historical operations of Akoustis, Inc., and operations of the Company and its subsidiaries from the closing date of the Merger. As a result of the issuance of the shares of our Common Stock pursuant to the Merger, a change in control of the Company occurred as of the date of consummation of the Merger. Except as described in this Current Report, no arrangements or understandings exist among present or former controlling stockholders with respect to the election of members of our Board of Directors and, to our knowledge, no other arrangements exist that might result in a change of control of the Company.

We continue to be a "smaller reporting company," as defined under the Exchange Act, following the Merger. We believe that as a result of the Merger we have ceased to be a "shell company" (as such term is defined in Rule 12b-2 under the Exchange Act).

DESCRIPTION OF BUSINESS

Immediately following the Merger, the business of Akoustis became our business.

Corporate Information

As described above, we were incorporated in Nevada as Danlax, Corp. on April 10, 2013. Our original business was development and sale of mobile games. Prior to the Merger, our Board determined to discontinue operations in this area and to seek a new business opportunity. As a result of the Merger, we have acquired the business of Akoustis.

Akoustis was incorporated on May 12, 2014, under the laws of the State of Delaware and commenced doing business in North Carolina in May 2014.

Our authorized capital stock currently consists of 300,000,000 shares of the Common Stock, and 10,000,000 shares of the Preferred Stock. Our Common Stock is quoted on the OTC Markets (OTCQB) under the symbol "AKTS," which changed from "DNLX" on May 1, 2015.

Our principal executive offices are located at 9805 Northcross Center Court, Suite H, Huntersville, NC 28078. Our federal Employer Identification Number (EIN) is 33-1229046; the EIN of Akoustis, Inc., is 46-5645617. Our telephone number is 704-997-5735. Our website address is www.akoustis.com. (The information contained on, or that can be accessed through, our website is not a part of this Report.)

"Akoustis™," the Akoustis logo and "Bulk ONE™" are our trademarks. This Report may contain additional trade names, trademarks and/or service marks of other companies. We do not intend our use or display of other companies' trade names, trademarks, or service marks to imply a relationship with these other companies, or endorsement or sponsorship of us by these other companies. Other trademarks appearing in this prospectus are the property of their respective holders.

Glossary

The following is a glossary of technical terms used herein:

- **Acoustic wave**—a mechanical wave that vibrates in the same direction as its direction of travel.
- **Acoustic wave filter**—a electromechanical device that provides radio frequency control and selection, in which an electrical signal is converted into a mechanical wave in a device constructed of a piezoelectric material and then back to an electrical signal.
- **Band, channel or frequency band**—a designated range of radio wave frequencies used to communicate with a mobile device.
- **Bulk acoustic wave (BAW)**—an acoustic wave traveling through a material exhibiting elasticity, typically vertical or perpendicular to the surface of a piezoelectric material.
- **Digital baseband—**the digital transceiver, which includes the main processor for the communication device.
- **Duplexer**—a bi-directional device that connects the antenna to the transmitter and receiver of a wireless device and simultaneously filters both the transmit signal and receive signal.
- **Filter**—a series of interconnected resonators designed to pass (or select) a desired radio frequency signal and block unwanted signals.
- **Group III element nitrides**—single crystal nitride crystal containing at least one element from the Group III metals in the period table (scandium (Sc), yttrium (Y), lanthanum (La) and actinium (Ac)).
- **Monolithic topology**—a description of an electrical circuit whereby all the elements of the circuit are fabricated at the same time using the same process flow.
- **Power Amplifier Duplexer (PAD)**—an RF module containing a power amplifier and duplex filter components for the RF front-end of a smartphone.
- **Piezoelectric materials—**certain solid materials (such as crystals and certain ceramics) that produce a voltage in response to applied mechanical stress, or that deform when a voltage is applied to them.
- **Resonator**—a device whose impedance sharply changes over a narrow frequency range and is characterized by one or more ‘resonance frequency’ due to a standing wave across the resonator’s electrodes. The vibrations in a resonator can be either electromagnetic or mechanical (including acoustic). Resonators are the building blocks for RF filters used in mobile wireless devices.
- **RF—**radio frequency
- **RF front-end**—the circuitries in a mobile device responsible for processing the analog radio signals and is located between the device’s antenna and the digital baseband.
- **Surface acoustic wave (SAW)**—an acoustic wave traveling horizontally along the surface of a material.

Overview

Akoustis™ is an early stage, "fabless" company developing, designing and manufacturing innovative filter products for radio frequency, or RF, front-ends for the mobile wireless device industry. We use a fundamentally new piezoelectric resonator technology that we call Bulk ONE™ in the manufacturing of acoustic resonators, the building blocks of high selectivity "RF" filters required to route signals in a smartphone or other mobile or wearable device. Filters are a critical component of the RF front-end, and their use has multiplied with the launch and licensing of 4G/LTE frequency bands. They are used to define the range of frequencies of radio signals that are transmitted (the "passband") and simultaneously reject unwanted signals. The increasing demand for wireless data and user applications is driving an increase in the number of wireless channels or frequency bands in a single device. Each new band introduced creates an increase in a demand for filters. A high-end smartphone, for example, must filter the transmit and receive paths for 2G, 3G and 4G wireless access methods in up to 15 bands, as well as Wi-Fi, Bluetooth and in some cases GPS. Signals in the receive paths must be isolated from one another. The filters also must reject other extraneous signals from numerous sources. The current approach to RF filter manufacturing utilizes thin-film polycrystalline materials (thin-film bulk acoustic resonators, or "FBARs") with relatively high resistance that dissipate a significant amount of the energy in the signal (referred to as "lossy"), resulting in front-end heat generation and reduced battery life. In order to compensate for such losses, the power amplifier specifications are increased, by as much as a factor of two, which reduces further the battery life and puts more demands on the thermal management of the mobile device.

As the filter count per mobile device increases, these inefficiencies will become more limiting. We plan to use single crystal piezoelectric materials to develop a new class of filters with a fundamental advantage to reduce losses over existing thin film technologies. We have fabricated R&D resonators demonstrating the feasibility of our Bulk ONE technology, and are in the process of transitioning the technology into a production-capable wafer fabrication facility for the ultimate purpose of manufacturing our bulk mode acoustic wave filters. Our business model involves "fabless" manufacturing, meaning that we leverage capital investments and capacity of our strategic partners to manufacture our wafers. Once our technology is qualified for manufacturing, we expect to design and sell single crystal filter products using our Bulk ONE technology.

We believe our technology is disruptive to the RF front-end market through the following expected advantages:

- Lower insertion loss,
- Wider bandwidth coverage,
- Improved power compression and linearity,
- Reduced power amplifier cost,
- Reduced heat generation and reduced battery loading, and
- Reduced guard band between adjacent frequency bands.

Once our Bulk ONE technology is qualified for production, our product focus is on innovative single-band filter products for the growing RF front-end market, which can be used to make duplexer or multiplexer filter products necessary for the Mobile Internet. These products present the greatest near-term potential for commercialization of our technology. According to a McKinsey Global Institute report, the Mobile Internet and the so-called "Internet of Things" (IoT) is one of the twelve potentially economically disruptive technologies with an estimated economic value impact that could be over $25 trillion.

Our Technology

Current RF filters utilize a technology that is limited by the material properties of the base filter component. Existing bulk acoustic wave filters use an "acoustic wave ladder" that is based on a monolithic topology approach using lossy polycrystalline materials. By contrast, our Bulk ONE technology uses a single crystal material, which provides 30% higher piezoelectric properties, compared to conventional polycrystalline materials used in the industry today. We have fabricated R&D resonators that demonstrate the feasibility of our approach and believe our technology will yield a new generation of filter products.

Bulk ONE Technology consists of novel single-crystal piezoelectric materials, which are fabricated into bulk-mode, acoustic wave resonators and RF filters. Our patent-pending piezoelectric materials contain high-purity Group III element nitride materials and possess a unique signature, which can be detected by conventional material metrology tools. We utilize analytical modeling techniques to aid in the design of our materials and our material specifications are typically outsourced to a third party for manufacturing. Once our materials are ready for processing, we supply our wafer manufacturing partner raw materials, a mask design file, and unique process flow in order to fabricate our resonators and filters. Our wafer process flow contains a process module for wafer level packaging (WLP) that allows for low profile, cost effective filters to be produced.

Challenges Faced by the Mobile Device Industry

Rising consumer demand for always-on wireless broadband connectivity is creating an unprecedented need for high performance RF Front End for mobile devices. Mobile devices such as smartphones and tablets are quickly driving the Internet of Things (IoT). The rapid growth in mobile data traffic is testing the limits of existing wireless bandwidth. Carriers and regulators have responded by opening new swaths of RF spectrum, driving up the number of frequency bands in mobile devices. This substantial increase in frequency bands has created a demand for more filters, as well as a demand for filters with higher selectivity. The global transition to LTE and adoption of LTE-Advanced with more sophisticated carrier aggregation and multiple-input, multiple-output (MIMO) techniques will continue to push the requirements for increased supply of high performance filters.

Furthermore, the new spectrum introduced by 4G/LTE is driving licensing at higher frequencies than previous 3G smartphone models. For example, new TDD LTE frequencies allocated for 4G wireless cover frequencies nearly twice has high as covered in previous generation phones. As a result, the demand for high frequency or "high band" filters has exploded according a Mobile Experts 2014 report. For traditional "low band" frequencies, SAW filters have been the primary choice, while high band solutions have utilized BAW filters due to their performance and yield. While there are multiple sources of supply for SAW technology, the source of supply for BAW filters is more limited and essentially dominated by two manufacturers worldwide.

The first problem is that signal loss of current generation acoustic wave filters is excessively high, and up to half of the transmit power is wasted as heat, which ultimately constrains battery life. In addition, filters with inferior selectivity either reduce the available operating bands the mobile device can support or increase the noise in the operating bands. Each of these problems negatively impacts the end-user's experience when using the mobile device.

Our Solutions

Our immediate focus is on the commercialization of filters using our Bulk ONE technology. We believe these filters enable new PAD module or RF Front-end competition for high band modules as well as performance-driven low band applications. Initially, we expect to target select strategic market leaders as well as Tier 2 mobile wireless module suppliers. Longer term, our focus will be to expand our market share by engaging with multiple module manufacturers. We are currently partnering with a wafer manufacturer to commercialize our first filters using our Bulk ONE technology. This will be the first in a series of R&D activities that will set the foundation for filter products that we believe can disrupt the high band filter market. We will develop a series of filter designs used in the manufacturing of duplexers or more complex multiplexers targeting the 4G/LTE frequency bands. We believe our filter designs will create an alternative and replace filters currently manufactured using materials with fundamentally inferior performance.

Our Business Model

We will provide filters to the market through the manufacturing of our product using a "fabless" outsourced manufacturing model. By leveraging the existing manufacturing capacity of our partner, we will operate a capital-efficient business. Our target customers will be those companies that make part of or the entire RF front-end module. We expect sales of our filters to RF front-end module manufacturers will be the source of our revenue. We will principally provide design and development resources and manage our outsourced partners to support our product realization process. There are two companies specializing in manufacturing of BAW filters that dominate this market. See "Competition" below. We believe our Bulk ONE technology provides a competitive filter alternative and that there will be factors creating significant barriers to entry for potential additional competitors:

- Our growing portfolio of intellectual property (see "Intellectual Property" below);
- Our highly experienced leadership and technical team; and
- Being first to market with a competitive filter alternative.

Our History

Akoustis was founded in 2014 by experienced industry leaders and scientists from University of California at Santa Barbara (UCSB) and Cornell University. Our initial funding was through a $0.5 million series seed funding in 2014, and we received $655,000 in additional investments in convertible notes and stock by the founders and original angel investors in March and April 2015. We received a National Science Foundation ("NSF") Small Business Innovation Research ("SBIR") grant that started in January 2015. In addition, we received matching funds from North Carolina Science, Technology & Innovation Department of Commerce. The funds from these sources have supported the operations of Akoustis. Akoustis has used these funds to finance the completion of multiple key milestones. These milestones include the application for seven patents with over 200 claims, hiring of key personnel, the engagement with a foundry prototype facility for the development of a single crystal resonator demonstrator, initiation of SBIR activities that include modeling to design evaluation deliverables, and the engagement and securing of strategic partners for the supply and fabrication of the filters using our Bulk ONE technology.

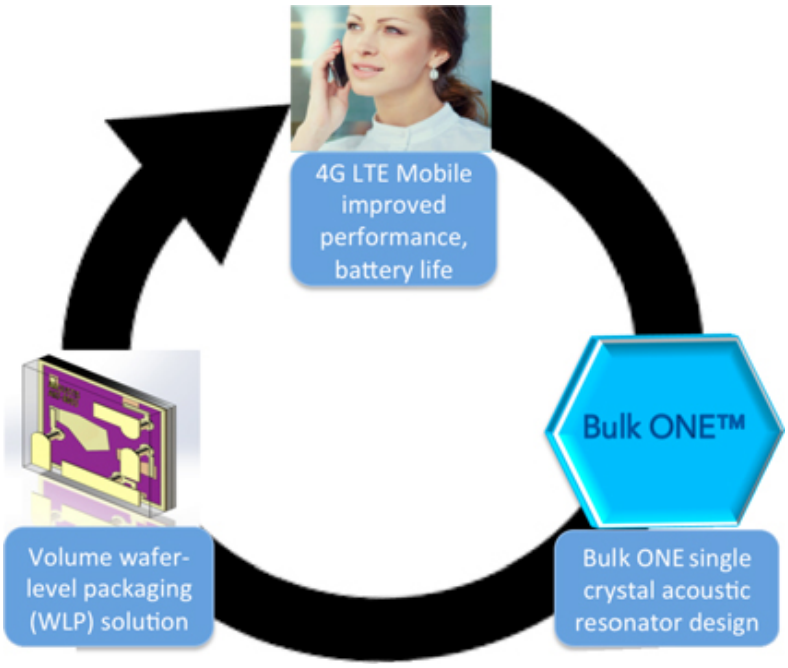
The Mobile Internet

Rising consumer demand for always-on wireless broadband connectivity is creating an unprecedented need for high performance RF front-ends for mobile devices. Mobile devices such as smartphones and tablets are quickly becoming the primary means of accessing the Internet. The exponential growth in mobile data traffic is testing the limits of existing wireless bandwidth. Carriers and regulators have responded by opening new RF spectrum, driving up the number of frequency bands in mobile devices. As a prime example, a Presidential directive was issued in 2010 to the FCC and other agencies to make available an additional 500 MHz of RF spectrum to meet the growing demand in the United States. Similar initiatives are occurring worldwide. Adding RF spectrum is not a complete solution. The added spectrum does not come in large contiguous blocks, but rather in small channels or bands of varying size and frequency. Thus, more data means more bands, and the result is a rapid and substantial increase in the number of filters in mobile devices.

The Challenge

Moore's Law predicts that transistor density on integrated circuits will double approximately every two years, and the digital baseband of mobile devices has improved exponentially as predicted by Moore's Law. However, improvements to the analog RF front-end have been limited by existing filter technology, with only incremental updates to existing technology. Consequently, the RF front-end is taking up an ever-growing share of the total cost of mobile devices. Most mobile devices sold today operate on "fourth generation" wireless technology, or 4G. There are nearly fifty 4G bands recognized worldwide today, and the list is growing. The RF front-end must meet these growing data demands while reducing cost and improving battery life. Our solution involves a new approach to RF component manufacturing, enabled by Bulk ONE technology. Our technology will produce filters that will reduce the overall system cost and improve performance of the RF front-end.

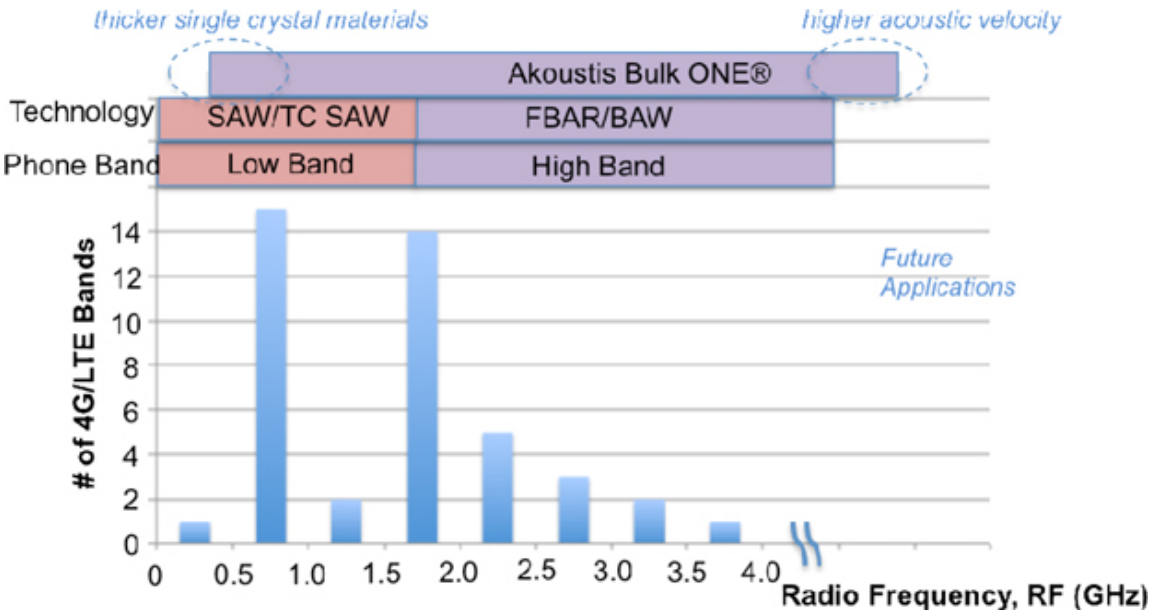
Figure 1—Our Solution



Single-Band Designs for Duplexers and Multiplexers

SAW filters have been preferred in modern RF front-ends because of their high performance, small size and low cost. However, traditional SAW ladder designs do not perform well in high frequency bands or bands with closely spaced receive and transmit channels, typical of many new bands. Therefore, larger BAW filters are needed for these bands. We have demonstrated in a development environment our ability to fabricate BAW resonators, the building block of BAW filters, that are more efficient than existing available BAW resonators, and we believe the improved efficiency will reduce the total cost of RF front-ends as well as reduce the battery demand for mobile devices. Additionally, we believe that our Bulk ONE filters will allow for a single manufacturing method that will support all of the BAW filter band range and a significant portion of the SAW band range. Figure 2 below illustrates what we believe will be the frequency range of our Bulk ONE technology.

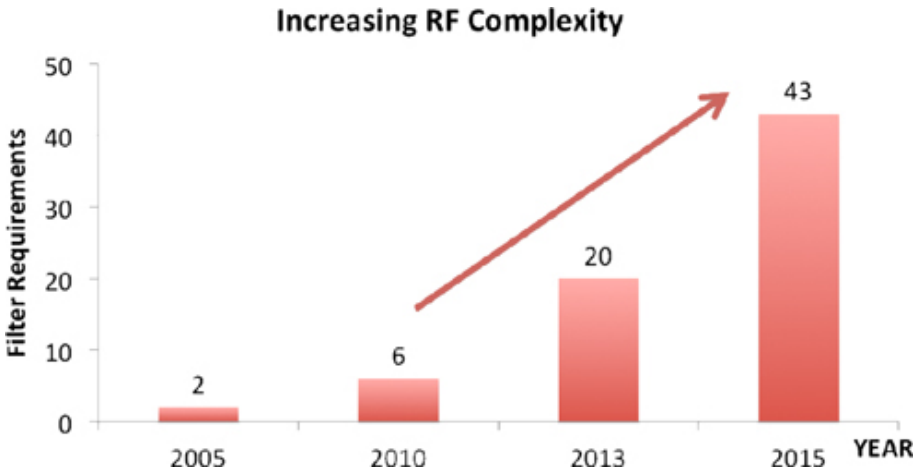
Figure 2— The potential range of our technology



Pure-Play Filter Provider Enables New Module Competition

Our technology allows for a wide range of frequency coverage, and we plan to supply filters that will support 4G/LTE and beyond. We have successfully demonstrated resonators that will support the design and fabrication of 4G/LTE filters, and our current focus is on completing the development required to transition this single-crystal BAW technology to high volume manufacturing. We will be a pure-play filter supplier that will address the increasing RF complexity placed on RF front-end manufacturers supporting 4G/LTE.

Figure 3— Projected Growth (Source: Ericsson)



Commercialization

Our immediate focus is to address problems in the RF front-end with innovative single-band designs using our Bulk ONE technology. We are currently developing our first commercial single-band filter in collaboration with a manufacturing partner, Global Communication Semiconductors, LLC ("GCS"), under the terms of a signed development agreement. Both parties are focused on developing fixed-band filters because we believe these designs present the greatest near-term potential for commercialization of our technology, and that once demonstrated, there is a shorter learning curve for having the foundry ready for production.

The development agreement with GCS contains the following milestones:

- Milestone 1 (Manufacturing Partner Gap Analysis)—Validate required materials, people, process and equipment are present for volume manufacturing.
- Milestone 2 (Process Transfer to Foundry Partner)—Design of filters, technology transfer and fabrication on GCS's high-volume manufacturing equipment, fully tested wafers, and delivery of prototypes.
- Milestone 3 (Complete Filter Process Capability)—Update design with process feedback, fabricate multiple wafers using the approved manufacturing process flow, fully tested wafers, calculated yield and delivery of initial product.
- Milestone 4 (Production-Ready Filter Design)—Filter design complete, manufacturing process locked, product fully packaged and ready for production, focus shift to revenue generation from filter sales.

Milestone 1 is complete. Management expects to complete work on Milestone 2 before the end of June 2016, at which time we plan to commence work on Milestone 3, with an expected completion by September 2016. We expect to generate revenue from the sale of our filters in early 2017 after completion of Milestone 4, which we currently target by end of 2016.

Research and Development

Since inception, the Company's focus has been on developing an innovative mobile-wireless filter technology with a compelling value proposition to our potential customers and a significant and noticeable impact to the end user.

Whereas today's amorphous material is sputtered on a metal-coated carrier, our Bulk ONE technology employs high quality, single crystal resonator films, which are used as the enabler to create high performance bulk acoustic wave (BAW) filters. This single crystal material is a key differentiator when compared to the incumbent amorphous thin-film technologies, because it increases the acoustic velocity and the electromechanical coupling coefficient in the resonator, which results in higher filter efficiencies and lower power consumption – which leads to simplified RF front-ends, longer battery life and reduced tissue heating. Our investment during our last fiscal year totaled $0.24M and was focused on single crystal material development and resonator demonstration. Current R&D investments include single crystal materials advancement, technology transfer to our manufacturing partner and resonator development and filter design.

Intellectual Property

We rely on a combination of intellectual property rights, including patents, know-how and trade secrets, along with copyrights, trademarks and contractual obligations and restrictions to protect our core technology and business.

We currently have seven pending patent applications in the United States and intend to file for protection internationally. The patent applications tie directly to our single-crystal bulk acoustic wave (BAW) technology, including materials and device designs, methods of manufacture, integrated circuit designs, wafer packaging, and point of use (to include mobile applications). The Company will continue to innovate and expand our patent portfolio, and when appropriate, we will look to purchase license(s) that grant access to additional intellectual property that enables, enhances or further expands our technical capabilities and/or product offerings.

We believe that it is likely that Akoustis will have competitive advantages from rights granted under our patent applications. Such applications, however, may not result in the issuance of any patents. In addition, any future patent may be opposed, contested, circumvented or designed around by a third party or found to be unenforceable or invalidated. Others may develop technologies that are similar or superior to our proprietary technologies, duplicate our proprietary technologies or design around patents owned or licensed by us.

We generally control access to, and use of, our confidential information through the use of internal and external controls, including contractual protections with employees, contractors and customers. We rely in part on the United States and international copyright laws to protect our intellectual property. All employees and consultants are required to execute confidentiality agreements in connection with their employment and consulting relationships with us. We also require them to agree to disclose and assign to us all inventions conceived or made in connection with the employment or consulting relationship.

Despite our efforts to protect our intellectual property, unauthorized parties may still copy or otherwise obtain and use our software, technology or other information that we regard as confidential and proprietary. In addition, we intend to expand our international presence, and effective patent, copyright, trademark and trade secret protection may not be available or may be limited in foreign countries.

The semiconductor industry is characterized by vigorous protection and pursuit of intellectual property rights and positions, which has resulted in protracted and expensive litigation for many companies. Although we have not received any third party claims, we expect that in the future we may receive communications from various industry participants alleging our infringement of their patents or other intellectual property rights. Any lawsuits could subject us to significant liability for damages, invalidate our proprietary rights and harm our business and our ability to compete. Any litigation, regardless of success or merit, could cause us to incur substantial expenses, reduce our sales and divert the efforts of our technical and management personnel. In the event we receive an adverse result in any litigation, we could be required to pay substantial damages, seek licenses from third parties, which may not be available on reasonable terms or at all, cease the sale of products, expend significant resources to develop alternative technology or discontinue the use of processes requiring the relevant technology.

Akoustis™ and Bulk ONE™ are trademarks of Akoustis, Inc.

Competition

The competitive landscape for the Company is small and is controlled by handful of RF component suppliers. These companies include, among others, Avago Technologies Limited, Murata Manufacturing Co., Ltd., Qorvo, Inc., Skyworks Solutions Inc., Taiyo Yuden, and TDK Epcos. Two of these companies dominate the high band filter market, controlling a significant portion of the customer base and are increasing capacity to meet the growth demands of the 4G/LTE market.

We will compete directly with them to secure design slots inside RF front-end modules – targeting companies that procure filters or have captive sources. We believe that our filter designs will be superior in performance and will approach perspective customers as pure-play filter supplier – offering advantages in performance, over the full frequency range, with competitive costs. Our challenge will be to convince the companies that we have a strong intellectual property position, that we will be able to ramp in volume, that we will meet their price targets, and that we can satisfy reliability requirements.

Employees

We have put a premium on hiring the best talent at the right time to enable our core technology and business growth. This includes establishing a competitive compensation and benefits package – enhancing our ability to recruit experienced personnel and key technologists. We currently have 10 full-time employees plus 10 independent contractors working with the Company, and we will continue to hire specific and targeted positions to further enable our technology and manufacturing capabilities.

Properties

Our headquarters in Huntersville, NC, is a 4,800 square foot facility that we lease for $4,596 per month, with a term expiring in April 2018. We believe that our facilities are sufficient to meet our current needs, and we will look for suitable expansion as and when needed.

RISK FACTORS

AN INVESTMENT IN OUR SECURITIES IS HIGHLY SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK. WE FACE A VARIETY OF RISKS THAT MAY AFFECT OUR OPERATIONS OR FINANCIAL RESULTS AND MANY OF THOSE RISKS ARE DRIVEN BY FACTORS THAT WE CANNOT CONTROL OR PREDICT. BEFORE INVESTING IN THE SECURITIES YOU SHOULD CAREFULLY CONSIDER THE FOLLOWING RISKS, TOGETHER WITH THE FINANCIAL AND OTHER INFORMATION CONTAINED IN THIS REPORT. IF ANY OF THE FOLLOWING RISKS ACTUALLY OCCURS, OUR BUSINESS, PROSPECTS, FINANCIAL CONDITION AND RESULTS OF OPERATIONS COULD BE MATERIALLY ADVERSELY AFFECTED. IN THAT CASE, THE TRADING PRICE OF OUR COMMON STOCK WOULD LIKELY DECLINE AND YOU MAY LOSE ALL OR A PART OF YOUR INVESTMENT. ONLY THOSE INVESTORS WHO CAN BEAR THE RISK OF LOSS OF THEIR ENTIRE INVESTMENT SHOULD CONSIDER AN INVESTMENT IN OUR SECURITIES.

THIS REPORT CONTAINS CERTAIN STATEMENTS RELATING TO FUTURE EVENTS OR THE FUTURE FINANCIAL PERFORMANCE OF OUR COMPANY. PROSPECTIVE INVESTORS ARE CAUTIONED THAT SUCH STATEMENTS ARE ONLY PREDICTIONS AND INVOLVE RISKS AND UNCERTAINTIES, AND THAT ACTUAL EVENTS OR RESULTS MAY DIFFER MATERIALLY. IN EVALUATING SUCH STATEMENTS, PROSPECTIVE INVESTORS SHOULD SPECIFICALLY CONSIDER THE VARIOUS FACTORS IDENTIFIED IN THIS REPORT, INCLUDING THE MATTERS SET FORTH BELOW, WHICH COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE INDICATED BY SUCH FORWARD-LOOKING STATEMENTS.

If any of the following or other risks materialize, the Company's business, financial condition, and results of operations could be materially adversely affected which, in turn, could adversely impact the value of our Common Stock. In such a case, investors in our Common Stock could lose all or part of their investment.

Prospective investors should consider carefully whether an investment in the Company is suitable for them in light of the information contained in this Report and the financial resources available to them. The risks described below do not purport to be all the risks to which the Company or the Company could be exposed. This section is a summary of certain risks and is not set out in any particular order of priority. They are the risks that we presently believe are material to the operations of the Company. Additional risks of which we are not presently aware or which we presently deem immaterial may also impair the Company's business, financial condition or results of operations.

Risks Related to our Business and the Industry in Which We Operate

We have a limited operating history upon which investors can evaluate our business and future prospects.

We are an early stage company that has not yet begun any commercial operations. Historically, we have been a shell company with no operating history and no assets other than cash. Upon consummation of the Merger with Akoustis, we redirected our business focus towards the development of advanced single crystal bulk acoustic wave filter products for RF front-ends for use in mobile wireless device industry. Although Akoustis since its inception focused its activity on research and development ("R&D") of high efficiency acoustic wave resonator technology utilizing single crystal piezoelectric materials, this technology has not yet obtained marketing approval or been verified in commercial manufacturing, and its RF filters have not generated any sales.

Since our potential customers and future demand for our products are based on estimates of planned operations rather than experience, it is difficult for our management and our investors to accurately forecast and evaluate our future prospects and our revenues. Our proposed operations are therefore subject to all of the risks inherent in light of the expenses, difficulties, complications and delays frequently encountered in connection with the formation of any new business, the development of a product, as well as those risks that are specific to our business in particular. An investment in an early stage company such as ours involves a degree of risk, including the possibility that entire investment may be lost. The risks include, but are not limited to, the possibility that following the Merger, we will not be able to develop functional and scalable products, or that although functional and scalable, our products and/or services will not be accepted in the market. To successfully introduce and market our products at a profit, we must establish brand name recognition and competitive advantages for our products. There are no assurances that the Company can successfully address these challenges. If it is unsuccessful, the Company and its business, financial condition and operating results will be materially and adversely affected.

We may not generate revenues or achieve profitability.

We have incurred operating losses since our inception and expect to continue to have negative cash flow from operations. We have never generated any revenues; our only income has been from R&D grants. We experienced net losses of approximately $0.44 million for the period from May 12, 2014 (inception) to March 31, 2015. We have accumulated losses to date of approximately $0.5 million. Our future profitability will depend on our ability to create a sustainable business model and generate revenues, which is subject to a number of factors, including our ability to successfully implement our strategies and execute our R&D plan, our ability to implement our improved design and cost reductions into manufacturing of our RF filters, the availability of funding, market acceptance of our products, consumer demand for end products incorporating our products, our ability to compete effectively in a crowded field, our ability to respond effectively to technological advances by timely introducing our new technologies and products and global economic and political conditions.

Our future profitability also depends on our expense levels, which are influenced by a number of factors, including the resources we devote to developing and supporting our projects and potential products, the continued progress of our research and development of potential products, our ability to improve research and development efficiencies, license fees or royalties we may be required to pay, and the potential need to acquire licenses to new technology, the availability of intellectual property for licensing or acquisition, or to use our technology in new markets, which could require us to pay unanticipated license fees and royalties in connection with these licenses.

Our development and commercialization efforts may prove more expensive than we currently anticipate, and we may not succeed in increasing our revenues to offset higher expenses. These expenses, among other things, may cause our net income and working capital to decrease. If we fail to generate revenue and manage our expenses, we may never achieve profitability, which would adversely and materially affect our ability to provide a return to our investors

The industry and the markets in which the Company operates are highly competitive and subject to rapid technological change.

The markets in which we intend to compete are intensely competitive. We will operate primarily in the industry that designs and produces semiconductor components for wireless communications and other wireless devices, which is subject to rapid changes in both product and process technologies based on demand and evolving industry standards. The intended markets for our products are characterized by:

- rapid technological developments and product evolution,

- rapid changes in customer requirements,
- frequent new product introductions and enhancements,
- continuous demand for higher levels of integration, decreased size and decreased power consumption,
- short product life cycles with declining prices over the life cycle of the product, and
- evolving industry standards.

The continuous evolutions of these technologies and frequent introduction of new products and enhancements have generally resulted in short product life cycles for wireless semiconductor products, in general, and for RF front-end products, in particular. Our products could become obsolete or less competitive sooner than anticipated because of a faster than anticipated change in one or more of the above-noted factors. Therefore, in order for our RF filters to be competitive and achieve market acceptance, we need to keep pace with rapid development of new process technologies, which requires us to:

- respond effectively to technological advances by timely introducing our new technologies and products,
- successfully implement our strategies and execute our R&D plan in practice,
- improve the efficiency of our technology,
- implement our improved design and cost reductions into manufacturing of our RF filters.

Our products may not be accepted in the market.

Although we believe that our Bulk ONE acoustic wave resonator technology that utilizes single crystal piezoelectric materials will provide material advantages over existing RF filters and are currently developing various methods of integration suitable for implementation of this technology to RF filters, we cannot be certain that our RF filters will be able to achieve or maintain market acceptance. While we have fabricated R&D resonators that demonstrate the feasibility of our Bulk ONE technology, we are still in the process of transitioning this technology into a production-capable wafer fabrication facility for manufacturing of our RF filters, and this technology is not verified yet in practice or on a commercial scale. There are also no records that can demonstrate our ability to successfully overcome many of the risks and uncertainties frequently encountered by companies in new and rapidly evolving fields. In addition to our limited operating history, we will depend on a limited number of manufacturers and customers for a significant portion of our revenue in the future. Each of these factors may adversely affect our ability to implement our business strategy and achieve our business goals.

The successful development of our Bulk ONE technology following the Merger and market acceptance of our RF filters will be highly complex and will depend on the following principal competitive factors, including our ability to:

- comply with industry standards and effectively compete against current technology for producing RF acoustic wave filters,
- differentiate our products from offerings of our competitors by delivering RF filters that are higher in quality, reliability and technical performance,

- anticipate customer and market requirements, changes in technology and industry standards and timely develop improved technologies that meet high levels of satisfaction of our potential customers,

- maintain, grow and manage our internal teams to the extent we increase our operations and develop new segments of our business,

- develop and maintain successful collaboration, strategic, and other relationships with our manufacturers, customers and contractors,

- protect, develop or otherwise obtain adequate intellectual property for our technology and our filters; and

- obtain strong financial, sales, marketing, technical and other resources necessary to develop, test, manufacture, commercialize and market our filters.

If we are unsuccessful in accomplishing these objectives, we may not be able to compete successfully against current and potential competitors. As a result, our Bulk ONE technology and our RF filters may not be accepted in the market and we may never attain profitability.

We will face intense competition, which may cause pricing pressures, decreased gross margins and loss of market share and may materially and adversely affect our business, financial condition and results of operations.

We will compete with U.S. and international semiconductor manufacturers and fabless mobile semiconductor companies of all sizes in terms of resources and market share, some of whom have significantly greater financial, technical, manufacturing and marketing resources than we do. We expect competition in our markets to intensify, as new competitors enter the RF component market, existing competitors merge or form alliances, and new technologies emerge. Our competitors may introduce new solutions and technologies that are superior to our BAW technology, are verified on a commercial scale, and have achieved widespread market acceptance. Certain of our competitors may be able to adapt more quickly than we can to new or emerging technologies and changes in customer requirements or may be able to devote greater resources to the development, promotion and sale of their products than we can. This implementation may require us to modify the manufacturing process for our filters, design new products to more stringent standards, and redesign some existing products, which may prove difficult for us and result in delays in product deliveries and increased expenses.

Increased competition could also result in pricing pressures, declining average selling prices for our RF filters, decreased gross margins and loss of market share. We will need to make substantial investments to develop these enhancements and technologies, and we cannot assure investors that we will have funds available for these investments or that these enhancements and technologies will be successful. If a competing technology emerges that is, or is perceived to be, superior to our existing technology and we are unable to adapt to these changes and to compete effectively, our market share and financial condition could be materially and adversely affected, and our business, revenue, and results of operations could be harmed.

Changes in general economic conditions, together with other factors, cause significant upturns and downturns in the industry, and our business, therefore, may also experience cyclical fluctuations in the future.

From time to time, changes in general economic conditions, together with other factors, may cause significant upturns and downturns in the semiconductor industry. These fluctuations are due to a number of factors, many of which are beyond our control:

- levels of inventory in our end markets,
- availability and cost of supply for manufacturing of our RF filters using our design,
- changes in end-user demand for the products manufactured with our technology and sold by our customers,
- industry production capacity levels and fluctuations in industry manufacturing yields,
- market acceptance of our customers' products that incorporate our RF filters,
- the gain or loss of significant customers,
- the effects of competitive pricing pressures, including decreases in average selling prices of our RF filters,
- new product and technology introductions by competitors,
- changes in the mix of products produced and sold, and
- intellectual property disputes.

As a result, the demand for our products can change quickly and in ways we may not anticipate, and our business, therefore, may also experience cyclical fluctuations in the future operating results. In addition, future downturns in the electronic systems industry could adversely impact our revenue and harm our business, financial condition and results of operations.

If we are unable to attract and retain qualified personnel to contribute to the development, manufacture and sale of our products, we may not be able to effectively operate our business.

As the source of our technological and product innovations, our key technical personnel represent a significant asset. We believe that our future success is highly dependent on the continued services of our current key officers, employees, and Board members, as well as our ability to attract and retain highly skilled and experienced technical personnel. The loss of their services could have a detrimental effect on our operations. Specifically, the loss of the services of Jeffrey Shealy, our President and CEO, Prof. Steve Denbaars, our director, Mark Boomgarden, our Vice President of Operations, David Aichele, our Vice President of Business Development, Prof. James Shealy, the Chair of our Scientific Advisor Board, Cindy Payne, our Chief Financial Officer, Richard Ogawa, our Patent Counsel, any major change in our Board or management, or our inability to attract, retain and motivate qualified personnel could have a material adverse effect on our ability to operate our business. The competition for management and technical personnel is intense in the wireless semiconductor industry, and therefore we cannot assure you that we will be able to attract and retain qualified management and other personnel necessary for the design, development, manufacture and sale of our products.

We expect to substantially rely on third parties to manufacture our RF filters.

We employ a "fabless" business strategy, meaning that we do not own a semiconductor fabrication facility, or fab, and do not currently have, nor do we plan to acquire, the infrastructure or capability internally, such as our own manufacturing facilities, to manufacture our wafers and our filters for use in the conduct of commercial quantities. Instead, we leverage capital investments and capacity of manufacturers to fabricate our wafers. Therefore, success of implementation of our single-crystal BAW technology for manufacturing our RF filters and its commercial production will substantially depend upon our ability to develop, maintain and expand our strategic relationships with manufacturers that will fabricate wafers using our design and incorporate them into their products. Any impairment in our relationship with these manufacturers could have a material adverse effect on our business, results of operations, cash flow and financial condition. Although we have entered into a joint development agreement and a foundry agreement with Global Communication Semiconductors, LLC ("GCS"), and may explore other plans to enter into agreements with more manufacturers, to fabricate our RF filters for R&D and for commercial sales, there can be no assurance that we will be able to retain those relationships on commercially reasonable terms, if at all. Since we expect to depend upon one or a limited number of these manufacturers for a signification portion of our revenue in the future, we could experience delays in the launch and commercial productions of our RF filters if we are unable to maintain those relationships.

Reliance on a limited number of manufacturers also may expose us to the following risks:

- We may be unable to identify manufacturers on acceptable terms, or at all, because the number of potential manufacturers is limited. In addition, a new manufacturer would have to be educated in, or develop substantially equivalent processes for manufacturing of our wafers.

- Our manufacturers might be unable to formulate and manufacture wafers in the volume and of the quality required to meet demands of our R&D and commercial needs.

- Our future manufacturers may not perform as contractually agreed or may not remain in the manufacturing business for the time required to successfully produce, store and distribute our products.

- Since our filters are not sold directly to the end-user, but are components of other products, we highly depend upon selection of our design and technology by these manufacturers from among alternative offerings and including and incorporating our filters into their final product.

Each of these risks could delay the commercialization of our RF filters and its market acceptance or result in higher costs or deprive us of potential product revenues.

We rely on our independent contractors in adequately performing their contractual obligations, meeting expected deadlines and applicable regulatory requirements

We depend on our independent contractors to adequately perform a substantial part of our projects and successfully carry their contractual duties and obligations. However, these contractors may not assign as a great priority a process of developing of our technology in accordance with our levels of quality control or meet expected deadlines, may not devote sufficient time to develop our technology, or may not pursue their contractual obligations as diligently as we would if we were undertaking such activities ourselves. They may also establish relationships with other commercial entities, some of whom may compete with us. If our contractors assist our competitors to our detriment, our competitive position would be harmed. If our independent contractors fail to perform their contractual duties at acceptable quality levels or meet expected deadlines, if they need to be replaced, or if the quality or accuracy of the data they obtain is compromised due to a failure to adhere to our protocols, legal and regulatory requirements or for other reasons, the development and commercialization of our filters could be stopped, delayed, or made less profitable. As a result, our operations and the commercial prospects for marketing of our RF filters would be harmed, our costs could increase, and our ability to generate revenues could be delayed.

Product defects could adversely affect the results of our operations and may expose us to product liability claims.

The fabrication of the RF filters is a complex and precise process. While we intend to supply design and to monitor fabrication of our RF filters by our manufacturers, we may not be able to monitor their quality control, their quality assurance and their qualified personnel. If any of our manufacturers fail to successfully manufacture wafers that conform to our design specifications and the strict regulatory requirements of the Federal Communications Commission ("FCC"), it may result in substantial risk of undetected flaws in components or other materials used by our manufacturers during fabrication of our filters and could lead to product defects and costs to repair or replace these parts or materials. Any such failure by our manufacturers would significantly impact our ability to develop and implement our technology and to improve performance of our RF filters. Our inability to timely find a substitute manufacturer that can comply with such requirements could result in significant costs, as well as negative publicity and damage to our reputation that could reduce demand for our products.

We also could be subject to product liability lawsuits if the wireless devices containing our RF filters cause injury. Recently interest groups have requested that the FCC investigate claims that wireless communications technologies pose health concerns and cause interference with airbags, hearing aids and medical devices. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the product or inadequate disclosure of risks related to the use of our product, negligence, strict liability and a breach of warranties. Claims could also be asserted under state consumer protection acts.

If we are unable to establish effective marketing and sales capabilities or enter into agreements with third parties to market and sell our RF filters, we may not be able to effectively generate product revenues.

We have no experience selling, marketing or distributing products and currently have no internal marketing and sales force. In order to launch and commercialize our technology and our RF filters, we must build on a territory-by-territory basis marketing, sales, distribution, managerial and other non-technical capabilities or make arrangements with third parties to perform these services, and we may not be successful in doing so. Therefore, we may choose to collaborate, either globally or on a territory-by-territory basis, with third parties that have direct sales forces and established distribution systems, either to augment our own sales force and distribution systems or in lieu of our own sales force and distribution systems. If so, our success will depend, in part, on our ability to enter into and maintain collaborative relationships for such capabilities, such collaborator's strategic interest in the products under development and such collaborator's ability to successfully market and sell any such products.

If we are unable to enter into such arrangements when needed on acceptable terms or at all, we may not be able to successfully commercialize our filters. Further, to the extent that we depend on third parties for marketing and distribution, any revenues we receive will depend upon the efforts of such third parties, and there can be no assurance that such efforts will be successful. If we decide in the future to establish an internal sales and marketing team with technical expertise and supporting distribution capabilities to commercialize our RF filters, it could be expensive and time consuming and would require significant attention of our executive officers to manage. We may also not have sufficient resources to allocate to the sales and marketing of our filters. Any failure or delay in the development of sales, marketing and distribution capabilities, either through collaboration with one or more third parties or through internal efforts, would adversely impact the commercialization of any of our products that we obtain approval to market. As a result, our future product revenue would suffer and we may incur significant additional losses.

Risks Related to Our Intellectual Property

If we fail to obtain, maintain and enforce our intellectual property rights, we may not be able to prevent third parties from using our proprietary technologies and may lose access to technologies critical to our products.

Our long-term success largely depends on our ability to market technologically competitive products which, in turn, largely depends on our ability to obtain and maintain adequate intellectual property protection and to enforce our proprietary rights without infringing the proprietary rights of third parties. While we rely upon a combination of our patent applications currently pending with the United State Patent and Trademark Office ("USPTO"), our trademarks, copyrights, trade secret protection and confidentiality agreements to protect the intellectual property related to our technologies, there can be no assurance that

- our currently pending or future patent applications will result in issued patents,
- our limited patent portfolio will provide adequate protection to our core technology,
- we will succeed in protecting our technology adequately in all key jurisdictions, or
- we can prevent third parties from disclosure or misappropriation of our proprietary information which could enable competitors to quickly duplicate or surpass our technological achievements, thus eroding any competitive advantage we may derive from the proprietary information.

We have a limited number of patent applications which may not result in issued patents.

We have seven pending patent applications in the United States; however, there is no assurance that any of these applications or our future patent applications will result in patents being issued, or that any patents that may be issued as a result of existing or future applications will provide meaningful protection or commercial advantage to us.

The process of seeking patent protection in the United States and abroad can be long and expensive. Since patent applications in the United States and most other countries are confidential for a period of time after filing, we cannot be certain at the time of filing that we are the first to file any patent application related to our single crystal acoustic wave filter technology. In addition, patent applications are often published as part of the patent application process, even if such applications do not issue as patents. When published, such applications will become publicly available, and proprietary information disclosed in the application will become available to others. While at present we are unaware of competing patent applications, competing applications could potentially surface.

Even if all of our pending patent applications are granted and result in registration of our patents, we cannot predict the breadth of claims that may be allowed or enforced, or that the scope of any patent rights could provide a sufficient degree of protection that could permit us to gain or keep our competitive advantage with respect to these products and technologies. For example, we cannot predict:

- the degree and range of protection any patents will afford us against competitors, including whether third parties will find ways to make, use, sell, offer to sell or import competitive products without infringing our patents;
- if and when patents will be issued;
- if third parties will obtain patents claiming inventions similar to those covered by our patents and patent applications;

- if third parties have blocking patents that could be used to prevent us from marketing our own patented products and practicing our own technology; or

- whether we will need to initiate litigation or administrative proceedings (e.g. at the USPTO) in connection with patent rights, which may be costly whether we win or lose.

As a result, the patent applications we own may fail to result in issued patents in the United States. Third parties may challenge the validity, enforceability or scope of any issued patents or issued to us in the future, which may result in those patents being narrowed, invalidated or held unenforceable. Even if they are unchallenged, our patents and patent applications may not adequately protect our intellectual property or prevent others from developing similar products that do not infringe the claims made in our patents. If the breadth or strength of protection provided by the patents we hold or pursue is threatened, we may not be able to prevent others from offering similar technology and products in the RF front-ends mobile market and our ability to commercialize our RF filters with technology protected by those patents could be threatened.

We have not yet applied for any patents outside of the United States, which may significantly limit our ability to prevent misappropriation of our proprietary information or infringement of our intellectual property rights in countries outside of the United States where our filters may be sold in the future. If we file foreign patent applications related to our pending U.S. patent applications or to our issued patents in the United States, if any, these applications may be contested and fail to result in issued patents outside of the United States or we will be required to narrow our claims. Even if some or all of our patent applications are granted outside of the United States and resulted in the issued patents, effective enforcement of rights granted by these patents in some countries may not be available due to the differences in foreign patent and other laws concerning intellectual property rights, a relatively weak legal regime protecting intellectual property rights in these countries, and because it is difficult, expensive and time-consuming to police unauthorized use of our intellectual property when infringers are overseas. This failure to obtain or maintain adequate protection of our intellectual property rights outside of the United States could have a materially adverse effect on our business, results of operations and financial conditions.

We may be involved in lawsuits to protect or enforce our patents, which could be expensive, time-consuming and unsuccessful.

Competitors may infringe our patents or the patents of our potential licensors. To attempt to stop infringement or unauthorized use, we may need to file infringement claims, which can be expensive and time consuming and distract management.

If we pursue any infringement proceeding, a court may decide that a patent of ours or our licensors is not valid or is unenforceable, or may refuse to stop the other party from using the relevant technology on the grounds that our patents do not cover the technology in question. Additionally, any enforcement of our patents may provoke third parties to assert counterclaims against us. Some of our current and potential competitors have the ability to dedicate substantially greater resources to enforcing their intellectual property rights than we have. Moreover, the legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of patents, which could reduce the likelihood of success of, or the amount of damages that could be awarded resulting from, any infringement proceeding we pursue in any such jurisdiction. To date, we have not filed any patent applications in jurisdictions other than the United States. An adverse result in any infringement litigation or defense proceedings could put one or more of our patents at risk of being invalidated, held unenforceable, or interpreted narrowly and could put our patent applications at risk of not issuing, which could limit the ability of our filters to compete in those jurisdictions.

Interference proceedings provoked by third parties or brought by the USPTO to determine the priority of inventions with respect to our patents or patent applications. An unfavorable outcome could require us to cease using the related technology or to attempt to license rights to use it from the prevailing party. Our business could be harmed if the prevailing party does not offer us a license on commercially reasonable terms, or at all.

We need to protect our trademark rights and disclosure of our trade secrets to prevent competitors taking advantage of our goodwill.

We believe that the protection of our trademark rights is an important factor in product recognition, protecting our brand, maintaining goodwill, and maintaining or increasing market share. We currently have two trademarks that we have filed to register with USPTO, the Akoustis™ and Bulk ONE™ marks, and may expend substantial cost and effort in an attempt to register new trademarks and maintain and enforce our trademark rights. If we do not adequately protect our rights in our trademarks from infringement, any goodwill that we have developed in those trademarks could be lost or impaired.

Third parties may claim that the sale or promotion of our products, when and if we have any, may infringe on the trademark rights of others. Trademark infringement problems occur frequently in connection with the sale and marketing of products in the RF front-ends mobile industry. If we become involved in any dispute regarding our trademark rights, regardless of whether we prevail, we could be required to engage in costly, distracting and time-consuming litigation that could harm our business. If the trademarks we use are found to infringe upon the trademark of another company, we could be liable for damages and be forced to stop using those trademarks, and as result, we could lose all the goodwill that has been developed in those trademarks.

In addition to the protection afforded by patents and trademarks, we seek to rely on copyright, trade secret protection and confidentiality agreements to protect proprietary know-how that is not patentable, processes for which patents are difficult to enforce and any other elements of our processes that involve proprietary know-how, information or technology that is not covered by patents. For Akoustis, this includes particularly chip layouts, circuit designs, resonator layouts and implementation, and membrane definition. Although we require all of our employees and certain consultants and advisors to assign inventions to us, and all of our employees, consultants, advisors and any third parties who have access to our proprietary know-how, information or technology to enter into confidentiality agreements, our trade secrets and other proprietary information may be disclosed or competitors may otherwise gain access to such information or independently develop substantially equivalent information. If we are unable to prevent material disclosure of the intellectual property related to our technologies to third parties, we will not be able to establish or maintain the competitive advantage that we believe is provided by such intellectual property, which would weaken our competitive market position, and materially adversely affect our business and operational results.

Development of certain technologies with our manufacturers may result in restrictions on jointly-developed intellectual property.

In order to maintain and expand our strategic relationship with manufacturers of our filters, we may, from time to time, develop certain technologies jointly with these manufacturers and file for further intellectual property protection and/or seek to commercialize such technologies. We entered into the Joint Development Agreement with GCS and may enter in the future into joint development agreements with other manufacturers which provide(s) for the joint development works and joint intellectual property rights by us and by such manufacturer. Such agreements may restrict our commercial use of such intellectual property, or may require written consent from, or a separate agreement with, that manufacturer. In other cases, we may not have any rights to use intellectual property solely developed and owned by such manufacturer or another third party. If we cannot obtain commercial use rights for such jointly-owned intellectual property or intellectual property solely owned by these manufacturers, our future product development and commercialization plans may be adversely affected.

We may be subject to claims of infringement, misappropriation or misuse of third party intellectual property that, regardless of merit, could result in significant expense and loss of our intellectual property rights.

The semiconductor industry is characterized by the vigorous pursuit and protection of intellectual property rights. We have not undertaken a comprehensive review of the rights of third parties in our field. From time to time, we may receive notices or inquiries from third parties regarding our products or the manner in which we conduct our business suggesting that we may be infringing, misappropriating or otherwise misusing patent, copyright, trademark, trade secret and other intellectual property rights. Any claims that our technology infringe, misappropriate or otherwise misuse the rights of third parties, regardless of their merit or resolution, could be expensive to litigate or settle and could divert the efforts and attention of our management and technical personnel, cause significant delays and materially disrupt the conduct of our business. We may not prevail in such proceedings given the complex technical issues and inherent uncertainties in intellectual property litigation. If such proceedings result in an adverse outcome, we could be required to:

- pay substantial damages, including treble damages if we were held to have willfully infringed;
- cease the manufacture, offering for sale or sale of the infringing technology or processes;
- expend significant resources to develop non-infringing technology or processes;
- obtain a license from a third party, which may not be available on commercially reasonable terms, or may not be available at all; or
- lose the opportunity to license our technology to others or to collect royalty payments based upon successful protection and assertion of our intellectual property against others.

In addition, our agreements with customers and manufacturing partners may require us to indemnify such customers and manufacturing partners for third party intellectual property infringement claims. Pursuant to such agreements, we may be required to defend such customers and manufacturing partners against certain claims that could cause us to incur additional costs. While we endeavor to include as part of such indemnification obligations a provision permitting us to assume the defense of any indemnification claim, not all of our current agreements contain such a provision and we cannot provide any assurance that our future agreements will contain such a provision, which could result in increased exposure to us in the case of an indemnification claim.

Defense of any intellectual property infringement claims against us, regardless of their merit, would involve substantial litigation expense and would be a significant diversion of resources from our business. In the event of a successful claim of infringement against us, we may have to pay substantial damages, obtain one or more licenses from third parties, limit our business to avoid the infringing activities, pay royalties and/or redesign our infringing technology dates or alter related formulations, processes, methods or other technologies, any or all of which may be impossible or require substantial time and monetary expenditure. The occurrence of any of the above events could prevent us from continuing to develop and commercialize our filters and our business could materially suffer.

Risks Related to our Financial Condition

We have a history of losses, will need substantial additional funding to continue our operations and may not achieve or sustain profitability in the future.

Our operations have consumed substantial amounts of cash since inception. We have incurred losses since our incorporation and formation in 2014. We do not expect meaningful revenues until at least the end of 2016. If our forecasts for the Company prove incorrect, the business, operating results and financial condition of the Company will be materially and adversely affected. We anticipate that our operating expenses will increase in the foreseeable future as we continue to pursue the development of our patent-pending single crystal acoustic wave filter technology, invest in marketing, sales and distribution of our RF filters to grow our business, acquire customers, commercialize our technology in the mobile wireless market. These efforts may prove more expensive than we currently anticipate, and we may not succeed in generating sufficient revenues to offset these higher expenses. In addition, we expect to incur significant expenses related to regulatory requirements, ability to obtain, protect, and defend our intellectual property right.

We may also encounter unforeseen expenses, difficulties, complications, delays and other unknown factors that may increase our capital needs and/or cause us to spend our cash resources faster than we expect. Accordingly, we will need to obtain substantial additional funding in order to continue our operations.

To date, we have financed our operations through a mix of investments from private investors, the incurrence of debt, and grant funding, and we expect to continue to utilize such means of financing for the foreseeable future. Additional funding from those or other sources may not be available when or in the amounts needed, on acceptable terms, or at all. If we raise capital through the sale of equity, or securities convertible into equity, it would result in dilution to our then existing stockholders, which could be significant depending on the price at which we may be able to sell our securities. If we raise additional capital through the incurrence of indebtedness, we would likely become subject to covenants restricting our business activities, and holders of debt instruments may have rights and privileges senior to those of our equity investors. In addition, servicing the interest and principal repayment obligations under debt facilities could divert funds that would otherwise be available to support research and development, or commercialization activities. If we are unable to raise capital when needed or on attractive terms, we could be forced to delay, reduce or eliminate our R&D programs for our acoustic wave filter technology or any future commercialization efforts. Any of these events could materially and adversely affect our business, financial condition and prospects, and could cause our business to fail.

Our independent registered public accounting firm has expressed doubt about our ability to continue as a going concern.

The Company's historical financial statements have been prepared under the assumption that we will continue as a going concern. Our independent registered public accounting firm has issued a report that included an explanatory paragraph referring to our recurring net losses and accumulated deficit and expressing substantial doubt in our ability to continue as a going concern. Our ability to continue as a going concern is dependent upon our ability to obtain additional equity financing or other capital, attain further operating efficiencies, reduce expenditures, and, ultimately, to generate revenue. Our financial statements do not include any adjustments that might result from the outcome of this uncertainty. However, if adequate funds are not available to us when we need them, and we are unable to commercialize our products giving us access to additional cash resources, we will be required to curtail our operations, which would, in turn, further raise substantial doubt about our ability to continue as a going concern.

Risk Related to Managing Any Growth We May Experience

We may engage in future acquisitions that could disrupt our business, cause dilution to our shareholders and harm our financial condition and operating results.

While we currently have no specific plans to acquire any other businesses, we may, in the future, make acquisitions of, or investments in, companies that we believe have products or capabilities that are a strategic or commercial fit with our current business or otherwise offer opportunities for our company. In connection with these acquisitions or investments, we may:

- issue common stock or other forms of equity that would dilute our existing shareholders' percentage of ownership,
- incur debt and assume liabilities, and
- incur amortization expenses related to intangible assets or incur large and immediate write-offs.

We may not be able to complete acquisitions on favorable terms, if at all. If we do complete an acquisition, we cannot assure you that it will ultimately strengthen our competitive position or that it will be viewed positively by customers, financial markets or investors. Furthermore, future acquisitions could pose numerous additional risks to our operations, including:

- problems integrating the purchased business, products or technologies,
- challenges in achieving strategic objectives, cost savings and other anticipated benefits,
- increases to our expenses,
- the assumption of significant liabilities that exceed the limitations of any applicable indemnification provisions or the financial resources of any indemnifying party,
- inability to maintain relationships with key customers, vendors and other business partners of the acquired businesses,
- diversion of management's attention from their day-to-day responsibilities,
- difficulty in maintaining controls, procedures and policies during the transition and integration,
- entrance into marketplaces where we have no or limited prior experience and where competitors have stronger marketplace positions,
- potential loss of key employees, particularly those of the acquired entity, and
- that historical financial information may not be representative or indicative of our results as a combined company.

Our business and operations would suffer in the event of system failures, and our operations are vulnerable to interruption by natural disasters, terrorist activity, power loss and other events beyond our control, the occurrence of which could materially harm our business.

Despite the implementation of security measures, our internal computer systems and those of our contractors and consultants are vulnerable to damage from computer viruses, unauthorized access as well as telecommunication and electrical failures. While we have not experienced any such system failure, accident or security breach to date, if such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our R&D. If any disruption or security breach resulted in a loss of or damage to our data or applications, or inappropriate disclosure of confidential or proprietary information, we could incur liability and/or the further development of our new technology for RF filters could be delayed.

We are also vulnerable to accidents, electrical blackouts, labor strikes, terrorist activities, war and other natural disasters and other events beyond our control, and we have not undertaken a systematic analysis of the potential consequences to our business as a result of any such events and do not have an applicable recovery plan in place. We currently do not carry other business interruption insurance that would compensate us for actual losses from interruptions of our business that may occur, and any losses or damages incurred by us could cause our business to materially suffer.

Risks Related to Regulatory Requirements

Wireless communication industry is subject to ongoing regulatory obligations and review. Maintaining compliance with these requirements may result in significant additional expense to us, and any failure to maintain such compliance could cause our business to suffer.

Our business and products are subject to regulation by various federal and state governmental agencies, including the radio frequency emission regulatory activities of the FCC, the consumer protection laws of the Federal Trade Commission, the import/export regulatory activities of the Department of Commerce, the product safety regulatory activities of the Consumer Products Safety Commission, the environmental regulatory activities of the Environmental Protection Agency.

The rules and regulations of the FCC limit the RF used by and level of power emitting from electronic equipment. Our RF filters, as a key element enabling consumer electronic smartphone equipment, are required to comply with these FCC rules, and may require certification, verification or registration of our RF filters with the FCC. Certification and verification of new equipment requires testing to ensure the equipment's compliance with the FCC's rules. The equipment must be labeled according to the FCC's rules to show compliance with these rules. Testing, processing of the FCC's equipment certificate or FCC registration and labeling may increase development and production costs and could delay the implementation of our Bulk ONE acoustic wave resonator technology for our RF filters and the launch and commercial productions of our filters into the U.S. market. Electronic equipment permitted or authorized to be used by us through FCC certification or verification procedures must not cause harmful interference to licensed FCC users, and may be subject to RF interference from licensed FCC users. Selling, leasing or importing non-compliant equipment is considered a violation of FCC rules and federal law, and violators may be subject to an enforcement action by the FCC. Any failure to comply with the applicable rules and regulations of the FCC could have an adverse effect on our business, operating results and financial condition by increasing our compliance costs and/or limiting our sales in the United States.

The semiconductor and electronics industries also have been subject to increasing environmental regulations. A number of domestic and foreign jurisdictions seek to restrict the use of various substances, a number of which have been used in our products or processes. For example, the European Union Restriction of Hazardous Substances in Electrical and Electronic Equipment (RoHS) Directive now requires that certain substances be removed from all electronics components. Removing such substances requires the expenditure of additional research and development funds to seek alternative substances, as well as increased testing by third parties to ensure the quality of our products and compliance with the RoHS Directive. While we have implemented a compliance program to ensure our product offering meets these regulations, there may be instances where alternative substances will not be available or commercially feasible, or may only be available from a single source, or may be significantly more expensive than their restricted counterparts. Additionally, if we were found to be non-compliant with any such rule or regulation, we could be subject to fines, penalties and/or restrictions imposed by government agencies that could adversely affect our operating results.

Noncompliance with applicable regulations or requirements could subject us to investigations, sanctions, mandatory product recalls, enforcement actions, disgorgement of profits, fines, damages, civil and criminal penalties, or injunctions. An adverse outcome in any such litigation could require us to pay contractual damages, compensatory damages, punitive damages, attorneys' fees and costs. These enforcement actions could harm our business, financial condition and results of operations. If any governmental sanctions are imposed, or if we do not prevail in any possible civil or criminal litigation, our business, financial condition and results of operations could be materially adversely affected. In addition, responding to any action will likely result in a significant diversion of management's attention and resources and an increase in professional fees.

There could be an adverse change or increase in the laws and/or regulations governing our business.

We and our operating subsidiary are subject to various laws and regulations in different jurisdictions, and the interpretation and enforcement of laws and regulations are subject to change. We also will be subject to different tax regulations in each of the jurisdictions where we will conduct our business or where our management or the management of our operating subsidiary is located. We expect that the scope and extent of regulation in these jurisdictions, as well as regulatory oversight and supervision, will generally continue to increase. There can be no assurance that future regulatory, judicial and legislative changes in any jurisdiction will not have a material adverse effect on us or hinder us in the operation of its business. In addition, we may incur substantial costs in order to comply with current or future environmental, health and safety laws and regulations applicable to us.

These current or future laws and regulations may impair our research, development or production efforts or impact the research activities we pursue. Our failure to comply with these laws and regulations also may result in substantial fines, penalties or other sanctions, which could cause our financial condition to suffer.

Investment Risks

You could lose all of your investment.

An investment in our securities is speculative and involves a high degree of risk. Potential investors should be aware that the value of an investment in the Company may go down as well as up. In addition, there can be no certainty that the market value of an investment in the Company will fully reflect its underlying value. You could lose your entire investment.

You may experience dilution of your ownership interests because of the future issuance of additional shares of our common or preferred stock or other securities that are convertible into or exercisable for our common or preferred stock.

In the future, we may issue our authorized but previously unissued equity securities, resulting in the dilution of the ownership interests of our present stockholders and the purchasers of our Common Stock offered hereby. The Company is authorized to issue an aggregate of 300,000,000 shares of Common Stock and 10,000,000 shares of "blank check" preferred stock. We may issue additional shares of our Common Stock or other securities that are convertible into or exercisable for our Common Stock in connection with hiring or retaining employees, future acquisitions, future sales of our securities for capital raising purposes, or for other business purposes. The future issuance of any such additional shares of our Common Stock may create downward pressure on the trading price of the Common Stock. We will need to raise additional capital in the near future to meet our working capital needs, and there can be no assurance that we will not be required to issue additional shares, warrants or other convertible securities in the future in conjunction with these capital raising efforts, including at a price (or exercise prices) below the price you paid for your stock.

The ability of our Board of Directors to issue additional stock may prevent or make more difficult certain transactions, including a sale or merger of the Company.

Our Board of Directors will be authorized to issue up to 10,000,000 shares of preferred stock with powers, rights and preferences designated by it. See "Preferred Stock" in the section of this Report titled "Description of Securities." Shares of voting or convertible preferred stock could be issued, or rights to purchase such shares could be issued, to create voting impediments or to frustrate persons seeking to effect a takeover or otherwise gain control of the Company. The ability of the Board to issue such additional shares of preferred stock, with rights and preferences it deems advisable, could discourage an attempt by a party to acquire control of the Company by tender offer or other means. Such issuances could therefore deprive stockholders of benefits that could result from such an attempt, such as the realization of a premium over the market price for their shares in a tender offer or the temporary increase in market price that such an attempt could cause. Moreover, the issuance of such additional shares of preferred stock to persons friendly to the Board of Directors could make it more difficult to remove incumbent managers and directors from office even if such change were to be favorable to stockholders generally.

There currently is no public market for our Common Stock and there can be no assurance that a public market will ever develop. Failure to develop or maintain a trading market could negatively affect the value of our Common Stock and make it difficult or impossible for you to sell your shares.

There is currently only a very limited public market for shares of our Common Stock, and an active trading market may never develop. Our Common Stock is quoted on the OTC Markets. The OTC Markets is a thinly traded market and lacks the liquidity of certain other public markets with which some investors may have more experience. We may not ever be able to satisfy the listing requirements for our Common Stock to be listed on a national securities exchange, which is often a more widely-traded and liquid market. Some, but not all, of the factors which may delay or prevent the listing of our Common Stock on a more widely-traded and liquid market include the following: our stockholders' equity may be insufficient; the market value of our outstanding securities may be too low; our net income from operations may be too low; our Common Stock may not be sufficiently widely held; we may not be able to secure market makers for our Common Stock; and we may fail to meet the rules and requirements mandated by the several exchanges and markets to have our Common Stock listed. Should we fail to satisfy the initial listing standards of the national exchanges, or our Common Stock is otherwise rejected for listing, and remains listed on the OTC Markets or is suspended from the OTC Markets, the trading price of our Common Stock could suffer and the trading market for our Common Stock may be less liquid and our Common Stock price may be subject to increased volatility.

Our Common Stock is subject to the "penny stock" rules of the SEC and the trading market in the securities is limited, which makes transactions in the stock cumbersome and may reduce the value of an investment in the stock.

Rule 15g-9 under the Exchange Act establishes the definition of a "penny stock," for the purposes relevant to us, as any equity security that has a market price of less than $5.00 per share or with an exercise price of less than $5.00 per share, subject to certain exceptions. For any transaction involving a penny stock, unless exempt, the rules require: (a) that a broker or dealer approve a person's account for transactions in penny stocks; and (b) the broker or dealer receive from the investor a written agreement to the transaction, setting forth the identity and quantity of the penny stock to be purchased.

In order to approve a person's account for transactions in penny stocks, the broker or dealer must: (a) obtain financial information and investment experience objectives of the person and (b) make a reasonable determination that the transactions in penny stocks are suitable for that person and the person has sufficient knowledge and experience in financial matters to be capable of evaluating the risks of transactions in penny stocks.

The broker or dealer must also deliver, prior to any transaction in a penny stock, a disclosure schedule prescribed by the SEC relating to the penny stock market, which, in highlight form: (a) sets forth the basis on which the broker or dealer made the suitability determination; and (b) confirms that the broker or dealer received a signed, written agreement from the investor prior to the transaction. Generally, brokers may be less willing to execute transactions in securities subject to the "penny stock" rules. This may make it more difficult for investors to dispose of our Common Stock and cause a decline in the market value of our Common Stock.

Disclosure also has to be made about the risks of investing in penny stocks in both public offerings and in secondary trading and about the commissions payable to both the broker or dealer and the registered representative, current quotations for the securities and the rights and remedies available to an investor in cases of fraud in penny stock transactions. Finally, monthly statements have to be sent disclosing recent price information for the penny stock held in the account and information on the limited market in penny stocks.

Our stock may be traded infrequently and in low volumes, so you may be unable to sell your shares at or near the quoted bid prices if you need to sell your shares.

Until our Common Stock is listed on a national securities exchange such as the New York Stock Exchange or the Nasdaq Stock Market, we expect our Common Stock to remain eligible for quotation on the OTC Markets, or on another over-the-counter quotation system, or in the "pink sheets." In those venues, however, the shares of our Common Stock may trade infrequently and in low volumes, meaning that the number of persons interested in purchasing our common shares at or near bid prices at any given time may be relatively small or non-existent. An investor may find it difficult to obtain accurate quotations as to the market value of our Common Stock or to sell his or her shares at or near bid prices or at all. In addition, if we fail to meet the criteria set forth in SEC regulations, various requirements would be imposed by law on broker-dealers who sell our securities to persons other than established customers and accredited investors. Consequently, such regulations may deter broker-dealers from recommending or selling our Common Stock, which may further affect the liquidity of our Common Stock. This would also make it more difficult for us to raise capital.

We do not anticipate paying dividends on our Common Stock, and investors may lose the entire amount of their investment.

Cash dividends have never been declared or paid on our Common Stock, and we do not anticipate such a declaration or payment for the foreseeable future. We expect to use future earnings, if any, to fund business growth. Therefore, stockholders will not receive any funds absent a sale of their shares of Common Stock. If we do not pay dividends, our Common Stock may be less valuable because a return on your investment will only occur if our stock price appreciates. We cannot assure stockholders of a positive return on their investment when they sell their shares, nor can we assure that stockholders will not lose the entire amount of their investment.

Being a public company is expensive and administratively burdensome.

As a public reporting company, we are subject to the information and reporting requirements of the Securities Act, the Exchange Act and other federal securities laws, rules and regulations related thereto, including compliance with the Sarbanes-Oxley Act. Complying with these laws and regulations requires the time and attention of our Board of Directors and management, and increases our expenses. Among other things, we are required to:

- maintain and evaluate a system of internal controls over financial reporting in compliance with the requirements of Section 404 of the Sarbanes-Oxley Act and the related rules and regulations of the SEC and the Public Company Accounting Oversight Board;
- maintain policies relating to disclosure controls and procedures;
- prepare and distribute periodic reports in compliance with our obligations under federal securities laws;
- institute a more comprehensive compliance function, including with respect to corporate governance; and
- involve, to a greater degree, our outside legal counsel and accountants in the above activities.

The costs of preparing and filing annual and quarterly reports, proxy statements and other information with the SEC and furnishing audited reports to stockholders is expensive and much greater than that of a privately-held company, and compliance with these rules and regulations may require us to hire additional financial reporting, internal controls and other finance personnel, and will involve a material increase in regulatory, legal and accounting expenses and the attention of management. There can be no assurance that we will be able to comply with the applicable regulations in a timely manner, if at all. In addition, being a public company makes it more expensive for us to obtain director and officer liability insurance. In the future, we may be required to accept reduced coverage or incur substantially higher costs to obtain this coverage. These factors could also make it more difficult for us to attract and retain qualified executives and members of our Board of Directors, particularly directors willing to serve on an audit committee which we expect to establish.

Any failure to maintain effective internal control over our financial reporting could materially adversely affect us.

Section 404 of the Sarbanes-Oxley Act of 2002 requires us to include in our annual reports on Form 10-K an assessment by management of the effectiveness of our internal control over financial reporting. In addition, at such time, if any, as we are no longer a "smaller reporting company," our independent registered public accounting firm will have to attest to and report on management's assessment of the effectiveness of such internal control over financial reporting. Based upon the last evaluation conducted as of January 31, 2015, our management at the time concluded that our disclosure controls and procedures were effective as of such date to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms. However, as a result of the Merger, we are under new management, and our new management has not yet conducted a new formal evaluation of our internal control over financial reporting and has not been able to make its own assessment on whether the internal controls as of 2014 or 2015 were effective. In addition, we continue at the present time not to have an audit committee.

While we intend to diligently and thoroughly document, review, test and improve our internal control over financial reporting in order to ensure compliance with Section 404, management may not be able to conclude that our internal control over financial reporting is effective. Furthermore, even if management were to reach such a conclusion, if our independent registered public accounting firm is not satisfied with the adequacy of our internal control over financial reporting, or if the independent auditors interpret the requirements, rules or regulations differently than we do, then they may decline to attest to management's assessment or may issue a report that is qualified. Any of these events could result in a loss of investor confidence in the reliability of our financial statements, which in turn could negatively affect the price of our Common Stock.

In particular, we must perform system and process evaluation and testing of our internal control over financial reporting to allow management and (if required in future) our independent registered public accounting firm to report on the effectiveness of our internal control over financial reporting, as required by Section 404. Our compliance with Section 404 may require that we incur substantial accounting expense and expend significant management efforts. We currently do not have an internal audit group, and we will need to retain the services of additional accounting and financial staff or consultants with appropriate public company experience and technical accounting knowledge to satisfy the ongoing requirements of Section 404. We intend to review the effectiveness of our internal controls and procedures and make any changes management determines appropriate, including to achieve compliance with Section 404 by the date on which we are required to so comply.

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The risks above do not necessarily comprise all of those associated with an investment in the Company. This Report contains forward looking statements that involve unknown risks, uncertainties and other factors that may cause the actual results, financial condition, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Factors that might cause such a difference include, but are not limited to, those set out above.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following management's discussion and analysis should be read in conjunction with the historical financial statements and the related notes thereto contained in this report. The management's discussion and analysis contains forward-looking statements, such as statements of our plans, objectives, expectations and intentions. Any statements that are not statements of historical fact are forward-looking statements. When used, the words "believe," "plan," "intend," "anticipate," "target," "estimate," "expect" and the like, and/or future tense or conditional constructions ("will," "may," "could," "should," etc.), or similar expressions, identify certain of these forward-looking statements. These forward-looking statements are subject to risks and uncertainties, including those under "Risk Factors" in this Report, that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. The Company's actual results and the timing of events could differ materially from those anticipated in these forward-looking statements as a result of several factors. The Company does not undertake any obligation to update forward-looking statements to reflect events or circumstances occurring after the date of this report.

As the result of the Merger and the change in business and operations of the Company, a discussion of the past financial results of the Company is not pertinent, and under applicable accounting principles the historical financial results of Akoustis, Inc., the accounting acquirer, prior to the Merger are considered the historical financial results of the Company.

The following discussion highlights the results of operations and the principal factors that have affected our financial condition, as well as our liquidity and capital resources for the periods described, and provides information that management believes is relevant for an assessment and understanding of the statements of financial condition and results of operations presented herein. The following discussion and analysis are based on the audited financial statements contained in this Report, which we have prepared in accordance with United States generally accepted accounting principles. You should read the discussion and analysis together with such financial statements and the related notes thereto.

Basis of Presentation

The audited financial statements for the fiscal year ended March 31, 2015, contained herein include a summary of our significant accounting policies and should be read in conjunction with the discussion below. In the opinion of management, all material adjustments necessary to present fairly the results of operations for such periods have been included in these audited financial statements. All such adjustments are of a normal recurring nature.

Overview

Akoustis is an early-stage company that designs and manufactures innovative filters enabling the radio frequency (RF) front-end of Mobile Wireless devices, such as smartphones. Located between the device's antenna and its digital backend, the RF front-end is the circuitry that performs the analog signal processing and contains components such as amplifiers, filters and switches. To construct the resonators that are the building blocks for the RF filter, we have developed a fundamentally new single-crystal acoustic materials and device technology that we refer to as Bulk ONE™. Filters are critical in selecting and rejecting signals, and their performance enables differentiation in the modules defining the RF front-end.

We believe owning the core resonator technology and manufacturing our designs is the most direct and effective means of delivering our solutions to the market. Furthermore, our technology is based upon bulk-mode resonance, which is superior to surface-mode resonance for high band applications and emerging 4G/LTE frequency band licenses. While our target customers make all or a portion of the RF front-end module, several customers lack access to critical high band technology to compete in high band applications and other traditional surface-mode solutions where higher power performance is required. We intend to design and manufacture our RF filter products to multiple customers and enable broader competition among the front-end module manufacturers. We plan to operate as a "pure-play" RF filter supplier and align with the front-end module manufacturers who seek to acquire high performance filters to grow their module business.

We have built prototype resonators using our proprietary single crystal materials. We are currently transferring and optimizing our Bulk ONE technology to our wafer-manufacturing partner under a joint development agreement (JDA) and a manufacturing agreement. We leverage both federal and state level, non-dilutive R&D grants to support development and commercialization of our technology. We are developing resonators for 4G/LTE bands and the associated proprietary models and design kits required to design our RF filters. Once we have stabilized the wafer process technology, we plan to engage with strategic customers to evaluate first our resonators and then our filter prototypes. Our initial designs will target high band 4G/LTE frequency bands. Since Akoustis owns its core technology and controls access to its IP, we can offer several ways to engage with potential customers. First, we can engage with customers using filter that we design and offer as a standard catalog component to multiple customers. Second, we can start with a customer-supplied filter specification, which we design and fabricate for a specific customer. Finally, we can offer our models and design kits for our customers to design their own filter into our proprietary technology.

Akoustis, Inc. was founded on May 12, 2014. In June 2014, our founders and angel investors contributed $530,000 in a series-seed equity financing. In June 2014, the company applied for its first small business innovative research (SBIR) R&D grant with National Science Foundation (NSF). Beginning in July, the company filed its first US patent applications on its Bulk ONE technology. We were awarded our first SBIR grant with NSF in December 2014. In early 2015, Akoustis received an additional grant from the North Carolina Department of Commerce and the N.C. Board of Science, Technology & Innovation (N.C. BST&I). We have applied for a second NSF R&D grant in April and expect to apply for additional R&D grants that support technology innovation in line with our business plan. Our partnership with NSF has strengthened since the start of our engagement and their support has accelerated our technology commercialization as well as funded technical jobs. We have additional opportunities for new grants and matching funds from our current small business program partnership with NSF, which total a potential additional $1,250,000. We plan to apply for an NSF phase II program under our current program award, which contains a maximum grant value of $750,000 in additional funding, to start in early 2016. Further, if this award is received, then we believe our current equity financing activities qualify us for an additional $500,000 in matching funds to commercialize our technology. There can be no assurance, however, that these grants will be received.

Of the $530,000 raised in June 2014, our CEO was the largest investor at $175,000. Furthermore, a firm owned by our CEO (Raytech, LLC) loaned our company $30,000 to assist in purchase of test and measurement equipment required to evaluate the performance of our technology demonstrators. The loan agreement was a 12-month simple interest note. The loan agreement was repaid in full in March 2015.

In March 2015, Akoustis, Inc. issued convertible notes in exchange for investments of $655,000 by the founders and original angel investors. Of this, $200,000 was invested by our CEO. Also in March 2015 we executed a stock purchase agreement for $35,000 with an investor to offset legal and audit expenses related to the Merger and private placement offering. In April 2015, one of the convertible noteholders converted $10,000 of his convertible note into shares of Akoustis, Inc., common stock in order to enable us to qualify for additional matching funds from NSF. As a result, the net note investment remaining was $645,000, which, in accordance with the terms of the convertible notes, converted into Common Stock of the Company on the same terms as the other investors in the Company's private placement offering referred to below, at a conversion price of $1.50 per share.

On May 22, 2015, concurrently with the closing of the Merger, and as a condition to the Merger, we closed on a private placement offering in which we sold 3,531,104 shares of our Common Stock, at a purchase price of $1.50 per share, for aggregate gross proceeds (before placement agent fees and offering expenses) of $5,296,656. See "The Merger and Related Transactions—The Offering" above for additional information.

We have earned no revenue since inception, and our operations have been funded with the initial capital contributions, grants and debt. We have incurred losses totaling $0.44 million from inception through March 31, 2015. These losses are primarily the result of research and development costs associated with commercializing our technology, combined with start-up and financing costs. We expect to continue to incur substantial costs for commercialization of our technology on a continuous basis because our business model involves materials and solid state device technology development as well as engineering of catalog and custom filter designs.

Our financial statements contemplate the continuation of our business as a going concern. We are subject to the risks and uncertainties associated with a new business. We have no established source of capital, do not yet have the ability to earn revenue and have incurred significant losses from operations since inception. These matters raise substantial doubt about our ability to continue as a going concern. Our auditors also have expressed an opinion that substantial doubt exists as to whether we can continue as a going concern in their report on our audited financial statements for the year ended March 31, 2015. Our financial statements do not include any adjustments relating to the recoverability and classification of recorded assets or the amounts and classification of liabilities that might be necessary should we be unable to continue in existence.

Plan of Operation

We plan to commercialize our technology by designing and manufacturing single band and multi-band solutions that address problems (such as loss, bandwidth, power handling and isolation) created by the growing number of frequency bands in the RF front-end of mobile devices to support 4G/LTE. First, we plan to develop a series of single-band low-loss BAW filter designs for 4G/LTE frequency bands, which are dominated by higher loss BAW solutions and cannot be addressed with low band, lower power handling SAW technology. Second, we plan to develop a series of filter solutions that can cover multiple frequency bands. In order to succeed, we must convince RF front-end module manufactures to use our Bulk ONE technology in their modules. However, since there are only two dominant suppliers in the industry that have high band technology, and both utilize such technology as a competitive advantage at the module level, we expect customers that lack access to high band filter technology will be open to engage with our pure-play filter company.

Our primary activity in the near term will be to continue to work on building our supply chain to produce our Bulk ONE™ technology wafers at our wafer manufacturing partner. We expect to complete technology transfer by the end of June 2016. There is no assurance that we can complete our technology transfer or the subsequent design effort, or that our designs will have acceptable performance with our target customers. In addition, our filter designs will compete with other BAW and SAW products and solutions available to the industry and may not be selected even if fully compliant with all specifications.

Once we complete our technology transfer and customer validation of our technology, we expect to begin production qualification of our Bulk ONE process technology to support a product family of 4G/LTE filter solutions. Once the company has stabilized its process technology in a manufacturing environment, then we will begin product development of our high band filter products in the frequency range from 1.5GHz to 4.0GHz. The target frequency bands will be prioritized based upon customer priority. We expect this will require recruiting and hiring additional personnel. While we have started discussions with several prospective customers for the design, such discussions are ongoing and may not result in any agreements. We expect to proceed with our plan to develop a family of standard catalog filter designs regardless of the outcome of these discussions.

We plan to pursue filter design and R&D development agreements and potentially joint ventures with target customers and other strategic partners. These types of arrangements may subsidize technology development costs and qualification, filter design costs, as well as offer complementary technology and market intelligence and other avenues to revenue. However, we intend to retain ownership of our core technology, IP, designs and related improvements. We expect to pursue development of catalog designs for multiple customers, and offer such catalog products in multiple sales channels.

We expect to use the approximately $4.53 million of net proceeds received from the May 2015 private placement offering for product development to commercialize our technology, research and development, the development of our patent strategy and expansion of our patent portfolio, as well as for working capital and other general corporate purposes. These funds are expected to be sufficient to fund our activities for at least the next twelve months. This runway estimate excludes the impact of R&D grants from the US government. Our anticipated costs include employee salaries and benefits, compensation paid to consultants, capital costs for research and other equipment, costs associated with development activities including travel and administration, legal expenses, sales and marketing costs, general and administrative expenses, and other costs associated with an early stage, publicly-traded technology company. We anticipate increasing the number of employees to approximately 20 to 25 employees; however, this is highly dependent on the nature of our development efforts and our success in commercialization. We anticipate adding employees for research and development, as well as general and administrative functions, to support our efforts. We expect to incur consulting expenses related to technology development and other efforts as well as legal and related expenses to protect our intellectual property. We expect capital expenditures to be approximately $500,000 for the purchase of equipment and software during the year following this offering.

The amounts that we actually spend for any specific purpose may vary significantly and will depend on a number of factors including, but not limited to, the pace of progress of our commercialization and development efforts, actual needs with respect to product testing, development and research, market conditions, and changes in or revisions to our marketing strategies. In addition, we may use a portion of any net proceeds to acquire complementary products, technologies or businesses; however, we do not have plans for any acquisitions at this time. We have significant discretion in the use of the net proceeds.

Commercial development of new technology is, by its nature, unpredictable. Although we will undertake development efforts with commercially reasonable diligence, there can be no assurance that the net proceeds from this offering will be sufficient to enable us to commercialize our technology to the extent needed to create future sales to sustain operations as contemplated herein. If the net proceeds from this offering are insufficient for this purpose, we will consider other options to continue our path to commercialization, including, but not limited to, additional financing through follow-on stock offerings, debt financing, co-development agreements, curtailment of operations, suspension of operations, sale or licensing of developed intellectual or other property, or other alternatives.

If we are unable to raise the net proceeds that we believe are needed to develop our technology and enable future sales, we may be required to scale back our development plans by reducing expenditures for employees, consultants, business development and marketing efforts, and other envisioned expenditures. This could reduce our ability to commercialize our technology or require us to seek further funding earlier, or on less favorable terms, than if we had raised the full amount of the proposed offering.

We cannot assure you that our technology will be accepted, that we will ever earn revenues sufficient to support our operations or that we will ever be profitable. Furthermore, since we have no committed source of financing, we cannot assure you that we will be able to raise money as and when we need it to continue our operations. If we cannot raise funds as and when we need them, we may be required to severely curtail, or even to cease, our operations.

Critical Accounting Policies

The following discussion and analysis of financial condition and results of operations is based upon our financial statements, which have been prepared in conformity with accounting principles generally accepted in the United States of America. Certain accounting policies and estimates are particularly important to the understanding of our financial position and results of operations and require the application of significant judgment by our management or can be materially affected by changes from period to period in economic factors or conditions that are outside of our control. As a result, they are subject to an inherent degree of uncertainty. In applying these policies, our management uses their judgment to determine the appropriate assumptions to be used in the determination of certain estimates. Those estimates are based on our historical operations, our future business plans and projected financial results, the terms of existing contracts, our observance of trends in the industry, information provided by our customers and information available from other outside sources, as appropriate. See Note 3 to our financial statements for a more complete description of our significant accounting policies.

Intangible assets

Intangible assets consist of patents and trademarks. Estimates of future cash flows and timing of events for evaluating long–lived assets for impairment are based upon management's judgment. If any of the Company's intangible or long–lived assets are considered to be impaired, the amount of impairment to be recognized is the excess of the carrying amount of the assets over its fair value. Applicable long–lived assets are amortized or depreciated over the shorter of their estimated useful lives, the estimated period that the assets will generate revenue, or the statutory or contractual term in the case of patents. Estimates of useful lives and periods of expected revenue generation are reviewed periodically for appropriateness and are based upon management's judgment. Patents are amortized on the straight-line method over their useful lives of 15 years.

Preferred Stock

Preferred shares subject to mandatory redemption (if any) are classified as liability instruments and are measured at fair value. The Company classifies conditionally redeemable preferred shares, which includes preferred shares that feature redemption rights that are either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within the Company's control, as temporary equity. At all other times, the Company classifies its preferred shares in stockholders' equity. Accordingly, as of March 31, 2015, since the Company's preferred shares do not feature any redemption feature within the holders' control or conditional redemption features not within the Company's control, all issuances of preferred stock are presented as a component of stockholders' equity.

Convertible Instruments

US GAAP requires companies to bifurcate conversion options from their host instruments and account for them as free standing derivative financial instruments according to certain criteria. The criteria includes circumstances in which (a) the economic characteristics and risks of the embedded derivative instrument are not clearly and closely related to the economic characteristics and risks of the host contract, (b) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not re-measured at fair value under otherwise applicable generally accepted accounting principles with changes in fair value reported in earnings as they occur and (c) a separate instrument with the same terms as the embedded derivative instrument would be considered a derivative instrument. An exception to this rule is when the host instrument is deemed to be conventional as that term is described under applicable GAAP.

For instruments in which the Company has determined that the embedded conversion options should not be bifurcated from their host instruments, the Company records, when necessary, discounts to convertible notes for the intrinsic value of conversion options embedded in debt instruments based upon the differences between the fair value of the underlying common stock at the commitment date of the note transaction and the effective conversion price embedded in the note. Debt discounts under these arrangements are amortized over the term of the related debt to their stated date of redemption.

Fair Value of Financial Instruments

The carrying amounts of cash, accounts payable, accrued expenses, and convertible notes payable approximate fair value due to the short-term nature of these instruments.

The Company measures the fair value of financial assets and liabilities based on the guidance of ASC 820, "Fair Value Measurements and Disclosures," which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements.

ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Fair value measurements are categorized using a valuation hierarchy for disclosure of the inputs used to measure fair value, which prioritize the inputs into three broad levels:

- Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

- Level 2 - Pricing inputs are other than quoted prices in active markets included in level 1, which are either directly or indirectly observable as of the reported date, and include those financial instruments that are valued using models or other valuation methodologies.

- Level 3 - Pricing inputs include significant inputs that are generally less observable from objective sources. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value.

Equity–based compensation

The Company recognizes compensation expense for all equity–based payments in accordance with *ASC 718 "Compensation – Stock Compensation".* Under fair value recognition provisions, the Company recognizes equity–based compensation net of an estimated forfeiture rate and recognizes compensation cost only for those shares expected to vest over the requisite service period of the award.

Restricted stock awards are granted at the discretion of the Company. These awards are restricted as to the transfer of ownership and generally vest over the requisite service periods, typically over a five year period (vesting on a straight–line basis). The fair value of a stock award is equal to the fair market value of a share of Company stock on the grant date.

The fair value of an option award is estimated on the date of grant using the Black–Scholes option valuation model. The Black–Scholes option valuation model requires the development of assumptions that are inputs into the model. These assumptions are the value of the underlying share, the expected stock volatility, the risk–free interest rate, the expected life of the option, the dividend yield on the underlying stock and the expected forfeiture rate. Expected volatility is benchmarked against similar companies in a similar industry over the expected option life and other appropriate factors. Risk–free interest rates are calculated based on continuously compounded risk–free rates for the appropriate term. The dividend yield is assumed to be zero as the Company has never paid or declared any cash dividends on its Common stock and does not intend to pay dividends on its Common stock in the foreseeable future. The expected forfeiture rate is estimated based on management's best estimate.

Determining the appropriate fair value model and calculating the fair value of equity–based payment awards requires the input of the subjective assumptions described above. The assumptions used in calculating the fair value of equity–based payment awards represent management's best estimates, which involve inherent uncertainties and the application of management's judgment. As a result, if factors change and the Company uses different assumptions, our equity–based compensation could be materially different in the future. In addition, the Company is required to estimate the expected forfeiture rate and recognize expense only for those shares expected to vest. If the Company's actual forfeiture rate is materially different from its estimate, the equity–based compensation could be significantly different from what the Company has recorded in the current period.

The Company accounts for share–based payments granted to non–employees in accordance with *ASC 505-40, "Equity Based Payments to Non–Employees"*. The Company determines the fair value of the stock–based payment as either the fair value of the consideration received or the fair value of the equity instruments issued, whichever is more reliably measurable. If the fair value of the equity instruments issued is used, it is measured using the stock price and other measurement assumptions as of the earlier of either (1) the date at which a commitment for performance by the counterparty to earn the equity instruments is reached, or (2) the date at which the counterparty's performance is complete. The fair value of the equity instruments is re-measured each reporting period over the requisite service period.

Results of Operations

We have a limited financial history. Our statement of operations covers the period from May 12, 2014 (inception) through March 31, 2015; there is no prior period for comparison.

	Period From May 12, 2014 (Inception) through to March 31, 2015
Revenue	$ —
Operating Expenses:	
Research and development	241,933
General and administrative expenses	341,916
Total operating expenses	583,849
Operating loss	(583,849)
Other income:	
Grant income	137,500
Total other income	137,500
Net loss	$ (446,349)

Research and Development. Research and development expenses consist of the direct engineering and other costs associated with the development and commercialization of our technology, including the development of filter designs under development agreements. These consist primarily of the cost of employees and consultants, and to a lesser extent costs for supplies. We also include the costs for our intellectual property development program under research and development. This program focuses on patent strategy and invention extraction. Research and development expenses totaled $241,933 for the period from May 12, 2014 through March 31, 2015.

Our research and development efforts are focused currently on the transfer and development of single crystal bulk-mode acoustic wave resonators and RF filters under our existing development agreement with our foundry partner. We signed our agreement in early February 2015 and began technology transfer in March 2015. We expect expenditures on this R&D project to continue increasing in 2015 as we hire additional technical staff to support our efforts.

We also expect to begin development of our first Bulk ONE RF filter design in the second half of 2015 and will begin hiring additional personnel to work on it. We have started discussions with several prospective customers for the design. These discussions are ongoing and may not result in any agreements. We expect to proceed with our plan to design and develop RF filters regardless of the outcome of these discussions. We may not succeed in the development of a commercially viable RF filters or secure any customers for such designs.

We plan to actively pursue other development agreements with potential customers and strategic partners. Research and development costs would further increase if and when we secure additional development agreements.

General and Administrative Expenses. General and administrative expenses include salaries, taxes and employee benefits for executives and administrative staff. They also include expenses for corporate overhead such as rent for our facilities, travel expenses, telecommunications, investor relations, insurance, professional fees and business consulting fees. General and administrative expenses totaled $341,916 for the period from May 12, 2014 through March 31, 2015.

We anticipate that our general and administrative expenses will increase in the future as we continue to build our infrastructure to support our growth. Additionally, we anticipate increased expenses related to the legal, audit, regulatory and investor relations services associated with maintaining compliance with Securities and Exchange Commission requirements, director and officer insurance premiums and other costs associated with operating as a public company.

Liquidity and Capital Resources

We have earned no revenue from operations since inception, and our operations have been funded with initial capital contributions and debt.

We had current assets of $739,975 and current liabilities of $713,439 at March 31, 2015, resulting in working capital of $26,536. However, this included $655,000 of convertible notes that will convert into common stock effective upon the occurrence of specific triggering events.

Operating activities used cash of $433,065 for the period from May 12, 2014 to March 31, 2015. The net loss of $446,349 comprises the majority of the cash used in operations.

Investing activities used cash of $99,197 for the period from May 12, 2014 to March 31, 2015. Investing activities consisted of $71,187 paid for machinery and equipment and $28,010 paid for intangibles, which include patent applications and trademarks.

Financing activities provided cash of $1,220,001 for the period from May 12, 2014 to March 31, 2015. Financing activities included receipt of $35,001 from the issuance of common stock, $530,000 from the issuance of preferred stock, $655,000 from the issuance of convertible notes, $30,000 from a promissory note which was paid off during the period.

As discussed above, on May 22, 2015, concurrently with the closing of the Merger, we closed on a private placement offering in which we sold 3,531,104 shares of our Common Stock, at a purchase price of $1.50 per share, for aggregate gross proceeds (before placement agent fees and offering expenses) of $5,296,656. See "The Merger and Related Transactions—The Offering" above for additional information.

Off-Balance Sheet Transactions

The Company did not engage in any "off-balance sheet arrangements" (as that term is defined in Item 303(a)(4)(ii) of Regulation S-K) as of March 31, 2015.

Trends, Events and Uncertainties

Research and development of new technologies is, by its nature, unpredictable. Although we will undertake development efforts with commercially reasonable diligence, there can be no assurance that the net proceeds from this offering will be sufficient to enable us to develop our technology to the extent needed to create future sales to sustain operations as contemplated herein. If the net proceeds from the recently completed offering are insufficient for this purpose, we will consider other options to continue our path to commercialization, including, but not limited to, additional financing through follow-on stock offerings, debt financing, co-development agreements, curtailment of operations, suspension of operations, sale or licensing of developed intellectual or other property, or other alternatives. There can be no assurance that additional financing will be available when or in the amounts required, on terms acceptable to us or at all.

We cannot assure you that our technology will be adopted, that we will ever earn revenues sufficient to support our operations, or that we will ever be profitable. Furthermore, since we have no committed source of financing, we cannot assure you that we will be able to raise money as and when we need it to continue our operations. If we cannot raise funds as and when we need them, we may be required to severely curtail, or even to cease, our operations.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and generally includes voting or investment power with respect to securities. In accordance with Securities and Exchange Commission rules, shares of our common stock which may be acquired upon exercise of stock options or warrants which are currently exercisable or which become exercisable within 60 days of the date of the applicable table below are deemed beneficially owned by the holders of such options and warrants and are deemed outstanding for the purpose of computing the percentage of ownership of such person, but are not treated as outstanding for the purpose of computing the percentage of ownership of any other person. Subject to community property laws, where applicable, the persons or entities named in the tables below have sole voting and investment power with respect to all shares of our common stock indicated as beneficially owned by them.

Pre-Merger

The following table sets forth certain information regarding the beneficial ownership of our Common Stock as of May 22, 2015, prior to the Merger and the Offering, by (i) each stockholder known by us to be the beneficial owner of more than 5% of our Common Stock (our only classes of voting securities), (ii) each of our directors and executive officers, and (iii) all of our directors and executive officers as a group. Unless otherwise indicated, the persons named in the table below had sole voting and investment power with respect to the number of shares indicated as beneficially owned by them.

Title of class	Name and address of beneficial owner	Amount and nature of beneficial ownership	Percent of class [1]
Common Stock	Ivan Krikun Transportnaya Street, 58-7, Nizhneudinsk, Russia 665106	9,854,019	76.7%
Common Stock	Mark Tompkins App 1, Via Guidino 23 Lugano 6900, Switzerland	1,841,606	14.3%

(1) Applicable percentage ownership is based on 12,854,024 shares of Common Stock outstanding as of May 22, 2015.

Post-Merger

The following table sets forth information with respect to the beneficial ownership of our Common Stock as of May 28, 2015 (the "Determination Date"), by (i) each stockholder known by us to be the beneficial owner of more than 5% of our Common Stock (our only classes of voting securities), (ii) each of our directors and executive officers, and (iii) all of our directors and executive officers as a group. To the best of our knowledge, except as otherwise indicated, each of the persons named in the table has sole voting and investment power with respect to the shares of our Common Stock beneficially owned by such person, except to the extent such power may be shared with a spouse. To our knowledge, none of the shares listed below are held under a voting trust or similar agreement, except as noted. Other than the Merger, to our knowledge, there is no arrangement, including any pledge by any person of securities of the Company or any of its parents, the operation of which may at a subsequent date result in a change in control of the Company.

Title of class	Name and address of beneficial owner [1]	Amount and nature of beneficial ownership [2]	Percent of class [3]
Common Stock	Jeffrey B. Shealy, Chairman and Chief Executive Officer, Director	3,310,004	27.3%
Common Stock	David M. Aichele, Vice President of Business Development	—	*
Common Stock	Mark Boomgarden, Vice President of Operations	179,041	1.5%
Common Stock	Cindy C. Payne, Chief Financial Officer	—	*
Common Stock	Steven P. Denbaars, Director [4]	243,858	2.01%
Common Stock	Arthur E. Geiss, Director [4]	24,307	
Common Stock	Jeffrey K. McMahon, Director [4]	474,888	3.9%
Common Stock	Jerry D. Neal, Director [4]	—	*
Common Stock	All directors and executive officers as a group (8 persons)	4,232,098	34.9%
Common Stock	Mark Tompkins App 1, Via Guidino 23 Lugano 6900, Switzerland	1,976,606	16.3%
Common Stock	Park City Capital Offshore Master, Ltd. [5] 200 Crescent Court Dallas, TX 75201	666,667	5.5%

* Less than 1%

(1) Unless otherwise indicated in the table, the address for each person named in the table is c/o Akoustis Technologies, Inc., 9805 Northcross Center Court, Suite H, Huntersville, NC 28078.

(2) Unless otherwise indicated in the table, the shares are held directly by the beneficial owner.

(3) Applicable percentage ownership is based on 12,131,115 shares of Common Stock outstanding as of the Determination Date, together with securities exercisable or convertible into shares of Common Stock within 60 days after the Determination Date, for each shareholder. Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities.

(4) Does not include 40,000 shares of Common Stock issuable upon exercise of an option that vests in equal annual installments over four years commencing May 22, 2016, and exercisable until May 22, 2025.

(5) Park City Capital LLC, is the investment adviser of Park City Capital Offshore Master, Ltd., and Michael J. Fox, is the managing member of Park City Capital LLC. As such, Park City Capital LLC and Michael J. Fox may be deemed to beneficially own the shares held by Park City Capital Offshore Master, Ltd.

DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS

Directors and Executive Officers

Below are the names of and certain information regarding the Company's current executive officers and directors who were appointed effective as of the closing of the Merger:

Name	Age	Position	Date Named to Board of Directors/as Executive Officer
Jeffrey B. Shealy	46	Chairman and Chief Executive Officer; Director	May 22, 2015
David M. Aichele	49	Vice President of Business Development	May 22, 2015
Mark Boomgarden	48	Vice President of Operations	May 22, 2015
Cindy C. Payne	55	Chief Financial Officer	May 22, 2015
Steven P. Denbaars	52	Director	May 22, 2015
Arthur E. Geiss	62	Director	May 22, 2015
Jeffrey K. McMahon	44	Director	May 22, 2015
Jerry D. Neal	70	Director	May 22, 2015

Directors are elected to serve until the next annual meeting of stockholders and until their successors are elected and qualified. Directors are elected by a plurality of the votes cast at the annual meeting of stockholders and hold office until the expiration of the term for which he or she was elected and until a successor has been elected and qualified.

A majority of the authorized number of directors constitutes a quorum of the Board of Directors for the transaction of business. The directors must be present at the meeting to constitute a quorum. However, any action required or permitted to be taken by the Board of Directors may be taken without a meeting if all members of the Board of Directors individually or collectively consent in writing to the action.

Executive officers are appointed by the Board of Directors and serve at its pleasure.

The principal occupation and business experience during the past five years for our executive officers and directors is as follows:

Jeffrey B. Shealy is our Chairman and CEO. He has over 20 years' experience in RF/Wireless focused on building businesses around solid-state materials and electron device innovation. He spent 13 years at RF Micro Devices, Inc. (now Qorvo) as Vice-President and General Manager. Mr. Shealy is a Howard Hughes Doctoral Fellow and spent 7 years with Hughes Electronics at Hughes Research Labs (now HRL Labs) and Hughes Network Systems (now Hughes). He founded two previous high-tech start-up ventures including RF Nitro (acquired by RFMD in 2001) and Avogy, Inc (a Khosla Ventures company). Mr. Shealy holds an MBA degree from Wake Forest University, Master of Science and Doctorate degrees in Electrical and Computer Engineering from University of California at Santa Barbara (UCSB), and a Bachelors of Science degree in Electrical and Computer Engineering from NC State University.

David M. Aichele is Vice President of Business Development responsible for leading the sales and marketing efforts of the company. Dave joined the company in May 2015, bringing over 20 years of international sales, business development, and marketing experience with him. Prior to Akoustis, Dave was EVP Sales & Marketing for T1Visions, a high tech software start-up company achieving 2014 INC 500 fasting growing private companies in US. Dave held Director positions at RFMD (previously Qorvo), where he was responsible for the business development and launch of new RF semiconductor products targeting the cellular market, and senior management positions at Tessera and TE Connectivity, where he led business development and sales teams. Dave holds a BSEE from Ohio University and an MBA from the Leeds School of Business at the University of Colorado.

Mark D. Boomgarden is Vice President of Operations and has over 20-years of experience in high-technology companies, to include high-volume manufacturing of wafer-based products, licensing and technology transfer, research and development, mergers and acquisitions, and new-company formation. He has held key leadership roles in operations, engineering and business development, to include both domestic and international companies. Prior to Akoustis, Mark served as Vice President and General Manager at DigitalOptics Corporation, a wholly owned subsidiary of Tessera Technologies, Inc. (Nasdaq: TSRA). He joined DigitalOptics from Tessera North America, where he served as General Manager of their wafer-level optics division and as Vice President of their wafer-based camera business for mobile-phones. Prior to Tessera, Mark worked in various operations and engineering leadership positions with Digital Optics (private company) and Alcatel. Mark holds a BSEE from the University of North Carolina at Charlotte (UNCC). He is a past Chairman of the Electrical and Computer Engineering (ECE) Advisory Board at UNCC, a founding Board Member of the Energy Production and Infrastructure Center (EPIC), and a current board member of Koyr and CLT Joules. Mark is a veteran of the United States Navy Submarine Force, US Atlantic Fleet.

Steven P. Denbaars is a Professor of Materials and Co-Director of the Solid-State Lighting Center at UC Santa Barbara. Professor Denbaars joined UCSB in 1991 and currently holds the Mitsubishi Chemical Chair in Solid State Lighting and Displays. Prof. Denbaars has been in the LED business for over 25 years starting with his prior work at Hewlett-Packard Optoelectronics division in 1988 and involvement in over 2 LED startups. Specific research interests include growth of wide-band gap semiconductors (GaN based), and their application to Blue LEDs and lasers and energy efficient solid state lighting. This research has lead to over 759 scientific publications and over 168 U.S. patents on electronic materials and devices. He has been awarded a NSF Young Investigator award, Young Scientist Award of the ISCS, is an IEEE Fellow, IEEE Aron Kressel Award,Visiting Professor at Nanyang Technological University(NTU), Singapore, and the Institute for Advanced Studies (IAS) HKUST. He was recently elected to the National Academy of Engineering (2012), and elected Fellow of the National Academy of Inventors (2014).

Arthur E. Geiss is currently the manager of AEG Consulting, LLC. AEG Consulting offers guidance concerning manufacturing, operations, and process development to technology companies. Prior to establishing AEG Consulting, Mr. Geiss served as VP Wafer Fab Operations at RFMD (now Qorvo, Inc.). He was responsible for the start-up and operations of Gallium Arsenide epitaxial-growth and wafer-fabrication. Previous to RFMD, Mr. Geiss held management positions with Alpha Industries, Inc. (purchased by Skyworks Solutions, Inc.) and before that at ITT Gallium Arsenide Technology Center (purchased by Cobham plc). At both companies he was responsible for process and device development and wafer fabrication operations. Prior to these, Mr. Geiss held a research position at the Xerox Palo Alto Research Center (now PARC, Inc.). At PARC he investigated the structure of vitreous materials and amorphous thin-films using Raman spectroscopy. Mr. Geiss has served as a Member of the Executive Committee of the IEEE GaAs IC Symposium (now CSICS) and as a Member of the Executive Committee of the GaAs Manufacturing Technology Conference (now CS Mantech). He has numerous patents and publications on electronic devices, processing, and manufacturing. Mr. Geiss earned a B.S. degree at Lafayette College and M.S. and Ph.D. degrees at Brown University, all in physics.

Jeffrey K. McMahon is a Managing Director with North Highland, a global management consulting firm, and is currently the Market Lead for North Highland's largest market. He has an extensive background in business and information technology consulting in the financial services, energy, and telecommunications industries. He has 20 years of experience helping Fortune 100 companies drive revenue, optimize processes, improve customer experience and manage risk. His areas of expertise include marketing, strategy articulation and realization, strategic execution, business process management and merger integration. Prior to joining North Highland, Mr. McMahon was a Manager in Accenture's process practice area. Mr. McMahon received a Bachelor of Science degree in Civil Engineering from North Carolina State University.

Jerry D. Neal founded RF Micro Devices Inc. (now, Qorvo, Inc.) in 1991 and served as its Executive Vice President of Marketing and Strategic Development from January 2002 to May 31, 2012. Dr. Neal served as a Vice President of Marketing of RF Micro Devices Inc., from May 1991 to January 2000 and its Executive Vice President of Sales, Marketing and Strategic Development from January 2000 to January 2002. Prior to joining RF Micro Devices Inc., he was employed for 10 years with Analog Devices, Inc., including Marketing Engineer, Marketing Manager and Business Development Manager. Dr. Neal also founded Moisture Control Systems for the production of his patented electronic sensor for measurement of soil moisture for research, which was later sold to Hancor, Inc. He has been a Director of Jazz Semiconductor, Inc. since November 2002. Dr. Neal served as a Director of RF Micro Devices Inc. from February 1992 to July 1993. He also held various positions in Hewlett-Packard. Dr. Neal received his Associate's Degree in Electrical Engineering from Gaston Technical Institute and North Carolina State University and his doctor of business management degree from Southern Wesleyan University.

Cindy C. Payne joined us in 2015 as CFO and Treasurer, bringing over 20 years of experience in financial management. Ms. Payne most recently served as the CFO for Amerock LLC, a private equity owned hardware distributor in Mooresville, NC. Prior to joining Amerock, Ms. Payne held the position of CFO for Tolt Service Group, a private equity owned technology services provider, from 2010 until the company's sale in 2014. Her experience prior to Tolt included the role of Director of Financial Planning and Analysis in the Soft Trim Division of International Automotive Components, a Tier I supplier to the automotive industry and the role of Controller of NewBold Corporation. NewBold Corporation, located in the Roanoke, Virginia area, offers both manufactured products and technology services to retail and healthcare markets. Ms. Payne graduated Magna Cum Laude from Western Carolina University with a Bachelor of Science in Business Administration and is a Certified Public Accountant, licensed in the state of Virginia.

Director Independence

We are not currently subject to listing requirements of any national securities exchange or inter-dealer quotation system which has requirements that a majority of the board of directors be "independent" and, as a result, we are not at this time required to have our Board of Directors comprised of a majority of "independent directors." Nevertheless, we believe that Messrs. Geiss, McMahon and Neal are independent directors under the applicable standards of the SEC and The Nasdaq Stock Market, although our Board has not made a determination to that effect. (Our stock is not listed on The Nasdaq Stock Market or any securities exchange.)

Family Relationships

There are no family relationships among our Directors or executive officers.

Involvement in Certain Legal Proceedings

None of our directors or executive officers has been involved in any of the following events during the past ten years:

- any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- any conviction in a criminal proceeding or being subject to a pending criminal proceeding (excluding traffic violations and other minor offences);
- being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his or her involvement in any type of business, securities or banking activities; or
- being found by a court of competent jurisdiction (in a civil action), the Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated.

Board Committees

The Company currently has not established any committees of the Board of Directors. Our Board of Directors may designate from among its members an executive committee and one or more other committees in the future. We do not have a nominating committee or a nominating committee charter. Further, we do not have a policy with regard to the consideration of any director candidates recommended by security holders. To date, other than as described above, no security holders have made any such recommendations. The entire Board of Directors performs all functions that would otherwise be performed by committees. Given the present size of our board it is not practical for us to have committees. If we are able to grow our business and increase our operations, we intend to expand the size of our board and allocate responsibilities accordingly.

Audit Committee Financial Expert

We have no separate audit committee at this time. The entire Board of Directors oversees our audits and auditing procedures. The Board of Directors has at this time not determined whether any director is an “audit committee financial expert” within the meaning of Item 407(d)(5) for SEC regulation S-K.

Compensation Committee Interlocks and Insider Participation

We have no separate compensation committee at this time. No executive officer of the Company has served as a director or member of the compensation committee (or other committee serving an equivalent function) of any other entity, one of whose executive officers served as director of the Company during 2014.

Code of Ethics

The Company currently has not adopted a written code of ethics.

EXECUTIVE COMPENSATION

Summary Compensation Table

Name & Principal Position	Fiscal Year ended July 31,	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compen-sation ($)	Non-Qualified Deferred Compen-sation Earnings ($)	All Other Compen-sation ($)	Total ($)
Ivan Krikun, CEO (1)	**2014**	-	-	-	-	-	-	-	-
	2013	-	-	-	-	-	-	-	-
	Fiscal Year ended March 31,								
Jeff Shealy, CEO (2)	**2015**	$130,602	-	-	-	-	-	$ 12,006	$142,608
	2014	$ 0	-	-	-	-	-	$ 0	$ 0
Mark Boomgarden, VP of Operations (2),(3)	**2015**	$ 0	-	-	-	-	-	$ 14,384	$ 14,384
	2014	$ 0	-	-	-	-	-	$ 0	$ 0

(1) On May 22, 2015, Ivan Krikun resigned as our CEO and director.
(2) Reflects compensation received from Akoustis, Inc.
(3) Mr. Boomgarden performed services for Akoustis, Inc., under an independent contractor agreement.

We have no plans in place and have never maintained any plans that provide for the payment of retirement benefits or benefits that will be paid primarily following retirement including, but not limited to, tax qualified deferred benefit plans, supplemental executive retirement plans, tax-qualified deferred contribution plans and nonqualified deferred contribution plans. However, we intend to establish a 401(k) retirement savings plan, with an employer matching contribution, for all employees beginning June 1, 2015.

Except as indicated below, we have no contracts, agreements, plans or arrangements, whether written or unwritten, that provide for payments to the named executive officers listed above.

Outstanding Equity Awards at Fiscal Year-End

We have one compensation plan approved by our stockholders, the 2015 Plan. See “Market Price of and Dividends on Common Equity and Related Stockholder Matters—Securities Authorized for Issuance under Equity Compensation Plans” below for a description of the 2015 Plan. See “Description of Securities—Options” for information about stock options granted after the closing of the Merger.

The following table provides information about equity awards granted to officers of Akoustis, Inc., who are our Named Executive Officers that were outstanding as of the end of Akoustis, Inc.’s last fiscal year ended March 31, 2015.

	Option Awards					Stock Awards			
Name	Number of securities underlying unexercised options (#) exercisable	Number of securities underlying unexercised options (#) unexercisable	Equity incentive plan awards: Number of securities underlying unexercised unearned options (#)	Options Exercise Price ($)	Options Expiration Date	Number of shares or units of stock that have not vested (#)	Market value of shares of units of stock that have not vested ($)	Equity incentive plan awards: Number of unearned shares, units or other rights that have not vested (#)	Equity incentive plan awards: Market or payout value of unearned shares, units or other rights that have not vested ($)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Jeff Shealy, CEO (1)	-	-	-	-	-	-	-	-	-
Mark Boomgarden, VP of Operations (2)	-	-	-	-	-	162,041	$ 10,450	-	-

(1) Mr. Shealy has no outstanding option or stock awards.
(2) Reflects stock options and stock awards granted by Akoustis, Inc. and share value as of March 31, 2015.

Options were granted under our 2015 Plan following the Merger to each of our four non-employee directors to purchase 40,000 shares of our Common Stock, with an exercise price of $1.50 per share, vesting in equal annual installments over four years and exercisable until May 22, 2025.

Employment Agreements

We do not currently have employment agreements with any of our executive officers, but we expect to enter into an employment agreement with each of them in the future.

Restricted Stock Agreements

Akoustis, Inc., entered into, and upon the Merger the Company assumed, restricted stock purchase agreements with each of Steve Denbaars, Mark Boomgarden and Arthur Geiss pursuant to which Akoustis, Inc., issued to each of those individual a number of shares of Akoustis, Inc., common stock, which in the Merger were exchanged for shares of our Common Stock as shown below. The Company has the right to repurchase some or all of such shares upon termination of the individual's service with the Company, whether voluntary or involuntary, for 60 months from the date of termination. All of such shares are subject to the repurchase option until June 16, 2015; 25% of the shares will be released from the repurchase option on June 16, 2015, and an additional $1/48^{th}$ of the shares shall be released from the repurchase option on the last day of each month thereafter, until all shares are released from the repurchase option; provided, that such scheduled releases from the repurchase option will immediately cease as of the termination of service. The numbers of shares subject to these repurchase agreements are:

Steve Denbaars	64,816
Mark Boomgarden	162,041
Arthur Geiss	24,306

Director Compensation

We believe that our director compensation policy aligns the interest of our non-employee directors with that of our shareholders by compensating each such director with stock option grants. Each director upon commencement of his or her service receives an option to purchase 40,000 shares of Common Stock, which vests over four years in equal annual installments, subject to continuation of service as a director. Our policy also is to reimburse these directors for reasonable out-of-pocket expenses related to their role on our board.

The table below summarizes all compensation received by each of the Company's and Akoustis, Inc.'s non-employee directors for services as a director performed during Akoustis, Inc.'s fiscal year ended March 31, 2015.

Name	Fees earned or paid in cash ($)	Stock awards ($)	Option awards ($)	Non-equity incentive plan compensation ($)	Nonqualified deferred compensation earnings ($)	All other compensation ($)	Total ($)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Ivan Krikun	-	-	-	-	-	-	-
Lora Shealy(1)							

(1) Mr. Krikun resigned as a director of the Company on May 22, 2015.

(2) As director of Akoustis, Inc. On May22, 2015, Lora Shealy resigned as a director of Akoustis, Inc. Ms. Shealy received no compensation for services as director of Akoustis, Inc, but received other compensation for services rendered to Akoustis, Inc., totaling $13,885.

Options to purchase 40,000 shares of our Common Stock were granted under our 2015 Plan following the Merger to each of our four non-employee directors, with an exercise price of $1.50 per share, vesting in equal annual installments over four years and exercisable until May 22, 2025.

See "—Restricted Stock Agreements" above for information about the restricted stock purchase agreements between the Company and each of Steve Denbaars and Arthur Geiss.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

SEC rules require us to disclose any transaction or currently proposed transaction in which the Company is a participant and in which any related person has or will have a direct or indirect material interest involving the lesser of $120,000.00 or one percent (1%) of the average of the Company's total assets as of the end of last two completed fiscal years. A related person is any executive officer, director, nominee for director, or holder of 5% or more of the Company's common stock, or an immediate family member of any of those persons.

The descriptions set forth above under the captions "The Merger and Related Transactions—Merger Agreement," "—Split-Off," "—the Offering," "—Registration Rights," "—2015 Equity Incentive Plan," "—Lock-up Agreements and Other Restrictions" and "Executive Compensation" and "—Director Compensation" and below under "Description of Securities—Options" are incorporated herein by reference.

Of the $530,000 raised by Akoustis, Inc., in June 2014, our CEO, Jeffrey Shealy, was the largest investor at $175,000. Mr. Shealy also purchased $200,000 principal amount of Akoustis, Inc., convertible notes in March 2015. In addition, Mr. Shealy participated in the Offering, purchasing 134,000 shares of Common Stock for an aggregate purchase price of $201,000 (of which $200,000 was paid by conversion of the convertible note).

Furthermore, a firm owned by our CEO (Raytech, LLC) loaned Akoustis, Inc., $30,000 to assist in purchase of test and measurement equipment required to evaluate the performance of our technology demonstrators. The loan was a 12-month simple interest note and was repaid in full in March 2015.

Steven P. Denbaars, Akoustis, Inc.'s Director since May 12, 2014, and our Director since May 22, 2015, participated in the $530,000 equity financing of Akoustis, Inc., in June 2014 by investing $50,000. Prof. Denbaars participated in the Offering, purchasing 17,000 shares of Common Stock for an aggregate purchase price of $25,500.

Mark Boomgarden, our Vice President of Operations, participated in the Offering, purchasing 17,000 shares of Common Stock for an aggregate purchase price of $25,500.

Jeffrey K. McMahon, our Director since May 22, 2015, participated in the $530,000 equity financing of Akoustis, Inc., in June 2014 by investing $100,000. Mr. McMahon also purchased $225,000 principal amount of Akoustis, Inc., convertible notes in March 2015. Mr. McMahon, at Akoustis, Inc.'s request and to qualify Akoustis, Inc. for an NSF matching award in April 2015, purchased 21 shares of Akoustis, Inc.'s common stock pre Merger (6,806 shares of our Common Stock post Merger) for an aggregate purchase price of $10,000 paid by partial conversion of the convertible note. In addition, Mr. McMahon participated in the Offering, purchasing 144,000 shares of Common Stock for an aggregate purchase price of $216,000 (of which $215,000 was paid by conversion of the convertible note).

James R. Shealy, brother of our CEO Jeffrey B. Shealy, participated in the $530,000 equity financing of Akoustis, Inc., in June 2014 by investing $80,000. Prof. Shealy also purchased $130,000 principal amount of Akoustis, Inc., convertible notes in March 2015. Prof. Shealy participated in the Offering, purchasing 90,000 shares of Common Stock for an aggregate purchase price of $135,000 (of which $130,000 was paid by conversion of the convertible note).

Michael J. Shealy, brother of our CEO Jeffrey B. Shealy, participated in the Offering, purchasing 100,000 shares of Common Stock for an aggregate purchase price of $150,000.

Mark Tompkins, who beneficially owns approximately 16.3% of the Company's common stock as of the date of this report, participated in the Offering, purchasing 135,000 shares of Common Stock for an aggregate purchase price of $202,500. Mr. Tompkins is also a party to the Registration Rights Agreement with respect to all of his shares. See "The Merger and Related Transactions—Registration Rights" above.

MARKET PRICE OF AND DIVIDENDS ON COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Our Common Stock is quoted on the OTC Markets (OTCQB) under the symbol "AKTS," which changed from "DNLX" on May 1, 2015.

However, although our Common stock began to trade on May 28, 2015, there has been very limited trading to date, and an active trading market may never develop.

As of the date of this Report, we have 12,131,115 shares of Common Stock outstanding held by 74 stockholders of record.

Dividend Policy

We have never paid any cash dividends on our capital stock and do not anticipate paying any cash dividends on our Common Stock in the foreseeable future. We intend to retain future earnings to fund ongoing operations and future capital requirements. Any future determination to pay cash dividends will be at the discretion of our Board of Directors and will be dependent upon financial condition, results of operations, capital requirements and such other factors as the Board of Directors deems relevant.

Securities Authorized for Issuance under Equity Compensation Plans

The Company had no equity compensation plans as of the end of fiscal year 2014.

On May 22, 2015, our Board of Directors adopted, and on the same date our stockholders approved, the 2015 Plan, which reserves a total of 1,200,000 shares of our Common Stock for issuance under the 2015 Plan. We agreed not to grant awards under the 2015 Plan for more than 600,000 shares of our Common Stock during the first year following the closing of the Merger. If an incentive award granted under the 2015 Plan expires, terminates, is unexercised or is forfeited, or if any shares are surrendered to us in connection with an incentive award, the shares subject to such award and the surrendered shares will become available for further awards under the 2015 Plan.

In addition, the number of shares of our Common Stock subject to the 2015 Plan, any number of shares subject to any numerical limit in the 2015 Plan, and the number of shares and terms of any incentive award are expected to be adjusted in the event of any change in our outstanding our Common Stock by reason of any stock dividend, spin-off, split-up, stock split, reverse stock split, recapitalization, reclassification, merger, consolidation, liquidation, business combination or exchange of shares or similar transaction.

Administration

The compensation committee of the Board, or the Board in the absence of such a committee, will administer the 2015 Plan. Subject to the terms of the 2015 Plan, the compensation committee or the Board has complete authority and discretion to determine the terms of awards under the 2015 Plan.

Grants

The 2015 Plan authorizes the grant to participants of nonqualified stock options, incentive stock options, restricted stock awards, restricted stock units, performance grants intended to comply with Section 162(m) of the Internal Revenue Code (as amended, the "Code") and stock appreciation rights, as described below:

- Options granted under the 2015 Plan entitle the grantee, upon exercise, to purchase a specified number of shares from us at a specified exercise price per share. The exercise price for shares of our Common Stock covered by an option generally cannot be less than the fair market value of our Common Stock on the date of grant unless agreed to otherwise at the time of the grant. In addition, in the case of an incentive stock option granted to an employee who, at the time the incentive stock option is granted, owns stock representing more than 10% of the voting power of all classes of stock of the Company or any parent or subsidiary, the per share exercise price will be no less than 110% of the fair market value of our Common Stock on the date of grant.

- Restricted stock awards and restricted stock units may be awarded on terms and conditions established by the compensation committee, which may include performance conditions for restricted stock awards and the lapse of restrictions on the achievement of one or more performance goals for restricted stock units.

- The compensation committee may make performance grants, each of which will contain performance goals for the award, including the performance criteria, the target and maximum amounts payable, and other terms and conditions.

- The 2015 Plan authorizes the granting of stock awards. The compensation committee will establish the number of shares of our Common Stock to be awarded and the terms applicable to each award, including performance restrictions.

- Stock appreciation rights ("SARs") entitle the participant to receive a distribution in an amount not to exceed the number of shares of our Common Stock subject to the portion of the SAR exercised multiplied by the difference between the market price of a share of our Common Stock on the date of exercise of the SAR and the market price of a share of our Common Stock on the date of grant of the SAR.

Duration, Amendment, and Termination

The Board has the power to amend, suspend or terminate the EIP without stockholder approval or ratification at any time or from time to time. No change may be made that increases the total number of shares of our Common Stock reserved for issuance pursuant to incentive awards or reduces the minimum exercise price for options or exchange of options for other incentive awards, unless such change is authorized by our stockholders within one year. Unless sooner terminated, the 2015 Plan would terminate ten years after it is adopted.

This summary description of the 2015 Plan is qualified in its entirety by reference to the form of the 2015 Plan filed as an exhibit to this Current Report.

As of the date hereof, options to purchase 160,000 shares of our Common Stock have been issued under the 2015 Plan. See "Description of Securities—Options" below.

DESCRIPTION OF SECURITIES

We have authorized capital stock consisting of 300,000,000 shares of Common Stock and 10,000,000 shares of preferred stock. As of the date of this Report, we had 12,131,115 shares of Common Stock issued and outstanding, and no shares of preferred stock issued and outstanding.

Common Stock

The holders of outstanding shares of common stock are entitled to receive dividends out of assets or funds legally available for the payment of dividends of such times and in such amounts as the board from time to time may determine. Holders of common stock are entitled to one vote for each share held on all matters submitted to a vote of stockholders. There is no cumulative voting of the election of directors then standing for election. The common stock is not entitled to pre-emptive rights and is not subject to conversion or redemption. Upon liquidation, dissolution or winding up of our company, the assets legally available for distribution to stockholders are distributable ratably among the holders of the common stock after payment of liquidation preferences, if any, on any outstanding payment of other claims of creditors. Each outstanding share of common stock is duly and validly issued, fully paid and non-assessable.

Preferred Stock

Shares of preferred stock may be issued from time to time in one or more series, each of which will have such distinctive designation or title as shall be determined by our Board of Directors prior to the issuance of any shares thereof. Preferred stock will have such voting powers, full or limited, or no voting powers, and such preferences and relative, participating, optional or other special rights and such qualifications, limitations or restrictions thereof, as shall be stated in such resolution or resolutions providing for the issue of such class or series of preferred stock as may be adopted from time to time by the Board of Directors prior to the issuance of any shares thereof. The number of authorized shares of preferred stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the voting power of all the then outstanding shares of our capital stock entitled to vote generally in the election of the directors, voting together as a single class, without a separate vote of the holders of the preferred stock, or any series thereof, unless a vote of any such holders is required pursuant to any preferred stock designation.

While we do not currently have any plans for the issuance of additional preferred stock, the issuance of such preferred stock could adversely affect the rights of the holders of common stock and, therefore, reduce the value of the common stock. It is not possible to state the actual effect of the issuance of any shares of preferred stock on the rights of holders of the common stock until the Board of Directors determines the specific rights of the holders of the preferred stock; however, these effects may include:

- Restricting dividends on the common stock;
- Diluting the voting power of the common stock;
- Impairing the liquidation rights of the common stock; or
- Delaying or preventing a change in control of the Company without further action by the stockholders.

Other than in connection with shares of preferred stock (as explained above), which preferred stock is not currently designated nor contemplated by us, we do not believe that any provision of our charter or By-Laws would delay, defer or prevent a change in control.

Warrants

As of the date hereof, the Placement Agent Warrants entitle their holders to purchase 313,510 shares of Common Stock, with a term of five years and an exercise price of $1.50 per share, and have a “cashless” net exercise option.

All of the outstanding warrants contain “weighted average” anti-dilution protection in the event that we issue Common Stock or securities convertible into or exercisable for shares of Common Stock at a price lower than the subject warrant’s exercise price, subject to certain customary exceptions, as well as customary provisions for adjustment in the event of stock splits, subdivision or combination, mergers, etc.

See Item 2.01, “Completion of Acquisition or Disposition of Assets—The Merger and Related Transactions—Registration Rights” for a description of the registration rights granted to (among others) the holders of the Placement Agent Warrants, which description is incorporated herein by reference.

This summary description of the Placement Agent Warrants is qualified in its entirety by reference to the form of such warrants filed as an exhibit to this Current Report.

Options

Options to purchase 40,000 shares of our Common Stock were granted under our 2015 Plan following the Merger to each of our four non-employee directors, with an exercise price of $1.50 per share, vesting in equal annual installments over four years and exercisable until May 22, 2025.

Other Convertible Securities

As of the date hereof, other than the securities described above, the Company does not have any outstanding convertible securities.

Transfer Agent

The transfer agent for our Common Stock is Globex Transfer, LLC. The transfer agent's address is 780 Deltona Blvd., Suite 202, Deltona, FL 32725 and its telephone number is 813-344-4490.

LEGAL PROCEEDINGS

From time to time, we may become involved in various lawsuits and legal proceedings which arise in the ordinary course of business. However, litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm business.

We are currently not aware of any pending legal proceedings to which we are a party or of which any of our property is the subject, nor are we aware of any such proceedings that are contemplated by any governmental authority.

INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Nevada Private Corporation Law and our Articles of Incorporation allow us to indemnify our officers and directors from certain liabilities and our By-Laws state that we shall indemnify every (i) present or former director or officer of us, (ii) any person who while serving in any of the capacities referred to in clause (i) served at our request as a director, officer, partner, venturer, proprietor, trustee, employee, agent or similar functionary of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, and (iii) any person nominated or designated by (or pursuant to authority granted by) the Board of Directors or any committee thereof to serve in any of the capacities referred to in clauses (i) or (ii) (each an "Indemnitee").

Our By-Laws provide that we shall indemnify an Indemnitee against all judgments, penalties (including excise and similar taxes), fines, amounts paid in settlement and reasonable expenses actually incurred by the Indemnitee in connection with any proceeding in which he was, is or is threatened to be named as defendant or respondent, or in which he was or is a witness without being named a defendant or respondent, by reason, in whole or in part, of his serving or having served, or having been nominated or designated to serve, if it is determined that the Indemnitee (a) conducted himself in good faith, (b) reasonably believed, in the case of conduct in his official capacity, that his conduct was in our best interests and, in all other cases, that his conduct was at least not opposed to our best interests, and (c) in the case of any criminal proceeding, had no reasonable cause to believe that his conduct was unlawful; provided, however, that in the event that an Indemnitee is found liable to us or is found liable on the basis that personal benefit was improperly received by the Indemnitee, the indemnification (i) is limited to reasonable expenses actually incurred by the Indemnitee in connection with the proceeding and (ii) shall not be made in respect of any proceeding in which the Indemnitee shall have been found liable for willful or intentional misconduct in the performance of his duty to us.

Other than in the limited situation described above, our By-Laws provide that no indemnification shall be made in respect to any proceeding in which such Indemnitee has been (a) found liable on the basis that personal benefit was improperly received by him, whether or not the benefit resulted from an action taken in the Indemnitee's official capacity, or (b) found liable to us. The termination of any proceeding by judgment, order, settlement or conviction, or on a plea of nolo contendere or its equivalent, is not of itself determinative that the Indemnitee did not meet the requirements set forth in clauses (a) or (b) above. An Indemnitee shall be deemed to have been found liable in respect of any claim, issue or matter only after the Indemnitee shall have been so adjudged by a court of competent jurisdiction after exhaustion of all appeals therefrom. Reasonable expenses shall, include, without limitation, all court costs and all fees and disbursements of attorneys for the Indemnitee. The indemnification provided shall be applicable whether or not negligence or gross negligence of the Indemnitee is alleged or proven.

In addition to our By-Laws and our Articles of Incorporation, we have entered into an Indemnification Agreement with each of our directors pursuant to which we will be obligated to maintain liability insurance in favor of the directors serving the Company and its subsidiaries and affiliates. We will also be required to indemnify, and to advance expenses on behalf of, such persons to the fullest extent permitted by applicable law and our governing documents. We believe that entering into the contemplated agreements will help attract and retain highly competent and qualified persons to serve the Company. The form of Indemnification Agreement is filed as an exhibit to this Current Report.

Other than discussed above, none of our By-Laws, our Articles of Incorporation or any indemnification agreement with any director of the Company includes any specific indemnification provisions for our officers or directors against liability under the Securities Act. Additionally, insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Company pursuant to the foregoing provisions, or otherwise, the Company has been advised that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable.

ITEM 3.02 UNREGISTERED SALES OF EQUITY SECURITIES

All share and per share stock numbers in this section relating to the Common Stock of the Company (Akoustis Technologies, Inc.) are after giving effect to the 1.094891-for-one forward split of our Common Stock on April 23, 2015. Share and per share stock numbers relating to stock of Akoustis, Inc., issued prior to the Merger on May 22, 2015, have not been adjusted to reflect the Merger, in which each share of Akoustis, Inc., stock outstanding at the time of the Merger was automatically converted into 324.082 shares of our Common Stock.

On July 25, 2013, we issued 9,854,019 shares of our Common Stock, to Ivan Krikun, our initial sole officer and director, for $9,000.00. The sale of these shares was exempt from registrations pursuant to Section 4(a)(2) of the Securities Act as not involving any public offering.

The Offering

The information regarding the Offering and the Placement Agent Warrants set forth in Item 2.01, "Completion of Acquisition or Disposition of Assets—The Merger and Related Transactions—The Offering" and "Description of Securities" is incorporated herein by reference.

Shares Issued in Connection with the Merger

On May 22, 2015, pursuant to the terms of the Merger Agreement, all of the shares of stock of Akoustis, Inc., were exchanged for 5,500,006 restricted shares of our Common Stock. This transaction was exempt from registration under Section 4(a)(2) of the Securities Act as not involving any public offering. None of the securities were sold through an underwriter and, accordingly, there were no underwriting discounts or commissions involved.

Sales of Unregistered Securities of Akoustis, Inc.

Common Stock.

On May 12, 2014, Akoustis, Inc., issued 8,050 shares of its common stock to its founders, Jeffrey Shealy, and Lora Shealy, for $1 and an in-kind assignment of certain assets to Akoustis, Inc.

Between June 2014 and May 15, 2015, Akoustis, Inc. issued 1,925 shares of its common stock to several independent contractors, including Steven Denbaars, Mark Boomgarden and Arthur Geiss, pursuant to restricted stock purchase agreements under Akoustis, Inc.'s 2014 Stock Plan in consideration of business and consulting services. See Item 2.01, "Executive Compensation—Restricted Stock Agreements," above for information about the restricted stock purchase agreements, which description is incorporated herein by reference.

In March 2015, Akoustis, Inc., sold to an accredited investor 1,675 shares of its common stock at a price of $35,000.

In April 2015, Akoustis, Inc., sold to an accredited investor 21 shares of its common stock at a price of $10,000, paid by partial conversion of a convertible note.

Series Seed Preferred Stock. On June 16, 2014, Akoustis, Inc. sold 5,300 shares of its Series Seed Preferred Stock, at a purchase price of $100 per share, to its directors and private investors, each of whom qualified as an accredited investor pursuant to Regulation D under the Securities Act. The aggregate proceeds from the sale of Series Seed Preferred Stock were $530,000.

Convertible Notes. During March 2015, Akoustis, Inc., issued and sold convertible promissory notes (the "Notes") to four investors, including its Chief Executive Officer, in the aggregate principal amount of $655,000, with a maturity date of December 31, 2015. The Notes carried no interest if paid on the Maturity Date. $10,000 principal amount of the Notes was converted into 21 shares of Akoustis, Inc., common stock as described above. Pursuant to the mandatory conversion provision of the Notes, the remaining aggregate of $645,000 principal amount of the Notes was automatically converted into shares of the Company's Common Stock by their terms upon closing of the Offering and Merger, at a conversion price per share equal to the Offering Price of $1.50 per share. See Item 2.01, "Completion of Acquisition or Disposition of Assets—The Merger and Related Transactions—The Offering" above.

Each of these issuances by Akoustis, Inc.,was exempt from registration under Section 4(a)(2) of the Securities Act, and/or in reliance upon the exemption provided by Regulation D promulgated by the SEC thereunder, as transactions by an issuer not involving any public offering. The recipients of securities in each transaction represented their intention to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof and appropriate legends were affixed to the share certificates and other instruments issued in such transactions. None of these securities were sold through an underwriter and, accordingly, there were no underwriting discounts or commissions involved.

ITEM 5.01 CHANGES IN CONTROL OF REGISTRANT.

The information regarding change of control of the Company in connection with the Merger set forth in Item 2.01, "Completion of Acquisition or Disposition of Assets—The Merger and Related Transactions" is incorporated herein by reference.

ITEM 5.02 DEPARTURE OF DIRECTORS OR PRINCIPAL OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF PRINCIPAL OFFICERS; COMPENSATORY ARRANGEMENTS OF CERTAIN OFFICERS.

The information regarding departure and election of directors and departure and appointment of principal officers of the Company in connection with the Merger set forth in Item 2.01, "Completion of Acquisition or Disposition of Assets—The Merger and Related Transactions" is incorporated herein by reference.

ITEM 5.06 CHANGE IN SHELL COMPANY STATUS.

Prior to the Merger, we were a "shell company" (as such term is defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended (the "Exchange Act")). As a result of the Merger, we have ceased to be a shell company. The information contained in this Current Report, together with the information contained in our Annual Report on Form 10-K for the fiscal year ended July 31, 2014, and our subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, as filed with the SEC, constitute the current "Form 10 information" necessary to satisfy the conditions contained in Rule 144(i)(2) under the Securities Act of 1933, as amended (the "Securities Act").

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.

(a) Financial statements of business acquired.

In accordance with Item 9.01(a), the audited financial statements of Akoustis, Inc., as of March 31, 2015, and for the period May 12, 2014 (inception) through March 31, 2015, and the accompanying notes, are included in this Report beginning on Page F-1.

(b) Pro forma financial information.

In accordance with Item 9.01(b), unaudited pro forma condensed combined financial statements as of March 31, 2015, and for the period May 12, 2014 (inception) through March 31, 2015, and the accompanying notes, are included in this Report beginning on Page F-20.

(d) Exhibits

In reviewing the agreements included or incorporated by reference as exhibits to this Current Report on Form 8-K, please remember that they are included to provide you with information regarding their terms and are not intended to provide any other factual or disclosure information about the Company or the other parties to the agreements. The agreements may contain representations and warranties by each of the parties to the applicable agreement. These representations and warranties have been made solely for the benefit of the parties to the applicable agreement and:

- ***should not in all instances be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate;***
- ***have been qualified by disclosures that were made to the other party in connection with the negotiation of the applicable agreement, which disclosures are not necessarily reflected in the agreement;***
- ***may apply standards of materiality in a way that is different from what may be viewed as material to you or other investors; and***
- ***were made only as of the date of the applicable agreement or such other date or dates as may be specified in the agreement and are subject to more recent developments.***

Accordingly, these representations and warranties may not describe the actual state of affairs as of the date they were made or at any other time. Additional information about the Company may be found elsewhere in this Current Report on Form 8-K and the Company's other public filings, which are available without charge through the SEC's website at http://www.sec.gov.

Exhibit Number	**Description**
2.1*	Agreement and Plan of Merger and Reorganization, dated as of May 22, 2015, by and among the Registrant, Acquisition Sub and Akoustis, Inc.
3.1	Articles of Incorporation of the Registrant *(incorporated by reference from Exhibit 3.1 to the Registrants' Registration Statement on Form S-1 filed with the SEC on January 21, 2014)*
3.2	Certificate of Amendment of Articles of Incorporation of the Registrant *(incorporated by reference from Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the SEC on April 29, 2015)*
3.3*	Certificate of Merger of Acquisition Sub with and into Akoustis, Inc., filed May 22, 2015
3.4*	Amended and Restated By-Laws of the Registrant
10.1*	Split-Off Agreement, dated as of May 22, 2015, by and among the Registrant, Danlax Enterprise Corp. and Ivan Krikun
10.2*	General Release Agreement, dated as of May 22, 2015, by and among the Registrant, Danlax Enterprise Corp. and Ivan Krikun
10.3*	Indemnification Shares Escrow Agreement, dated as of May 22, 2015, by and among the Registrant, Jeffrey B. Shealy, and CKR Law LLP, as Escrow Agent

Exhibit Number	Description
10.4*	Form of Lock-Up and No Short Selling Agreement between the Registrant and the officers, directors and shareholders party thereto
10.5*	Form of Subscription Agreement between the Registrant and the investors party thereto
10.6*	Placement Agency Agreement, dated April 17, 2015, between the Registrant and Northland Securities, Inc., and Katalyst Securities LLC
10.7*	Amendment No. 1 to Placement Agency Agreement, dated May 15, 2015, between the Registrant and Northland Securities, Inc., and Katalyst Securities LLC
10.8*	Form of Placement Agent Warrant for Common Stock of the Registrant
10.9*	Form of Registration Rights Agreement
10.10*†	The Registrant's 2015 Equity Incentive Plan
10.11*†	Form of Stock Option Agreement under 2015 Equity Incentive Plan
10.12*†	Form of Restricted Stock Purchase Agreement between the Registrant (as assignee of Akoustis, Inc.) and each of Steve Denbaars, Mark Boomgarden and Arthur Geiss
10.13*	Joint Development Agreement, dated February 27, 2015, between Akoustis, Inc. and Global Communication Semiconductors, LLC
10.14*	Foundry Agreement, dated February 27, 2015, between Akoustis, Inc. and Global Communication Semiconductors, LLC

* Filed herewith
† Management contract or compensatory plan or arrangement

AKOUSTIS TECHNOLOGIES, INC.

FINANCIAL STATEMENTS

Table of Contents

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors
of Akoustis, Inc.

We have audited the accompanying balance sheet of Akoustis, Inc . (the "Company") as of March 31, 2015, and the related statements of operations, changes in stockholders' equity and cash flows for the period from May 12, 2014 (inception) through March 31, 2015. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Akoustis, Inc., as of March 31, 2015, and the results of its operations and its cash flows for the period from May 12, 2014 (inception) through March 31, 2015 in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the financial statements, the Company has not generated any revenue, and has incurred net losses since inception. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's plans regarding these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Marcum llp

Marcum llp
New York, NY
May 29, 2015

AKOUSTIS, INC.
BALANCE SHEET

	March 31, 2015
Assets	
Assets:	
Cash and cash equivalents	$ 687,739
Inventory	30,521
Prepaid expenses	21,715
Total current assets	739,975
Property and equipment, net	65,512
Intangibles, net	26,966
Total Assets	**$ 832,453**
Liabilities and Stockholders' Equity	
Liabilities:	
Accounts payable and accrued expenses	$ 58,439
Convertible notes payable	655,000
Total current liabilities	713,439
Commitments and contingencies	
Stockholders' Equity	
Preferred stock, $0.0001 par value; 5,300 shares authorized; 5,300 shares issued and outstanding	1
Common stock, $0.0001 par value; 15,300 shares authorized; 9,725 shares issued and outstanding	1
Additional paid in capital	565,361
Accumulated deficit	(446,349)
Total Stockholders' Equity	119,014
Total Liabilities and Stockholders' Equity	**$ 832,453**

The accompanying notes are an integral part of these financial statements.

AKOUSTIS, INC.
STATEMENT OF OPERATIONS

	For the Period from May 12, 2014 (Inception) through March 31, 2015
Revenue	$ -
Operating expenses	
Research and development	241,933
General and administrative expenses	341,916
Total operating expenses	**583,849**
Loss from operations	**(583,849)**
Other income	
Grant income	137,500
Total other income	**137,500**
Net loss	**$ (446,349)**

The accompanying notes are an integral part of these financial statements.

AKOUSTIS, INC.
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

For the Period from May 12, 2014 (Inception) through March 31, 2015

	Preferred Stock		Common Stock		Additional	Accumulated	
	Shares	Amount	Shares	Amount	Paid In Capital	Deficit	Stockholders' Equity
Balance May 12, 2014 (Inception)	-	$ -	-	$ -	$ -	$ -	$ -
Common stock issued to founders	-	-	8,050	1	-	-	1
Common stock issued for cash	-	-	1,675	-	35,000	-	35,000
Preferred shares issued for cash	5,300	1	-	-	529,999		530,000
Common stock issued for services	-	-	-	-	362	-	362
Net loss for the period May 12, 2014 (Inception) to March 31, 2015	-	-	-	-	-	(446,349)	(446,349)
Balance, March 31, 2015	5,300	$ 1	9,725	$ 1	$ 565,361	$ (446,349)	$ 119,014

The accompanying notes are an integral part of these financial statements.

AKOUSTIS, INC.
STATEMENT OF CASH FLOWS

	For the Period from May 12, 2014 (Inception) through March 31, 2015
CASH FLOWS FROM OPERATING ACTIVITIES:	
Net loss	$ (446,349)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation	5,675
Amortization of intangibles	1,044
Share-based compensation	6,219
Changes in operating assets and liabilities:	
Inventory	(30,521)
Prepaid expenses	(21,715)
Accounts payable and accrued expenses	52,582
Net Cash Used In Operating Activities	(433,065)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Cash paid for machinery and equipment	(71,187)
Cash paid for intangibles	(28,010)
Net Cash Used In Investing Activities	(99,197)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Proceeds from issuance of common stock	35,001
Proceeds from issuance of preferred stock	530,000
Proceeds received from convertible note	655,000
Borrowings from promissory note	30,000
Repayment of promissory note	(30,000)
Net Cash Provided By Financing Activities	1,220,001
Net Increase in Cash	687,739
Cash - Beginning of Period	-
Cash - End of Period	$ 687,739
SUPPLEMENTARY CASH FLOW INFORMATION:	
Cash Paid During the Period for:	
Income taxes	$ -
Interest	$ 984
SUPPLEMENTARY DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:	
Stock compensation payable	$ 5,857

The accompanying notes are an integral part of these financial statements.

AKOUSTIS, INC.
NOTES TO THE FINANCIAL STATEMENTS

Note 1. Organization and Liquidity

Akoustis, Inc. (the "Company") operates in the telecommunications and fiber optics sector. The Company was incorporated in May 2014 and is based in Cornelius, North Carolina. The Company's mission is to commercialize and manufacture its patent-pending Bulk ONE™ acoustic wave technology to address the critical frequency-selectivity requirements in today's mobile smartphones – improving the efficiency and signal quality of mobile wireless devices and enabling The Internet of Things.

Note 2. Going Concern and Management Plans

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. As of March 31, 2015, the Company had working capital of $26,536 and a stockholders' equity of $119,014. Furthermore, as of the date of this report, the Company has $645,000 of convertible notes payable that mature in October 2015. The Company has not generated any revenues from operations and incurred a net loss during its initial fiscal year. These matters raise substantial doubt about the Company's ability to continue as a going concern. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of asset amounts or the classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company's primary sources of operating funds since inception have been private equity and note financings. The Company expects that its current cash on hand will fund its operations only through May 2015. The Company intends to raise additional capital through private debt and equity investors. The Company needs to raise additional capital in order to be able to accomplish its business plan objectives. The Company is continuing its efforts to secure additional funds through debt or equity instruments due to the impending lack of funds. Management believes that it will be successful in obtaining additional financing based on its limited history of raising funds; however, no assurance can be provided that the Company will be able to do so. There is no assurance that any funds it raises will be sufficient to enable the Company to attain profitable operations or continue as a going concern. To the extent that the Company is unsuccessful, the Company may need to curtail or cease its operations and implement a plan to extend payables or reduce overhead until sufficient additional capital is raised to support further operations. There can be no assurance that such a plan will be successful.

During May 2015, the Company simultaneously completed a reverse merger with a public reporting company and a private placement offering of 3,531,104 shares. Total proceeds from the offering were $5,296,656 (which included $645,000 principal amount of convertible notes of the Company that converted into Common Stock) with offering costs of approximately $763,000 and net proceeds of approximately $4,534,000. The Company intends to use the proceeds to fund research and development activities and for working capital and general corporate purposes.

Note 3. Summary of significant accounting policies

Basis of presentation

The Company's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP") and the rules and regulations of the Securities and Exchange Commission ("SEC").

Fiscal Year-End

The Company elected March 31st as its fiscal year ending date.

Use of estimates and assumptions and critical accounting estimates and assumptions

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date(s) of the financial statements and the reported amounts of revenues and expenses during the reporting period(s).

Critical accounting estimates are estimates for which (a) the nature of the estimate is material due to the levels of subjectivity and judgment necessary to account for highly uncertain matters or the susceptibility of such matters to change and (b) the impact of the estimate on financial condition or operating performance is material. The Company's critical accounting estimates and assumptions affecting the financial statements were:

(1) *Fair value of long–lived assets:* Fair value is generally determined using the asset's expected future discounted cash flows or market value, if readily determinable. If long–lived assets are determined to be recoverable, but the newly determined remaining estimated useful lives are shorter than originally estimated, the net book values of the long–lived assets are depreciated over the newly determined remaining estimated useful lives. The Company considers the following to be some examples of important indicators that may trigger an impairment review: (i) significant under–performance or losses of assets relative to expected historical or projected future operating results; (ii) significant changes in the manner or use of assets or in the Company's overall strategy with respect to the manner or use of the acquired assets or changes in the Company's overall business strategy; (iii) significant negative industry or economic trends; (iv) increased competitive pressures; (v) a significant decline in the Company's stock price for a sustained period of time; and (vi) regulatory changes. The Company evaluates acquired assets for potential impairment indicators at least annually and more frequently upon the occurrence of such events.

(2) *Valuation allowance for deferred tax assets:* Management assumes that the realization of the Company's net deferred tax assets resulting from its net operating loss ("NOL") carry–forwards for Federal income tax purposes that may be offset against future taxable income was not considered more likely than not and accordingly, the potential tax benefits of the net loss carry–forwards are offset by a full valuation allowance. Management made this assumption based on (a) the Company has incurred a loss, (b) general economic conditions, and (c) its ability to raise additional funds to support its daily operations by way of a public or private offering, among other factors.

(3) *Estimates and assumptions used in valuation of equity instruments:* Management estimates expected term of share options and similar instruments, expected volatility of the Company's common shares and the method used to estimate it, expected annual rate of quarterly dividends, and risk free rate(s) to value share options and similar instruments.

(4) *Inventory Obsolescence and Markdowns:* The Company's estimate of potentially excess and slow-moving inventories is based on evaluation of inventory levels and aging, review of inventory turns and sales experiences. The Company's estimate of reserve for inventory shrinkage is based on the results of physical inventory cycle counts.

These significant accounting estimates or assumptions bear the risk of change due to the fact that there are uncertainties attached to these estimates or assumptions, and certain estimates or assumptions are difficult to measure or value.

Management bases its estimates on various assumptions that are believed to be reasonable in relation to the financial statements taken as a whole under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

Management regularly evaluates the key factors and assumptions used to develop the estimates utilizing currently available information, changes in facts and circumstances and reasonable assumptions. After such evaluations, if deemed appropriate, those estimates are adjusted accordingly. Actual results could differ from those estimates.

Cash and cash equivalents

The Company considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. As of March 31, 2015, the Company did not have any cash equivalents. Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash deposits. The Company maintains its cash in institutions insured by the Federal Deposit Insurance Corporation ("FDIC"). At times, the Company's cash and cash equivalent balances may be uninsured or in amounts that exceed the FDIC insurance limits.

Inventory

Inventory is stated at lower of cost or market using the first-in, first-out (FIFO) valuation method. Inventory was comprised of raw materials at March 31, 2015.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is calculated using the straight–line method on the various asset classes over their estimated useful lives, which range from three to ten years. Expenditures for maintenance and repairs, which do not extend the economic useful life of the related assets, are charged to operations as incurred.

Intangible assets

Intangible assets consist of patents and trademarks. Applicable long–lived assets are amortized or depreciated over the shorter of their estimated useful lives, the estimated period that the assets will generate revenue, or the statutory or contractual term in the case of patents. Estimates of useful lives and periods of expected revenue generation are reviewed periodically for appropriateness and are based upon management's judgment. Patents are amortized on the straight-line method over their useful lives of 15 years.

Impairment of Long-Lived Assets

The Company assesses the recoverability of its long-lived assets, including property and equipment, when there are indications that the assets might be impaired. When evaluating assets for potential impairment, the Company compares the carrying value of the asset to its estimated undiscounted future cash flows. If an asset's carrying value exceeds such estimated cash flows (undiscounted and with interest charges), the Company records an impairment charge for the difference.

Based on its assessments, the Company did not record any impairment charges for the period ended March 31, 2015.

Preferred Stock

Preferred shares subject to mandatory redemption (if any) are classified as liability instruments and are measured at fair value. The Company classifies conditionally redeemable preferred shares, which includes preferred shares that feature redemption rights that are either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within the Company's control, as temporary equity. At all other times, the Company classifies its preferred shares in stockholders' equity. Accordingly, as of March 31, 2015, since the Company's preferred shares do not feature any redemption feature within the holders' control or conditional redemption features not within the Company's control, all issuances of preferred stock are presented as a component of stockholders' equity.

Convertible Instruments

US GAAP requires companies to bifurcate conversion options from their host instruments and account for them as free standing derivative financial instruments according to certain criteria. The criteria includes circumstances in which (a) the economic characteristics and risks of the embedded derivative instrument are not clearly and closely related to the economic characteristics and risks of the host contract, (b) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not re-measured at fair value under otherwise applicable generally accepted accounting principles with changes in fair value reported in earnings as they occur and (c) a separate instrument with the same terms as the embedded derivative instrument would be considered a derivative instrument. An exception to this rule is when the host instrument is deemed to be conventional as that term is described under applicable GAAP.

For instruments in which the Company has determined that the embedded conversion options should not be bifurcated from their host instruments, the Company records, when necessary, discounts to convertible notes for the intrinsic value of conversion options embedded in debt instruments based upon the differences between the fair value of the underlying common stock at the commitment date of the note transaction and the effective conversion price embedded in the note. Debt discounts under these arrangements are amortized over the term of the related debt to their stated date of redemption.

Fair Value of Financial Instruments

The carrying amounts of cash, accounts payable, accrued expenses, and convertible notes payable approximate fair value due to the short-term nature of these instruments.

The Company measures the fair value of financial assets and liabilities based on the guidance of ASC 820, “Fair Value Measurements and Disclosures,” which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements.

ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Fair value measurements are categorized using a valuation hierarchy for disclosure of the inputs used to measure fair value, which prioritize the inputs into three broad levels:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in level 1, which are either directly or indirectly observable as of the reported date, and include those financial instruments that are valued using models or other valuation methodologies.

Level 3 - Pricing inputs include significant inputs that are generally less observable from objective sources. These inputs may be used with internally developed methodologies that result in management’s best estimate of fair value.

Grant income

During the period ended March 31, 2015, the Company was awarded grants of $150,000 and $50,000 from the National Science Foundation (the "NSF") and the North Carolina Board of Science, Technology & Innovation, respectively. The Company recognizes nonrefundable grant revenue when it is awarded. The Company received total proceeds from the two grants of $137,500 in order to fund future research and development and are shown as "Grant income" on the statement of operations.

Research and Development

Research and development expenses are charged to operations as incurred.

Advertising and marketing costs

The Company expenses advertising and marketing costs as incurred. These amounts were immaterial for the period ended March 31, 2015.

Equity–based compensation

The Company recognizes compensation expense for all equity–based payments in accordance with *ASC 718 "Compensation – Stock Compensation"*. Under fair value recognition provisions, the Company recognizes equity–based compensation net of an estimated forfeiture rate and recognizes compensation cost only for those shares expected to vest over the requisite service period of the award.

Restricted stock awards are granted at the discretion of the Company. These awards are restricted as to the transfer of ownership and generally vest over the requisite service periods, typically over a five year period (vesting on a straight–line basis). The fair value of a stock award is equal to the fair market value of a share of Company stock on the grant date.

The fair value of an option award is estimated on the date of grant using the Black–Scholes option valuation model. The Black–Scholes option valuation model requires the development of assumptions that are inputs into the model. These assumptions are the value of the underlying share, the expected stock volatility, the risk–free interest rate, the expected life of the option, the dividend yield on the underlying stock and the expected forfeiture rate. Expected volatility is benchmarked against similar companies in a similar industry over the expected option life and other appropriate factors. Risk–free interest rates are calculated based on continuously compounded risk–free rates for the appropriate term. The dividend yield is assumed to be zero as the Company has never paid or declared any cash dividends on its Common stock and does not intend to pay dividends on its Common stock in the foreseeable future. The expected forfeiture rate is estimated based on management's best estimate.

Determining the appropriate fair value model and calculating the fair value of equity–based payment awards requires the input of the subjective assumptions described above. The assumptions used in calculating the fair value of equity–based payment awards represent management's best estimates, which involve inherent uncertainties and the application of management's judgment. As a result, if factors change and the Company uses different assumptions, our equity–based compensation could be materially different in the future. In addition, the Company is required to estimate the expected forfeiture rate and recognize expense only for those shares expected to vest. If the Company's actual forfeiture rate is materially different from its estimate, the equity–based compensation could be significantly different from what the Company has recorded in the current period.

The Company accounts for share–based payments granted to non–employees in accordance with *ASC 505-40, "Equity Based Payments to Non–Employees"*. The Company determines the fair value of the stock–based payment as either the fair value of the consideration received or the fair value of the equity instruments issued, whichever is more reliably measurable. If the fair value of the equity instruments issued is used, it is measured using the stock price and other measurement assumptions as of the earlier of either (1) the date at which a commitment for performance by the counterparty to earn the equity instruments is reached, or (2) the date at which the counterparty's performance is complete. The fair value of the equity instruments is re-measured each reporting period over the requisite service period.

Income taxes

The Company applies the elements of *ASC 740–10 "Income Taxes"* regarding accounting for uncertainty in income taxes. This clarifies the accounting for uncertainty in income taxes recognized in financial statements and requires the impact of a tax position to be recognized in the financial statements if that position is more likely than not of being sustained by the taxing authority. As of March 31, 2015, no liability for unrecognized tax benefits was required to be reported. The Company does not expect that the amount of unrecognized tax benefits will significantly increase or decrease within the next twelve months. The Company's policy is to recognize interest and penalties related to tax matters in the income tax provision on the Statement of Operations. There was no interest and penalties for the period ended March 31, 2015.

Deferred taxes are computed based on the tax liability or benefit in future years of the reversal of temporary differences in the recognition of income or deduction of expenses between financial and tax reporting purposes. The net difference, if any, between the provision for taxes and taxes currently payable is reflected in the balance sheet as deferred taxes. Deferred tax assets and/or liabilities, if any, are classified as current and non–current based on the classification of the related asset or liability for financial reporting purposes, or based on the expected reversal date for deferred taxes that are not related to an asset or liability. Valuation allowances are recorded to reduce deferred tax assets to that amount which is more likely than not to be realized.

Loss per share

Basic loss per share is calculated by dividing net loss applicable to Common stockholders by the weighted average number of common shares outstanding during the period. Diluted loss per share is calculated by dividing the net loss attributable to Common stockholders by the sum of the weighted average number of common shares outstanding plus potential dilutive common shares outstanding during the period. Potential dilutive securities, comprised of the convertible Preferred stock, unvested restricted shares and stock options, are not reflected in diluted net loss per share because such shares are anti–dilutive.

Recent accounting pronouncements

In June 2014, the Financial Accounting Standards Board issued Accounting Standards Update 2014-10, *Development Stage Entities*. The amendments in this Update remove the definition of a development stage entity from Topic 915, thereby removing the distinction between development stage entities and other reporting entities from U.S. GAAP. In addition, the amendments eliminate the requirements for development stage entities to (1) present inception-to-date information on the statements of income, cash flows, and shareholder's equity, (2) label the financial statements as those of a development stage entity, (3) disclose a description of the development stage activities in which the entity is engaged, and (4) disclose in the first year in which the entity is no longer a development stage entity that in prior years it had been in the development stage. The amendments also clarify that the guidance in Topic 275, Risks and Uncertainties, is applicable to entities that have not commenced planned principal operations. Finally, the amendments also remove paragraph 810-10-15-16, which states that a development stage entity does not meet the condition in paragraph 810-10-15-14(a) to be a variable interest entity (VIE) if (1) the entity can demonstrate that the equity invested in the legal entity is sufficient to permit it to finance the activities it is currently engaged in and (2) the entity's governing documents and contractual arrangements allow additional equity investments. Under the amendments, all entities within the scope of the Variable Interest Entities Subsections of Subtopic 810-10, Consolidation—Overall, would be required to evaluate whether the total equity investment at risk is sufficient using the guidance provided in paragraphs 810-10-25-45 through 25-47, which requires both qualitative and quantitative evaluations. This Accounting Standards Update is the final version of Proposed Accounting Standards Update 2013-320—Development Stage Entities (Topic 915), which has been deleted. The amendments in this Update are effective for annual reporting periods beginning after December 15, 2014, and interim periods therein, and early adoption is required. The Company has decided to early adopt the ASU 2014-10 as of March 31, 2015.

In June 2014, FASB issued Accounting Standards Update 2014–12, *Compensation – Stock Compensation* (Topic 718), which clarifies accounting for share–based payments for which the terms of an award provide that a performance target could be achieved after the requisite service period. That is the case when an employee is eligible to retire or otherwise terminate employment before the end of the period in which a performance target could be achieved and still be eligible to vest in the award if and when the performance target is achieved. The updated guidance clarifies that such a term should be treated as a performance condition that affects vesting. As such, the performance target should not be reflected in estimating the grant–date fair value of the award. Compensation cost should be recognized in the period in which it becomes probable that the performance target will be achieved and should represent the compensation cost attributable to the periods for which the requisite service has already been rendered. The guidance will be effective for the annual periods (and interim periods therein) ending after December 15, 2015. Early application is permitted. The Company is currently evaluating the effects of ASU 2014–12 on the financial statements.

In August 2014, the Financial Accounting Standards Board issued Accounting Standards Update 2014-15, *Presentation of Financial Statements- Going Concern.* The Update provides U.S. GAAP guidance on management's responsibility in evaluating whether there is substantial doubt about a company's ability to continue as a going concern and about related footnote disclosures. For each reporting period, management will be required to evaluate whether there are conditions or events that raise substantial doubt about a company's ability to continue as a going concern within one year from the date the financial statements are issued. This Accounting Standards Update is the final version of Proposed Accounting Standards Update 2013-300—Presentation of Financial Statements (Topic 205): Disclosure of Uncertainties about an Entity's Going Concern Presumption, which has been deleted. The amendments in this Update are effective for the annual period ending after December 15, 2016, and for annual periods and interim periods thereafter. The Company is currently evaluating the effects of ASU 2014-15 on the financial statements.

Subsequent events

The Company has evaluated events that occurred subsequent to March 31, 2015 and through the date of the financial statements were issued.

Note 4. Property and equipment

Property and equipment consisted of the following:

	March 31, 2015
Research and development equipment	$ 66,095
Computer equipment	4,367
Furniture and fixtures	725
	71,187
Less: Accumulated depreciation	(5,675)
Total	**$ 65,512**

The Company recorded depreciation expense of $5,675 for the period ended March 31, 2015.

Note 5. Intangible assets

The Company's intangibles assets consisted of the following:

	Estimated useful life	March 31, 2015
Patents	15 years	$ 26,450
Less: Accumulated amortization		(1,044)
Subtotal		25,406
Trademarks	-	1,560
Intangible assets, net		$ 26,966

For the period ended March 31, 2015, the Company recorded amortization expense of $1,044.

The following table outlines estimated future annual amortization expense for the next five years and thereafter:

March 31,	
2016	$ 1,763
2017	1,763
2018	1,763
2019	1,763
2020	1,763
Thereafter	16,591
	$ 25,406

Note 6. Concentrations

For the period ended March 31, 2015, three vendors represented 46%, 17% and 10% of the Company's purchases.

Note 7. Related Party Transactions

Promissory note

On July 3, 2014, the Company executed a promissory note agreement with a related party for the principal amount of $30,000. The loan bears interest at 6% per annum and matures on July 1, 2015. As of March 31, 2015, the Company had repaid all outstanding principal and interest.

Preferred stock

During June 2014, the CEO of the Company purchased 1,750 shares of preferred stock for $175,000.

During June 2014, three directors of the Company purchased 2,300 shares of preferred stock for $230,000.

Convertible note

During March 2015, the CEO of the Company loaned $200,000 to the Company in exchange for a convertible note (see Note 8).

During March 2015, two directors of the Company loaned a total of $355,000 to the Company in exchange for convertible notes (see Note 8).

Private Placement

As discussed in Note 13, during May 2015, the Company simultaneously completed a reverse merger with a public reporting company ("Parent"), in which each share of the Company's stock was exchanged for 324.082 shares of the Parent's common stock, and a private placement offering by the Parent of 3,531,104 shares of its common stock. As part of the private placement, one of the Company's directors purchased 17,000 shares of Parent's common stock for an aggregate purchase price of $25,500. The Vice President of Operations also participated in the private placement, purchasing 17,000 shares of Parent's common stock for an aggregate purchase price of $25,500. Two investors related to the CEO of the Company participated in the private placement, purchasing 190,000 shares of Parent's common stock for an aggregate purchase price of $285,000 (of which $130,000 was paid by conversion of a convertible note). An additional related party, who beneficially owns approximately 16.3% of the Parent's common stock, participated in the private placement, purchasing 135,000 shares of Parent's common stock for an aggregate purchase price of $202,500.

Note 8. Convertible note

During March 2015, the Company received $655,000 in proceeds from six investors upon execution of convertible notes. The notes mature in December 2015 and bear no interest. The notes are convertible into shares of Common Stock based on the occurrence of triggering events discussed in the agreements. These events include completion of a transaction by which the Company becomes a publically traded corporation (merger, reverse merger, share exchange, etc.), failure to complete an offering prior to maturity date or failure to pay the outstanding principal by the maturity date. The conversion price will be determined by either the per share price paid by an investor in an offering or in instance of a failed offering, the conversion price will be the offering value divided by the total shares outstanding. Subsequent to March 31, 2015, one investor converted $10,000 to 21 shares of common stock in order to trigger grant matching from the NSF.

Note 9. Preferred stock

The Company has designated 5,300 shares of its authorized preferred stock with par value of $.0001 per share as Series Seed Preferred Stock ("Preferred stock"). During May 2014 and the June 2014, the Company issued an aggregate of 5,300 shares to seven investors at a price of $100 per share for total proceeds of $530,000. The holders of the Preferred Stock have the same voting rights and powers equal to the holders of the Common Stock.

Conversion option

At any time and from time to time on or after the Effective Date, the Preferred stock shall be convertible (in whole or in part), at the option of the Holder, into such number of fully paid and non–assessable shares of Common stock as is determined by dividing the aggregate original issue price of Preferred stock that are being converted plus any accrued but unpaid dividends thereon as of such date that the Holder elects to convert by the Conversion Price then in effect on the date (the "Conversion Date"). The conversion price at the conversion date is the original purchase price for each series of preferred stock.

Liquidation preference

Upon the liquidation, dissolution or winding up of the business of the Corporation, whether voluntary or involuntary, each holder of Preferred stock shall be entitled to receive, for each share thereof, a preferential amount in cash equal to (and not more than) the original issue price plus all accrued and unpaid dividends or such an amount per share as would have been payable had all shares of Preferred Stock been converted to Common Stock prior to the liquidation, dissolution or winding up of the business.

Note 10. Common Stock

The Company is authorized to issue up to 15,300 shares of common stock, $0.0001 par value. The holders of the Company's common stock are entitled to one vote per share.

In June 2014, the Company issued 8,050 shares to its founders in exchange for $1 in proceeds.

In March 2015, the Company issued 1,675 shares of Common stock to one investor in exchange for proceeds of $35,000.

As noted above in Note 8, one investor converted $10,000 to 21 shares of common stock in order to trigger grant matching from the NSF in April 2015.

Stock incentive plan

The Company's board of directors established the 2014 Stock Incentive Plan (the "Plan") on June 16, 2014. The Company has 1,950 shares of Common stock that are reserved to grant Options, Restricted Stock Awards and Performance Shares (collectively the "Awards") to "Participants" under the Plan. The Plan is administered by the board of directors, which determines the individuals to whom awards shall be granted as well as the type, terms and conditions of each award, the option price and the duration of each award.

Options granted under the Plan vest as determined by the Company's board of directors and expire over varying terms, but not more than seven years from date of grant. In the case of an Incentive Stock Option that is granted to a 10% shareholder on the date of grant, such Option shall not be exercisable after the expiration of five years from the date of grant. No option grants were issued during the period ended March 31, 2015.

Issuance of restricted shares – employees and consultants

The restricted shares are valued using the share price on the date of most recent equity raise or the value of the services performed, whichever is more readily determinable. The grant date fair value of the award is recorded as share–based compensation expense over the respective vesting period. Any unvested portion of the grant is accrued on the Balance Sheet as a component of accounts payable and accrued expenses. As of March 31, 2015, the accrued stock based compensation was $5,857. The unvested shares are subject to forfeiture upon termination of consulting and employment agreements.

On June 16, 2014, 950 restricted shares were granted and issued to certain consultants with a grant date fair value of $19,855. The restricted shares vest over a five year period - 25% one year from the date of issue and the remaining shares vesting monthly until the end of the term. An additional 400 restricted shares were granted to two consultants as an amendment to the original agreement. The Company has recorded $3,918 in stock–based compensation expense for the shares that have vested, which is a component of general and administrative expenses in the Statement of Operations.

On July 21, 2014, 100 restricted shares were granted and issued to a certain employee with a grant date fair value of $2,090. The restricted shares vest over a five year period - 25% one year from the date of issue and the remaining shares vesting monthly until the end of the term. The Company has recorded $362 in stock–based compensation expense for the shares that have vested, which is a component of general and administrative expenses in the Statement of Operations.

During August 2014, 250 restricted shares were granted and issued to certain consultants with a grant date fair value of $5,226. The restricted shares vest over a five year period - 25% one year from the date of issue and the remaining shares vesting monthly until the end of the term. The Company has recorded $806 in stock–based compensation expense for the shares that have vested, which is a component of general and administrative expenses in the Statement of Operations.

During September 2014, 400 restricted shares were granted and issued to certain consultants with a grant date fair value of $8,360. The restricted shares vest over a five year period - 25% one year from the date of issue and the remaining shares vesting monthly until the end of the term. The Company has recorded $1,133 in stock–based compensation expense for the shares that have vested, which is a component of general and administrative expenses in the Statement of Operations.

During March 2015, 225 restricted shares were granted and issued to a certain consultants with a grant date fair value of $4,704. The restricted shares vest over a five year period - 25% one year from the date of issue and the remaining shares vesting monthly until the end of the term. Due to the vesting term of the shares, the Company did not record a corresponding expense in Statement of Operations.

Note 11. Operating leases and commitments

Operating leases

In July 2014, the Company entered into a 24–month lease agreement for office space located in Cornelius, North Carolina, terminating on June 30, 2016. Under the agreement, total annual rent is $24,000 with the option to renew the lease for two additional one year terms.

In April 2015, the Company entered into a new lease agreement for office space. The lease is for a three year term with monthly payments of $3,800 and requires a deposit of $10,000. As of March 31, 2015, the original lease for the existing office space had 14 months remaining on the existing two year agreement. The Company negotiated with the landlord to pay $16,000 for an eight month termination fee, which includes rent through May 15, 2015.

The operating leases provide for annual real estate tax and cost of living increases and contains predetermined increases in the rentals payable during the term of the lease. The aggregate rent expense is recognized on a straight-line basis over the lease term. The total lease rental expense was $19,613 for the period ended March 31, 2015.

Total future minimum payments required under the new operating lease are as follows.

Year Ending March 31,	
2016	$ 41,800
2017	45,600
2018	45,600
2019	3,800
	$ 136,800

Note 12. Income taxes

The income tax provision (benefit) for the period ended March 31, 2015 are as follows:

U.S. federal:	
Current	**$** –
Deferred	(147,712)
State and local:	
Current	–
Deferred	(21,722)
Change in valuation allowance	169,434
Income tax provision (benefit)	**$** –

The Company is required to file income tax returns in U.S. federal and various state jurisdictions. The Company is in the process of filing its initial U.S. federal and state income tax returns for the period from May 12, 2014 (inception) through March 31, 2015. These returns will be subject to examination by tax authorities when filed.

At March 31, 2015, the Company had approximately $421,000 of U.S. federal and state net operating loss carryovers that may be available to offset future taxable income. The Company will not be able to utilize these carryovers until the related tax returns are filed. The net operating loss carryovers, if not utilized, will expire 20 years from the date that the losses were incurred.

Significant components of deferred tax assets are as follows as of March 31, 2015:

U.S. federal and state tax net operating loss carryovers	$ 159,721
Fixed assets and other	9,713
Total deferred tax assets	169,434
Less: valuation allowance	(169,434)
Net deferred tax asset	**$** –

As it is not more likely than not that the resulting deferred tax benefits will be realized, a full valuation allowance has been recognized for such deferred tax assets. Federal and state laws impose substantial restrictions on the utilization of tax attributes in the event of an "ownership change," as defined in Section 382 of the Internal Revenue Code. Currently, the Company does not expect the utilization of tax attributes in the near term to be materially affected as no significant limitations are expected to be placed on these tax attributes as a result of previous ownership changes. If an ownership change is deemed to have occurred as a result of equity ownership changes or offerings, potential near term utilization of these assets could be reduced.

The reconciliation between the U.S. statutory federal income tax rate and the Company's effective tax rate for the period ended March 31, 2015 is as follows:

	March 31, 2015
U.S. federal statutory rate	(34.00)%
State income taxes, net of federal benefit	(3.96)
Change in valuation allowance	37.96
Effective rate of income tax	**(0.00)%**

Note 13. Subsequent Events

Merger with Akoustis Technologies Inc.

On May 22, 2015, the Company entered into an Agreement and Plan of Merger and Reorganization (the "Merger Agreement") with Akoustis Technologies, Inc., formerly known as Danlax Corp. ("Parent"), a public reporting company, and Akoustis Acquisition Corp. ("Acquisition Subsidiary"). Under the Merger Agreement, Acquisition Subsidiary merged with and into the Company, with the Company remaining as the surviving corporation in the Merger (the "Merger").

Parent was incorporated in the State of Nevada on April 10, 2013, as a mobile games developer. Parent was until the consummation of the Merger a "shell company" as defined in Rule 12b-2 of the Exchange Act. As a result of the Merger, Parent split-off its pre-Merger business and acquired the business of the Company and will continue the existing business operations of the Company.

In connection with the Merger and pursuant to a Split-Off Agreement, Parent transferred all pre-Merger assets and liabilities to the pre-Merger majority stockholder of Parent, in exchange for the surrender by him and cancellation of 9,854,019 shares of common stock, par value $0.001 per share, of the Parent (the "Parent Common Stock"). These cancelled shares will resume the status of authorized but unissued shares of Parent Common Stock.

At the closing of the Merger, each of the 11,671 shares of common stock and the 5,300 shares of preferred stock of Akoustis, Inc., issued and outstanding immediately prior to the closing of the Merger was converted into 324.082 shares of Parent Common Stock. As a result, an aggregate of 5,500,006 shares of Parent Common Stock were issued to the holders of Akoustis, Inc., stock.

As a result of the Merger and Split-Off, Parent discontinued its pre-Merger business and acquired the business of Akoustis, Inc., and will continue the existing business operations of Akoustis, Inc., as a publicly-traded company under the name Akoustis Technologies, Inc.

Also on May 22, 2015, Parent closed a private placement offering (the "Offering") of 3,531,104 shares of Parent Common Stock, at a purchase price of $1.50 per share. The aggregate gross proceeds from the Offering were $5,296,656 (including $645,000 principal amount of convertible notes of Akoustis, Inc., that converted into Parent Common Stock by their terms upon closing of the Offering, at a conversion price per share equal to the Offering Price, and before deducting placement agent fees and expenses of the offering estimated at approximately $762,392.

The Merger is being accounted for as a "reverse merger," and the Company, is deemed to be the acquirer in the reverse merger. Consequently, the assets and liabilities and the historical operations that will be reflected in the financial statements prior to the Merger will be those of the Company and will be recorded at the historical cost basis and the consolidated financial statements after completion of the Merger will include the assets and liabilities of the Company, historical operations of the Company., and operations of the Parent and its subsidiaries from the closing date of the Merger. As a result of the issuance of the shares of Parent Common Stock pursuant to the Merger, a change in control of the Parent occurred as of the date of consummation of the Merger. The Merger is intended to be treated as a tax-free exchange under Section 368(a) of the Internal Revenue Code of 1986, as amended.

Akoustis Technologies Inc.
Unaudited Pro Forma Balance Sheet

	Akoustis, Inc. March 31, 2015	Akoustis Technologies, Inc. January 31, 2015	Proforma Adjustments	As Adjusted
Assets				
Assets:				
Cash and cash equivalents	$ 687,739	$ 5,166(1)	$ (5,166)	$ 4,577,003
		(3)	$ 3,889,264	
Inventory	30,521	-	-	30,521
Prepaid expenses	21,715	-	-	21,715
Total current assets	739,975	5,166	3,884,098	4,629,239
Property and equipment, net	65,512	-	-	65,512
Intangibles, net	26,966	-	-	26,966
Total Assets	**$ 832,453**	**$ 5,166**	**$ 3,884,098**	**$ 4,721,717**
Liabilities and Stockholders' Equity				
Liabilities:				
Accounts payable and accrued expenses	$ 58,439	$ 300(1)	$ (300)	$ 58,439
Loans from shareholders	-	306(1)	(306)	-
Convertible notes payable	655,000	-(2)	(10,000)	-
		(3)	(645,000)	
Total current liabilities	713,439	606	(655,606)	58,439
Commitments and contingencies				
Stockholders' Equity				
Preferred stock	1	-(2)	(1)	-
Common stock	1	11,740(1)	(8,740)	12,131
		(2)	(1)	
		(2)	5,500	
		(3)	3,531	
		(4)	100	
Additional paid in capital	565,361	24,660(1)	(27,660)	5,097,496
		(2)	4,502	
		(3)	4,530,733	
		(4)	(100)	
		(5)	141,129	
		(5)	(141,129)	
Accumulated deficit	(446,349)	(31,840)(1)	31,840	(446,349)
Total Stockholders' Equity	119,014	4,560	4,539,704	4,663,278
Total Liabilities and Stockholders' Equity	**$ 832,453**	**$ 5,166**	**$ 3,884,098**	**$ 4,721,717**

See accompanying notes to the unaudited pro forma financial statements

Akoustis Technologies, Inc.
Unaudited Pro Forma Statement of Operations

	Akoustis, Inc. For the Period from May 12, 2014 (Inception) through March 31, 2015	Akoustis Technologies, Inc. For the Year Ended January 31, 2015	Proforma Adjustments	As Adjusted
Revenue	$ -	$ -	$ -	$ -
Operating expenses				
Research and development	241,933	-	-	241,933
General and administrative expenses	341,916	26,078(4)	150,000	517,994
Total operating expenses	**583,849**	**26,078**	**150,000**	**759,927**
Loss from operations	**(583,849)**	**(26,078)**	**(150,000)**	**(759,927)**
Other income				
Grant income	137,500	-	-	137,500
Total other income	**137,500**	**-**	**-**	**137,500**
Net loss	**$ (446,349)**	**$ (26,078)**	**$ (150,000)**	**$ (622,427)**
Net loss per common share - basic and diluted		$ (0.00)		$ (0.05)
Weighted average common shares outstanding -basic and diluted		12,007,448		12,131,115

See accompanying notes to the unaudited pro forma financial statements

Akoustis Technologies, Inc.
Notes to Unaudited Pro Forma Financial Information

1. Basis of Presentation

The following unaudited pro forma financial statements of Akoustis Technologies, Inc., formerly known as Danlax Corp, a public reporting company (the "Parent") and Akoustis, Inc. (the "Company" and/or "Akoustis") are provided to assist you in your analysis of the financial aspects of the consolidated entity.

The unaudited pro forma statement of operations for the year ended March 31, 2015 combines the unaudited historical statements of operations of the Parent for the 12 months ended January 31, 2015, which are derived from the Parent's unaudited quarterly financial information, with the audited statement of operations of Akoustis for the period from May 12, 2014 (Date of Inception) to March 31, 2015.

The unaudited pro forma balance sheet combines the historical unaudited January 31, 2015 balance sheet of the Parent with the audited balance sheet of Akoustis as of March 31, 2015.

The Merger is being accounted for as a "reverse merger," and Akoustis, Inc., is deemed to be the accounting acquirer in the reverse merger. Consequently, the assets and liabilities and the historical operations that will be reflected in the financial statements prior to the Merger will be those of Akoustis, Inc., and will be recorded at the historical cost basis of Akoustis, Inc., and the consolidated financial statements after completion of the Merger will include the assets and liabilities of Akoustis, Inc., historical operations of Akoustis, Inc., and operations of the Company and its subsidiaries from the closing date of the Merger. As a result of the issuance of the shares of our Common Stock pursuant to the Merger, a change in control of the Company occurred as of the date of consummation of the Merger.

2. The Transaction

On May 22, 2015, the Company entered into an Agreement and Plan of Merger and Reorganization (the "Merger Agreement") with the Parent and Akoustis Acquisition Corp. ("Acquisition Subsidiary"). Under the Merger Agreement, Acquisition Subsidiary merged with and into Akoustis with the Company remaining as the surviving corporation in the Merger (the "Merger").

In connection with the Merger and pursuant to a Split-Off Agreement, the Parent transferred all of its pre-Merger assets and liabilities to its pre-Merger majority stockholder, in exchange for the surrender by him and cancellation of 9,854,019 shares of common stock, par value $0.001 per share, of the Parent (the "Parent Common Stock"). These cancelled shares will resume the status of authorized but unissued shares of Common Stock.

At the closing of the Merger, each of the 11,671 shares of common stock and the 5,300 shares of preferred stock of Akoustis issued and outstanding immediately prior to the closing of the Merger was converted into 324.082 shares of Parent Common Stock. As a result, an aggregate of 5,500,006 shares of Parent Common Stock were issued to the holders of Akoustis stock.

As a result of the Merger and Split-Off, Parent discontinued its pre-Merger business and acquired the business of Akoustis, and will continue the existing business operations of Akoustis, Inc., as a publicly-traded company under the name Akoustis Technologies, Inc.

Also on May 22, 2015, the Parent closed a private placement offering (the "Offering") of 3,531,104 shares of Parent Common Stock, at a purchase price of $1.50 per share (the "Offering Price"). The aggregate gross proceeds from the Offering were $5,296,656 (including $645,000 principal amount of convertible notes of Akoustis that converted into Common Stock by their terms upon closing of the Offering, at a conversion price per share equal to the offering price of $1.50 per share, and before deducting placement agent fees and expenses of the offering estimated at approximately $762,392).

3. Pro-forma Adjustments

General

The unaudited pro forma balance sheet is presented as if the transaction occurred on March 31, 2015. The unaudited pro forma statement of operations is presented as if the transaction occurred on the first day of the reporting period presented. The following are the itemized pro forma adjustments:

1) The split-off of the Parent's operating subsidiary in accordance with the Split-Off Agreement, a 1.094891 for 1 forward stock split of the Parent Common Stock outstanding on April 23, 2015, and a cancellation of 9,854,019 shares of Parent Common Stock.

2) Prior to the closing of the merger, a $10,000 convertible note payable was converted into 21 shares of the Company's common stock, resulting in 11,671 shares of common stock outstanding.

   At the closing of the Merger each of the 11,671 shares of common stock and the 5,300 shares of preferred stock of Akoustis, Inc., issued and outstanding immediately prior to the closing of the Merger was converted into 324.082 shares of our Common Stock. As a result, an aggregate of 5,500,006 shares of the Parent Common Stock were issued to the holders of Akoustis, Inc. stock.

3) The close of the Offering of 3,531,104 shares of Common Stock, at a purchase price of $1.50 per share. The aggregate gross proceeds from the Offering were $5,296,656 (including $645,000 principal amount of convertible notes of Akoustis that converted into Common Stock by their terms upon closing of the Offering, at a conversion price per share equal to the offering price of $1.50 per share, and before deducting placement agent fees and expenses of the offering estimated at approximately $762,392.

4) Issuance of 100,000 shares of the Parent Common Stock to consultants. The shares were valued at $1.50 per share, and $150,000 was recorded as a general and administrative expense.

5) The fair value of the 313,510 warrants issued to the Placement Agent, will be accounted for at fair value as a cost of the offering.

SIGNATURES

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

AKOUSTIS TECHNOLOGIES, INC.

Dated: May 29, 2015

By: */s/ Jeffrey B. Shealy*
Name: Jeffrey B. Shealy
Title: Chief Executive Officer

Exhibit 2.1

AGREEMENT AND PLAN OF MERGER AND REORGANIZATION

among

AKOUSTIS TECHNOLOGIES, INC.
(formerly Danlax, Corp.)

AKOUSTIS ACQUISITION CORP.

and

AKOUSTIS, INC.

AND WITH RESPECT TO SECTION 6.3(f),

JEFFREY B. SHEALY, AS INDEMNIFICATION REPRESENTATIVE

MAY 22, 2015

TABLE OF CONTENTS

EXHIBITS

AGREEMENT AND PLAN OF MERGER AND REORGANIZATION

AGREEMENT AND PLAN OF MERGER AND REORGANIZATION (this "Agreement"), dated as of May 22, 2015, by and among **Akoustis Technologies, Inc.** (formerly Danlax, Corp.), a Nevada corporation (the "Parent"), **Akoustis Acquisition Corp.**, a Delaware corporation (the "Acquisition Subsidiary"), **Akoustis, Inc.**, a Delaware corporation (the "Company"), and solely with respect to Section 6.3(f), **Jeffrey B. Shealy**, as Indemnification Representative. The Parent, the Acquisition Subsidiary and the Company are each a "Party" and referred to collectively herein as the "Parties."

WHEREAS, this Agreement contemplates a merger of the Acquisition Subsidiary with and into the Company, with the Company remaining as the surviving entity after the merger (the "Merger"), whereby the stockholders of the Company will receive Parent Common Stock (as defined below) in exchange for their capital stock of the Company; and

WHEREAS, simultaneously with the closing of the Merger, the Parent will complete a private placement offering (the "Private Placement Offering") of a minimum of 2,000,000 shares (the "Minimum Amount") of the Parent's common stock, par value $0.001 per share (the "Parent Common Stock") at a purchase price of $1.50 per share; and

WHEREAS, simultaneously with the closing of the Merger, the Parent shall split-off its existing business and its wholly owned subsidiary, Danlax Enterprise Corp., a Nevada corporation (the "Split-Off Subsidiary"), through the assignment of all of the Parent's assets and liabilities (other than those under this Agreement and the other related agreements and transactions contemplated hereby) to, and the sale of all of the outstanding capital stock of, the Split-Off Subsidiary (the "Split-Off") upon the terms and conditions of a split-off agreement by and among the Parent, the Split-Off Subsidiary and Ivan Krikun (the "Split-Off Purchaser"), substantially in the form of Exhibit A attached hereto (the "Split-Off Agreement"); and

WHEREAS, simultaneously with the closing of the Merger, the Parent, Split-Off Subsidiary and Split-Off Purchaser shall enter into a general release agreement in substantially the form of Exhibit B attached hereto (the "General Release Agreement"); and

WHEREAS, the Parent, the Acquisition Subsidiary and the Company desire that the Merger qualify as a "reorganization" under Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code"), and that this Agreement constitute a "plan of reorganization" within the meaning of Section 1.368-2(g) and 1.368-3(a) of the United States Treasury Regulation and not subject the holders of equity securities of the Company to tax liability under the Code;

NOW, THEREFORE, in consideration of the representations, warranties and covenants herein contained, and for other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the Parties hereto, intending legally to be bound, agree as follows:

ARTICLE I
THE MERGER

1.1 The Merger. Upon and subject to the terms and conditions set forth in this Agreement, the Acquisition Subsidiary shall merge with and into the Company at the Effective Time (as defined below). From and after the Effective Time, the separate corporate existence of the Acquisition Subsidiary shall cease and the Company shall continue as the surviving corporation in the Merger (the "Surviving Corporation"). The "Effective Time" shall be the time at which a certificate of merger in proper form and duly executed, reflecting the Merger (the "Certificate of Merger") pursuant to Section 251(c) of General Corporation Law of the State of Delaware (the "Delaware Act") is filed with the Secretary of State of the State of Delaware. The Merger shall have the effects set forth herein and in the applicable provisions of the Delaware Act.

1 . 2 The Closing. The closing of the transactions contemplated by this Agreement (the "Closing") shall take place at the offices of CKR Law LLP, in New York, New York, commencing at 10:00 a.m. local time on or before May 31 2015, or, if all of the conditions to the obligations of the Parties to consummate the transactions contemplated hereby have not been satisfied or waived by such date, on such mutually agreeable later date as soon as practicable (and in any event not later than three (3) Business Days) after the satisfaction or waiver of all conditions (excluding the delivery of any documents to be delivered at the Closing by any of the Parties) set forth in Article V hereof (the "Closing Date"). As used in this Agreement, the term "Business Day" means any day other than a Saturday, a Sunday or a day on which banks in the state of New York are required or authorized by applicable Law to close.

1.3 Actions at the Closing. At the Closing:

(a) the Company shall deliver to the Parent and the Acquisition Subsidiary the various certificates, instruments and documents to be delivered by the Company pursuant to Sections 5.1 and 5.2;

(b) the Parent and the Acquisition Subsidiary shall deliver to the Company the various certificates, instruments and documents to be delivered by the Parent and/or Acquisition Subsidiary pursuant to Sections 5.1 and 5.3;

(c) the Surviving Corporation shall file the Certificate of Merger with the Secretary of State of the State of Delaware;

(d) the Split-Off Purchaser shall surrender to the Parent 9,854,019 shares of Parent Common Stock (the "Share Contribution") in connection with the Split-Off; and

(e) the Parent, Jeffrey B. Shealy, as indemnification representative (the "Indemnification Representative"), and CKR Law LLP, as escrow agent (the "Indemnification Escrow Agent"), shall execute and deliver the Indemnification Shares Escrow Agreement, in substantially the form attached hereto as Exhibit C (the "Indemnification Shares Escrow Agreement"), and the Parent shall deliver to the Indemnification Escrow Agent a certificate for the Indemnification Escrow Shares (as defined below) being placed in escrow on the Closing Date pursuant to the Indemnification Shares Escrow Agreement.

1 . 4 Additional Actions. If at any time after the Effective Time the Surviving Corporation shall consider or be advised that any deeds, bills of sale, assignments or assurances or any other acts or things are necessary, desirable or proper (a) to vest, perfect or confirm, of record or otherwise, in the Surviving Corporation, its right, title or interest in, to or under any of the rights, privileges, powers, franchises, properties or assets of either the Company or the Acquisition Subsidiary or (b) otherwise to carry out the purposes of this Agreement, the Surviving Corporation and its proper officers and directors or their designees shall be authorized (to the fullest extent allowed under applicable Law) to execute and deliver, in the name and on behalf of either the Company or the Acquisition Subsidiary, all such deeds, bills of sale, assignments and assurances and do, in the name and on behalf of the Company or the Acquisition Subsidiary, all such other acts and things necessary, desirable or proper to vest, perfect or confirm its right, title or interest in, to or under any of the rights, privileges, powers, franchises, properties or assets of the Company or the Acquisition Subsidiary, as applicable, and otherwise to carry out the purposes of this Agreement.

1.5 Conversion of Company Securities. At the Effective Time, by virtue of the Merger and without any action on the part of any Party or the holder of any of the following securities:

(a) Each share of common stock, par value $0.0001 per share, of the Company ("Company Common Stock") and of each series of preferred stock, par value $0.0001 per share, of the Company ("Company Preferred Stock" and, together with the Company Common Stock, the "Company Stock") issued and outstanding immediately prior to the Effective Time (other than any Company Stock owned beneficially by the Parent or the Acquisition Subsidiary and other than Dissenting Shares (as defined below)), shall be converted into and represent the right to receive (subject to the provisions of Section 1.6) such number of shares of Parent Common Stock as is equal to the applicable "Conversion Ratio" specified with respect to such class or series on Schedule 1.5(a) hereto (the "Applicable Conversion Ratio"). An aggregate of 5,500,006 shares of Parent Common Stock (including Indemnification Escrow Shares (as defined below) and Dissenting Shares), subject to adjustment as necessary due to rounding as set forth in Section 1.5(b), shall be issuable to the stockholders of record of the Company immediately prior to the Effective Time (the "Company Stockholders") in connection with the Merger. The shares of Parent Common Stock into which the shares of Company Common Stock are converted pursuant to this Section shall be referred to herein as the "Merger Shares."

(b) Notwithstanding the foregoing, as of the Closing Date, the Company Stockholders shall be entitled to receive immediately only 95% of the shares of Parent Common Stock into which their shares of Company Stock were converted pursuant to Section 1.5(a) (the "Initial Shares"), pro rata in accordance with their respective holdings of Company Stock immediately prior to the Closing; and the remaining 5% of the shares of Parent Common Stock into which their shares of Company Stock were converted pursuant to Section 1.5(a), rounded up or down to the nearest whole number (with 0.5 shares rounded upward to the nearest whole number) (the "Indemnification Escrow Shares"), shall be deposited in escrow pursuant to the Indemnification Shares Escrow Agreement and shall be held and released in accordance with the terms of the Indemnification Shares Escrow Agreement.

(c) The Parent shall deliver certificates for the Initial Shares to each Company Stockholder entitled thereto who shall have presented a certificate that immediately prior to the Effective Time represented Company Stock to be converted into Merger Shares pursuant to this Section 1.5 (the "Company Stock Certificates") to the Parent or the Surviving Corporation or the Parent's transfer agent.

(d) Each issued and outstanding share of common stock, par value $0.001 per share, of the Acquisition Subsidiary shall be converted into one validly issued, fully paid and nonassessable share of common stock of the Surviving Corporation.

1.6 Dissenting Shares.

(a) For purposes of this Agreement, "Dissenting Shares" means shares of Company Common Stock or Company Preferred Stock held as of the Effective Time by a Company Stockholder who has not voted such Company Stock in favor of the adoption of this Agreement and the Merger and with respect to which appraisal shall have been duly demanded and perfected in accordance with Section 262 of the Delaware Act and not effectively withdrawn or forfeited prior to the Effective Time. Dissenting Shares shall not be converted into or represent the right to receive shares of Parent Common Stock unless such Company Stockholder's right to appraisal shall have ceased in accordance with the Delaware Act. If such Company Stockholder has so forfeited or withdrawn his, her or its right to appraisal of Dissenting Shares, then (i) as of the occurrence of such event, such holder's Dissenting Shares shall cease to be Dissenting Shares and shall be converted into and represent the right to receive the Merger Shares issuable in respect of such Company Common Stock or Company Preferred Stock, as the case may be, pursuant to Section 1.5(a), and (ii) promptly following the occurrence of such event and, if requested by Parent, the proper surrender of such person's Company Stock Certificate, the Parent shall deliver to such Company Stockholder a certificate representing the Initial Shares to which such holder is entitled pursuant to Section 1.5(a) and shall deliver to the Indemnification Escrow Agent a certificate representing the remaining 5% of the Merger Shares to which such holder is entitled pursuant to Section 1.5(b) (which shares shall be considered Indemnification Escrow Shares for all purposes of this Agreement).

(b) The Company shall give the Parent prompt notice of any written demands for appraisal of any Company Stock, withdrawals of such demands, and any other instruments that relate to such demands received by the Company. The Company shall not, except with the prior written consent of the Parent, make any payment with respect to any demands for appraisal of Company Stock or offer to settle or settle any such demands unless required by the court of the State of Delaware having jurisdiction thereof.

1 . 7 Fractional Shares. No certificates or scrip representing fractional Merger Shares shall be issued to Company Stockholders on the surrender for exchange of shares of Company Stock, and such Company Stockholders shall not be entitled to any voting rights, rights to receive any dividends or distributions or other rights as a stockholder of the Parent with respect to any fractional Merger Shares that would have otherwise been issued to such Company Stockholders. In lieu of any fractional Merger Shares that would have otherwise been issuable, each former Company Stockholder that would have been entitled to receive a fractional share shall, on proper surrender of such person's Company Stock Certificates, receive such whole number of Merger Shares as is equal to the precise number of Merger Shares to which such Company Stockholder would be entitled, rounded up to the nearest whole number (with a fractional interest equal to 0.5 rounded upward to the nearest whole number); provided that each Company Stockholder shall receive at least one Merger Share.

1.8 Options and Warrants.

(a) As of the Effective Time, all outstanding Company Options (as defined below) that remain unexercised, whether vested or unvested, shall be canceled and exchanged for options to purchase shares of Parent Common Stock ("Parent Options") under the Parent Equity Plan (as defined below) without further action by the holder thereof. Each Parent Option shall constitute an option to acquire such number of shares of Parent Common Stock as is equal to the number of shares of Company Common Stock subject to the unexercised portion of the Company Option multiplied by the Applicable Conversion Ratio for Company Common Stock (with any fraction resulting from such multiplication to be rounded up or down to the nearest whole number, and with 0.5 shares rounded upward to the nearest whole number (unless such Company Option provides for different treatment of fractions of a share in such circumstances, in which case the terms of such Company Option pertaining to the treatment of a fraction of a cent shall control)). The exercise price per share of each Parent Option shall be equal to the exercise price of the Company Option prior to conversion divided by the Applicable Conversion Ratio (rounded up or down to the nearest whole cent, and with $0.005 rounded upward to the nearest whole cent (unless such Company Option provides for different treatment of fractions of a cent in such circumstance, in which case the terms of such Company Option pertaining to the treatment of a fraction of a cent shall control)), and the vesting schedule shall be the same as that of the Company Option that is exchanged for the Parent Option.

(b) As soon as practicable after the Effective Time, the Parent or the Surviving Corporation shall take appropriate actions (i) to collect the Options and the agreements evidencing the Options, which shall be deemed to be canceled but shall entitle the holder to exchange the Options for Parent Options in the Parent, and (ii) to issue in lieu thereof new Parent Options pursuant to Section 1.8(a), including the delivery by the Parent to such holders of new option agreements.

(c) As of the Effective Time, all outstanding Company Warrants (as defined below) that remain unexercised shall terminate as of the Effective Date, and the Parent shall issue new warrants (the "Parent Warrants") in substitution for the Company Warrants, on substantially the same terms and conditions of the Company Warrants, but representing the right to acquire such number of shares of Parent Common Stock as is equal to the number of shares of Company Common Stock or Company Preferred Stock, as the case may be, subject to the unexercised portion of the Company Warrant multiplied by the Applicable Conversion Ratio for the class or series of Company Stock for which such Company Warrant is exercisable (with any fraction resulting from such multiplication to be rounded up or down to the nearest whole number, and with 0.5 shares rounded upward to the nearest whole number (unless such Company Warrant provides for different treatment of fractions of a share in such circumstance, in which case the terms of such Company Warrant pertaining to the treatment of a fraction of a cent shall control)). The exercise price per share of each Parent Warrant shall be equal to the exercise price of the Warrant prior to substitution divided by the Applicable Conversion Ratio (rounded to the nearest whole cent, and with $0.005 rounded upward to the nearest whole cent (unless such Company Warrant provides for different treatment of fractions of a cent in such circumstance, in which case the terms of such Company Warrant pertaining to the treatment of a fraction of a cent shall control)).

(d) The Parent shall take all corporate action necessary to reserve for issuance a sufficient number of shares of Parent Common Stock for delivery upon exercise of (i) the Parent Options to be issued for the Company Options and (ii) the Parent Warrants to be issued for the Company Warrants, in accordance with this Section 1.8.

1.9 Post-Closing Adjustment.

(a) In the event that, during the period commencing from the Closing Date and ending twenty-four (24) months after the Closing Date, (i) the Parent or the Surviving Corporation incurs any Damages (as defined below) with respect to, in connection with, or arising from any Parent Liabilities (as defined below), or (ii) a Company Stockholder shall be entitled to be indemnified for Damages under Article VI hereof, then, in the case of clause (i) above, promptly following the filing by the Parent with the Securities and Exchange Commission (the "SEC") of an annual or quarterly report covering the completed fiscal quarter in which such Damages were incurred, or, in the case of clause (ii) above, promptly after such Company Stockholder becomes entitled to receive payment for such indemnification pursuant to ARTICLE VI, the Parent shall issue to, in the case of clause (i) above, all of the Company Stockholders and/or their designees, or, in the case of clause (ii) above, such Company Stockholder so entitled to indemnification and/or his designees, such number of shares of Parent Common Stock (in addition to the Merger Shares to which any such person was or is entitled) as would result from dividing (x) the whole dollar amount of such Damages by (y) $1.00 (subject to equitable adjustment in the event of any stock split, stock dividend, reverse stock split or similar event affecting the Parent Common Stock after the Effective Time), rounded up or down to the nearest whole number (with 0.5 shares rounded upwards to the nearest whole number). Notwithstanding the foregoing, the limit on the aggregate number of shares of Parent Common Stock issuable under this Section shall be 250,000 shares. Any shares of Parent Common Stock that are issuable under clause (i) above shall be issued to the Company Stockholders pro rata in accordance with their respective holdings of Company Stock immediately prior to the Closing.

(b) As used in this Section, "Parent Liabilities" shall mean all liabilities, obligations or indebtedness of any nature whatsoever (i) of the Split-Off Subsidiary, whenever accruing, and (ii) of the Parent or the Acquisition Subsidiary, accruing prior to the Effective Time and not set forth in the Parent Disclosure Schedule (as defined below), including, but not limited to (A) any breach by the Parent or the Acquisition Subsidiary of any of their respective representations or warranties set forth in Article III herein, (B) any litigation threatened, pending or for which a basis exists; (C) any and all outstanding debts, (D) any and all employee-related disputes, arbitrations or administrative proceedings threatened, pending or otherwise outstanding, (E) any and all liens, foreclosures, settlements, or other threatened, pending or otherwise outstanding financial, legal or similar obligations of the Parent or the Acquisition Subsidiary, (F) any and all Taxes for which Parent or the Acquisition Subsidiary or any of their direct or indirect assets may be liable or subject, for any taxable period (or portion thereof) ending on or before the Closing Date, including, without limitation, any and all Taxes resulting from or attributable to Parent's ownership or operation of the Split-Off Subsidiary's assets, (G) any and all Taxes (as defined below) for which Parent or its direct or indirect assets may be liable or subject (including, without limitation, the interests and assets of the Surviving Corporation and any Parent Subsidiary) as a consequence of Parent's acquisition, formation, capitalization, ownership, and Split-Off of the Split-Off Subsidiary, whether related to a taxable period (or portion thereof) ending on or after the Closing Date, and (H) all fees and expenses incurred in connection with effecting the adjustments contemplated by this Section, as such Parent Liabilities are reflected in the Parent's consolidated financial statements reviewed or audited by its independent auditors.

1.10 Certificate of Incorporation and Bylaws.

(a) The certificate of incorporation of the Acquisition Subsidiary in effect immediately prior to the Effective Time shall be the certificate of incorporation of the Surviving Corporation until duly amended or repealed, and the Surviving Corporation may make any necessary filings in the State of Delaware as shall be necessary or appropriate to effectuate or carry out fully the purpose of this Section 1.10(a).

(b) The bylaws of the Acquisition Subsidiary in effect immediately prior to the Effective Time shall be the bylaws of the Surviving Corporation until duly amended or repealed.

1.11 No Further Rights. From and after the Effective Time, no shares of Company Common Stock or Company Preferred Stock shall be deemed to be outstanding, and holders of Company Common Stock or Company Preferred Stock, certificated or uncertificated, shall cease to have any rights with respect thereto, except as provided herein or by law, other than the right to receive Parent Common Stock in connection with the Merger.

1.12 Closing of Transfer Books. At the Effective Time, the stock transfer books of the Company shall be closed and no transfer of Company Common Stock or Company Preferred Stock shall thereafter be made. If, after the Effective Time, Company Stock Certificates are presented to the Parent or the Surviving Corporation, they shall be cancelled and exchanged for Merger Shares in accordance with Section 1.5, subject to the provisions hereof and applicable Law in the case of Dissenting Shares.

1.13 Exemption from Registration; Rule 144.

(a) The Parent and the Company intend that the shares of Parent Common Stock to be issued pursuant to Section 1.5 hereof (including the Indemnification Escrow Shares) or upon exercise of Parent Options and Parent Warrants granted pursuant to Section 1.8 hereof, and any shares of Parent Common Stock that may be issued pursuant to Section 1.9 hereof (if any), in connection with the Merger will be issued in a transaction exempt from registration under the Securities Act of 1933, as amended ("Securities Act"), by reason of Section 4(a)(2) of the Securities Act, Rule 506 of Regulation D promulgated by the SEC thereunder and/or Regulation S promulgated by the SEC and that all recipients of such shares of Parent Common Stock shall either be "accredited investors" or not "U.S. Persons" as such terms are defined in Regulation D and Regulation S, respectively. The shares of Parent Common Stock to be issued pursuant to Section 1.5 hereof (including the Indemnification Escrow Shares) or upon exercise of Parent Options and Parent Warrants granted pursuant to Section 1.8 hereof, and any shares of Parent Common Stock that may be issued pursuant to Section 1.9 hereof, will be "restricted securities" within the meaning of Rule 144 under the Securities Act and may not be offered, sold, pledged, assigned or otherwise transferred unless (a) a registration statement with respect thereto is effective under the Securities Act and any applicable state securities laws, or (b) an exemption from such registration exists and either the Parent receives an opinion of counsel to the holder of such securities, which counsel and opinion are satisfactory to the Parent, that such securities may be offered, sold, pledged, assigned or transferred in the manner contemplated without an effective registration statement under the Securities Act or applicable state securities laws, or the holder complies with the requirements of Regulation S, if applicable; and the certificates representing such shares of Parent Common Stock will bear an appropriate legend and restriction on the books of the Parent's transfer agent to that effect.

(b) The Parent is a "shell company" as defined in Rule 12b-2 under the Exchange Act of 1934). The Company acknowledges that pursuant to Rule 144(i), securities issued by a former shell company (such as the Merger Shares) that otherwise meet the holding period and other requirements of Rule 144 nevertheless cannot be sold in reliance on Rule 144 until one year after the Company (a) is no longer a shell company; and (b) has filed current "Form 10 information" (as defined in Rule 144(i)) with the SEC reflecting that it is no longer a shell company, and provided that at the time of a proposed sale pursuant to Rule 144, the Parent is subject to the reporting requirements of section 13 or 15(d) of the Exchange Act and has filed all reports and other materials required to be filed by section 13 or 15(d) of the Exchange Act, as applicable, during the preceding 12 months (or for such shorter period that the issuer was required to file such reports and materials), other than Form 8-K reports. **As a result, the restrictive legends on certificates for the Merger Shares cannot be removed except in connection with an actual sale meeting the foregoing requirements or pursuant to an effective registration statement.**

ARTICLE II
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to the Parent that the statements contained in this Article II are true and correct, except as set forth in the disclosure schedule provided by the Company to the Parent on the date hereof (the "Company Disclosure Schedule"). The Company Disclosure Schedule shall be arranged in paragraphs corresponding to the numbered and lettered paragraphs contained in this Article II; and to the extent that it is clear from the context thereof that such disclosure also applies to any other numbered paragraph contained in this Article II, the disclosures in any numbered paragraph of the Disclosure Schedule shall qualify such other corresponding numbered paragraph in this Article II. For purposes of this Article II, the phrase "to the knowledge of the Company" or any phrase of similar import shall be deemed to refer to the actual knowledge of any officer of the Company as well as any other knowledge which such person would have possessed had such person made reasonable inquiry of appropriate officers, directors and key employees of the Company and the accountants and attorneys of the Company.

2.1 Organization, Qualification and Corporate Power. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. The Company is duly qualified to conduct business and is in good standing under the laws of each jurisdiction in which the nature of its businesses or the ownership or leasing of its properties requires such qualification, except where the failure to be so qualified or in good standing, individually or in the aggregate, has not had and would not reasonably be expected to have a Company Material Adverse Effect (as defined below). The Company has all requisite corporate power and authority to carry on the businesses in which it is engaged and to own and use the properties owned and used by it. The Company has furnished or made available to the Parent complete and accurate copies of its certificate of incorporation and bylaws. The Company is not in default under or in violation of any provision of its certificate of incorporation, as amended to date, or its bylaws, as amended to date. For purposes of this Agreement, "Company Material Adverse Effect" means a material adverse effect on the assets, business, financial condition, or results of operations or future prospects of the Company and the Company Subsidiaries (as defined below) taken as a whole.

2.2 Capitalization. The authorized capital stock of the Company consists of 15,300 shares of Company Common Stock and 5,300 shares of Company Preferred Stock, of which 5,300 shares are designated "Series Seed Preferred Stock." As of the date of this Agreement and as of immediately prior to the Effective Time, and without giving effect to the transactions contemplated by this Agreement or any of the other Transaction Documentation, 11,671 shares of Company Common Stock are issued and outstanding, 5,300 shares of Series Seed Preferred Stock issued and outstanding, no other shares of Company Preferred Stock are issued and outstanding, and no shares of Company Common Stock or shares of Company Preferred Stock are held in the treasury of the Company. As of the date of this Agreement and as of immediately prior to the Effective Time, there are no outstanding options to purchase shares of Company Common Stock ("Company Options"). As of the date of this Agreement and as of immediately prior to the Effective Time, there are outstanding warrants to purchase shares of Company Common Stock and Company Preferred Stock as set forth on Section 2.2 of the Company Disclosure Schedule ("Company Warrants"). Section 2.2 of the Company Disclosure Schedule sets forth a complete and accurate list of (i) all stockholders of the Company, indicating the number and class of Company stock held by each stockholder, (ii) all stock option plans and other stock or equity-related plans of the Company ("Company Equity Plans") and the number of shares of Company Common Stock remaining available for future awards thereunder, (iii) all outstanding Company Options and Company Warrants, indicating (A) the holder thereof, (B) the number of shares of Company Common Stock subject to each Company Option and Company Warrant, (C) the Company Equity Plan under which each Company Option issued, (D) the exercise price, date of grant, vesting schedule and expiration date for each Company Option or Company Warrant, and (E) any terms regarding the acceleration of vesting, and (iv) all outstanding debt convertible into Company stock, indicating (A) the date of issue, (B) the holder thereof, (C) the unpaid principal amount thereof, (D) the interest rate thereon, (E) the accrued and unpaid interest thereon, (F) the number and class of Company stock into which such debt is convertible, and (G) the conversion price thereof. All of the issued and outstanding shares of Company Common Stock and Company Preferred Stock are, and all shares of Company Common Stock that may be issued upon exercise of Company Options or Company Warrants or conversion of convertible debt will be (upon issuance in accordance with their terms), duly authorized, validly issued, fully paid, nonassessable and, effective as of the Effective Time, free of all preemptive rights. Other than the Company Options and Company Warrants and convertible debt listed in Section 2.2 of the Company Disclosure Schedule, there are no outstanding or authorized options, warrants, securities, rights, agreements or commitments to which the Company is a party or which are binding upon the Company providing for the issuance or redemption of any of its capital stock. There are no outstanding or authorized stock appreciation, phantom stock or similar rights with respect to the Company. Other than as listed in Section 2.2 of the Company Disclosure Schedule, there are no agreements to which the Company is a party or by which it is bound with respect to the voting (including without limitation voting trusts or proxies), registration under the Securities Act, or sale or transfer (including without limitation agreements relating to pre-emptive rights, rights of first refusal, co-sale rights or "drag-along" rights) of any securities of the Company. To the knowledge of the Company, there are no agreements among other parties, to which the Company is not a party and by which it is not bound, with respect to the voting (including without limitation voting trusts or proxies) or sale or transfer (including without limitation agreements relating to rights of first refusal, co-sale rights or "drag-along" rights) of any securities of the Company. All of the issued and outstanding shares of Company Common Stock were issued in compliance with applicable securities laws.

2.3 Authorization of Transaction. The Company has all requisite power and authority to execute and deliver this Agreement and to perform its obligations hereunder. The execution and delivery by the Company of this Agreement and, subject to the adoption of this Agreement and (a) the approval of the Merger by the vote of stockholders of the Company required by Delaware law and (b) the approvals and waivers set forth in Section 2.3 of the Company Disclosure Schedule (collectively, the "Company Consents"), the consummation by the Company of the transactions contemplated hereby have been duly and validly authorized by all necessary corporate action on the part of the Company. Without limiting the generality of the foregoing, the board of directors of the Company (i) determined that the Merger is fair and in the best interests of the Company and the Company Stockholders, (ii) adopted this Agreement in accordance with the provisions of the Delaware Act, and (iii) directed that this Agreement and the Merger be submitted to the Company Stockholders for their adoption and approval and resolved to recommend that the Company Stockholders vote in favor of the adoption of this Agreement and the approval of the Merger. This Agreement has been duly and validly executed and delivered by the Company and constitutes a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as such enforceability may be limited under applicable bankruptcy, insolvency and similar laws, rules or regulations affecting creditors' rights and remedies generally and to general principles of equity, whether applied in a court of law or a court of equity.

2.4 Non-contravention. Subject to the receipt of Company Consents and the filing of the Certificate of Merger as required by the Delaware Act, neither the execution and delivery by the Company of this Agreement nor the consummation by the Company of the transactions contemplated hereby will (a) conflict with or violate any provision of the certificate of incorporation or bylaws of the Company, as amended to date, (b) require on the part of the Company or any Company Subsidiary any filing with, or any permit, authorization, consent or approval of, any court, arbitrational tribunal, administrative agency or commission or other governmental or regulatory authority or agency (a "Governmental Entity"), except for such permits, authorizations, consents and approvals for which the Company is obligated to use its Reasonable Best Efforts to obtain pursuant to Section 4.2(a), (c) conflict with, result in a breach of, constitute (with or without due notice or lapse of time or both) a default under, result in the acceleration of obligations under, create in any party the right to terminate, modify or cancel, or require any notice, consent or waiver under, any contract or instrument to which the Company or any Company Subsidiary is a party or by which the Company or any Company Subsidiary is bound or to which any of their assets is subject, except for (i) any conflict, breach, default, acceleration, termination, modification or cancellation in any contract or instrument set forth in Section 2.4 of the Company Disclosure Schedule, for which the Company is obligated to use its Reasonable Best Efforts to obtain waiver, consent or approval pursuant to Section 4.2(b), (ii) any conflict, breach, default, acceleration, termination, modification or cancellation which would not reasonably be expected to have a Company Material Adverse Effect and would not reasonably be expected to adversely affect the consummation of the transactions contemplated hereby or (iii) any notice, consent or waiver the absence of which would not have a Company Material Adverse Effect and would not adversely affect the consummation of the transactions contemplated hereby, (d) result in the imposition of any Security Interest (as defined below) upon any assets of the Company or any Company Subsidiary or (e) violate any federal, state, local, municipal, foreign, international, multinational, Governmental Entity or other constitution, law, statute, ordinance, principle of common law, rule, regulation, code, governmental determination, order, writ, injunction, decree, treaty, convention, governmental certification requirement or other public limitation, U.S. or non-U.S., including Tax and U.S. antitrust laws (collectively, "Laws") applicable to the Company, any Company Subsidiary or any of their properties or assets. For purposes of this Agreement: "Security Interest" means any mortgage, pledge, security interest, encumbrance, charge or other lien (whether arising by contract or by operation of law), other than (i) mechanic's, materialmen's and similar liens, (ii) liens arising under worker's compensation, unemployment insurance, social security, retirement and similar legislation, and (iii) liens on goods in transit incurred pursuant to documentary letters of credit, in each case arising in the Ordinary Course of Business (as defined below) of the Company and not material to the Company; and "Ordinary Course of Business" means the ordinary course of the Company's business, consistent with past custom and practice (including with respect to frequency and amount).

2.5 Subsidiaries.

(a) Section 2.5(a) of the Company Disclosure Schedule sets forth: (i) the name of each Company Subsidiary; (ii) the number and type of outstanding equity securities of each Company Subsidiary and a list of the holders thereof; (iii) the jurisdiction of organization of each Company Subsidiary; (iv) the names of the officers and directors of each Company Subsidiary; and (v) the jurisdictions in which each Company Subsidiary is qualified or holds licenses to do business as a foreign corporation or other entity. For purposes of this Agreement, a "Subsidiary" shall mean any corporation, partnership, joint venture or other entity in which a Party has, directly or indirectly, an equity interest representing 50% or more of the equity securities thereof or other equity interests therein; a "Company Subsidiary" is a Subsidiary of the Company and a "Parent Subsidiary" is a Subsidiary of the Parent.

(b) Each Company Subsidiary is an entity duly organized, validly existing and in corporate and tax good standing under the laws of the jurisdiction of its incorporation. Each Company Subsidiary is duly qualified to conduct business and is in corporate and tax good standing under the laws of each jurisdiction in which the nature of its businesses or the ownership or leasing of its properties requires qualification to do business, except where the failure to be so qualified or in good standing, individually or in the aggregate, has not had and would not reasonably be expected to have a Company Material Adverse Effect. Each Company Subsidiary has all requisite power and authority to carry on the businesses in which it is engaged and to own and use the properties owned and used by it. The Company has delivered or made available to the Parent complete and accurate copies of the charter, bylaws or other organizational documents of each Company Subsidiary. No Company Subsidiary is in default under or in violation of any provision of its charter, bylaws or other organizational documents. All of the issued and outstanding equity securities of each Company Subsidiary are duly authorized, validly issued, fully paid, nonassessable and free of preemptive rights. All equity securities of each Company Subsidiary that are held of record or owned beneficially by either the Company or any other Company Subsidiary are held or owned free and clear of any restrictions on transfer (other than restrictions under the Securities Act and state or other applicable securities laws), claims, Security Interests, options, warrants, rights, contracts, calls, commitments, equities and demands. Except as set forth in Section 2.5(b) of the Company Disclosure Schedule, there are no outstanding or authorized options, warrants, rights, agreements or commitments to which the Company or any Company Subsidiary is a party or which are binding on any of them providing for the issuance, disposition or acquisition of any equity securities of any Company Subsidiary. There are no outstanding stock appreciation, phantom stock or similar rights with respect to any Company Subsidiary. To the knowledge of the Company, there are no voting trusts, proxies or other agreements or understandings with respect to the voting of any equity securities of any Company Subsidiary.

(c) Except as set forth in Section 2.5(c) of the Company Disclosure Schedule, the Company does not control directly or indirectly or have any direct or indirect equity participation or similar interest in any corporation, partnership, limited liability company, joint venture, trust or other business association which is not a Company Subsidiary.

2.6 Compliance with Laws. Each of the Company and its Subsidiaries:

(a) and the conduct and operations of their respective businesses, are in compliance with each Law applicable to the Company, any Company Subsidiary or any of their properties or assets, except for any violations or defaults that, individually or in the aggregate, have not had and would not reasonably be expected to have a Company Material Adverse Effect;

(b) has complied with all federal and state securities laws and regulations, including being current in all of its reporting obligations under such federal and state securities laws and regulations;

(c) has not, and the past and present officers, directors and Affiliates of the Company have not, been the subject of, nor does any officer or director of the Company have any reason to believe that the Company or any of its officers, directors or Affiliates will be the subject of, any civil or criminal proceeding or investigation by any federal or state agency alleging a violation of securities laws;

(d) has not been the subject of any voluntary or involuntary bankruptcy proceeding, nor has it been a party to any material litigation;

(e) has not, and the past and present officers, directors and Affiliates have not, been the subject of, nor does any officer or director of the Company have any reason to believe that the Company or any of its officers, directors or Affiliates will be the subject of, any civil, criminal or administrative investigation or proceeding brought by any federal or state agency having regulatory authority over such entity or person;

(f) does not and will not on the Closing, have any liabilities, contingent or otherwise, including but not limited to notes payable and accounts payable, and is not a party to any executory agreements; and

(g) is not a "blank check company" as such term is defined by Rule 419 of the Securities Act.

2.7 Financial Statements. The Company has provided or made available to the Parent the audited consolidated balance sheet of the Company (the "Company Balance Sheet") at March 31, 2015 (the "Company Balance Sheet Date"), and the related consolidated statements of operations and cash flows for the period from May 1, 2014 through March 31, 2015 (together with the Company Balance Sheet, the "Company Financial Statements"). The Company Financial Statements have been prepared in accordance with United States generally accepted accounting principles ("GAAP") applied on a consistent basis throughout the periods covered thereby, fairly present in all material respects the financial condition, results of operations and cash flows of the Company and the Company Subsidiaries on a consolidated basis as of the respective dates thereof and for the periods referred to therein, comply as to form with the applicable rules and regulations of the SEC for inclusion of such Company Financial Statements in the Parent's filings with the SEC as required by the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and are consistent in all material respects with the books and records of the Company and the Company Subsidiaries.

2.8 Absence of Certain Changes. Since the Company Balance Sheet Date, and except as set forth in Section 2.7 of the Company Disclosure Schedule, (a) to the knowledge of the Company, there has occurred no event or development which, individually or in the aggregate, has had, or could reasonably be expected to have in the future, a Company Material Adverse Effect, and (b) neither the Company nor any Company Subsidiary has taken any of the actions set forth in paragraphs (a) through (m) of Section 4.4.

2.9 Undisclosed Liabilities. Except as set forth in Section 2.9 of the Disclosure Schedule, none of the Company and the Company Subsidiaries has any liability (whether known or unknown, whether absolute or contingent, whether liquidated or unliquidated and whether due or to become due), except for (a) liabilities shown on the Company Balance Sheet referred to in Section 2.7, (b) liabilities not exceeding $25,000 in the aggregate that have arisen since the Company Balance Sheet Date in the Ordinary Course of Business and (c) contractual and other liabilities incurred in the Ordinary Course of Business which are not required by GAAP to be reflected on a balance sheet.

2.10 Tax Matters.

(a) For purposes of this Agreement, the following terms shall have the following meanings:

(i) "Taxes" means all taxes, charges, fees, levies or other similar assessments or liabilities, including without limitation income, gross receipts, ad valorem, premium, value-added, excise, real property, personal property, sales, use, transfer, withholding, employment, unemployment insurance, social security, business license, business organization, environmental, workers compensation, payroll, profits, license, lease, service, service use, severance, stamp, occupation, windfall profits, customs, duties, franchise and other taxes imposed by the United States of America or any state, local or foreign government, or any agency thereof, or other political subdivision of the United States or any such government, and any interest, fines, penalties, assessments or additions to tax resulting from, attributable to or incurred in connection with any tax or any contest or dispute thereof.

(ii) "Tax Returns" means all United States of America, state, local or foreign government reports, returns, declarations, statements or other information required to be supplied to a taxing authority in connection with the Taxes.

(b) Except as set forth in Section 2.10 of the Company Disclosure Schedule, each of the Company and the Company Subsidiaries has filed on a timely basis (taking into account any valid extensions) all material Tax Returns that it was required to file, and all such Tax Returns were complete and accurate in all material respects. Neither the Company nor any Company Subsidiary is or has ever been a member of a group of corporations with which it has filed (or been required to file) consolidated, combined or unitary Tax Returns, other than a group of which only the Company and the Company Subsidiaries are or were members. Each of the Company and the Company Subsidiaries has paid on a timely basis all Taxes that were due and payable in accordance with the Tax Returns. The unpaid Taxes of the Company and the Company Subsidiaries for tax periods through the Company Balance Sheet Date do not exceed the accruals and reserves for Taxes (excluding accruals and reserves for deferred Taxes established to reflect timing differences between book and Tax income) set forth on the Company Balance Sheet. Neither the Company nor any Company Subsidiary has any actual or potential liability for any Tax obligation of any taxpayer other than the Company and the Company Subsidiaries (including without limitation any affiliated group of corporations or other entities that included the Company or any Company Subsidiary during a prior period). All Taxes that the Company or any Company Subsidiary is or was required by law to withhold or collect have been duly withheld or collected and, to the extent required, have been paid to the proper Governmental Entity.

(c) Except as set forth in Section 2.10 of the Company Disclosure Schedule, the Company has delivered or made available to the Parent complete and accurate copies of all federal income Tax Returns, examination reports and statements of deficiencies assessed against or agreed to by the Company or any Company Subsidiary since the date of the Company's incorporation (the "Organization Date"). No examination or audit of any Tax Return of the Company or any Company Subsidiary by any Governmental Entity is currently in progress or, to the knowledge of the Company, threatened or contemplated. Neither the Company nor any Company Subsidiary has been informed by any jurisdiction that the jurisdiction believes that the Company or Company Subsidiary was required to file any Tax Return that was not filed. Neither the Company nor any Company Subsidiary has waived any statute of limitations with respect to Taxes or agreed to an extension of time with respect to a Tax assessment or deficiency.

(d) Neither the Company nor any Company Subsidiary: (i) is a "consenting corporation" within the meaning of Section 341(f) of the Code, and none of the assets of the Company or any Company Subsidiary are subject to an election under Section 341(f) of the Code; (ii) has been a United States real property holding corporation within the meaning of Section 897(c)(2) of the Code during the applicable period specified in Section 897(c)(l)(A)(ii) of the Code; (iii) has made any payments, is obligated to make any payments, or is a party to any agreement that could obligate it to make any payments that may be treated as an "excess parachute payment" under Section 280G of the Code; (iv) has any actual or potential liability for any Taxes of any person (other than the Company and the Company Subsidiaries) under Treasury Regulation Section 1.1502-6 (or any similar provision of federal, state, local, or foreign law), or as a transferee or successor, by contract, or otherwise; or (v) is or has been required to make a basis reduction pursuant to Treasury Regulation Section 1.1502-20(b) or Treasury Regulation Section 1.337(d)-2(b).

(e) None of the assets of the Company or any Company Subsidiary: (i) is property that is required to be treated as being owned by any other person pursuant to the provisions of former Section 168(f)(8) of the Code; (ii) is "tax-exempt use property" within the meaning of Section 168(h) of the Code; or (iii) directly or indirectly secures any debt the interest on which is tax exempt under Section 103(a) of the Code.

(f) Neither the Company nor any Company Subsidiary has undergone a change in its method of accounting resulting in an adjustment to its taxable income pursuant to Section 481 of the Code.

(g) No state or federal "net operating loss" of the Company determined as of the Closing Date is subject to limitation on its use pursuant to Section 382 of the Code or comparable provisions of state law as a result of any "ownership change" within the meaning of Section 382(g) of the Code or comparable provisions of any state law occurring prior to the Closing Date.

2.11 Assets. Each of the Company and the Company Subsidiaries owns or leases all tangible assets reasonably necessary for the conduct of its businesses as presently conducted. Except as set forth in Section 2.11 of the Company Disclosure Schedule, each such tangible asset is free from material defects, has been maintained in accordance with normal industry practice, is in good operating condition and repair (subject to normal wear and tear) and is suitable for the purposes for which it presently is used. Except as set forth in Section 2.11 of the Company Disclosure Schedule, no asset of the Company or any Company Subsidiary (tangible or intangible) (including without limitation any shares or other equity interests in or securities of any Company Subsidiary or any corporation, partnership, association or other business organization or division thereof), is subject to any Security Interest.

2.12 Owned Real Property. Neither the Company nor any Company Subsidiary owns any real property.

2.13 Real Property Leases. Section 2.13 of the Company Disclosure Schedule lists all real property leased or subleased to or by the Company or any Company Subsidiary and lists the term of such lease, any extension and expansion options, and the rent payable thereunder. The Company has delivered or made available to the Parent complete and accurate copies of the leases and subleases listed in Section 2.13 of the Company Disclosure Schedule. With respect to each lease and sublease listed in Section 2.13 of the Company Disclosure Schedule:

(a) the lease or sublease is a legal, valid, binding and enforceable obligation of the Company or Company Subsidiary party thereto and is in full force and effect;

(b) the lease or sublease will continue to be legal, valid, binding, enforceable and in full force and effect immediately following the Closing in accordance with the terms thereof as in effect immediately prior to the Closing, and the Closing will not, after the giving of notice, with lapse of time, or otherwise, result in a breach or default by the Company or any Company Subsidiary or, to the knowledge of the Company, any other party under such lease or sublease;

(c) neither the Company nor any Company Subsidiary nor, to the knowledge of the Company, any other party, is in breach or violation of, or default under, any such lease or sublease, and no event has occurred, is pending or, to the knowledge of the Company, is threatened, which, after the giving of notice, with lapse of time, or otherwise, would constitute a breach or default by the Company or any Company Subsidiary or, to the knowledge of the Company, any other party under such lease or sublease, except for any breach, violation or default that has not had and would not reasonably be anticipated to have a Company Material Adverse Effect;

(d) neither the Company nor any Company Subsidiary has assigned, transferred, conveyed, mortgaged, deeded in trust or encumbered any interest in the leasehold or subleasehold; and

(e) to the knowledge of the Company, there is no Security Interest, easement, covenant or other restriction applicable to the real property subject to such lease, except for recorded Security Interests, leases, easements, covenants and other restrictions which do not materially impair the current uses or the occupancy by the Company or a Company Subsidiary of the property subject thereto.

2.14 Contracts.

(a) Section 2.14 of the Company Disclosure Schedule lists the following agreements (written or oral) to which the Company or any Company Subsidiary is a party as of the date of this Agreement (other than the Transaction Documentation (as hereinafter defined)):

(i) any agreement (or group of related agreements) for the lease of personal property from or to third parties (A) which provides for lease payments in excess of $25,000 per annum or (B) which has a remaining term longer than 12 months and is not cancellable without penalty by the Company on sixty (60) days or less prior written notice;

(ii) any agreement (or group of related agreements) for the purchase or sale of products or for the furnishing or receipt of services (A) which calls for performance over a period of more than one year, is not cancellable without penalty by the Company on sixty (60) days or less prior written notice and involves more than the sum of $25,000, or (B) in which the Company or any Company Subsidiary has granted manufacturing rights, “most favored nation” pricing provisions or exclusive marketing or distribution rights relating to any products or territory or has agreed to purchase a minimum quantity of goods or services or has agreed to purchase goods or services exclusively from a certain party;

(iii) any agreement which, to the knowledge of the Company, establishes a material joint venture or legal partnership;

(iv) any agreement (or group of related agreements) under which it has created, incurred, assumed or guaranteed (or may create, incur, assume or guarantee) indebtedness (including capitalized lease obligations) involving more than $25,000 or under which it has imposed (or may impose) a Security Interest on any of its assets, tangible or intangible;

(v) any agreement that purports to limit in any material respect the right of the Company to engage in any line of business, or to compete with any person or operate in any geographical location;

(vi) any employment agreement or consulting agreement which provides for payments in excess of $50,000 per annum (other than employment or consulting agreements terminable on less than thirty (30) days' notice);

(vii) any agreement involving any officer, director or stockholder of the Company or any affiliate (as defined in Rule 12b-2 under the Exchange Act) thereof (an "Affiliate") (other than stock subscription, stock option, restricted stock, warrant or stock purchase agreements the forms of which have been made available to Parent);

(viii) any agreement or commitment for capital expenditures in excess of $25,000, for a single project (it being represented and warranted that the liability under all undisclosed agreements and commitments for capital expenditures does not exceed $100,000 in the aggregate for all projects);

(ix) any agreement under which the consequences of a default or termination would reasonably be expected to have a Company Material Adverse Effect;

(x) any agreement which contains any provisions requiring the Company or any Company Subsidiary to indemnify any other party thereto (excluding indemnities contained in agreements for the purchase, sale or license of products entered into in the Ordinary Course of Business);

(xi) any agreement, other than as contemplated by this Agreement, relating to the future sales of securities of the Company or any Company Subsidiary; and

(xii) any other agreement (or group of related agreements) (A) under which the Company is obligated to make payments or incur costs in excess of $25,000 in any year or (B) not entered into in the Ordinary Course of Business, in each case which is not otherwise described in clauses (i) through (xi).

(b) The Company has delivered or made available to the Parent a complete and accurate copy of each agreement listed in Section 2.14 of the Company Disclosure Schedule. With respect to each agreement so listed, and except as set forth in Section 2.14 of the Company Disclosure Schedule: (i) the agreement is a legal, valid, binding and enforceable obligation of the Company and in full force and effect, except as such enforceability may be limited under applicable bankruptcy, insolvency and similar laws, rules or regulations affecting creditors' rights and remedies generally and to general principles of equity whether applied in a court of law or a court of equity; (ii) the agreement will continue to be legal, valid, binding and enforceable obligation of the Company, except as such enforceability may be limited under applicable bankruptcy, insolvency and similar laws, rules or regulations affecting creditors' rights and remedies generally and to general principles of equity, whether applied in a court of law or a court of equity and will be in full force and effect immediately following the Closing in accordance with the terms thereof as in effect immediately prior to the Closing; and (iii) neither the Company nor any Company Subsidiary nor, to the knowledge of the Company, any other party, is in breach or violation of, or default under, any such agreement, and no event has occurred, is pending or, to the knowledge of the Company, is threatened, which, after the giving of notice, with lapse of time, or otherwise, would constitute a breach or default by the Company or any Company Subsidiary or, to the knowledge of the Company, any other party under such contract, except for any breach, violation or default that has not had and would not reasonably be anticipated to have a Company Material Adverse Effect.

2.15 Accounts Receivable. All accounts receivable of the Company and the Company Subsidiaries reflected on the Company Balance Sheet are valid receivables subject to no setoffs or counterclaims and are current and collectible (within 90 days after the date on which it first became due and payable), net of the applicable reserve for bad debts on the Company Balance Sheet. All accounts receivable reflected in the financial or accounting records of the Company that have arisen since the Company Balance Sheet Date are valid receivables subject to no setoffs or counterclaims and are collectible (within 90 days after the date on which it first became due and payable), net of a reserve for bad debts in an amount proportionate to the reserve shown on the Company Balance Sheet.

2.16 Powers of Attorney. Except as set forth in Section 2.16 of the Company Disclosure Schedule, there are no outstanding powers of attorney executed on behalf of the Company or any Company Subsidiary.

2.17 Insurance. Section 2.17 of the Company Disclosure Schedule lists each insurance policy (including fire, theft, casualty, general liability, workers compensation, business interruption, environmental, product liability and automobile insurance policies and bond and surety arrangements) to which the Company or any Company Subsidiary is a party. Such insurance policies are of the type and in amounts customarily carried by organizations conducting businesses or owning assets similar to those of the Company and the Company Subsidiaries. There is no material claim pending under any such policy as to which coverage has been questioned, denied or disputed by the underwriter of such policy. All premiums due and payable under all such policies have been paid, neither the Company nor any Company Subsidiary may be liable for retroactive premiums or similar payments, and the Company and the Company Subsidiaries are otherwise in compliance in all material respects with the terms of such policies. The Company has no knowledge of any threatened termination of, or material premium increase with respect to, any such policy. Each such policy will continue to be enforceable and in full force and effect immediately following the Effective Time in accordance with the terms thereof as in effect immediately prior to the Effective Time.

2.18 Warranties. No product or service sold or delivered by the Company or any of its Subsidiaries is subject to any guaranty, warranty, right of credit or other indemnity other than the applicable standard terms and conditions of sale of the Company or the appropriate Subsidiary, which are set forth in Section 2.18 of the Company Disclosure Schedule.

2.19 Litigation. Except as set forth in Section 2.19 of the Company Disclosure Schedule, as of the date of this Agreement, there is no action, suit, proceeding, claim, arbitration or investigation before any Governmental Entity or before any arbitrator (a "Legal Proceeding") which is pending or, to the Company's knowledge, threatened against the Company or any Company Subsidiary which (a) seeks either damages in excess of $25,000 individually or $50,000 in the aggregate, (b) if determined adversely to the Company or such Company Subsidiary, could have, individually or in the aggregate, a Company Material Adverse Effect or (c) in any manner challenges or seeks to prevent, enjoin, alter or delay the transactions contemplated by this Agreement.

2.20 Employees.

(a) Section 2.20 of the Company Disclosure Schedule contains a list of all employees of the Company and each Company Subsidiary whose annual rate of compensation exceeds $50,000 per year, along with the position of each such person. Each such person is a party to a non-disclosure and assignment of inventions agreement with the Company or a Company Subsidiary. To the knowledge of the Company, no key employee (within the meaning of Section 416 of the Code) or group of employees acting in concert has any plans to terminate employment with the Company or any Company Subsidiary.

(b) Neither the Company nor any Company Subsidiary is a party to or bound by any collective bargaining agreement, nor has any of them experienced any strikes, grievances, claims of unfair labor practices or other collective bargaining disputes. To the knowledge of the Company, (i) no organizational effort has been made or threatened, either currently or within the past two years, by or on behalf of any labor union with respect to employees of the Company or any Company Subsidiary, and (ii) to the Company's knowledge, there are no circumstances or facts which could individually or collectively give rise to a suit against the Company or any Company Subsidiary by any current or former employee or applicant for employment based on discrimination prohibited by fair employment practices laws.

2.21 Employee Benefits.

(a) For purposes of this Agreement, the following terms shall have the following meanings:

(i) "Employee Benefit Plan" means any "employee pension benefit plan" (as defined in Section 3(2) of ERISA), any "employee welfare benefit plan" (as defined in Section 3(1) of ERISA), and any other written or oral plan, agreement or arrangement providing direct or indirect compensation for services rendered, including without limitation insurance coverage, severance benefits, disability benefits, deferred compensation, bonuses, stock options, stock purchase, phantom stock, stock appreciation or other forms of incentive compensation or post-retirement compensation.

(ii) "ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

(iii) "ERISA Affiliate" means any entity which is, or at any applicable time was, a member of (1) a controlled group of corporations (as defined in Section 414(b) of the Code), (2) a group of trades or businesses under common control (as defined in Section 414(c) of the Code), or (3) an affiliated service group (as defined under Section 414(m) of the Code or the regulations under Section 414(o) of the Code), any of which includes or included the Company or a Company Subsidiary.

(b) Section 2.21(b) of the Company Disclosure Schedule contains a complete and accurate list of all Employee Benefit Plans maintained, or contributed to, by the Company, any Company Subsidiary or any ERISA Affiliate (collectively, the "Company Benefit Plans"). Complete and accurate copies of (i) all Company Benefit Plans which have been reduced to writing, (ii) written summaries of all unwritten Company Benefit Plans, (iii) all related trust agreements, insurance contracts and summary plan descriptions, and (iv) all annual reports filed on IRS Form 5500, 5500C or 5500R and (for all funded plans) all plan financial statements for the last five plan years for each Company Benefit Plan, have been made available to the Parent. Except as set forth on Section 2.21(b) of the Company Disclosure Schedule, each Company Benefit Plan has been administered in all material respects in accordance with its terms and each of the Company, the Company Subsidiaries and the ERISA Affiliates has in all material respects met its obligations with respect to such Company Benefit Plan and has made all required contributions thereto not later than the due date therefor (including extensions). The Company, each Company Subsidiary, each ERISA Affiliate and each Company Benefit Plan are in compliance in all material respects with the currently applicable provisions of ERISA and the Code and the regulations thereunder (including without limitation Section 4980B of the Code, Subtitle K, Chapter 100 of the Code and Sections 601 through 608 and Section 701 et seq. of ERISA). All filings and reports as to each Company Benefit Plan required to have been submitted to the Internal Revenue Service or to the United States Department of Labor have been duly submitted.

(c) To the knowledge of the Company, there are no Legal Proceedings (except claims for benefits payable in the normal operation of the Company Benefit Plans and proceedings with respect to qualified domestic relations orders, qualified medical support orders or similar benefit directives) against or involving any Company Benefit Plan or asserting any rights or claims to benefits under any Company Benefit Plan that could give rise to any material liability.

(d) All the Company Benefit Plans that are intended to be qualified under Section 401(a) of the Code have received a determination, advisory or opinion letter from the Internal Revenue Service to the effect that such Company Benefit Plans are qualified and the plans and the trusts related thereto are exempt from federal income taxes under Sections 401(a) and 501(a), respectively, of the Code, no such determination letter has been revoked and revocation has not been threatened, and no such Company Benefit Plan has been amended since the date of its most recent determination letter or application therefor in any respect (other than amendments required by law or which are not reasonably expected to result in loss of such plan's qualified status), and no act or omission has occurred, that would adversely affect its qualification or materially increase its cost. Each Company Benefit Plan which is required to satisfy Section 401(k)(3) or Section 401(m)(2) of the Code has been tested for compliance with, and satisfies the requirements of, Section 401(k)(3) and Section 401(m)(2) of the Code for each plan year ending prior to the Closing Date.

(e) Neither the Company, any Company Subsidiary nor any ERISA Affiliate has ever maintained an Employee Benefit Plan subject to Section 412 of the Code or Title IV of ERISA.

(f) At no time has the Company, any Company Subsidiary or any ERISA Affiliate been obligated to contribute to any "multiemployer plan" (as defined in Section 4001(a)(3) of ERISA).

(g) There are no unfunded obligations under any Company Benefit Plan providing benefits after termination of employment to any employee of the Company or any Company Subsidiary (or to any beneficiary of any such employee), including but not limited to retiree health coverage and deferred compensation, but excluding continuation of health coverage required to be continued under Section 4980B of the Code or other applicable Law and insurance conversion privileges under state law. The assets of each Company Benefit Plan which is funded are reported at their fair market value on the books and records of such Company Benefit Plan.

(h) No act or omission has occurred and no condition exists with respect to any Company Benefit Plan maintained by the Company, any Company Subsidiary or any ERISA Affiliate that would subject the Company, any Company Subsidiary or any ERISA Affiliate to (i) any material fine, penalty, tax or liability of any kind imposed under ERISA or the Code or (ii) any contractual indemnification or contribution obligation protecting any fiduciary, insurer or service provider with respect to any Company Benefit Plan.

(i) No Company Benefit Plan is funded by, associated with or related to a "voluntary employee's beneficiary association" within the meaning of Section 501(c)(9) of the Code.

(j) Each Company Benefit Plan is amendable and terminable unilaterally by the Company at any time without liability to the Company as a result thereof and no Company Benefit Plan, plan documentation or agreement, summary plan description or other written communication distributed generally to employees by its terms prohibits the Company from amending or terminating any such Company Benefit Plan.

(k) Section 2.14 or Section 2.21(k) of the Company Disclosure Schedule discloses each: (i) agreement with any stockholder, director, executive officer or other key employee of the Company or any Company Subsidiary (A) the benefits of which are contingent, or the terms of which are materially altered, upon the occurrence of a transaction involving the Company or any Company Subsidiary of the nature of any of the transactions contemplated by this Agreement, (B) providing any term of employment or compensation guarantee or (C) providing severance benefits or other benefits after the termination of employment of such director, executive officer or key employee; (ii) agreement, plan or arrangement under which any person may receive payments from the Company or any Company Subsidiary that may be subject to the tax imposed by Section 4999 of the Code or included in the determination of such person's "parachute payment" under Section 280G of the Code; and (iii) agreement or plan binding the Company or any Company Subsidiary, including without limitation any stock option plan, stock appreciation right plan, restricted stock plan, stock purchase plan, severance benefit plan or Company Benefit Plan, any of the benefits of which will be increased, or the vesting of the benefits of which will be accelerated, by the occurrence of any of the transactions contemplated by this Agreement or the value of any of the benefits of which will be calculated on the basis of any of the transactions contemplated by this Agreement. The accruals for vacation, sickness and disability expenses are accounted for on the Company Balance Sheet and are adequate and materially reflect the expenses associated therewith in accordance with GAAP.

2.22 Environmental Matters.

(a) Each of the Company and the Company Subsidiaries has complied with all applicable Environmental Laws (as defined below), except for violations of Environmental Laws that, individually or in the aggregate, have not had and would not reasonably be expected to have a Company Material Adverse Effect. There is no pending or, to the knowledge of the Company, threatened civil or criminal litigation, written notice of violation, formal administrative proceeding, or investigation, inquiry or information request by any Governmental Entity, relating to any Environmental Law involving the Company or any Company Subsidiary, except for litigation, notices of violations, formal administrative proceedings or investigations, inquiries or information requests that, individually or in the aggregate, have not had and would not reasonably be expected to have a Company Material Adverse Effect. For purposes of this Agreement, "Environmental Law" means any Law relating to the environment, including without limitation any Law pertaining to (i) treatment, storage, disposal, generation and transportation of industrial, toxic or hazardous materials or substances or solid or hazardous waste; (ii) air, water and noise pollution; (iii) groundwater and soil contamination; (iv) the release or threatened release into the environment of industrial, toxic or hazardous materials or substances, or solid or hazardous waste, including without limitation emissions, discharges, injections, spills, escapes or dumping of pollutants, contaminants or chemicals; (v) the protection of wild life, marine life and wetlands, including without limitation all endangered and threatened species; (vi) storage tanks, vessels, containers, abandoned or discarded barrels, and other closed receptacles; (vii) the reclamation of mines; (viii) health and safety of employees and other persons; and (ix) manufacturing, processing, using, distributing, treating, storing, disposing, transporting or handling of materials regulated under any law as pollutants, contaminants, toxic or hazardous materials or substances or oil or petroleum products or solid or hazardous waste. As used above, the terms "release" and "environment" shall have the meaning set forth in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA").

(b) To the knowledge of the Company, without independent investigation, there are no documents that contain any environmental reports, investigations or audits relating to premises currently or previously owned or operated by the Company or a Company Subsidiary (whether conducted by or on behalf of the Company or a Company Subsidiary or a third party, and whether done at the initiative of the Company or a Company Subsidiary or directed by a Governmental Entity or other third party) which were issued or conducted during the past five years and which the Company has possession of or access to.

(c) To the knowledge of the Company, there is no material environmental liability with respect to any solid or hazardous waste transporter or treatment, storage or disposal facility that has been used by the Company or any Company Subsidiary.

2.23 Legal Compliance. Each of the Company and the Company Subsidiaries, and the conduct and operations of their respective businesses, are in compliance with each Law applicable to the Company, any Company Subsidiary or any of their properties or assets, except for any violations or defaults that, individually or in the aggregate, have not had and would not reasonably be expected to have a Company Material Adverse Effect.

2.24 Customers. Section 2.24 of the Company Disclosure Schedule sets forth a list of each customer that accounted for more than 5% of the consolidated revenues of the Company during the last full fiscal year and the amount of revenues accounted for by such customer during such period. No such customer has notified the Company in writing within the past year that it will stop buying services from the Company or any Company Subsidiary.

2.25 Permits. Section 2.25 of the Company Disclosure Schedule sets forth a list of all authorizations, approvals, clearances, licenses, permits, certificates or exemptions (including, without limitation, manufacturing approvals and authorizations, pricing and reimbursement approvals, labeling approvals, registration notifications or their foreign equivalent, and including those issued or required under Environmental Laws and those relating to the occupancy or use of owned or leased real property) from any Governmental Entity ("Permits") issued to or held by the Company or any Company Subsidiary. Such listed Permits are the only material Permits that are required for the Company and the Company Subsidiaries to conduct their respective businesses as presently conducted except for those the absence of which, individually or in the aggregate, have not had and would not reasonably be expected to have a Company Material Adverse Effect. Each such Permit is in full force and effect and, to the knowledge of the Company, no suspension or cancellation of such Permit is threatened and, to the knowledge of the Company, there is no reasonable basis for believing that such Permit will not be renewable upon expiration. Except for such instances as would not reasonably be expected to have a Company Material Adverse Effect, each such Permit will continue in full force and effect immediately following the Closing.

2.26 Certain Business Relationships with Affiliates. Except as listed in Section 2.26 of the Company Disclosure Schedule, no Affiliate of the Company or of any Company Subsidiary (a) owns any material property or right, tangible or intangible, which is used in the business of the Company or any Company Subsidiary, (b) to the knowledge of the Company, has any claim or cause of action against the Company or any Company Subsidiary, or (c) owes any money to, or is owed any money by, the Company or any Company Subsidiary. Section 2.26 of the Company Disclosure Schedule describes any transactions involving the receipt or payment in excess of $25,000 in any fiscal year between the Company or a Company Subsidiary and any Affiliate of the Company or of any Company Subsidiary thereof which have occurred or existed since the Organization Date, other than employment agreements or other compensation arrangements.

2.27 Brokers' Fees. Other than obligations arising under the Placement Agency Agreement, dated April 17, 2015, between the Parent, Northland Securities, Inc. and Katalyst Securities LLC (the "Placement Agents"), and except as listed in Section 2.27 of the Company Disclosure Schedule neither the Company nor any Subsidiary has any liability or obligation to pay any fees or commissions to any broker, finder or agent with respect to the transactions contemplated by this Agreement.

2.28 Books and Records. The minute books and other similar records of the Company and each Company Subsidiary contain, in all material respects, complete and accurate records in all material respects of all actions taken at any meetings of the Company's or such Company Subsidiary's stockholders, board of directors or any committees thereof and of all written consents executed in lieu of the holding of any such meetings.

2.29 Intellectual Property.

(a) Each of the Company and any Company Subsidiary owns, is licensed or otherwise possesses legally enforceable rights to use, license and exploit all issued patents, copyrights, trademarks, service marks, trade names, trade secrets, and registered domain names and all applications for registration therefor (collectively, the "Intellectual Property Rights") and all computer programs and other computer software, databases, know-how, proprietary technology, formulae, and development tools, together with all goodwill related to any of the foregoing (collectively, the "Intellectual Property"), in each case as is necessary to conduct their respective businesses as presently conducted, the absence of which would be considered reasonably likely to result in a Company Material Adverse Effect.

(b) Section 2.29(b) of the Company Disclosure Schedule sets forth, with respect to all issued patents and all registered copyrights, trademarks, service marks and domain names registered with any Governmental Entity by the Company or any Company Subsidiary or for which an application for registration has been filed with any Governmental Entity by the Company or any Company Subsidiary, (i) the registration or application number, the date filed and the title, if applicable, of the registration or application and (ii) the names of the jurisdictions covered by the applicable registration or application. Section 2.29(b) of the Company Disclosure Schedule identifies each agreement currently in effect containing any ongoing royalty or payment obligations of the Company and any Company Subsidiary in excess of $25,000 per annum with respect to Intellectual Property Rights and Intellectual Property that are licensed or otherwise made available to the Company and any Company Subsidiary.

(c) Except as set forth on Section 2.29(c) of the Company Disclosure Schedule, all Intellectual Property Rights of the Company and the Company Subsidiaries that have been registered by them with any Governmental Entity are valid and subsisting, except as would not reasonably be expected to have a Company Material Adverse Effect. As of the Effective Date, in connection with such registered Intellectual Property Rights, all necessary registration, maintenance and renewal fees will have been paid and all necessary documents and certificates will have been filed with the relevant Governmental Entities.

(d) Neither the Company nor any Company Subsidiary is, or will as a result of the consummation of the Merger or other transactions contemplated by this Agreement be, in breach in any material respect of any license, sublicense or other agreement relating to the Intellectual Property Rights of the Company and the Company Subsidiaries, or any licenses, sublicenses or other agreements as to which the Company or any Company Subsidiary is a party and pursuant to which the Company or any Company Subsidiary uses any patents, copyrights (including software), trademarks or other intellectual property rights of or owned by third parties (the "Third Party Intellectual Property Rights"), the breach of which would be reasonably likely to result in a Company Material Adverse Effect.

(e) Except as set forth on Section 2.29(e) of the Company Disclosure Schedule, neither the Company nor any Company Subsidiary has been named as a defendant in any suit, action or proceeding which involves a claim of infringement or misappropriation of any Third Party Intellectual Property Right and neither the Company nor any Company Subsidiary has received any notice or other communication (in writing or otherwise) of any actual or alleged infringement, misappropriation or unlawful or unauthorized use of any Third Party Intellectual Property Right. With respect to its product candidates and products in research or development, after the same are marketed, the Company will not, to its knowledge, infringe any Third Party Intellectual Property Rights in any material manner.

(f) To the knowledge of the Company, except as set forth on Section 2.29(f) of the Company Disclosure Schedule, no other person is infringing, misappropriating or making any unlawful or unauthorized use of any Intellectual Property Rights of the Company and the Company Subsidiaries in a manner that has a material impact on the business of the Company or any Company Subsidiary, except for such infringement, misappropriation or unlawful or unauthorized use as would not be reasonably expected to have a Company Material Adverse Effect.

2.30 Disclosure. No representation or warranty by the Company contained in this Agreement, and no statement contained in the Company Disclosure Schedule, the Company's final Confidential and Non-Binding Summary Term Sheet dated April 20, 2015, or any other document, certificate or other instrument delivered or to be delivered by or on behalf of the Company pursuant to this Agreement, contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact necessary, in light of the circumstances under which it was or will be made, in order to make the statements herein or therein not misleading.

2.31 Duty to Make Inquiry. To the extent that any of the representations or warranties in this Article II are qualified by "knowledge" or "belief," the Company represents and warrants that it has made reasonable inquiry and investigation concerning the matters to which such representations and warranties relate, including, but not limited to, reasonable inquiry by its directors, officers and key personnel.

2.32 Accountants. Marcum LLP (the "Company Auditor") is and has been throughout the periods covered by the Company Financial Statements (a) a registered public accounting firm (as defined in Section 2(a)(12) of the Sarbanes-Oxley Act of 2002) and (b) "independent" with respect to the Company within the meaning of Regulation S-X. Except as set forth on Section 2.32 of the Company Disclosure Schedule, the reports of the Company Auditor (or any prior auditor) on the financial statements of the Company for the past three fiscal years and any subsequent interim period did not contain an adverse opinion or a disclaimer of opinion, or were qualified as to uncertainty, audit scope, or accounting principles. During the Company's most recent fiscal year and the subsequent interim periods, there were no disagreements with the Company Auditor on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedures. None of the reportable events listed in Item 304(a)(1)(iv) or (v) of Regulation S-K occurred with respect to the Company Auditor.

2.33 FCC and Related Matters. The conduct of business by the Company complies, and at all times has substantially complied, in all material respects with the Telecommunications Act of 1996 (the "TCA") and similar federal, state and foreign laws applicable to the evaluation, testing, manufacturing, distribution, advertising and marketing of each of the Company's products, in whatever stage of development or commercialization except to the extent that the failure to so comply would not have a Material Adverse Effect. To the knowledge of the Company, as of the date hereof, neither the Federal Communications Commission (the "*FCC*") nor any comparable regulatory authority or governmental agency is considering limiting, suspending or revoking any such Permit or changing the marketing classification or labeling of the products of the Company or any of its Subsidiaries. To the knowledge of the Company, there is no false or misleading information or material omission in any product application or other submission by the Company or any of its Subsidiaries to the FCC or any comparable regulatory authority or governmental agency. The Company or its Subsidiaries have fulfilled and performed in all material respects their obligations under each Permit, and, as of the date hereof, to the knowledge of the Company, no event has occurred or condition or state of facts exists which would constitute a breach or default or would cause revocation or termination of any such Permit except to the extent that such breach, default, revocation or termination would not have a Material Adverse Effect. To the knowledge of the Company, any third party that is a manufacturer or contractor for the Company or any of its Subsidiaries is in compliance in all material respects with all Permits insofar as they pertain to the manufacture of product components or products for the Company. The Company and its Subsidiaries have not received any notice of adverse finding, warning letter, notice of violation, notice of action, or any other notice from the FCC or other governmental agency alleging or asserting noncompliance with any applicable laws or Permits. The Company and its Subsidiaries have made all notifications, submissions and reports required by applicable federal, state and foreign laws, except to the extent that the failure to make such notifications, submission or reports would not have a Material Adverse Effect.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF THE PARENT AND THE ACQUISITION SUBSIDIARY

The Parent represents and warrants to the Company that the statements contained in this Article III are, after giving effect to the Split-Off (unless otherwise stated to the contrary), true and correct, except as set forth in the disclosure schedule provided by the Parent to the Company on the date hereof (the "Parent Disclosure Schedule"). The Parent Disclosure Schedule shall be arranged in paragraphs corresponding to the numbered and lettered paragraphs contained in this Article III; and to the extent that it is clear from the context thereof that such disclosure also applies to any other numbered paragraph contained in this Article III, the disclosures in any numbered paragraph of the Disclosure Schedule shall qualify such other corresponding numbered paragraph in this Article III. For purposes of this Article III, the phrase "to the knowledge of the Parent" or any phrase of similar import shall be deemed to refer to the actual knowledge of any officer or director of the Parent as well as any other knowledge which such person would have possessed had such person made reasonable inquiry of appropriate officers, directors, key employees, accountants and attorneys of the Parent with respect to the matter in question.

3.1 Organization, Qualification and Corporate Power. The Parent is a corporation duly organized, validly existing and in good standing under the laws of the State of Nevada and the Acquisition Subsidiary is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. The Parent is duly qualified to conduct business and is in good standing under the laws of each jurisdiction in which the nature of its businesses or the ownership or leasing of its properties requires such qualification. The Parent has all requisite corporate power and authority to carry on the businesses in which it is engaged and to own and use the properties owned and used by it. The Parent has furnished or made available to the Company complete and accurate copies of its articles of incorporation and bylaws. Neither the Parent nor the Acquisition Subsidiary is in default under or in violation of any provision of its certificate or articles of incorporation, as amended to date, or its bylaws, as amended to date.

3.2 Capitalization. As of immediately prior to the Effective Time, but prior to giving effect to the issuance of the Merger Shares or the Share Contribution (as defined below), the authorized capital stock of the Parent will consist of 300,000,000 shares of Parent Common Stock, of which 12,854,024 shares will be issued and outstanding, and 10,000,000 shares of preferred stock, $0.001 par value per share, of which no shares are outstanding. The Parent Common Stock is presently eligible for quotation and trading on the OTC Markets Group Inc. ("OTC Markets") and is not subject to any notice of suspension or delisting. All of the issued and outstanding shares of Parent Common Stock are duly authorized, validly issued, fully paid, nonassessable and free of all preemptive rights. Except as contemplated by the Transaction Documentation or as described in Section 3.2 of the Parent Disclosure Schedule, there are no outstanding or authorized options, warrants, rights, agreements or commitments to which the Parent is a party or which are binding upon the Parent providing for the issuance or redemption of any of its capital stock. There are no outstanding or authorized stock appreciation, phantom stock or similar rights with respect to the Parent. Except as contemplated by the Transaction Documentation, there are no agreements to which the Parent is a party or by which it is bound with respect to the voting (including without limitation voting trusts or proxies), registration under the Securities Act, or sale or transfer (including without limitation agreements relating to pre-emptive rights, rights of first refusal, co-sale rights or "drag-along" rights) of any securities of the Parent. There are no agreements among other parties, to which the Parent is not a party and by which it is not bound, with respect to the voting (including without limitation voting trusts or proxies) or sale or transfer (including without limitation agreements relating to rights of first refusal, co-sale rights or "drag-along" rights) of any securities of the Parent. All of the issued and outstanding shares of Parent Common Stock were issued in compliance with applicable federal and state securities laws. The Merger Shares to be issued at the Closing pursuant to Section 1.5 hereof, when issued and delivered in accordance with the terms hereof and of the Certificate of Merger, shall be duly and validly issued, fully paid and nonassessable and free of all preemptive rights and will be issued in compliance with applicable federal and state securities laws. At the Effective Time, after giving effect to the surrender by the Split-Off Purchaser of 9,854,019 shares of Parent Common Stock (the "Share Contribution") in connection with the Split-Off, but prior to giving effect to the issuance of the Merger Shares (including the Indemnification Escrow Shares), there will be 3,000,005 shares of Parent Common Stock issued and outstanding.

3.3 Authorization of Transaction. Each of the Parent and the Acquisition Subsidiary has all requisite power and authority to execute and deliver this Agreement and (in the case of the Parent) the Split-Off Agreement, the General Release Agreement and the Indemnification Shares Escrow Agreement and to perform its obligations hereunder and thereunder. The execution and delivery by the Parent and the Acquisition Subsidiary of this Agreement and (in the case of the Parent) the Split-Off Agreement, the General Release Agreement and the Indemnification Shares Escrow Agreement, and the agreements contemplated hereby and thereby (collectively, the "Transaction Documentation"), and the consummation by the Parent and the Acquisition Subsidiary of the transactions contemplated hereby and thereby have been duly and validly authorized by all necessary corporate action on the part of the Parent and the Acquisition Subsidiary, respectively. Each of the documents included in the Transaction Documentation has been duly and validly executed and delivered by the Parent or the Acquisition Subsidiary, as the case may be, and constitutes a valid and binding obligation of the Parent or the Acquisition Subsidiary, as the case may be, enforceable against them in accordance with its terms, except as such enforceability may be limited under applicable bankruptcy, insolvency and similar laws, rules or regulations affecting creditors' rights and remedies generally and to general principles of equity, whether applied in a court of law or a court of equity.

3 . 4 Noncontravention. Subject to the filing of the Certificate of Merger as required by the Delaware Act, neither the execution and delivery by the Parent or the Acquisition Subsidiary, as the case may be, of this Agreement or the Transaction Documentation, nor the consummation by the Parent or the Acquisition Subsidiary, as the case may be, of the transactions contemplated hereby or thereby, will (a) conflict with or violate any provision of the organizational documents or bylaws of the Parent or the Acquisition Subsidiary, as the case may be, (b) require on the part of the Parent or the Acquisition Subsidiary, as the case may be, any filing with, or permit, authorization, consent or approval of, any Governmental Entity, other than required notification to the Financial Industry Regulatory Authority ("FINRA"), (c) conflict with, result in a breach of, constitute (with or without due notice or lapse of time or both) a default under, result in the acceleration of obligations under, create in any party any right to terminate, modify or cancel, or require any notice, consent or waiver under, any contract or instrument to which the Parent or the Acquisition Subsidiary, as the case may be, is a party or by which either is bound or to which any of their assets are subject, except for (i) any conflict, breach, default, acceleration, termination, modification or cancellation which would not reasonably be expected to have a Parent Material Adverse Effect and would not reasonably be expected to adversely affect the consummation of the transactions contemplated hereby or (ii) any notice, consent or waiver the absence of which would not reasonably be expected to have a Parent Material Adverse Effect and would not reasonably be expected to adversely affect the consummation of the transactions contemplated hereby, (d) result in the imposition of any Security Interest upon any assets of the Parent or the Acquisition Subsidiary or (e) violate any Laws applicable to the Parent or the Acquisition Subsidiary or any of their properties or assets. For purposes of this Agreement, "Parent Material Adverse Effect" means a material adverse effect on the assets, business, condition (financial or otherwise), or results of operations of the Parent and its subsidiaries, taken as a whole.

3.5 Subsidiaries.

(a) The Parent has no Subsidiaries other than the Acquisition Subsidiary and the Split-Off Subsidiary. Each of the Acquisition Subsidiary and the Split-Off Subsidiary is an entity duly organized, validly existing and in corporate and tax good standing under the laws of the jurisdiction of its organization. The Acquisition Subsidiary was formed solely to effectuate the Merger, the Split-Off Subsidiary was formed solely to effectuate the Split-Off, and neither of them has conducted any business operations since its organization. The Parent has delivered or made available to the Company complete and accurate copies of the charter, bylaws or other organizational documents of the Acquisition Subsidiary and the Split-Off Subsidiary. The Acquisition Subsidiary has no assets other than minimal paid-in capital, has no liabilities or other obligations, and is not in default under or in violation of any provision of its charter, bylaws or other organizational documents. All of the issued and outstanding shares of capital stock of the Acquisition Subsidiary are duly authorized, validly issued, fully paid, nonassessable and free of preemptive rights. All shares of the Acquisition Subsidiary are owned by the Parent free and clear of any restrictions on transfer (other than restrictions under the Securities Act and state securities laws), claims, Security Interests, options, warrants, rights, contracts, calls, commitments, equities and demands. There are no outstanding or authorized options, warrants, rights, agreements or commitments to which the Parent or the Acquisition Subsidiary is a party or which are binding on any of them providing for the issuance, disposition or acquisition of any capital stock of the Parent, the Acquisition Subsidiary or the Split-Off Subsidiary (except as contemplated by this Agreement and the Split-Off Agreement). There are no outstanding stock appreciation, phantom stock or similar rights with respect to the Acquisition Subsidiary. There are no voting trusts, proxies or other agreements or understandings with respect to the voting of any capital stock of the Acquisition Subsidiary.

(b) At all times from April 10, 2013 (inception) through the date of this Agreement, the business and operations of the Parent have been conducted exclusively through the Parent.

(c) The Parent does not control directly or indirectly or have any direct or indirect participation or similar interest in any corporation, partnership, limited liability company, joint venture, trust or other business association which is not a Subsidiary.

3.6 SEC Reports.

The Parent has furnished or made available to the Company complete and accurate copies, as amended or supplemented, of its (a) Annual Report on Form 10-K for the fiscal year ended July 31, 2014, as filed with the SEC, which contained audited balance sheets of the Parent as of July 31, 2014 and 2013, and the related statements of operation, changes in shareholders' equity and cash flows for the years then ended; and (b) Quarterly Reports on Form 10-Q for the quarterly periods ended April 31, 2014, October 31, 2014 and January 31, 2015 and (c) all other reports filed by the Parent under Section 13 or subsections (a) or (c) of Section 14 of the Exchange Act with the SEC (such reports are collectively referred to herein as the "Parent Reports"). The Parent Reports constitute all of the documents required to be filed or furnished by the Parent with the SEC, including under Section 13 or subsections (a) or (c) of Section 14 of the Exchange Act, through the date of this Agreement. The Parent Reports complied in all material respects with the requirements of the Exchange Act and the rules and regulations thereunder when filed. As of the date hereof, there are no outstanding or unresolved comments in comment letters received from the staff of the SEC with respect to any of the Parent Reports. As of their respective dates, the Parent Reports, including any financial statements, schedules or exhibits included or incorporated by reference therein, did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. None of the Parent Subsidiaries is required to file or furnish any forms, reports or other documents with the SEC.

3.7 Compliance with Laws. Each of the Parent and its Subsidiaries:

(a) and the conduct and operations of their respective businesses, are in compliance with each Law applicable to the Parent, any Parent Subsidiary or any of their properties or assets, except for any violations or defaults that, individually or in the aggregate, have not had and would not reasonably be expected to have a Parent Material Adverse Effect;

(b) has complied with all federal and state securities laws and regulations, including being current in all of its reporting obligations under such federal and state securities laws and regulations;

(c) has not, and the past and present officers, directors and Affiliates of the Parent have not, been the subject of, nor does any officer or director of the Parent have any reason to believe that the Parent or any of its officers, directors or Affiliates will be the subject of, any civil or criminal proceeding or investigation by any federal or state agency alleging a violation of securities laws;

(d) has not been the subject of any voluntary or involuntary bankruptcy proceeding, nor has it been a party to any material litigation;

(e) has not, and the past and present officers, directors and Affiliates have not, been the subject of, nor does any officer or director of the Parent have any reason to believe that the Parent or any of its officers, directors or Affiliates will be the subject of, any civil, criminal or administrative investigation or proceeding brought by any federal or state agency having regulatory authority over such entity or person;

(f) does not and will not on the Closing, have any liabilities, contingent or otherwise, including but not limited to notes payable and accounts payable, and is not a party to any executory agreements; and

(g) is not a "blank check company" as such term is defined by Rule 419 of the Securities Act.

3.8 Financial Statements. The audited financial statements and unaudited interim financial statements of the Parent included in the Parent Reports (collectively, the "Parent Financial Statements") (i) complied as to form in all material respects with applicable accounting requirements and, as appropriate, the published rules and regulations of the SEC with respect thereto when filed, (ii) were prepared in accordance with GAAP applied on a consistent basis throughout the periods covered thereby (except as may be indicated therein or in the notes thereto, and in the case of quarterly financial statements, as permitted by Form 10-Q under the Exchange Act), (iii) fairly present in all material respects the financial condition, results of operations and cash flows of the Parent as of the respective dates thereof and for the periods referred to therein, and (iv) are consistent in all material respects with the books and records of the Parent.

3.9 Absence of Certain Changes. Since the date of the balance sheet contained in the most recent Parent Report, (a) there has occurred no event or development which, individually or in the aggregate, has had, or could reasonably be expected to have in the future, a Parent Material Adverse Effect and (b) neither the Parent nor the Acquisition Subsidiary has taken any of the actions set forth in paragraphs (a) through (m) of Section 4.6.

3.10 Undisclosed Liabilities. None of the Parent and its Subsidiaries has any liability (whether known or unknown, whether absolute or contingent, whether liquidated or unliquidated and whether due or to become due), except for (a) liabilities shown on the balance sheet contained in the most recent Parent Report, (b) liabilities which have arisen since the date of the balance sheet contained in the most recent Parent Report in the Ordinary Course of Business which do not exceed $25,000 in the aggregate and (c) contractual and other liabilities incurred in the Ordinary Course of Business which are not required by GAAP to be reflected on a balance sheet.

3.11 Off-Balance Sheet Arrangements. Neither the Parent nor any of its Subsidiaries is a party to, or has any commitment to become a party to, any joint venture, off balance sheet partnership or any similar contract or arrangement (including any contract or arrangement relating to any transaction or relationship between or among the Parent and any of its Subsidiaries, on the one hand, and any unconsolidated affiliate, including any structured finance, special purpose or limited purpose entity or person, on the other hand, or any "off balance sheet arrangements" (as defined in Item 303(a) of Regulation S-K under the Exchange Act)), where the result, purpose or intended effect of such contract is to avoid disclosure of any material transaction involving, or material liabilities of, the Parent or any of its Subsidiaries in the Parent's or such Subsidiary's published financial statements or other Parent Reports.

3.12 Tax Matters.

(a) Each of the Parent and its Subsidiaries has filed on a timely basis all Tax Returns that it was required to file, and all such Tax Returns were complete and accurate in all material respects. Neither the Parent nor any of its Subsidiaries is or has ever been a member of a group of corporations with which it has filed (or been required to file) consolidated, combined or unitary Tax Returns, other than a group of which only the Parent and its Subsidiaries are or were members. Each of the Parent and its Subsidiaries has paid on a timely basis all Taxes that were due and payable. The unpaid Taxes of the Parent and its Subsidiaries for tax periods through the date of the balance sheet contained in the most recent Parent Report do not exceed the accruals and reserves for Taxes (excluding accruals and reserves for deferred Taxes established to reflect timing differences between book and Tax income) set forth on such balance sheet. Neither the Parent nor any of its Subsidiaries has any actual or potential liability for any Tax obligation of any taxpayer (including without limitation any affiliated group of corporations or other entities that included the Parent or any of its Subsidiaries during a prior period) other than the Parent and its Subsidiaries. All Taxes that the Parent or any of its Subsidiaries is or was required by law to withhold or collect have been duly withheld or collected and, to the extent required, have been paid to the proper Governmental Entity.

(b) The Parent has delivered or made available to the Company complete and accurate copies of all federal income Tax Returns, examination reports and statements of deficiencies assessed against or agreed to by the Parent or any of its Subsidiaries since April 10, 2013 (which was the date of the Parent's incorporation). No examination or audit of any Tax Return of the Parent or any of its Subsidiaries by any Governmental Entity is currently in progress or, to the knowledge of the Parent, threatened or contemplated. Neither the Parent nor any of its Subsidiaries has been informed by any jurisdiction that the jurisdiction believes that the Parent or its Subsidiaries was required to file any Tax Return that was not filed. Neither the Parent nor any of its Subsidiaries has waived any statute of limitations with respect to Taxes or agreed to an extension of time with respect to a Tax assessment or deficiency.

(c) Neither the Parent nor any of its Subsidiaries: (i) has been a United States real property holding corporation within the meaning of Section 897(c)(2) of the Code during the applicable period specified in Section 897(c)(l)(A)(ii) of the Code; (ii) has made any payments, is obligated to make any payments, or is a party to any agreement that could obligate it to make any payments that may be treated as an "excess parachute payment" under Section 280G of the Code; (iii) has any actual or potential liability for any Taxes of any person (other than the Parent and its Subsidiaries) under Treasury Regulation Section 1.1502-6 (or any similar provision of federal, state, local or foreign law), or as a transferee or successor, by contract or otherwise; or (iv) is or has been required to make a basis reduction pursuant to Treasury Regulation Section 1.1502-20(b) or Treasury Regulation Section 1.337(d)-2(b).

(d) None of the assets of the Parent or any of its Subsidiaries: (i) is property that is required to be treated as being owned by any other person pursuant to the provisions of former Section 168(f)(8) of the Code; (ii) is "tax-exempt use property" within the meaning of Section 168(h) of the Code; or (iii) directly or indirectly secures any debt the interest of which is tax exempt under Section 103(a) of the Code.

(e) Neither the Parent nor any of its Subsidiaries has undergone a change in its method of accounting resulting in an adjustment to its taxable income pursuant to Section 481 of the Code.

(f) No state or federal "net operating loss" of the Parent determined as of the Closing Date is subject to limitation on its use pursuant to Section 382 of the Code or comparable provisions of state law as a result of any "ownership change" within the meaning of Section 382(g) of the Code or comparable provisions of any state law occurring prior to the Closing Date.

3.13 Assets. Each of the Parent and the Acquisition Subsidiary owns or leases all tangible assets necessary for the conduct of its businesses as presently conducted and as presently proposed to be conducted. Each such tangible asset is free from material defects, has been maintained in accordance with normal industry practice, is in good operating condition and repair (subject to normal wear and tear) and is suitable for the purposes for which it presently is used. No asset of the Parent or the Acquisition Subsidiary (tangible or intangible) is subject to any Security Interest.

3.14 Owned Real Property. Neither the Parent nor any of its Subsidiaries owns any real property.

3.15 Real Property Leases. Section 3.15 of the Parent Disclosure Schedule lists all real property leased or subleased to or by the Parent or any of its Subsidiaries and lists the term of such lease, any extension and expansion options, and the rent payable thereunder. The Parent has delivered or made available to the Company complete and accurate copies of the leases and subleases listed in Section 3.15 of the Parent Disclosure Schedule. With respect to each lease and sublease listed in Section 3.15 of the Parent Disclosure Schedule:

(a) the lease or sublease is legal, valid, binding, enforceable and in full force and effect;

(b) the lease or sublease will continue to be legal, valid, binding, enforceable and in full force and effect immediately following the Closing in accordance with the terms thereof as in effect immediately prior to the Closing, and the Closing will not, after the giving of notice, with lapse of time, or otherwise, result in a breach or default by the Parent or any of its Subsidiaries or, to the knowledge of the Parent, any other party under such lease or sublease;

(c) neither the Parent nor any of its Subsidiaries nor, to the knowledge of the Parent, any other party, is in breach or violation of, or default under, any such lease or sublease, and no event has occurred, is pending or, to the knowledge of the Parent, is threatened, which, after the giving of notice, with lapse of time or otherwise, would constitute a breach or default by the Parent or any of its Subsidiaries or, to the knowledge of the Parent, any other party under such lease or sublease;

(d) neither the Parent nor any of its Subsidiaries has assigned, transferred, conveyed, mortgaged, deeded in trust or encumbered any interest in the leasehold or subleasehold; and

(e) to the knowledge of the Parent, there is no Security Interest, easement, covenant or other restriction applicable to the real property subject to such lease, except for recorded easements, covenants and other restrictions which do not materially impair the current uses or the occupancy by the Parent or any of its Subsidiaries of the property subject thereto.

3.16 Contracts.

(a) Section 3.16 of the Parent Disclosure Schedule lists the following agreements (written or oral) to which the Parent or any of its Subsidiaries is a party as of the date of this Agreement:

(i) any agreement (or group of related agreements) for the lease of personal property from or to third parties;

(ii) any agreement (or group of related agreements) for the purchase or sale of products or for the furnishing or receipt of services;

(iii) any agreement establishing a partnership or joint venture;

(iv) any agreement (or group of related agreements) under which it has created, incurred, assumed or guaranteed (or may create, incur, assume or guarantee) indebtedness (including capitalized lease obligations) or under which it has imposed (or may impose) a Security Interest on any of its assets, tangible or intangible;

(v) any agreement that purports to limit in any material respect the right of the Company to engage in any line of business, or to compete with any person or operate in any geographical location;

(vi) any employment or consulting agreement;

(vii) any agreement involving any current or former officer, director or stockholder of the Parent or any Affiliate thereof;

(viii) any agreement under which the consequences of a default or termination would reasonably be expected to have a Parent Material Adverse Effect;

(ix) any agreement which contains any provisions requiring the Parent or any of its Subsidiaries to indemnify any other party thereto (excluding indemnities contained in agreements for the purchase, sale or license of products entered into in the Ordinary Course of Business);

(x) any other agreement (or group of related agreements) either involving more than $5,000 or not entered into in the Ordinary Course of Business; and

(xi) any agreement, other than as contemplated by this Agreement and the Split-Off, relating to the sales of securities of the Parent or any of its Subsidiaries to which the Parent or such Subsidiary is a party.

(b) The Parent has delivered or made available to the Company a complete and accurate copy of each agreement listed in Section 3.16 of the Parent Disclosure Schedule. With respect to each agreement so listed: (i) the agreement is legal, valid, binding and enforceable and in full force and effect; (ii) the agreement will continue to be legal, valid, binding and enforceable and in full force and effect immediately following the Closing in accordance with the terms thereof as in effect immediately prior to the Closing; and (iii) neither the Parent nor any of its Subsidiaries nor, to the knowledge of the Parent, any other party, is in breach or violation of, or default under, any such agreement, and no event has occurred, is pending or, to the knowledge of the Parent, is threatened, which, after the giving of notice, with lapse of time or otherwise, would constitute a breach or default by the Parent or any of its Subsidiaries or, to the knowledge of the Parent, any other party under such contract.

3.17 Accounts Receivable. All accounts receivable of the Parent and its Subsidiaries reflected on the Parent Reports are valid receivables subject to no setoffs or counterclaims and are current and collectible (within 90 days after the date on which it first became due and payable), net of the applicable reserve for bad debts on the balance sheet contained in the most recent Parent Report. All accounts receivable reflected in the financial or accounting records of the Parent that have arisen since the date of the balance sheet contained in the most recent Parent Report are valid receivables subject to no setoffs or counterclaims and are collectible (within 90 days after the date on which it first became due and payable), net of a reserve for bad debts in an amount proportionate to the reserve shown on the balance sheet contained in the most recent Parent Report.

3.18 Powers of Attorney. There are no outstanding powers of attorney executed on behalf of the Parent or any of its Subsidiaries.

3.19 Insurance. Section 3.19 of the Parent Disclosure Schedule lists each insurance policy (including fire, theft, casualty, general liability, workers compensation, business interruption, environmental, product liability and automobile insurance policies and bond and surety arrangements) to which the Parent or any of its Subsidiaries is a party. Such insurance policies are of the type and in amounts customarily carried by organizations conducting businesses or owning assets similar to those of the Parent and its Subsidiaries. There is no material claim pending under any such policy as to which coverage has been questioned, denied or disputed by the underwriter of such policy. All premiums due and payable under all such policies have been paid, neither the Parent nor any of its Subsidiaries may be liable for retroactive premiums or similar payments, and the Parent and its Subsidiaries are otherwise in compliance in all material respects with the terms of such policies. The Parent has no knowledge of any threatened termination of, or material premium increase with respect to, any such policy. Each such policy will continue to be enforceable and in full force and effect immediately following the Closing in accordance with the terms thereof as in effect immediately prior to the Closing.

3.20 Warranties. No product or service sold or delivered by the Parent or any of its Subsidiaries is subject to any guaranty, warranty, right of credit or other indemnity other than the applicable standard terms and conditions of sale of the Parent or the appropriate Subsidiary.

3.21 Litigation. Except as disclosed in Section 3.21 of the Parent Disclosure Schedule, as of the date of this Agreement, there is no Legal Proceeding which is pending or, to the Parent's knowledge, threatened against the Parent or any Subsidiary of the Parent which, if determined adversely to the Parent or such Subsidiary, could have, individually or in the aggregate, a Parent Material Adverse Effect or which in any manner challenges or seeks to prevent, enjoin, alter or delay the transactions contemplated by this Agreement. For purposes of this Section 3.10, any such pending or threatened Legal Proceedings where the amount at issue exceeds or could reasonably be expected to exceed the lesser of $10,000 per Legal Proceeding or $25,000 in the aggregate shall be considered to possibly result in a Parent Material Adverse Effect hereunder.

3.22 Employees.

(a) The Parent and Parent Subsidiaries have no employees.

(b) Neither the Parent nor any of its Subsidiaries is a party to or bound by any collective bargaining agreement, nor have any of them experienced any strikes, grievances, claims of unfair labor practices or other collective bargaining disputes. The Parent has no knowledge of any organizational effort made or threatened, either currently or since the date of organization of the Parent, by or on behalf of any labor union with respect to employees of the Parent or any of its Subsidiaries.

3.23 Employee Benefits. Neither the Parent nor any of its Subsidiaries or ERISA Affiliates maintains, sponsors or contributes to or in the past has maintained, sponsored or contributed to any Employee Benefit Plan or multiemployer plan (as defined in Section 4001(a)(3) of ERISA).

3.24 Environmental Matters.

(a) Each of the Parent and its Subsidiaries has complied with all applicable Environmental Laws, except for violations of Environmental Laws that, individually or in the aggregate, have not had and would not reasonably be expected to have a Parent Material Adverse Effect. There is no pending or, to the knowledge of the Parent, threatened civil or criminal litigation, written notice of violation, formal administrative proceeding, or investigation, inquiry or information request by any Governmental Entity, relating to any Environmental Law involving the Parent or any of its Subsidiaries, except for litigation, notices of violations, formal administrative proceedings or investigations, inquiries or information requests that, individually or in the aggregate, have not had and would not reasonably be expected to have a Parent Material Adverse Effect.

(b) Set forth in Section 3.24(b) of the Parent Disclosure Schedule is a list of all documents (whether in hard copy or electronic form) that contain any environmental reports, investigations and audits relating to premises currently or previously owned or operated by the Parent or any of its Subsidiaries (whether conducted by or on behalf of the Parent or its Subsidiaries or a third party, and whether done at the initiative of the Parent or any of its Subsidiaries or directed by a Governmental Entity or other third party) which were issued or conducted during the past five years and which the Parent has possession of or access to. A complete and accurate copy of each such document has been provided to the Company.

(c) To the knowledge of the Company, there is no material environmental liability of any solid or hazardous waste transporter or treatment, storage or disposal facility that has been used by the Parent or any of its Subsidiaries.

3.25 Permits. Section 3.25 of the Parent Disclosure Schedule sets forth a list of all authorizations, approvals, clearances, permits, licenses, registrations, certificates, orders, approvals or exemptions from any Governmental Entity (including without limitation those issued or required under Environmental Laws and those relating to the occupancy or use of owned or leased real property) ("Parent Permits") issued to or held by the Parent or any of its Subsidiaries. Such listed permits are the only Parent Permits that are required for the Parent and any of its Subsidiaries to conduct their respective businesses as presently conducted except for those the absence of which, individually or in the aggregate, have not had and would not reasonably be expected to have a Parent Material Adverse Effect. Each such Parent Permit is in full force and effect and, to the knowledge of the Parent, no suspension or cancellation of such Parent Permit is threatened and there is no basis for believing that such Parent Permit will not be renewable upon expiration. Each such Parent Permit will continue in full force and effect immediately following the Closing.

3.26 Certain Business Relationships with Affiliates. No Affiliate of the Parent or of any of its Subsidiaries (a) owns any property or right, tangible or intangible, which is used in the business of the Parent or any of its Subsidiaries, (b) has any claim or cause of action against the Parent or any of its Subsidiaries, or (c) owes any money to, or is owed any money by, the Parent or any of its Subsidiaries. Section 3.26 of the Parent Disclosure Schedule describes any transactions involving the receipt or payment in excess of $1,000 in any fiscal year between the Parent or any of its Subsidiaries and any Affiliate thereof which have occurred or existed since the beginning of the time period covered by the Parent Financial Statements.

3.27 Tax-Free Reorganization.

(a) The Parent (i) is not an "investment company" as defined in Section 368(a)(2)(F)(iii) and (iv) of the Code; (ii) has no present plan or intention to liquidate the Surviving Corporation or to merge the Surviving Corporation with or into any other corporation or entity, or to sell or otherwise dispose of the stock of the Surviving Corporation which the Parent will acquire in the Merger, or to cause the Surviving Corporation to sell or otherwise dispose of its assets, all except in the ordinary course of business or if such liquidation, merger or disposition is described in Section 368(a)(2)(C) or Treasury Regulation Section 1.368-2(d)(4) or Section 1.368-2(k); and (iii) has no present plan or intention, following the Merger, to issue any additional shares of stock of the Surviving Corporation or to create any new class of stock of the Surviving Corporation.

(b) The Acquisition Subsidiary is a wholly-owned subsidiary of the Parent, formed solely for the purpose of engaging in the Merger, and will carry on no business prior to the Merger.

(c) Immediately prior to the Merger, the Parent will be in control of Acquisition Subsidiary within the meaning of Section 368(c) of the Code.

(d) Immediately following the Merger, the Surviving Corporation will hold at least 90% of the fair market value of the net assets and at least 70% of the fair market value of the gross assets held by the Company immediately prior to the Merger (for purposes of this representation, amounts used by the Company to pay reorganization expenses, if any, will be included as assets of the Company held immediately prior to the Merger).

(e) The Parent has no present plan or intention to reacquire any of the Merger Shares.

(f) The Acquisition Subsidiary will have no liabilities assumed by the Surviving Corporation and will not transfer to the Surviving Corporation any assets subject to liabilities in the Merger.

(g) Following the Merger, the Surviving Corporation will continue the Company's historic business or use a significant portion of the Company's historic business assets in a business as required by Section 368 of the Code and the Treasury Regulations promulgated thereunder.

(h) Each of the Split-Off Agreement and the General Release Agreement will constitute a legally binding obligation among the Parent, the Split-Off Subsidiary and the Split-Off Purchaser prior to the Effective Time; immediately following consummation of the Merger, the Parent will distribute the stock of the Split-Off Subsidiary to the Split-Off Purchaser in cancellation of the Purchase Price Securities (as such term is defined in the Split-Off Agreement); no property other than the capital stock of Split-Off Subsidiary will be distributed by the Parent to the Split-Off Purchaser in connection with or following the Merger; upon execution and delivery of the Split-Off Agreement and the General Release Agreement, the Split-Off Purchaser will have no right to sell or transfer the Purchase Price Securities to any person without the Parent's prior written consent, and the Parent will not consent (nor will it permit others to consent) to any such sale or transfer; upon execution of the Split-Off Agreement and the General Release Agreement, there will be no other plan, arrangement, agreement, contract, intention or understanding, whether written or verbal and whether or not enforceable in law or equity, that would permit the Split-Off Purchaser to vote the Purchase Price Securities or receive any property or other distributions from the Parent with respect to the Purchase Price Securities other than the capital stock of the Split-Off Subsidiary.

3.28 Split-Off. As of the Effective Time, the Parent will have discontinued all of its business operations which it conducted prior to the Effective Time by closing the transactions contemplated by the Split-Off Agreement and the General Release Agreement. Upon the closing of the transactions contemplated by the Split-Off Agreement and the General Release Agreement, the Parent will have no liabilities, contingent or otherwise, in any way related to its pre-Effective Time business operations or to the Split-Off Subsidiary.

3.29 Brokers' Fees. Except as set forth on Section 3.29 of the Parent Disclosure Schedule, neither the Parent nor any of its Subsidiaries has any liability or obligation to pay any fees or commissions to any broker, finder or agent with respect to the transactions contemplated by this Agreement.

3.30 Disclosure. No representation or warranty by the Parent or the Acquisition Subsidiary contained in this Agreement, and no statement contained in the any document, certificate or other instrument delivered or to be delivered by or on behalf of the Parent or the Acquisition Subsidiary pursuant to this Agreement, contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact necessary, in light of the circumstances under which it was or will be made, in order to make the statements herein or therein not misleading. The Parent has disclosed to the Company all material information relating to the business of the Parent or any of its Subsidiaries or the transactions contemplated by this Agreement.

3.31 Interested Party Transactions. Except for the Split-Off Agreement and the General Release Agreement, to the knowledge of the Parent, no officer, director or stockholder of the Parent or any "affiliate" (as such term is defined in Rule 12b-2 under the Exchange Act) or "associate" (as such term is defined in Rule 405 under the Securities Act) of any such person currently has or has had, either directly or indirectly, (a) an interest in any person that (i) furnishes or sells services or products that are furnished or sold or are proposed to be furnished or sold by the Parent or any of its Subsidiaries or (ii) purchases from or sells or furnishes to the Parent or any of its Subsidiaries any goods or services, or (b) a beneficial interest in any contract or agreement to which the Parent or any of its Subsidiaries is a party or by which it may be bound or affected. Neither the Parent nor any of its Subsidiaries has extended or maintained credit, arranged for the extension of credit, or renewed an extension of credit, in the form of a personal loan to or for any director or executive officer (or equivalent thereof) of the Parent or any of its Subsidiaries.

3.32 Duty to Make Inquiry. To the extent that any of the representations or warranties in this Article III are qualified by "knowledge" or "belief," each of the Parent and the Acquisition Subsidiary represents and warrants that it has made due and reasonable inquiry and investigation concerning the matters to which such representations and warranties relate, including, but not limited to, diligent inquiry by its directors, officers and key personnel and the directors, officers and key personnel of any Subsidiary.

3.33 Accountants. KLJ & Associates, LLP (the "Parent Auditor") is and has been throughout the periods covered by the financial statements of the Parent for the most recently completed fiscal year and through the date hereof (a) a registered public accounting firm (as defined in Section 2(a)(12) of the Sarbanes-Oxley Act of 2002), (b) "independent" with respect to the Parent within the meaning of Regulation S-X and (c) in compliance with subsections (g) through (l) of Section 10A of the Exchange Act and the related rules of the SEC and the Public Company Accounting Oversight Board. Schedule 3.33 of the Parent Disclosure Schedule lists all non-audit services performed by Parent Auditor for the Parent and/or any of its Subsidiaries. Except as set forth on Section 3.33 of the Parent Disclosure Schedule, the report of the Parent Auditor on the financial statements of the Parent for the past fiscal year did not contain an adverse opinion or a disclaimer of opinion, or was qualified as to uncertainty, audit scope, or accounting principles, although it did express uncertainty as to the Parent's ability to continue as a going concern. During the Parent's most recent fiscal year and the subsequent interim periods, there were no disagreements with the Parent Auditor on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedures. None of the reportable events listed in Item 304(a)(1)(iv) or (v) of Regulation S-K occurred with respect to the Parent Auditor.

3.34 Minute Books. The minute books and other similar records of the Parent and each of its Subsidiaries contain, in all material respects, complete and accurate records of all actions taken at any meetings of directors (or committees thereof) and stockholders or actions by written consent in lieu of the holding of any such meetings since the time of organization of each such corporation through the date of this Agreement. The Parent has provided true and complete copies of all such minute books and other similar records to the Company's representatives.

3.35 Board Action. The Parent's Board of Directors (a) has unanimously determined that the Merger is advisable and in the best interests of the Parent's stockholders and is on terms that are fair to such Parent stockholders, (b) has caused the Parent, in its capacity as the sole stockholder of the Acquisition Subsidiary, and the Board of Directors of the Acquisition Subsidiary, to approve the Merger and this Agreement by unanimous written consent, (c) adopted this Agreement in accordance with the provisions of the Delaware Act, and (d) directed that this Agreement and the Merger be submitted to the Parent stockholders for their adoption and approval and resolved to recommend that the Parent stockholders vote in favor of the adoption of this Agreement and the approval of the Merger and the transactions contemplated hereby.

ARTICLE IV
COVENANTS

4.1 Closing Efforts. Each of the Parties shall use its best efforts, to the extent commercially reasonable in light of the circumstances ("Reasonable Best Efforts"), to take all actions and to do all things necessary, proper or advisable to consummate the transactions contemplated by this Agreement, including without limitation using its Reasonable Best Efforts to ensure that (i) its representations and warranties remain true and correct in all material respects through the Closing Date and (ii) the conditions to the obligations of the other Parties to consummate the Merger are satisfied.

4.2 Governmental and Third-Party Notices and Consents.

(a) Each Party shall use its Reasonable Best Efforts to obtain, at its expense, all waivers, permits, consents, approvals or other authorizations from Governmental Entities, and to effect all registrations, filings and notices with or to Governmental Entities, as may be required for such Party to consummate the transactions contemplated by this Agreement and to otherwise comply with all applicable Laws in connection with the consummation of the transactions contemplated by this Agreement.

(b) The Company shall use its Reasonable Best Efforts to obtain, at its expense, all such waivers, consents or approvals from third parties, and to give all such notices to third parties, as are required to be listed in Section 2.4 of the Company Disclosure Schedule.

4.3 Super 8-K. Promptly after the execution of this Agreement, the Parties shall prepare a Current Report on Form 8-K relating to this Agreement and the transactions contemplated hereby (including the "Form 10 information" required by Items 2.01(f) and 5.01(a)(8) of Form 8-K and the financial statements required thereby) (the "Super 8-K"). Each of the Company and the Parent shall use its Reasonable Best Efforts to cause the Super 8-K to be filed with the SEC within four Business Days of the execution of this Agreement and to otherwise comply with all requirements of applicable federal and state securities laws. Further, the Parent shall prepare and file with the SEC an amendment to the Super 8-K within four Business Days after the Closing Date, if such Super 8-K was filed before the Closing Date.

4.4 Operation of Company Business. Except as contemplated by this Agreement, during the period from the date of this Agreement to the Effective Time, the Company shall (and shall cause each Company Subsidiary to) conduct its operations in the Ordinary Course of Business and in material compliance with all Laws applicable to the Company, any Company Subsidiary or any of their properties or assets and, to the extent consistent therewith, use its Reasonable Best Efforts to preserve intact its current business organization, keep its physical assets in good working condition, keep available the services of its current officers and employees and preserve its relationships with customers, suppliers and others having business dealings with it to the end that its goodwill and ongoing business shall not be impaired in any material respect. Without limiting the generality of the foregoing, prior to the Effective Time, the Company shall not (and shall cause each Company Subsidiary not to), without the written consent of the Parent (which shall not be unreasonably withheld or delayed) and except as contemplated by this Agreement:

(a) except as contemplated by the Private Placement Offering, issue or sell, or redeem or repurchase, any stock or other securities of the Company or any warrants, options or other rights to acquire any such stock or other securities (except pursuant to the conversion or exercise of outstanding convertible securities or Company Options or Company Warrants outstanding on the date hereof), or amend any of the terms of (including without limitation the vesting of) any such convertible securities or options or warrants;

(b) split, combine or reclassify any shares of its capital stock; declare, set aside or pay any dividend or other distribution (whether in cash, stock or property or any combination thereof) in respect of its capital stock;

(c) create, incur or assume any indebtedness for borrowed money (including obligations in respect of capital leases) except in the Ordinary Course of Business or in connection with the transactions contemplated by this Agreement; assume, guarantee, endorse or otherwise become liable or responsible (whether directly, contingently or otherwise) for the obligations of any other person or entity; or make any loans, advances or capital contributions to, or investments in, any other person or entity;

(d) enter into, adopt or amend any Employee Benefit Plan or any employment or severance agreement or arrangement or (except for normal increases in the Ordinary Course of Business for employees who are not Affiliates) increase in any manner the compensation or fringe benefits of, or materially modify the employment terms of, its directors, officers or employees, generally or individually, or pay any bonus or other benefit to its directors, officers or employees;

(e) acquire, sell, lease, license or dispose of any assets or property (including without limitation any shares or other equity interests in or securities of any Company Subsidiary or any corporation, partnership, association or other business organization or division thereof), other than purchases and sales of assets in the Ordinary Course of Business;

(f) mortgage or pledge any of its property or assets (including without limitation any shares or other equity interests in or securities of any Company Subsidiary or any corporation, partnership, association or other business organization or division thereof), or subject any such property or assets to any Security Interest;

(g) discharge or satisfy any Security Interest or pay any obligation or liability other than in the Ordinary Course of Business;

(h) amend its charter, by-laws or other organizational documents;

(i) change in any material respect its accounting methods, principles or practices, except insofar as may be required by a generally applicable change in GAAP;

(j) enter into, amend, terminate, take or omit to take any action that would constitute a violation of or default under, or waive any rights under, any material contract or agreement;

(k) institute or settle any Legal Proceeding;

(l) take any action or fail to take any action permitted by this Agreement with the knowledge that such action or failure to take action would result in (i) any of the representations and warranties of the Company set forth in this Agreement becoming untrue in any material respect or (ii) any of the conditions to the Merger set forth in Article V not being satisfied; or

(m) agree in writing or otherwise to take any of the foregoing actions.

4.5 Access to Company Information.

(a) The Company shall (and shall cause each Company Subsidiary to) permit representatives of the Parent to have full access (at all reasonable times, and in a manner so as not to interfere with the normal business operations of the Company and the Company Subsidiaries) to all premises, properties, financial and accounting records, contracts, other records and documents, and personnel, of or pertaining to the Company and each Company Subsidiary.

(b) The Parent and each of its Subsidiaries (i) shall treat and hold as confidential any Company Confidential Information (as defined below), (ii) shall not use any of the Company Confidential Information except in connection with this Agreement, and (iii) if this Agreement is terminated for any reason whatsoever, shall return to the Company all tangible embodiments (and all copies) thereof which are in its possession. For purposes of this Agreement, "Company Confidential Information" means any information of the Company or any Company Subsidiary that is furnished to the Parent or any of its Subsidiaries by the Company or any Company Subsidiary in connection with this Agreement; provided, however, that it shall not include any information (A) which, at the time of disclosure, is available publicly other than as a result of non-permitted disclosure by the Parent, any of its Subsidiaries or their respective directors, officers, or employees, (B) which, after disclosure, becomes available publicly through no fault of the Parent, any of its Subsidiaries or their respective directors, officers, or employees, (C) which the Parent or any of its Subsidiaries knew or to which the Parent or any of its Subsidiaries had access prior to disclosure, provided that the source of such information is not known by the Parent or any of its Subsidiaries to be bound by a confidentiality obligation to the Company or any Company Subsidiary, or (D) which the Parent or any of its Subsidiaries rightfully obtains from a source other than the Company or a Company Subsidiary, provided that the source of such information is not known by the Parent or any of its Subsidiaries to be bound by a confidentiality obligation to the Company or any Company Subsidiary.

4.6 Operation of Parent Business. Except as contemplated by this Agreement, during the period from the date of this Agreement to the Effective Time, the Parent shall (and shall cause each of its Subsidiaries to) conduct its operations in the Ordinary Course of Business and in material compliance with all Laws applicable to the Parent, any Parent Subsidiary or any of their properties or assets and, to the extent consistent therewith, use its Reasonable Best Efforts to preserve intact its current business organization, keep its physical assets in good working condition, keep available the services of its current officers and employees and preserve its relationships with customers, suppliers and others having business dealings with it to the end that its goodwill and ongoing business shall not be impaired in any material respect. Without limiting the generality of the foregoing, prior to the Effective Time, the Parent shall not (and shall cause each of its Subsidiaries not to), without the written consent of the Company:

(a) issue or sell, or redeem or repurchase, any stock or other securities of the Parent or any rights, warrants or options to acquire any such stock or other securities, except as contemplated by, and in connection with, the Merger, the Split-Off and the Private Placement Offering;

(b) split, combine or reclassify any shares of its capital stock; declare, set aside or pay any dividend or other distribution (whether in cash, stock or property or any combination thereof) in respect of its capital stock;

(c) create, incur or assume any indebtedness (including obligations in respect of capital leases); assume, guarantee, endorse or otherwise become liable or responsible (whether directly, contingently or otherwise) for the obligations of any other person or entity; or make any loans, advances or capital contributions to, or investments in, any other person or entity;

(d) enter into, adopt or amend any Parent Benefit Plan or any employment or severance agreement or arrangement or increase in any manner the compensation or fringe benefits of, or materially modify the employment terms of, its directors, officers or employees, generally or individually, or pay any bonus or other benefit to its directors, officers or employees, except the adoption of the Parent Equity Plan (as defined below);

(e) acquire, sell, lease, license or dispose of any assets or property (including without limitation any shares or other equity interests in or securities of any Subsidiary of the Parent or any corporation, partnership, association or other business organization or division thereof), except as contemplated by, and in connection with, the Split-Off;

(f) mortgage or pledge any of its property or assets or subject any such property or assets to any Security Interest;

(g) discharge or satisfy any Security Interest or pay any obligation or liability other than in the Ordinary Course of Business;

(h) amend its charter, by-laws or other organizational documents (except as contemplated hereby);

(i) change in any material respect its accounting methods, principles or practices, except insofar as may be required by a generally applicable change in GAAP;

(j) enter into, amend, terminate, take or omit to take any action that would constitute a violation of or default under, or waive any rights under, any contract or agreement;

(k) institute or settle any Legal Proceeding;

(l) take any action or fail to take any action permitted by this Agreement with the knowledge that such action or failure to take action would result in (i) any of the representations and warranties of the Parent and/or the Acquisition Subsidiary set forth in this Agreement becoming untrue in any material respect or (ii) any of the conditions to the Merger set forth in Article V not being satisfied; or

(m) agree in writing or otherwise to take any of the foregoing actions.

4.7 Access to Parent Information.

(a) The Parent shall (and shall cause the Acquisition Subsidiary to) permit representatives of the Company to have full access (at all reasonable times, and in a manner so as not to interfere with the normal business operations of the Parent and the Acquisition Subsidiary) to all premises, properties, financial and accounting records, contracts, other records and documents, and personnel of or pertaining to the Parent, the Acquisition Subsidiary and the Split-Off Subsidiary.

(b) Each of the Company and any Company Subsidiary (i) shall treat and hold as confidential any Parent Confidential Information (as defined below), (ii) shall not use any of the Parent Confidential Information except in connection with this Agreement, and (iii) if this Agreement is terminated for any reason whatsoever, shall return to the Parent all tangible embodiments (and all copies) thereof which are in its possession. For purposes of this Agreement, "Parent Confidential Information" means any information of the Parent or any Parent Subsidiary that is furnished to the Company or any Company Subsidiary by the Parent or its Subsidiaries in connection with this Agreement; provided, however, that it shall not include any information (A) which, at the time of disclosure, is available publicly other than as a result of non-permitted disclosure by the Company, any Company Subsidiary or their respective directors, officers, or employees, (B) which, after disclosure, becomes available publicly through no fault of the Company or any Company Subsidiary or their respective directors, officers, or employees, (C) which the Company or any Company Subsidiary knew or to which the Company or Company Subsidiary had access prior to disclosure, provided that the source of such information is not known by the Company or any Company Subsidiary to be bound by a confidentiality obligation to the Parent or any Subsidiary of the Parent or (D) which the Company or any Company Subsidiary rightfully obtains from a source other than the Parent or a Subsidiary of the Parent, provided that the source of such information is not known by the Company or any Company Subsidiary to be bound by a confidentiality obligation to the Parent or any Subsidiary of the Parent.

4 . 8 Expenses. The costs and expenses of the Parent and the Company (including legal fees and expenses of the Parent and the Company) incurred in connection with this Agreement and the transactions contemplated hereby shall be payable at Closing from the proceeds of the Private Placement Offering.

4.9 Indemnification.

(a) The Parent shall not, after the Effective Time, take any action to alter or impair any exculpatory or indemnification provisions now existing in the certificate of incorporation or bylaws of the Company for the benefit of any individual who served as a director or officer of the Company at any time prior to the Effective Time, except for any changes which may be required to conform with changes in applicable Law and any changes which do not affect the application of such provisions to acts or omissions of such individuals prior to the Effective Time.

(b) From and after the Effective Time, the Parent agrees that it will, and will cause the Surviving Corporation to, indemnify and hold harmless each present and former director and officer of the Company (the "Indemnified Executives") against any costs or expenses (including reasonable attorneys' fees), judgments, fines, losses, claims, damages, liabilities or amounts paid in settlement incurred in connection with any claim, action, suit, proceeding or investigation, whether civil, criminal, administrative or investigative, arising out of or pertaining to matters existing or occurring at or prior to the Effective Time, whether asserted or claimed prior to, at or after the Effective Time, to the fullest extent permitted under Delaware law (and the Parent and the Surviving Corporation shall also advance expenses as incurred to the fullest extent permitted under Delaware law, provided the Indemnified Executive to whom expenses are advanced provides an undertaking to repay such advances if it is ultimately determined that such Indemnified Executive is not entitled to indemnification).

4.10 Quotation of Merger Shares. The Parent shall take whatever steps are necessary to cause the Merger Shares, and any shares of Parent Common Stock that may be issued pursuant to Section 1.8 or 1.9 to be eligible for quotation on the OTC Markets.

4.11 Name and Fiscal Year Change. The Parent shall take all necessary steps to enable it to change its corporate name to such name as is agreeable to the Company as of the Effective Time, if the Parent has not already done so prior to the Effective Time. The Parent shall change its fiscal year end to December 31 on or promptly after the Effective Date, if the Parent's fiscal year end is not December 31 prior to the Effective Time.

4.12 Split-Off. The Parent shall take, and shall cause the Acquisition Subsidiary to take, whatever steps are necessary to enable it to effect the Split-Off pursuant to the terms of the Split-Off Agreement prior to or as of the Effective Time.

4.13 Parent Board; Amendment of Charter Documents. The Parent shall take such prompt actions as are necessary, if the Parent has not already done so prior to the Effective Time, (a) to authorize the Parent's Board of Directors to consist of seven (7) members and (b) to amend its articles of incorporation and bylaws in a manner satisfactory to the Company.

4.14 Parent Equity Plan. Prior to or as of the Effective Time, the Board of Directors and shareholders of Parent shall adopt the equity incentive plan attached hereto as Exhibit D (the "Parent Equity Plan") reserving for issuance 1,200,000 shares of Parent Common Stock for equity awards to be made thereunder. For a period of twelve (12) months following the Effective Time, the Parent shall not issue grants under the Parent Equity Plan in excess of two hundred forty thousand (240,000) shares of Parent Common Stock.

4.15 Information Provided to Stockholders. The Company shall prepare, with the cooperation of the Parent, information to be sent to the holders of shares of Company Common Stock and Company Preferred Stock in connection with receiving their approval of the Merger, this Agreement and related transactions, and the Parent shall prepare, with the cooperation of the Company, information to be sent to the holders of shares of Parent Common Stock in connection with receiving their approval of the Merger, this Agreement and related transactions. The Parent and the Company shall each use Reasonable Best Efforts to cause information provided to such party's stockholders to comply with applicable federal and state securities laws requirements. Each of the Parent and the Company agrees to provide promptly to the other such information concerning its business and financial statements and affairs as, in the reasonable judgment of the providing party or its counsel, may be required or appropriate for inclusion in the information sent, or in any amendments or supplements thereto, and to cause its counsel and auditors to cooperate with the other's counsel and auditors in the preparation of the information to be sent to the stockholders of each party. The Company will promptly advise the Parent, and the Parent will promptly advise the Company, in writing if at any time prior to the Effective Time either the Company or the Parent shall obtain knowledge of any facts that might make it necessary or appropriate to amend or supplement the information sent in order to make the statements contained or incorporated by reference therein not misleading or to comply with applicable Law. The information sent by the Company shall contain the recommendation of the Board of Directors of the Company that the holders of shares of Company Common Stock approve the Merger and this Agreement and the conclusion of the Board of Directors of the Company that the terms and conditions of the Merger are advisable and fair and in the best interests of the Company and such holders. The information sent by the Parent shall contain the recommendation of the Board of Directors of the Parent that the holders of shares of Parent Common Stock approve the Merger and this Agreement and the conclusion of the Board of Directors of the Parent that the terms and conditions of the Merger are advisable and fair and in the best interests of the Parent and such holders. Anything to the contrary contained herein notwithstanding, neither the Company nor the Parent shall include in the information sent to its stockholders any information with respect to the other party or its affiliates or associates, the form and content of which information shall not have been approved by such party in its reasonable discretion prior to such inclusion.

4.16 No Registration. For a period of twenty four (24) months following the Effective Time, the Parent shall not register, nor shall it take any action to facilitate registration of, under the Securities Act, the Merger Shares issued to the individuals set forth on Exhibit E or any shares of Parent Common Stock issuable to the individuals set forth on Exhibit E upon exercise of Parent Options and Parent Warrants or that may be issued pursuant to Section 1.9, except to the extent provided in the Registration Rights Agreement entered into in connection with the Private Placement Offering. In addition, the Company shall use its Reasonable Best Efforts to cancel any agreements, understandings or undertakings (other than the Registration Rights Agreement and the undertakings therein and the undertakings set forth in the Lock-Up and No-Shorting Agreements) to register Company securities under the federal securities laws, which agreements, understandings or undertakings might otherwise survive the Closing.

ARTICLE V
CONDITIONS TO CONSUMMATION OF MERGER

5.1 Conditions to Each Party's Obligations. The respective obligations of each Party to consummate the Merger are subject to the satisfaction of the following conditions:

(a) the Company shall have obtained (and shall have provided copies thereof to the Parent) the written consents of (i) all of the members of its Board of Directors, (ii) Company Stockholders holding shares of Company Stock representing at least 95% of the votes represented by the outstanding shares of Company Stock entitled to vote on this Agreement and the Merger, to approve the execution, delivery and performance by the Company of this Agreement and the other Transaction Documentation to which it is a party, in form and substance satisfactory to the Parent;

(b) the Parent, the Indemnification Representative and the Indemnification Escrow Agent, shall have executed and delivered the Indemnification Shares Escrow Agreement;

(c) the Parent, Split-Off Subsidiary and the Split-Off Purchaser shall have executed and delivered the Split-Off Agreement and a General Release Agreement, and all other documents anticipated by such agreements, and the Split-Off shall be effective simultaneous with the Effective Time;

(d) the Split-Off Purchaser shall have surrendered to the Parent the certificates for Parent Common Stock representing the Share Contribution, duly endorsed to the Parent or in blank, with signatures guaranteed by a member of one of the "Medallion" guarantee programs (Securities Transfer Agents Medallion Program (STAMP), Stock Exchanges Medallion Program (SEMP), or New York Stock Exchange Medallion Signature Program (MSP));

(e) the Parent shall have delivered to the Split-Off Purchaser certificates representing the Shares (as defined in the Split-Off Agreement) of stock of Split-Off Subsidiary deliverable to the Split-Off Purchaser under the Split-Off Agreement, duly registered in the name of the Split-Off Purchaser or as directed by the Split-Off Purchaser;

(f) the Parent and the Company shall have completed all necessary legal due diligence satisfactorily to each of them in their sole discretion;

(g) the closing of at least the Minimum Amount of the Private Placement Offering shall have occurred, or shall occur simultaneously with the Closing.

5.2 Conditions to Obligations of the Parent and the Acquisition Subsidiary. The obligation of each of the Parent and the Acquisition Subsidiary to consummate the Merger is subject to the satisfaction (or waiver by the Parent) of the following additional conditions:

(a) the number of Dissenting Shares shall not exceed 5% of the number of outstanding shares of Company Stock as of the Effective Time;

(b) the Company and the Company Subsidiaries shall have obtained (and shall have provided copies thereof to the Parent) all other waivers, permits, consents, approvals or other authorizations, and effected all of the registrations, filings and notices, referred to in Section 4.2 which are required on the part of the Company or any Company Subsidiary, except such waivers, permits, consents, approvals or other authorizations the failure of which to obtain or effect does not, individually or in the aggregate, have a Company Material Adverse Effect or a material adverse effect on the ability of the Parties to consummate the transactions contemplated by this Agreement;

(c) the representations and warranties of the Company set forth in this Agreement (when read without regard to any qualification as to materiality or Company Material Adverse Effect contained therein) shall be true and correct as of the date of this Agreement and shall be true and correct as of the Effective Time as though made as of the Effective Time (provided, however, that to the extent such representation and warranty expressly relates to an earlier date, such representation and warranty shall be true and correct as of such earlier date), except for any untrue or incorrect representations and warranties that, individually or in the aggregate, do not have a Company Material Adverse Effect or a material adverse effect on the ability of the Parties to consummate the transactions contemplated by this Agreement;

(d) the Company shall have performed or complied with its agreements and covenants required to be performed or complied with under this Agreement as of or prior to the Effective Time, except for such non-performance or non-compliance as does not have a Company Material Adverse Effect or a material adverse effect on the ability of the Parties to consummate the transactions contemplated by this Agreement;

(e) no Legal Proceeding shall be pending wherein an unfavorable judgment, order, decree, stipulation or injunction would (i) prevent consummation of any of the transactions contemplated by this Agreement or (ii) cause any of the transactions contemplated by this Agreement to be rescinded following consummation, and no such judgment, order, decree, stipulation or injunction shall be in effect;

(f) the Company shall have delivered to the Parent and the Acquisition Subsidiary a copy of each written consent received from a Company Stockholder consenting to the Merger together with a certification from each such Company Stockholder that such person is either an “accredited investor” or not a “U.S. Person” as such terms are defined in Regulation D and Regulation S, respectively, under the Securities Act;

(g) the Company shall have delivered to the Parent and the Acquisition Subsidiary a certificate (the "Company Certificate") to the effect that each of the conditions specified in clauses (a) and (f) (with respect to the Company's due diligence of the Parent) of Section 5.1 and clauses (a) through (e) (insofar as clause (e) relates to Legal Proceedings involving the Company or a Company Subsidiary) of this Section 5.2 is satisfied in all respects, and covering such other matters as the Parent shall reasonably request;

(h) each of the individuals set forth on Exhibit E to this Agreement shall have executed and delivered to the Parent an agreement substantially in the form of Exhibit F attached hereto (the "Lock-Up and No-Shorting Agreements");

(i) the Company shall have delivered to the Parent evidence that the following five (5) individuals have been appointed to the Parent's Board of Directors: Jeffrey B. Shealy, Arthur E. Geiss, Jerry D. Neal, Steven DenBaars and Jeffrey K. McMahon

(j) the Company shall have delivered to the Parent audited and interim unaudited financial statements of the Company pro forma the Merger, compliant with applicable SEC regulations for inclusion under Item 2.01 (f) and/or 5.01(a)(8) of Form 8-K; and

(k) the Parent shall have received from Hunter Taubman Weiss, LLP, counsel to the Company, an opinion on the matters set forth in Exhibit G attached hereto, addressed to the Parent and dated as of the Closing Date.

5.3 Conditions to Obligations of the Company. The obligation of the Company to consummate the Merger is subject to the satisfaction of the following additional conditions:

(a) the Parent shall have obtained (and shall have provided copies thereof to the Company) the written consents of (i) all of the members of its Board of Directors, (ii) all of the members of the Board of Directors of Acquisition Subsidiary, (iii) the sole stockholder of Acquisition Subsidiary, (iv) all of the members of the Board of Directors of Split-Off Subsidiary, (v) the sole stockholder of Split-Off Subsidiary, and (vi) holders of more than 50% of the Parent Common Stock outstanding immediately prior to the Effective Time, in each case to the execution, delivery and performance by the each such entity of this Agreement and/or the other Transaction Documentation to which each such entity a party, in form and substance satisfactory to the Parent;

(b) the Parent shall have obtained (and shall have provided copies thereof to the Company) all of the other waivers, permits, consents, approvals or other authorizations, and effected all of the registrations, filings and notices, referred to in Section 4.2 which are required on the part of the Parent or any of its Subsidiaries, except for waivers, permits, consents, approvals or other authorizations the failure of which to obtain or effect does not, individually or in the aggregate, have a Parent Material Adverse Effect or a material adverse effect on the ability of the Parties to consummate the transactions contemplated by this Agreement;

(c) the representations and warranties of the Parent set forth in this Agreement (when read without regard to any qualification as to materiality or Parent Material Adverse Effect contained therein) shall be true and correct as of the date of this Agreement and shall be true and correct as of the Effective Time as though made as of the Effective Time (provided, however, that to the extent such representation and warranty expressly relates to an earlier date, such representation and warranty shall be true and correct as of such earlier date), except for any untrue or incorrect representations and warranties that, individually or in the aggregate, do not have a Parent Material Adverse Effect or a material adverse effect on the ability of the Parties to consummate the transactions contemplated by this Agreement;

(d) each of the Parent and the Acquisition Subsidiary shall have performed or complied with its agreements and covenants required to be performed or complied with under this Agreement as of or prior to the Effective Time, except for such non-performance or non-compliance as does not have a Parent Material Adverse Effect or a material adverse effect on the ability of the Parties to consummate the transactions contemplated by this Agreement;

(e) no Legal Proceeding shall be pending wherein an unfavorable judgment, order, decree, stipulation or injunction would (i) prevent consummation of any of the transactions contemplated by this Agreement or (ii) cause any of the transactions contemplated by this Agreement to be rescinded following consummation, and no such judgment, order, decree, stipulation or injunction shall be in effect;

(f) the Board of Directors of the Parent shall have adopted, and the shareholders of the Parent shall have approved, the Parent Equity Plan;

(g) the Parent shall have delivered to the Company a certificate (the "Parent Certificate") to the effect that each of the conditions specified in clauses (a) and (f) (with respect to the Parent's due diligence of the Company) of Section 5.1 and clauses (a) through (f) (insofar as clause (e) relates to Legal Proceedings involving the Parent or the Acquisition Subsidiary) of this Section 5.3 is satisfied in all respects, and covering such other matters as the Company shall reasonably request;

(h) the Company shall have received an official stockholder list of Parent's transfer agent and registrar showing that as of the Closing Date there are 12,854,024 shares of Parent Common Stock issued and outstanding (without giving effect to the retirement of 9,854,019 shares of Parent Common Stock in connection with the Share Contribution);

(i) the Parent shall have delivered to the Company (i) evidence that the Parent's Board of Directors is authorized to consist of five (5) individuals, (ii) evidence of the resignations of all individuals who served as directors and/or officers of the Parent immediately prior to the Effective Time, which resignations shall be effective as of the Effective Time, (iii) evidence of the appointment of the following five (5) directors to serve immediately following the Effective Time: Jeffrey B. Shealy, Jerry Neal, Steve Denbaars, Jeffrey McMahon and Arthur Geiss, and (iv) evidence of the appointment of such executive officers of the Parent to serve immediately following the Effective Time as shall have been designated by the Company, including Jeffrey B. Shealy as Chief Executive Officer; and

(j) the Company shall have received from CKR Law LLP, counsel to the Parent and the Acquisition Subsidiary, an opinion with respect to the matters set forth in Exhibit H attached hereto, addressed to the Company and dated as of the Closing Date.

ARTICLE VI
INDEMNIFICATION

6.1 Indemnification by the Company Stockholders. The Company Stockholders identified on Exhibit I hereto receiving Merger Shares pursuant to Section 1.5 (the "Indemnifying Stockholders") shall, for a period commencing from the Closing Date and ending eighteen (18) months the Closing Date, severally, not jointly, pro rata in such proportion as the number of Merger Shares received by each Indemnifying Stockholder pursuant to Section 1.5 bears to the total number of Merger Shares received by all Indemnifying Stockholders pursuant to Section 1.5, indemnify the Parent in respect of, and hold it harmless against, any and all debts, obligations losses, liabilities, deficiencies, damages, fines, fees, penalties, interest obligations, expenses or costs (whether absolute, accrued, contingent, fixed or otherwise, or whether known or unknown, or due or to become due or otherwise) (including without limitation amounts paid in settlement, interest, court costs, costs of investigators, fees and expenses of attorneys, accountants, financial advisors and other experts, and other expenses of litigation) (collectively, "Damages") incurred or suffered by the Surviving Corporation or the Parent or any Affiliate thereof resulting from:

(a) any misrepresentation or breach of warranty by, or failure to perform any covenant or agreement of, the Company contained in this Agreement or the Company Certificate;

(b) any claim by a stockholder or former stockholder of the Company, or any other person or entity, seeking to assert, or based upon: (i) ownership or rights to ownership of any shares of stock of the Company prior to the Effective Time; (ii) any rights of a stockholder prior to the Effective Time (in the case of both (i) and (ii), other than the right to receive the Merger Shares pursuant to this Agreement or appraisal rights under the applicable provisions of the Delaware Act), including any option, preemptive rights or rights to notice or to vote; (iii) any rights under the certificate of incorporation or bylaws of the Company prior to the Effective Time; or (iv) any claim that his, her or its shares were wrongfully repurchased by the Company prior to the Effective Time; and

(c) any claim for brokers' or finders' fees or agents' commissions arising from or through the Company, any of its pre-Merger Affiliates or any Company Stockholder in connection with the negotiation or consummation of the transactions contemplated by this Agreement, except for claims arising under the Placement Agency Agreement with the Placement Agent or the agreements listed in Section 2.27 of the Company Disclosure Schedule.

(d) any violation of, or any liability under, any Environmental Law (an "Environmental Claim") relating to or arising from the activities and operations of the Company or any of its Subsidiaries prior to the Effective Time, regardless of when the environmental hazard giving rise to such Environmental Claim is discovered, and any liability in regards to any Mining Interests, for any all obligations, whether arising under contract, applicable Laws or otherwise, to abandon mines and close, decommission, dismantle and remove structures, buildings, equipment and other facilities and to restore and reclaim the sites for any of the foregoing and any lands used to gain access thereto (collectively, "Abandonment and Reclamation Liabilities") of the Company or any of its Subsidiaries (or their respective successors) relating to any mines, structures, buildings, equipment and other facilities or any lands that were, or were required pursuant to applicable Law to have been, abandoned, decommissioned or reclaimed, as the case may be, prior to the Effective Time.

Notwithstanding the foregoing, except with respect to any fraud or willful misconduct by the Company in connection with this Agreement, the Parent's sole and exclusive right to collect any Damages with respect to claims resulting from or relating to any misrepresentation or breach of warranty of or failure to perform any covenant or agreement by the Company Stockholders contained in this Agreement shall be pursuant to a sale, in the manner set forth in the Indemnification Shares Escrow Agreement, of Indemnification Escrow Shares issued to such Indemnifying Stockholder by the Parent pursuant to Section 1.5(b) above. Notwithstanding anything to the contrary contained herein, except with respect to any fraud or willful misconduct by an Indemnifying Stockholder in connection with this Agreement, the indemnification of Parent by the Indemnifying Stockholders shall be without personal liability of or personal recourse against any Indemnifying Stockholder and the sole recourse of Parent and the Surviving Company against any Company Stockholder shall be the Indemnification Escrow Shares pursuant to the Indemnification Shares Escrow Agreement.

6.2 Indemnification by the Parent. Subject to the limitations provided herein, the Parent shall, for a period commencing from the Closing Date and ending on the first anniversary of the Closing Date, indemnify the Company Stockholders in respect of, and hold them harmless against, any and all Damages incurred or suffered by the Company Stockholders resulting from:

(a) any misrepresentation or breach of warranty by or failure to perform any covenant or agreement of the Parent or the Acquisition Subsidiary contained in this Agreement or the Parent Certificate;

(b) any claim by a stockholder or former stockholder of the Parent, or any other person or entity, seeking to assert, or based upon: (i) ownership or rights to ownership of any shares of stock of the Parent prior to the Effective Time; (ii) any rights of a stockholder prior to the Effective Time, including any option, preemptive rights or rights to notice or to vote; (iii) any rights under the certificate of incorporation or bylaws of the Parent prior to the Effective Time or (iv) any claim that his, her or its shares were wrongfully repurchased by the Company prior to the Effective Time; and

(c) any claim for brokers' or finders' fees or agents' commissions arising from or through the Parent or any of its pre-Merger Affiliates in connection with the negotiation or consummation of the transactions contemplated by this Agreement; and

(d) any Environmental Claim relating to or arising from the activities and operations of the Company, the Surviving Corporation or any of their Subsidiaries after the Effective Time, regardless of when the environmental hazard giving rise to such Environmental Claim is discovered, and any liability for any Abandonment and Reclamation Liabilities of the Company, the Surviving Corporation or any of their Subsidiaries (or their respective successors) other than those relating to any mines, structures, buildings, equipment and other facilities or any lands that were, or were required pursuant to applicable Law to have been, abandoned, decommissioned or reclaimed, as the case may be, prior to the Effective Time.

Notwithstanding the foregoing, except with respect to any fraud or willful misconduct by the Parent or any of its Affiliates in connection with this Agreement, the post-Closing adjustment mechanism set forth in Section 1.9 shall be the exclusive means for the Company Stockholders to collect any Damages for which they are entitled to indemnification under this Article VI.

6.3 Indemnification Claims.

(a) In the event the Parent or the Company Stockholders are entitled, or seek to assert rights, to indemnification under this Article VI, the Parent or the Company Stockholders (as the case may be) shall give written notification to the Company Stockholders or the Parent (as the case may be) of the commencement of any suit or proceeding relating to a third party claim for which indemnification pursuant to this Article VI may be sought. Such notification shall be given within 20 Business Days after receipt by the party seeking indemnification of notice of such suit or proceeding, and shall describe in reasonable detail (to the extent known by the party seeking indemnification) the facts constituting the basis for such suit or proceeding and the amount of the claimed damages; provided, however, that no delay on the part of the party seeking indemnification in notifying the indemnifying party shall relieve the indemnifying party of any liability or obligation hereunder except to the extent of any damage or liability caused by or arising out of such failure. Within 20 days after delivery of such notification, the indemnifying party may, upon written notice thereof to the party seeking indemnification, assume control of the defense of such suit or proceeding with counsel reasonably satisfactory to the party seeking indemnification; provided that the indemnifying party may not assume control of the defense of a suit or proceeding involving criminal liability or in which equitable relief is sought against the party seeking indemnification. If the indemnifying party does not so assume control of such defense, the party seeking indemnification shall control such defense. The party not controlling such defense (the "Non-Controlling Party") may participate therein at its own expense; provided that if the indemnifying party assumes control of such defense and the party seeking indemnification reasonably concludes that the indemnifying party and the party seeking indemnification have conflicting interests or different defenses available with respect to such suit or proceeding, the reasonable fees and expenses of counsel to the party seeking indemnification shall be considered "Damages" for purposes of this Agreement. The party controlling such defense (the "Controlling Party") shall keep the Non-Controlling Party advised of the status of such suit or proceeding and the defense thereof and shall consider in good faith recommendations made by the Non-Controlling Party with respect thereto. The Non-Controlling Party shall furnish the Controlling Party with such information as it may have with respect to such suit or proceeding (including copies of any summons, complaint or other pleading which may have been served on such party and any written claim, demand, invoice, billing or other document evidencing or asserting the same) and shall otherwise cooperate with and assist the Controlling Party in the defense of such suit or proceeding. The indemnifying party shall not agree to any settlement of, or the entry of any judgment arising from, any such suit or proceeding without the prior written consent of the party seeking indemnification, which shall not be unreasonably withheld or delayed; provided that the consent of the party seeking indemnification shall not be required if the indemnifying party agrees in writing to pay any amounts payable pursuant to such settlement or judgment and such settlement or judgment includes a complete release of the party seeking indemnification from further liability and has no other materially adverse effect on the party seeking indemnification. The party seeking indemnification shall not agree to any settlement of, or the entry of any judgment arising from, any such suit or proceeding without the prior written consent of the indemnifying party, which shall not be unreasonably withheld or delayed.

(b) In order to seek indemnification under this Article VI, the party seeking indemnification shall give written notification (a "Claim Notice") to the indemnifying party which contains (i) a description and the amount (the "Claimed Amount") of any Damages incurred or reasonably expected to be incurred by the party seeking indemnification, (ii) a statement that the party seeking indemnification is entitled to indemnification under this Article VI for such Damages and a reasonable explanation of the basis therefor, and (iii) a demand for payment (in the manner provided in paragraph (c) below) in the amount of the Claimed Amount.

(c) Within 20 days after delivery of a Claim Notice, the indemnifying party shall deliver to the party seeking indemnification a written response (the "Response") in which the indemnifying party shall: (i) agree that the party seeking indemnification is entitled to receive all of the Claimed Amount, (ii) agree that the party seeking indemnification is entitled to receive part, but not all, of the Claimed Amount (the "Agreed Amount") or (iii) dispute that the party seeking indemnification is entitled to receive any of the Claimed Amount. If the indemnifying party in the Response disputes its liability for all or part of the Claimed Amount, the indemnifying party and the party seeking indemnification shall follow the procedures set forth in Section 6.3(d) for the resolution of such dispute (a "Dispute").

(d) During the 60-day period following the delivery of a Response that reflects a Dispute, the indemnifying party and the party seeking indemnification shall use good faith efforts to resolve the Dispute. If the Dispute is not resolved within such 60-day period, the indemnifying party and the party seeking indemnification shall discuss in good faith the submission of the Dispute to a mutually acceptable alternative dispute resolution procedure (which may be non-binding or binding upon the parties, as they agree in advance) (the "ADR Procedure"). In the event the indemnifying party and the party seeking indemnification agree upon an ADR Procedure, such parties shall, in consultation with the chosen dispute resolution service (the "ADR Service"), promptly agree upon a format and timetable for the ADR Procedure, agree upon the rules applicable to the ADR Procedure, and promptly undertake the ADR Procedure. The provisions of this Section 6.3(d) shall not obligate the indemnifying party and the party seeking indemnification to pursue an ADR Procedure or prevent either such Party from pursuing the Dispute in a court of competent jurisdiction; provided that, if the indemnifying party and the party seeking indemnification agree to pursue an ADR Procedure, neither the indemnifying party nor the party seeking indemnification may commence litigation or seek other remedies with respect to the Dispute prior to the completion of such ADR Procedure. Any ADR Procedure undertaken by the indemnifying party and the party seeking indemnification shall be considered a compromise negotiation for purposes of federal and state rules of evidence, and all statements, offers, opinions and disclosures (whether written or oral) made in the course of the ADR Procedure by or on behalf of the indemnifying party, the party seeking indemnification or the ADR Service shall be treated as confidential and, where appropriate, as privileged work product. Such statements, offers, opinions and disclosures shall not be discoverable or admissible for any purposes in any litigation or other proceeding relating to the Dispute (provided that this sentence shall not be construed to exclude from discovery or admission any matter that is otherwise discoverable or admissible). The fees and expenses of any ADR Service used by the indemnifying party and the party seeking indemnification shall be considered to be Damages; provided, that if the indemnifying party are determined not to be liable for Damages in connection with such Dispute, the party seeking indemnification shall pay all such fees and expenses.

Notwithstanding the other provisions of this Section 6.3, if a third party asserts (other than by means of a lawsuit) that the Parent, the Surviving Corporation or any of their Subsidiaries is liable to such third party for a monetary or other obligation which may constitute or result in Damages for which the Parent may be entitled to indemnification pursuant to this Article VI, and the Parent reasonably determines that the Surviving Corporation or any of their Subsidiaries has a valid business reason to fulfill such obligation, then (i) the Parent shall be entitled to satisfy such obligation, with prior notice to but without prior consent from the Indemnifying Stockholders, (ii) the Parent may subsequently make a claim for indemnification in accordance with the provisions of this Article VI, and (iii) the Parent shall be reimbursed, in accordance with the provisions of this Article VI, for any such Damages for which it is entitled to indemnification pursuant to this Article VI (subject to the right of the Indemnifying Stockholders to dispute the Parent's entitlement to indemnification, or the amount for which it is entitled to indemnification, under the terms of this Article VI).

(e) For purposes of this Section 6.3 and the last two sentences of Section 6.4, any references to the Company Stockholders or the Indemnifying Stockholders (except provisions relating to an obligation to make, or a right to receive, any payments provided for in Section 6.3 or Section 6.4) shall be deemed to refer to the Indemnification Representative.

(f) The Indemnification Representative shall have full power and authority on behalf of each Company Stockholder or Indemnifying Stockholder to take any and all actions on behalf of, execute any and all instruments on behalf of, and execute or waive any and all rights of, the Company Stockholders or Indemnifying Stockholders under this Article VI. The Indemnification Representative shall have no liability to any Company Stockholder or Indemnifying Stockholder for any action taken or omitted on behalf of the Company Stockholders or Indemnifying Stockholders pursuant to this Article VI.

6 . 4 Survival of Representations and Warranties . All representations and warranties contained in this Agreement, the Company Certificate or the Parent Certificate shall (a) survive the Closing and any investigation at any time made by or on behalf of the Parent or the Company and (b) shall expire on the date eighteen (18) months following the Closing Date. If a party entitled to indemnification delivers to a party from whom it may seek indemnification hereunder, before expiration of a representation or warranty, either a Claim Notice based upon a breach of such representation or warranty, or a notice that, as a result a legal proceeding instituted by or written claim made by a third party, the party entitled to indemnification reasonably expects to incur Damages as a result of a breach of such representation or warranty (an "Expected Claim Notice"), then such representation or warranty shall survive until, but only for purposes of, the resolution of the matter covered by such Expected Claim Notice.

6.5 Limitations on Claims for Indemnification.

(a) (i) Notwithstanding anything to the contrary herein, the Parent shall not be entitled to recover, or be indemnified for, Damages under this Article VI unless and until the aggregate of all such Damages paid or payable by the Indemnifying Stockholders collectively exceeds $50,000 (the "Damages Threshold") and then, if such aggregate Damages Threshold is reached, the Parent shall only be entitled to recover for Damages in excess of such Damages Threshold.

(ii) Except with respect to claims based on fraud or willful misconduct, after the Closing, the rights of the Parent under this Article VI shall be the exclusive remedy of the Parent with respect to claims resulting from or relating to any misrepresentation or breach of warranty of or failure to perform any covenant or agreement by the Company Stockholders contained in this Agreement.

(iii) The Parent shall only have the right to recover any Damages to which it is entitled from any Indemnifying Stockholder under this Article VI, in whole or in part, pursuant to a sale, in the manner set forth in the Indemnification Shares Escrow Agreement, of Indemnification Escrow Shares issued to such Indemnifying Stockholder by the Parent pursuant to Section 1.5 above.

(b) (i) Notwithstanding anything to the contrary herein, the Company Stockholders shall not be entitled to recover, or be indemnified for, Damages under this Article VI unless and until the aggregate of all such Damages paid or payable by the Parent collectively exceeds the Damages Threshold and then, if such aggregate Damages Threshold is reached, the Company Stockholders shall only be entitled to recover for Damages in excess of such Damages Threshold.

(ii) Except with respect to claims based on fraud or willful misconduct, after the Closing, the rights of the Company Stockholders under this Article VI shall be the exclusive remedy of the Company Stockholders with respect to claims resulting from or relating to any misrepresentation or breach of warranty of or failure to perform any covenant or agreement by the Parent contained in this Agreement.

(iii) Notwithstanding anything in this Agreement to the contrary, except with respect to any fraud or willful misconduct by the Parent or its Affiliates in connection with this Agreement, the delivery to a Company Stockholder entitled to indemnification by the Parent under this Article VI of shares of Parent Common Stock pursuant to Section 1.9 shall be the exclusive means for the Company Stockholders to collect any Damages for which they are entitled to indemnification under this Article VI.

(c) No Indemnifying Stockholder shall have any right of contribution against the Surviving Corporation with respect to any breach by the Company of any of its representations, warranties, covenants or agreements. The amount of Damages recoverable by the Parent under this Article VI with respect to an indemnity claim shall be reduced by (i) any proceeds received by the Parent with respect to the Damages to which such indemnity claim relates, from an insurance carrier and (ii) the amount of any tax savings actually realized by the Parent, for the tax year in which such Damages are incurred, which are clearly attributable to the Damages to which such indemnity claim relates (net of any increased tax liability which may result from the receipt of the indemnity payment or any insurance proceeds relating to such Damages).

ARTICLE VII
DEFINITIONS

For purposes of this Agreement, each of the following defined terms is defined in the Section of this Agreement indicated below.

Defined Term	Section
Abandonment and Reclamation Liabilities	6.1(d)
Acquisition Subsidiary	Introduction
ADR Procedure	6.3(d)
ADR Service	6.3(d)
Affiliate	2.14(a)(vii)
Agreed Amount	6.3(c)
Agreement	Introduction
Applicable Conversion Ratio	1.5(a)
Business Day	1.2
CERCLA	2.22(a)
Certificate of Merger	1.1
Claim Notice	6.3(b)
Claimed Amount	6.3(b)
Closing	1.2
Closing Date	1.2
Code	Recitals
Company	Introduction
Company Auditor	2.32
Company Balance Sheet	2.7
Company Balance Sheet Date	2.7
Company Benefit Plans	2.21(b)
Company Certificate	5.2(g)
Company Common Stock	1.5(a)
Company Confidential Information	4.5(b)
Company Consents	2.3
Company Disclosure Schedule	Article II
Company Equity Plan(s)	2.2
Company Financial Statements	2.7
Company Material Adverse Effect	2.1
Company Options	2.2
Company Common Stock	1.5(a)
Company Preferred Stock	1.5(a)
Company Stock	1.5(a)
Company Stockholders	1.5(a)
Company Stock Certificate(s)	1.5(c)

Defined Term	Section
Company Subsidiary	2.5(a)
Company Warrants	2.2
Contemplated Transactions	8.3
Controlling Party	6.3(a)
Damages	6.1
Damages Threshold	6.5(a)
Defaulting Party	8.6
Delaware Act	1.1
Dispute	6.3(c)
Dissenting Shares	1.6(a)
Effective Time	1.1
Employee Benefit Plan	2.21(a)(i)
Environmental Law	2.22(a)
ERISA	2.21(a)(ii)
ERISA Affiliate	2.21(a)(iii)
Exchange Act	2.7
Expected Claim Notice	6.4
FCC	2.33
GAAP	2.6
Governmental Entity	2.4
Indemnification Shares Escrow Agreement	1.3(e)
Indemnification Escrow Agent	1.3(e)
Indemnification Escrow Shares	1.5(b)
Indemnification Representative	1.3(e)
Indemnified Executives	4.9(b)
Indemnifying Stockholders	6.1
Initial Shares	1.5(b)
Intellectual Property	2.29(a)
Intellectual Property Rights	2.29(a)
Laws	2.4
Legal Proceeding	2.19
Merger	Recitals
Merger Shares	1.5(a)
Minimum Amount	Recitals
Non-Controlling Party	6.3(a)
Non-Defaulting Party	8.6
Ordinary Course of Business	2.4
Organization Date	2.10(c)
Parent	Introduction
Parent Certificate	5.3(g)
Parent Common Stock	Recitals
Parent Confidential Information	4.7(b)
Parent Disclosure Schedule	Article III
Parent Equity Plan	4.14
Parent Financial Statements	3.8
Parent Material Adverse Effect	3.1
Parent Options	1.8(a)
Parent Permits	3.25

Defined Term	Section
Parent Liabilities	1.9(b)
Parent Reports	3.6
Parent Subsidiary	2.5(a)
Parent Warrants	1.8(c)
Party	Introduction
Permits	2.25
Placement Agent	2.27
Private Placement Offering	Recitals
Reasonable Best Efforts	4.1
Response	6.3(c)
SEC	1.9(a)
Securities Act	1.13
Security Interest	2.4
Share Contribution	3.2
Shares	Recitals
Split-Off	Recitals
Split-Off Agreement	Recitals
Split-Off Purchaser	Recitals
Split-Off Subsidiary	Recitals
Subsidiary	2.5(a)
Super 8-K	4.3
Surviving Corporation	1.1
Tax Returns	2.10(a)(ii)
Taxes	2. 10a)(i)
TCA	2.33
Third Party Intellectual Property Rights	2.29(d)
Transaction Documentation	3.3

ARTICLE VIII
TERMINATION

8 . 1 Termination by Mutual Agreement. This Agreement may be terminated at any time by mutual consent of the Parties, provided that such consent to terminate is in writing and is signed by each of the Parties.

8 . 2 Termination for Failure to Close. This Agreement shall automatically be terminated if the Closing Date shall not have occurred by May 31, 2015.

8 . 3 Termination by Operation of Law. This Agreement may be terminated by any Party hereto if there shall be any statute, rule or regulation that renders consummation of the transactions contemplated by this Agreement (the "Contemplated Transactions") illegal or otherwise prohibited, or a court of competent jurisdiction or any government (or governmental authority) shall have issued an order, decree or ruling, or has taken any other action restraining, enjoining or otherwise prohibiting the consummation of such transactions and such order, decree, ruling or other action shall have become final and non-appealable.

8 . 4 Termination for Failure to Perform Covenants or Conditions. This Agreement may be terminated prior to the Effective Time:

(a) by the Parent and the Acquisition Subsidiary if: (i) any of the conditions set forth in Section 5.2 hereof have not been fulfilled in all material respects by the Closing Date; (ii) the Company shall have breached or failed to observe or perform in any material respect any of its covenants or obligations under this Agreement if such breach is not cured within ten (10) days of written notice of such breach from Parent (to the extent such breach is curable) or (iii) as otherwise set forth herein; or

(b) by the Company if: (i) any of the conditions set forth in Section 5.3 hereof have not been fulfilled in all material respects by the Closing Date; (ii) the Parent or the Acquisition Subsidiary shall have breached or failed to observe or perform in any material respect any of its covenants or obligations under this Agreement if such breach is not cured within ten (10) days of written notice of such breach from the Company (to the extent such breach is curable) or (iii) as otherwise set forth herein.

8 . 5 Effect of Termination or Default; Remedies. In the event of termination of this Agreement as set forth above, this Agreement shall forthwith become void and there shall be no liability on the part of any Party hereto, provided that such Party is a Non-Defaulting Party (as defined below). The foregoing shall not relieve any Party from liability for damages actually incurred as a result of such Party's breach of any term or provision of this Agreement.

8 . 6 Remedies; Specific Performance. In the event that any Party shall fail or refuse to consummate the Contemplated Transactions or if any default under or breach of any representation, warranty, covenant or condition of this Agreement on the part of any Party (the "Defaulting Party") shall have occurred that results in the failure to consummate the Contemplated Transactions, then in addition to the other remedies provided herein, the non-defaulting Party (the "Non-Defaulting Party") shall be entitled to seek and obtain money damages from the Defaulting Party, or may seek to obtain an order of specific performance thereof against the Defaulting Party from a court of competent jurisdiction, provided that the Non-Defaulting Party seeking such protection must file its request with such court within forty-five (45) days after it becomes aware of the Defaulting Party's failure, refusal, default or breach. In addition, the Non-Defaulting Party shall be entitled to obtain from the Defaulting Party court costs and reasonable attorneys' fees incurred in connection with or in pursuit of enforcing the rights and remedies provided hereunder.

ARTICLE IX
MISCELLANEOUS

9.1 Press Releases and Announcements. No Party shall issue any press release or public announcement relating to the subject matter of this Agreement without the prior written approval of the other Parties; provided, however, that any Party may make any public disclosure it believes in good faith is required by applicable Law or stock market rule (in which case the disclosing Party shall use reasonable efforts to advise the other Parties and provide them with a copy of the proposed disclosure prior to making the disclosure).

9 . 2 No Third Party Beneficiaries. This Agreement shall not confer any rights or remedies upon any person other than the Parties and their respective successors and permitted assigns; provided, however, that (a) the provisions in Article I concerning issuance of the Merger Shares and Article VI concerning indemnification are intended for the benefit of the Company Stockholders and (b) the provisions in Section 4.9 concerning indemnification are intended for the benefit of the individuals specified therein and their successors and assigns.

9.3 Entire Agreement. This Agreement (including the documents referred to herein) constitutes the entire agreement among the Parties and supersedes any prior or (other than as set forth in the Transaction Documentation) contemporaneous understandings, agreements or representations by or among the Parties, written or oral, with respect to the subject matter hereof.

9.4 Succession and Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties named herein and their respective successors and permitted assigns. No Party may assign either this Agreement or any of its rights, interests or obligations hereunder without the prior written approval of the other Parties; provided that the Acquisition Subsidiary may assign its rights, interests and obligations hereunder to a wholly-owned subsidiary of the Parent (other than Split-Off Subsidiary).

9.5 Counterparts and Facsimile Signature. 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. Facsimile signatures delivered by fax and/or e-mail/.pdf transmission shall be sufficient and binding as if they were originals and such delivery shall constitute valid delivery of this Agreement.

9.6 Headings. The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

9.7 Notices. All notices, requests, demands, claims and other communications hereunder shall be in writing. Any notice, request, demand, claim or other communication hereunder shall be deemed duly delivered four Business Days after it is sent by registered or certified mail, return receipt requested, postage prepaid, or one Business Day after it is sent for next Business Day delivery via a reputable nationwide overnight courier service, in each case to the intended recipient as set forth below:

If to the Company or the Company Stockholders:

Akoustis, Inc.
9805 Northcross Center Court, Suite H
Huntersville, NC 28078

Attn: Jeffrey B. Shealy, CEO
Facsimile: 704-997-5734

Copy to (which copy shall not constitute notice hereunder):

Hunter Taubman Weiss, LLP
130 W. 42nd Street, 10th Floor
New York, NY 10036

Attn: Louis Taubman
Facsimile: 212-202-6380

If to the Parent or the Acquisition Subsidiary (prior to the Closing):

Akoustis Technologies, Inc.
(f/k/a Danlax, Corp.)
Transportnaya Street, 58-7
Nizhneudinsk, Russia 665106

Attn: Ivan Krikun, CEO
Facsimile: [_____]

Copy to (which copy shall not constitute notice hereunder):

CKR Law LLP
1330 Avenue of the Americas
New York, NY 10019

Attn: Barrett S. DiPaolo
Facsimile: (212) 400-6930

Any Party may give any notice, request, demand, claim or other communication hereunder using any other means (including personal delivery, expedited courier, messenger service, telecopy, telex, ordinary mail or electronic mail), but no such notice, request, demand, claim or other communication shall be deemed to have been duly given unless and until it actually is received by the Party for whom it is intended. Any Party may change the address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other Parties notice in the manner herein set forth.

9.8 Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York without giving effect to any choice or conflict of law provision or rule (whether of the State of New York or any other jurisdiction) that would cause the application of laws of any jurisdictions other than those of the State of New York, except that the provisions of the laws of the State of Delaware shall apply with respect to the rights and duties of the Board of Directors of the Company and where such provisions are otherwise mandatorily applicable.

9.9 Amendments and Waivers. The Parties may mutually amend any provision of this Agreement at any time prior to the Effective Time. No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by all of the Parties. No waiver of any right or remedy hereunder shall be valid unless the same shall be in writing and signed by the Party giving such waiver. No waiver by any Party with respect to any default, misrepresentation or breach of warranty or covenant hereunder shall be deemed to extend to any prior or subsequent default, misrepresentation or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

9.10 Severability. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction. If the final judgment of a court of competent jurisdiction declares that any term or provision hereof is invalid or unenforceable, the Parties agree that the court making the determination of invalidity or unenforceability shall have the power to limit the term or provision, to delete specific words or phrases, or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, and this Agreement shall be enforceable as so modified.

9.11 Submission to Jurisdiction. Each of the Parties (a) submits to the jurisdiction of any state or federal court sitting in the County of New York in the State of New York in any action or proceeding arising out of or relating to this Agreement, (b) agrees that all claims in respect of such action or proceeding may be heard and determined in any such court, and (c) agrees not to bring any action or proceeding arising out of or relating to this Agreement in any other court. Each of the Parties waives any defense of inconvenient forum to the maintenance of any action or proceeding so brought and waives any bond, surety or other security that might be required of any other Party with respect thereto. Any Party may make service on another Party by sending or delivering a copy of the process to the Party to be served at the address and in the manner provided for the giving of notices in Section 9.7. Nothing in this Section 9.11, however, shall affect the right of any Party to serve legal process in any other manner permitted by law.

9 . 1 2 WAIVER OF JURY TRIAL . EACH OF THE PARTIES IRREVOCABLY WAIVES ANY AND ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BETWEEN THE PARTIES ARISING OUT OF OR RELATING TO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

9.13 Construction.

(a) The language used in this Agreement shall be deemed to be the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

(b) Any reference to any federal, state, local or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have executed this Agreement and Plan of Merger and Reorganization as of the date first above written.

PARENT:
AKOUSTIS TECHNOLOGIES, INC.

By: /s/ Ivan Krikun
Name: Ivan Krikun
Title: Chief Executive Officer

ACQUISITION SUBSIDIARY:
AKOUSTIS ACQUISITION CORP.

By: /s/ Ivan Krikun
Name: Ivan Krikun
Title: President

COMPANY:
AKOUSTIS, INC.

By: /s/ Jeffrey B. Shealy
Name: Jeffrey B. Shealy
Title: Chief Executive Officer

Solely with respect to Section 6.3(f):

/s/ Jeffrey B. Shealy
Jeffrey B. Shealy, as Indemnification Representative

Exhibit A

Form of Split-Off Agreement

[See Exhibit 10.1]

Exhibit B

Form of General Release Agreement

[See Exhibit 10.2]

Exhibit C

Form of Indemnification Shares Escrow Agreement

[See Exhibit 10.3]

Exhibit D

Form of 2015 Equity Incentive Plan

[See Exhibit 10.10]

Exhibit E

Signatories to Lock-Up and No-Shorting Agreements

Exhibit F

Form of Lock-Up and No-Shorting Agreement

[See Exhibit 10.4]

Exhibit G

Form of Legal Opinion of Company Counsel

Exhibit H

Form of Legal Opinion of Parent Counsel

Exhibit I

Indemnifying Stockholders

Exhibit 3.3

State of Delaware
Secretary of State
Division of Corporations
Delivered 04:29 PM 05/22/2015
FILED 04:29 PM 05/22/2015
SRV 150751118 - 5532659 FILE

STATE OF DELAWARE
CERTIFICATE OF MERGER
OF
DOMESTIC CORPORATIONS

Pursuant to Title 8, Section 251(c) of the Delaware General Corporation Law, the undersigned corporation executed the following Certificate of Merger:

FIRST: The name of the surviving corporation is **Akoustis, Inc.,** a Delaware corporation (the "Surviving Corporation"), and the name of the corporation being merged into the Surviving Corporation is **Akoustis Acquisition Corp.,** a Delaware corporation ("Acquisition Subsidiary").

SECOND: The Agreement of Plan of Merger and Reorganization by and among Akoustis, Technologies, Inc., a Nevada corporation (the "Parent"), the Acquisition Subsidiary and the Surviving Corporation, and solely with respect to Section 6.3(f) thereof, Jeffrey B. Shealy (the "Agreement of Merger"), has been approved, adopted, executed and acknowledged by each of the constituent corporations.

THIRD: The name of the surviving corporation is **Akoustis, Inc.,** a Delaware corporation.

FOURTH: The Certificate of Incorporation of the Surviving Corporation shall be its Certificate of Incorporation.

FIFTH: The merger is to become effective upon filing of this Certificate of Merger with the Secretary of State of the State of Delaware.

SIXTH: The executed Agreement of Merger is on file at 9805 Northcross Center Court, Suite H, Huntersville, NC 28078, the place of business of the Surviving Corporation.

SEVENTH: A copy of the Agreement of Merger will be furnished by the Surviving Corporation on request, without cost, to any stockholder of the constituent corporations.

IN WITNESS WHEREOF, said Surviving Corporation has caused this certificate to be signed by an authorized officer, the 22nd day of May, 2015.

AKOUSTIS, INC

By: /s/ Jeffrey B. Shealy
Name: Jeffrey B. Shealy
Title: President

Exhibit 3.4

AKOUSTIS TECHNOLOGIES, INC.

Incorporated Under the Laws of the
State of Nevada

AMENDED AND RESTATED BY-LAWS

Effective May 22, 2015

ARTICLE I
OFFICES

Akoustis Technologies, Inc. (the "Corporation") shall maintain a registered office in the State of Nevada. The Corporation may also have other offices at such places, either within or without the State of Nevada, as the Board of Directors may from time to time designate or the business of the Corporation may require.

ARTICLE II
STOCKHOLDERS

Section 1. Place of Meetings. Meetings of the stockholders for the election of directors or for any other purpose shall be held on such date, at such time and at such place, either within or without the State of Nevada, as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting or in a duly executed waiver of notice thereof. Only if so determined by the Board of Directors, in its sole discretion, (a) stockholders may participate in a meeting of stockholders by means of a telephone conference or similar methods of communication by which all persons participating in the meeting can hear each other and/or (b) a meeting of stockholders may be held not at any place, but may instead be held solely by means of electronic communication, as provided in the Nevada Private Corporations Law (Chapter 78 of the Nevada Revised Statutes) (the "NRS").

Section 2. Annual Meeting. The Annual Meeting of Stockholders shall be held on such date and at such time as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting, at which meeting the stockholders shall elect a Board of Directors and transact only such other business as is properly brought before the meeting in accordance with these By-Laws. Notice of the Annual Meeting stating the date, time and place of the meeting shall be given as permitted by law to each stockholder entitled to vote at such meeting not less than ten (10) nor more than sixty (60) days before the date of the meeting.

Section 3. Special Meetings. Unless otherwise prescribed by law or the Articles of Incorporation (such Articles, as amended from time to time, including resolutions adopted from time to time by the Board of Directors establishing the designation, rights, preferences and other terms of any class or series of capital stock, the "Articles of Incorporation"), special meetings of the stockholders may be called, only at the request of a majority of the Board of Directors, by the Chairman of the Board, if any, the Chief Executive Officer, if any, the President or the Secretary. Notice of a Special Meeting stating the purpose or purposes for which the meeting is called and the date, time and place of the meeting, and the means of electronic communications, if any, by which stockholders and proxies shall be deemed to be present in person and vote, shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting. Only such business as is specified in the notice of special meeting shall come before such meeting.

Section 4. Quorum. Except as otherwise provided by law or by the Articles of Incorporation, the holders of shares of capital stock issued and outstanding entitled to vote thereat representing at least a majority of the votes entitled to be cast thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business. Whether or not a quorum is present, the chairman of the meeting, or the stockholders entitled to vote thereat, present or represented by proxy, holding shares representing at least a majority of the votes so present or represented and entitled to be cast thereon, shall have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed. If the adjournment is for more than thirty (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 entitled to vote at the meeting. When a quorum is once present, it is not broken by the subsequent withdrawal of any stockholder.

Section 5. Appointment of Inspectors of Election. The Board of Directors shall, in advance of sending to the stockholders any notice of a meeting of the holders of any class of shares, appoint one or more inspectors of election ("inspectors") to act at such meeting or any adjournment or postponement thereof and make a written report thereof. The Board of Directors may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is so appointed or if no inspector or alternate is able to act, the Chairman of the Board, or if none, the Secretary shall appoint one or more inspectors to act at such meeting. Each inspector, before entering upon the discharge of such inspector's duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of such inspector's ability. The inspectors shall not be directors, officers or employees of the Corporation.

Section 6. Voting. Except as otherwise provided by law or by the Articles of Incorporation, each stockholder of record of any class or series of stock other than the common stock, par value $0.001 per share, of the Corporation ("Common Stock") shall be entitled on each matter submitted to a vote at each meeting of stockholders to such number of votes for each share of such stock as may be fixed in the Articles of Incorporation, and each stockholder of record of Common Stock shall be entitled at each meeting of stockholders to one vote for each share of such stock, in each case, registered in such stockholder's name on the books of the Corporation on the date fixed pursuant to Section 5 of Article VI of these By-Laws as the record date for the determination of stockholders entitled to notice of and to vote at such meeting, or if no such record date shall have been so fixed, then at the close of business on the day next preceding the day on which notice of such meeting 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.

Each stockholder entitled to vote at any meeting may vote either in person or by proxy duly appointed.

At all meetings of stockholders all matters, except as otherwise provided by law, the Articles of Incorporation or these By-Laws, shall be determined by the affirmative vote of the stockholders present in person or represented by proxy holding shares representing at least a majority of the votes so present or represented and entitled to be cast thereon, and where a separate vote by class is required, a majority of the votes represented by the shares of the stockholders of such class present in person or represented by proxy and entitled to be cast thereon shall be the act of such class.

The vote on any matter, including the election of directors, shall be by written ballot, or, if authorized by the Board of Directors, in its sole discretion, by electronic ballot given in accordance with a procedure set out in the notice of such meeting. Each ballot shall state the number of shares voted.

Proxy cards shall be returned in envelopes addressed to the inspectors, who shall receive, inspect and tabulate the proxies. Comments on proxies, consents or ballots shall be transcribed and provided to the Secretary with the name and address of the stockholder. Nothing in this Article II shall prohibit the inspector from making available to the Corporation, prior to, during or after any annual or special meeting, information as to which stockholders have not voted and periodic status reports on the aggregate vote.

Except as otherwise provided by law, the Articles of Incorporation or these By-Laws, any action required or permitted to be taken at a meeting of stockholders may be taken without a meeting if, before or after the action, a written consent thereto is signed by stockholders holding shares representing at least a majority of the votes entitled to vote thereon, except that if a different proportion of voting power is required for such action at a meeting, then that proportion of written consents is required.

Section 7. List of Stockholders Entitled to Vote. The officer of the Corporation who has charge of the stock ledger of the Corporation shall prepare and make, at least ten (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. Nothing contained in this Section shall require the Corporation 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, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either (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 principal place of business of the Corporation. 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, the list shall also be produced and kept at the time and place of the meeting during the whole time thereof and may be inspected by any stockholder of the Corporation 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.

Section 8. Stock Ledger. The stock ledger of the Corporation shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list required by Section 7 of this Article II or the books of the Corporation, or to vote in person or by proxy at any meeting of stockholders.

Section 9. Advance Notice of Stockholder-Proposed Business at Annual Meeting. To be properly brought before the Annual Meeting, business must be either (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (b) otherwise properly brought before the meeting by or at the direction of the Board of Directors or (c) otherwise properly brought before the meeting by a stockholder of record. For business to be properly brought before an Annual Meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation and must have been a stockholder of record at such time. To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of the Corporation not less than ninety (90) nor more than one hundred twenty (120) days prior to the one year anniversary of the date of the Annual Meeting of the previous year; *provided, however*, that in the event that the Annual Meeting is called for a date that is not within thirty (30) days before or after such anniversary date, notice by the stockholder in order to be timely must be so received not earlier than one hundred twenty (120) days prior to such Annual Meeting and not later than the close of business on the tenth (10th) day following the day on which notice of the date of the Annual Meeting was mailed or public disclosure of the date of the annual meeting was made, whichever first occurs. A stockholder's notice to the Secretary shall set forth as to each matter the stockholder proposes to bring before the Annual Meeting (i) a brief description of the business desired to be brought before the Annual Meeting and the reasons for conducting such business at the Annual Meeting, (ii) the name and address, as they appear on the Corporation's books, of the stockholder proposing such business, (iii) the class and number of shares of the Corporation that are beneficially owned by the stockholder, (iv) any material interest of the stockholder in such business and (v) any other information relating to the person or the proposal that is required to be disclosed pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (or any successor provision or law) or applicable law.

Notwithstanding anything in these By-Laws to the contrary, no business shall be conducted at an Annual Meeting except in accordance with the procedures set forth in this Section 9; *provided, however*, that nothing in this Section 9 shall be deemed to preclude discussion by any stockholder of any business properly brought before the Annual Meeting. The chairman of an Annual Meeting shall, if the facts warrant, determine and declare to the meeting that business was not properly brought before the meeting in accordance with the provisions of this Section 9 and if he should so determine, he shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted.

Section 10. Nomination of Directors; Advance Notice of Stockholder Nominations. Only persons who are nominated in accordance with the procedures set forth in this Section 10 shall be eligible for election as directors at a meeting of stockholders. Nominations of persons for election to the Board of Directors of the Corporation at the Annual Meeting or at any special meeting of stockholders called in the manner set forth in Section 3 of this Article II for the purpose of electing directors may be made at a meeting of stockholders by or at the direction of the Board of Directors, by any nominating committee or person appointed for such purpose by the Board of Directors, or by any stockholder of record of the Corporation entitled to vote for the election of directors at the meeting who complies with the notice procedures set forth in this Section 10. Such nominations, other than those made by, or at the direction of, or under the authority of the Board of Directors, shall be made pursuant to timely notice in writing to the Secretary of the Corporation by a stockholder of record at such time. To be timely, a stockholder's notice shall be delivered to or mailed and received at the principal executive offices of the Corporation (a) in the case of an Annual Meeting, not less than ninety (90) nor more than one hundred twenty (120) days prior to the one year anniversary of the date of the Annual Meeting of the previous year; *provided, however*, that in the event that the Annual Meeting is called for a date that is not within thirty (30) days before or after such anniversary date, notice by the stockholder in order to be timely must be so received not earlier than one hundred twenty (120) days prior to such Annual Meeting and not later than the close of business on the tenth (10th) day following the day on which notice of the date of the annual meeting was mailed or public disclosure of the date of the Annual Meeting was made, whichever first occurs; and (b) in the case of a special meeting of stockholders called in the manner set forth in Section 3 of this Article II for the purpose of electing directors, not earlier than one hundred twenty (120) days prior to such special meeting and not later than the close of business on the tenth (10th) day following the day on which notice of the date of the special meeting was mailed or public disclosure of the date of the special meeting was made, whichever first occurs. Such stockholder's notice to the Secretary shall set forth (a) as to each person whom the stockholder proposes to nominate for election or re-election as a director, (i) the name, age, business address and residence address of the person, (ii) the principal occupation or employment of the person, (iii) the class and number of shares of capital stock of the Corporation, if any, which are beneficially owned by the person and (iv) any other information relating to the person that is required to be disclosed in solicitations for proxies for election of directors pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (or any successor provision or law) or applicable law; and (b) as to the stockholder giving the notice (i) the name and record address of the stockholder and (ii) the class and number of shares of capital stock of the Corporation which are beneficially owned by the stockholder.

The chairman of the meeting shall, if the facts warrant, determine and declare to the meeting that a nomination was not made in accordance with the foregoing procedures and, if he should so determine, he shall so declare to the meeting and the defective nomination shall be disregarded.

ARTICLE III
DIRECTORS

Section 1. Number; Resignation; Removal. Except as otherwise required by the Articles of Incorporation, the number of directors which shall constitute the whole Board of Directors shall be fixed from time to time by resolution of the Board of Directors, but shall not be less than one. Except as provided in Section 2 of this Article III and in the Articles of Incorporation, a nominee for director shall be elected to the Board of Directors by a plurality of the votes cast at the Annual Meeting of Stockholders. A director may resign at any time upon notice to the Corporation. A director may be removed, with or without cause, by the affirmative vote of holders of shares of capital stock issued and outstanding entitled to vote at an election of directors representing at least two-thirds of the votes entitled to be cast thereon (or such lesser number as may be permitted by the NRS, but not less than a majority).

Section 2. Vacancies. Vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the remaining directors then in office, though less than a quorum, or by a sole remaining director, and the directors so elected shall hold office until the next Annual Meeting of Stockholders and until their successors are duly elected and qualified, or until their earlier resignation or removal. If there are no directors in office, then an election of directors may be held in the manner provided by the NRS. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

Section 3. Duties and Powers. The business of the Corporation shall be managed by or under the direction of the Board of Directors which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Articles of Incorporation or by these By-Laws directed or required to be exercised or done solely by the stockholders.

Section 4. Meetings. The Board of Directors of the Corporation may hold meetings, both regular and special, either within or without the State of Nevada. Regular meetings of the Board of Directors may be held without notice at such time and at such place as may from time to time be determined by the Board of Directors. Special meetings of the Board of Directors may be called by the Chairman of the Board, if any, the Chief Executive Officer, if any, the President or any director. Notice thereof stating the date, time and place of the meeting shall be given to each director either (i) by mail or courier not less than forty-eight (48) hours before the date of the meeting or (ii) by telephone, telegram or facsimile or electronic transmission, not less than twenty-four (24) hours before the time of the meeting or on such shorter notice as the person or persons calling such meeting may deem necessary or appropriate in the circumstances (provided that notice of any meeting need not be given to any director who shall either submit, before or after such meeting, a waiver of notice or attend the meeting without protesting, at the beginning thereof, the lack of notice).

Section 5. Quorum. Except as may be otherwise provided by law, the Articles of Incorporation or these By-Laws, a majority of the entire Board of Directors shall be necessary to constitute a quorum for the transaction of business, and the vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors. Whether or not a quorum is present at a meeting of the Board of Directors, a majority of the directors present may adjourn the meeting to such time and place as they may determine without notice other than an announcement at the meeting.

Section 6. Action without a Meeting. Unless otherwise provided by the Articles of Incorporation or these By-Laws, any action required or permitted to be taken by the Board of Directors or any committee thereof may be taken without a meeting if all members of the Board of Directors or the committee consent in writing or by electronic transmission to the adoption of a resolution authorizing the action. The resolution and the consents thereto in writing or by electronic transmission by the members of the Board of Directors or committee shall be filed with the minutes of the proceedings of the Board of Directors or such committee.

Section 7. Participation by Telephone. Unless otherwise provided by the Articles of Incorporation or these By-Laws, any one or more members of the Board of Directors or any committee thereof may participate in a meeting of the Board of Directors or such committee by means of a conference telephone or other communications equipment allowing all persons participating in the meeting to hear each other. Participation by such means shall constitute presence in person at the meeting.

Section 8. Compensation. The directors may be paid their expenses, if any, for attendance at each meeting of the Board of Directors or any committee thereof and may be paid compensation as a director, committee member or chairman of any committee and for attendance at each meeting of the Board of Directors or committee thereof. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefore or entering into transactions otherwise permitted by the Articles of Incorporation, these By-Laws or applicable law.

Section 9. Resignation. Any director may resign at any time. Such resignation shall be made in writing or by electronic transmission and shall take effect at the time specified therein, or, if no time be specified, at the time of its receipt by the Chairman of the Board, if any, the Chief Executive Officer, if any, the President or the Secretary. The acceptance of a resignation shall not be necessary to make it effective unless so specified therein.

ARTICLE IV
COMMITTEES

Section 1. Committees. The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of any such committee. In the absence or disqualification of a member of a committee, and in the absence of a designation by the Board of Directors of an alternate member to replace the absent or disqualified member, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or member constitute a quorum, may by unanimous vote appoint another member of the Board of Directors to act at the meeting in the place of any absent or disqualified member. Any committee, to the extent allowed by law and provided in the resolution establishing such committee or in these By-Laws, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, including the power to adopt any articles of merger, conversion, exchange or domestication, the authority to issue shares and the authority to declare a dividend, except as limited by the NRS or other applicable law, but no such committee shall have power or authority in reference to the following matters: (i) approving or adopting, or recommending to the stockholders, any action or matter expressly required by the NRS to be submitted to stockholders for approval. or (ii) adopting, amending or repealing any By-Law of the Corporation. All acts done by any committee within the scope of its powers and duties pursuant to these By-Laws and the resolutions adopted by the Board of Directors shall be deemed to be, and may be certified as being, done or conferred under authority of the Board of Directors. The Secretary or any Assistant Secretary is empowered to certify that any resolution duly adopted by any such committee is binding upon the Corporation and to execute and deliver such certifications from time to time as may be necessary or proper to the conduct of the business of the Corporation.

Section 2. Resignation. Any member of a committee may resign at any time. Such resignation shall be made in writing or by electronic transmission and shall take effect at the time specified therein, or, if no time be specified, at the time of its receipt by the Chairman of the Board, if any, the Chief Executive Officer, if any, the President or the Secretary. The acceptance of a resignation shall not be necessary to make it effective unless so specified therein.

Section 3. Quorum. A majority of the members of a committee shall constitute a quorum. The vote of a majority of the members of a committee present at any meeting at which a quorum is present shall be the act of such committee.

Section 4. Record of Proceedings. Each committee shall keep a record of its acts and proceedings, and shall report the same to the Board of Directors when and as required by the Board of Directors.

Section 5. Organization, Meetings, Notices. A committee may hold its meetings at the principal office of the Corporation, or at any other place upon which a majority of the committee may at any time agree. Each committee may make such rules as it may deem expedient for the regulation and carrying on of its meetings and proceedings.

ARTICLE V
OFFICERS

Section 1. General. The officers of the Corporation shall be elected by the Board of Directors and shall consist of a President, a Secretary and a Treasurer. The Board of Directors, in its discretion, may also elect and specifically identify as officers of the Corporation a Chairman of the Board, a Chief Executive Officer, a Chief Financial Officer, a Controller, one or more vice presidents, assistant secretaries and assistant treasurers, and such other officers and agents as in its judgment may be necessary or desirable. Any number of offices may be held by the same person, unless otherwise prohibited by law, the Articles of Incorporation or these By-Laws. The officers of the Corporation need not be stockholders or directors of the Corporation. Any office named or provided for in this Article V (including, without limitation, Chairman of the Board, Chief Executive Officer, Chief Financial Officer, President, Secretary, Treasurer and Controller) may, at any time and from time to time, be held by one or more persons. If an office is held by more than one person, each person holding such office shall serve as a co-officer (with the appropriate corresponding title) and shall have general authority, individually and without the need for any action by any other co-officer, to exercise all the powers of the holder of such office of the Corporation specified in these By-Laws and shall perform such other duties and have such other powers as may be prescribed by the Board of Directors or such other officer specified in this Article V.

Section 2. Election; Removal; Remuneration. The Board of Directors at its first meeting held after each Annual Meeting of Stockholders shall elect the officers of the Corporation who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors and may elect additional officers and may fill vacancies among the officers previously elected at any subsequent meeting of the Board of Directors; and all officers of the Corporation shall hold office until their successors are chosen and qualified, or until their earlier resignation or removal. Any officer elected by the Board of Directors may be removed at any time, either for or without cause, by the affirmative vote of a majority of the Board of Directors.

Section 3. Voting Securities Owned by the Corporation . Powers of attorney, proxies, waivers of notice of meetings, consents and other instruments relating to securities owned by the Corporation may be executed in the name of and on behalf of the Corporation by the Chairman of the Board, if any, the Chief Executive Officer, if any, the President or the Secretary, and any such officer may, in the name and on behalf of the Corporation, take all such action as any such officer may deem advisable to vote in person or by proxy at any meeting of security holders of any company, partnership or other entity in which the Corporation may own securities, or to execute written consents in lieu thereof, and at any such meeting, or in giving any such consent, shall possess and may exercise any and all rights and powers incident to the ownership of such securities and which, as the owner thereof, the Corporation might have exercised and possessed if present. The Board of Directors may, by resolution, from time to time confer like powers upon any other person or persons.

Section 4. Chairman of the Board. The Chairman of the Board, if any, may be, but need not be, a person other than the Chief Executive Officer or the President of the Corporation. The Chairman of the Board may be, but need not be, an officer or employee of the Corporation. The Chairman of the Board shall preside at meetings of the Board of Directors and shall establish agendas for such meetings. In addition, the Chairman of the Board shall assure that matters of significant interest to stockholders and the investment community are addressed by management.

Section 5. Chief Executive Officer. The Chief Executive Officer, if any, shall, subject to the direction of the Board of Directors, have general and active control of the affairs and business of the Corporation and general supervision of its officers, officials, employees and agents. The Chief Executive Officer shall preside at all meetings of the stockholders and shall preside at all meetings of the Board of Directors and any committee thereof of which he is a member, unless the Board of Directors or such committee shall have chosen another chairman. The Chief Executive Officer shall see that all orders and resolutions of the Board are carried into effect, and in addition, the Chief Executive Officer shall have all the powers and perform all the duties generally appertaining to the office of the chief executive officer of a corporation. The Chief Executive Officer shall designate the person or persons who shall exercise his powers and perform his duties in his absence or disability and the absence or disability of the President.

Section 6. President. The President shall have such powers and perform such duties as are prescribed by the Chief Executive Officer or the Board of Directors, and in the absence or disability of the Chief Executive Officer, the President shall have the powers and perform the duties of the Chief Executive Officer, except to the extent the Board of Directors shall have otherwise provided. In addition, the President shall have such powers and perform such duties generally appertaining to the office of the president of a corporation, except to the extent the Chief Executive Officer, if any, or the Board of Directors shall have otherwise provided.

Section 7. Vice President. The Vice Presidents of the Corporation shall perform such duties and have such powers as may, from time to time, be assigned to them by the Board of Directors, the Chief Executive Officer, if any, the President or these By-Laws.

Section 8. Secretary. The Secretary shall attend all meetings of the Board of Directors and of the stockholders and record all votes and the minutes of all proceedings in a book to be kept for that purpose, and shall perform like duties for any committee appointed by the Board of Directors. The Secretary shall keep in safe custody the seal of the Corporation and affix it to any instrument when so authorized by the Board of Directors. The Secretary shall give or cause to be given, notice of all meetings of stockholders and special meetings of the Board of Directors and shall perform generally all the duties usually appertaining to the office of secretary of a corporation and shall perform such other duties and have such other powers as may be prescribed by the Board of Directors or these By-Laws. The Board of Directors may give general authority to any other officer to affix the seal of the Corporation and to attest the affixing by his signature.

Section 9. Assistant Secretary. The Assistant Secretary shall be empowered and authorized to perform all of the duties of the Secretary in the absence or disability of the Secretary and shall perform such other duties and have such other powers as may be prescribed by the Board of Directors, the Secretary or these By-Laws.

Section 10. Chief Financial Officer. The Chief Financial Officer, if any, shall have responsibility for the administration of the financial affairs of the Corporation and shall exercise supervisory responsibility for the performance of the duties of the Treasurer and the Controller, if any. The Chief Financial Officer shall render to the Board of Directors, at its regular meetings, or when the Board of Directors so requires, an account of all of the transactions effected by the Treasurer and the Controller and of the financial condition of the Corporation. The Chief Financial Officer shall generally perform all the duties usually appertaining to the affairs of a chief financial officer of a corporation and shall perform such other duties and have such other powers as may be prescribed by the Board of Directors or these By-Laws.

Section 11. Treasurer. The Treasurer shall have the custody of the corporate funds and securities and shall cause to be kept full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all monies and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by persons authorized by the Board of Directors. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the Chairman of the Board, if any, the Chief Executive Officer, if any, the President and the Board of Directors whenever they may require it, an account of all of the transactions effected by the Treasurer and of the financial condition of the Corporation. The Treasurer may be required to give a bond for the faithful discharge of his or her duties. The Treasurer shall generally perform all duties appertaining to the office of treasurer of a corporation and shall perform such other duties and have such other powers as may be prescribed by the Board of Directors, the Chief Executive Officer, if any, the President or these By-Laws.

Section 12. Assistant Treasurer. The Assistant Treasurers shall be empowered and authorized to perform all the duties of the Treasurer in the absence or disability of the Treasurer and shall perform such other duties and have such other powers as may be prescribed by the Board of Directors, the Treasurer or these By-Laws.

Section 13. Controller. The Controller, if any, shall prepare and have the care and custody of the books of account of the Corporation. The Controller shall keep a full and accurate account of all monies, received and paid on account of the Corporation, and shall render a statement of the Controller's accounts whenever the Board of Directors shall require. The Controller shall generally perform all the duties usually appertaining to the affairs of the controller of a corporation and shall perform such other duties and have such other powers as may be prescribed by the Board of Directors, the Chief Financial Officer, if any, the President or these By-Laws. The Controller may be required to give a bond for the faithful discharge of his or her duties.

Section 14. Additional Powers and Duties. In addition to the foregoing especially enumerated duties and powers, the several officers of the Corporation shall perform such other duties and exercise such further powers as the Board of Directors may, from time to time, determine or as may be assigned to them by any superior officer.

Section 15. Other Officers. The Board of Directors may designate such other officers having such duties and powers as it may specify from time to time.

ARTICLE VI
CAPITAL STOCK

Section 1. Form of Certificate; Uncertificated Shares. The shares of the Corporation shall be represented by certificates, provided that the Board of Directors may provide by resolution or resolutions that some or all of any or all classes or series of its stock may 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 in the Corporation represented by a certificate shall be entitled to have a certificate signed in the name of the Corporation (i) by the Chairman of the Board, if any, the Chief Executive Officer, if any, the President or any Vice President and (ii) by the Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary, representing the number of shares registered in certificate form. Except as otherwise provided by law or these By-Laws, the rights and obligations of the holders of uncertificated shares and the rights and obligations of the holders of certificates representing stock of the same class and series shall be identical.

Section 2. Signatures. Any signature required to be on a 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 shall have 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 he were such officer, transfer agent or registrar at the date of issue.

Section 3. Lost, Stolen or Destroyed Certificates. The Board of Directors may direct a new certificate to be issued in place of any certificate theretofore issued by the Corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed. When authorizing such issue of a new certificate, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate, or his legal representative, to advertise the same in such manner as the Board of Directors shall require and/or to give the Corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost, stolen or destroyed.

Section 4. Transfers. Stock of the Corporation shall be transferable in the manner prescribed by law and in these By-Laws. Transfers of stock shall be made on the books of the Corporation only by the holder of record or by such person's attorney duly authorized, and upon the surrender of properly endorsed certificates for a like number of shares (or, with respect to uncertificated shares, by delivery of duly executed instructions or in any other manner permitted by applicable law).

Section 5. Record Date. 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, 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 of Directors may fix, in advance, a record date, which shall not be more than sixty (60) days nor less than ten (10) days before the date of such meeting, nor more than sixty (60) days prior to any other action. 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, unless the Board of Directors fixes a new record date for the adjourned meeting; *provided, however*, that the Board of Directors must fix a new record date if the meeting is adjourned to a date more than sixty (60) days later than the date set for the original meeting.

Section 6. Beneficial Owners. The Corporation shall be entitled to recognize the exclusive right of the person registered on its books as the owner of a share to receive dividends and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by law.

Section 7. Dividends. Subject to the provisions of the Articles of Incorporation or applicable law, dividends upon the capital stock of the Corporation, if any, may be declared by the Board of Directors at any regular or special meeting, and may be paid in cash, in property, or in shares of capital stock. Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Board of Directors from time to time, in its absolute discretion, deems proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation or for any proper purpose, and the Board of Directors may modify or abolish any such reserve.

Section 8. Common Stock. The voting, dividend and liquidation rights of the holders of shares of Common Stock are subject to, and qualified by, the rights of the holders of the preferred stock, if any, of the Corporation. Each share of Common Stock shall be treated identically as all other shares of Common Stock with respect to dividends, distributions, rights in liquidation and in all other respects.

ARTICLE VII
INDEMNIFICATION

Section 1. Indemnification Respecting Third Party Claims. The Corporation, to the full extent and in a manner permitted by Nevada law as in effect from time to time, shall indemnify, in accordance with the provisions of this Article, any person (including the heirs, executors, administrators or estate of any such person) who was or is made a party to or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding (including any appeal thereof), whether civil, criminal, administrative, or investigative (other than an action by or in the right of the Corporation or by any corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise of which the Corporation owns, directly or indirectly through one or more other entities, a majority of the voting power or otherwise possesses a similar degree of control), by reason of the fact that such person 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, member, manager, partner, trustee, fiduciary, employee or agent (a "Subsidiary Officer") of another corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise (any such entity for which a Subsidiary Officer so serves, an "Associated Entity"), against expenses, including attorneys' fees and disbursements, judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person is not liable pursuant to NRS 78.138, or 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 his conduct was unlawful; *provided, however*, that (i) the Corporation shall not be obligated to indemnify a person who is or was a director, officer, employee or agent of the Corporation or a Subsidiary Officer of an Associated Entity against expenses incurred in connection with an action, suit, proceeding or investigation to which such person is threatened to be made a party but does not become a party unless the incurring of such expenses was authorized by or under the authority of the Board of Directors and (ii) the Corporation shall not be obligated to indemnify against any amount paid in settlement unless the Board of Directors has consented to such settlement. The termination of any action, suit or proceeding by judgment, order, settlement or conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person (i) is liable pursuant to NRS 78.138 or (ii) 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, or with respect to any criminal action or proceeding, that such person had reasonable cause to believe that his conduct was unlawful. Notwithstanding anything to the contrary in the foregoing provisions of this Section 1, a person shall not be entitled, as a matter of right, to indemnification pursuant to this Section 1 against costs or expenses incurred in connection with any action, suit or proceeding commenced by such person against the Corporation or any Associated Entity or any person who is or was a director, officer, fiduciary, employee or agent of the Corporation or a Subsidiary Officer of any Associated Entity (including, without limitation, any action, suit or proceeding commenced by such person to enforce such person's rights under this Article, unless and only to the extent that such person is successful on the merits of such claim), but such indemnification may be provided by the Corporation in a specific case as permitted by Section 7 below in this Article.

Section 2. Indemnification Respecting Derivative Claims. The Corporation, to the full extent and in a manner permitted by Nevada law as in effect from time to time, shall indemnify, in accordance with the provisions of this Article, any person (including the heirs, executors, administrators or estate of any such person) who was or is made a party to or is threatened to be made a party to any threatened, pending or completed action or suit (including any appeal thereof) brought 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, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a Subsidiary Officer of an Associated Entity, against expenses (including attorneys' fees and disbursements) and costs actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person is not liable pursuant to NRS 78.138, or 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 by a court of competent jurisdiction after exhaustion of all appeals therefrom to be liable to the Corporation unless, and only to the extent that the court in which such action or suit was brought or other court of competent jurisdiction determines that, in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses and costs as a court of competent jurisdiction or such other court shall deem proper; *provided, however*, that the Corporation shall not be obligated to indemnify a director, officer, employee or agent of the Corporation or a Subsidiary Officer of an Associated Entity against expenses incurred in connection with an action or suit to which such person is threatened to be made a party but does not become a party unless the incurrence of such expenses was authorized by or under the authority of the Board of Directors. Notwithstanding anything to the contrary in the foregoing provisions of this Section 2, a person shall not be entitled, as a matter of right, to indemnification pursuant to this Section 2 against costs and expenses incurred in connection with any action or suit in the right of the Corporation commenced by such person, but such indemnification may be provided by the Corporation in any specific case as permitted by Section 7 below in this Article.

Section 3. Determination of Entitlement to Indemnification. Any indemnification to be provided under either of Section 1 or 2 above in this Article (unless ordered by a court of competent jurisdiction or advanced as provided in Section 5 of this Article) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper under the circumstances. Such determination must be made (a) by the stockholders, (b) by the board of directors by majority vote of a quorum consisting of directors who were not parties to the action, suit or proceeding, (c) if a majority vote of a quorum consisting of directors who were not parties to the action, suit or proceeding so orders, by independent legal counsel in a written opinion, or (d) if a quorum consisting of directors who were not parties to the action, suit or proceeding cannot be obtained, by independent legal counsel in a written opinion. In the event a request for indemnification is made by any person referred to in Section 1 or 2 above in this Article, the Corporation shall use its reasonable best efforts to cause such determination to be made not later than sixty (60) days after such request is made after the final disposition of such action, suit or proceeding.

Section 4. Right to Indemnification upon Successful Defense and for Service as a Witness. (a) Notwithstanding the other provisions of this Article, to the extent that a present or former director or officer has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in either of Section 1 or 2 above in this Article, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees and disbursements) and costs actually and reasonably incurred by such person in connection therewith.

(b) To the extent any person who is or was a director, officer, employee or agent of the Corporation or a Subsidiary Officer of an Associated Entity has served or prepared to serve as a witness in, but is not a party to, any action, suit or proceeding (whether civil, criminal, administrative, regulatory or investigative in nature), including any investigation by any legislative or regulatory body or by any securities or commodities exchange of which the Corporation or an Associated Entity is a member or to the jurisdiction of which it is subject, by reason of his or her services as a director, officer, employee or agent of the Corporation, or his or her service as a Subsidiary Officer of an Associated Entity (assuming such person is or was serving at the request of the Corporation as a Subsidiary Officer of such Associated Entity), the Corporation may indemnify such person against expenses (including attorneys' fees and disbursements) and out-of-pocket costs actually and reasonably incurred by such person in connection therewith and, if the Corporation has determined to so indemnify such person, shall use its reasonable best efforts to provide such indemnity within sixty (60) days after receipt by the Corporation from such person of a statement requesting such indemnification, averring such service and reasonably evidencing such expenses and costs; it being understood, however, that the Corporation shall have no obligation under this Article to compensate such person for such person's time or efforts so expended.

Section 5. Advance of Expenses. (a) Expenses incurred by any present or former director or officer of the Corporation in defending a civil or criminal action, suit or proceeding shall, to the extent permitted by law, be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking in writing by or on behalf of such person to repay such amount if it shall ultimately be determined by a court of competent jurisdiction that such person is not entitled to be indemnified by the Corporation as authorized by this Article.

(b) Expenses and costs incurred by any other person referred to in Section 1 or 2 above in this Article in defending a civil, criminal, administrative, regulatory or investigative action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding as authorized by or under the authority of the Board of Directors upon receipt of an undertaking in writing by or on behalf of such person to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the Corporation in respect of such costs and expenses as authorized by this Article and subject to any limitations or qualifications provided by or under the authority of the Board of Directors.

Section 6. Notice of Action; Assumption of the Defense . Promptly after receipt by any person referred to in Section 1, 2 or 5 above in this Article of notice of the commencement of any action, suit or proceeding in respect of which indemnification or advancement of expenses may be sought under any such Section, such person (the "Indemnitee") shall notify the Corporation thereof. The Corporation shall be entitled to participate in the defense of any such action, suit or proceeding and, to the extent that it may wish, except in the case of a criminal action or proceeding, to assume the defense thereof with counsel chosen by it. If the Corporation shall have notified the Indemnitee of its election so to assume the defense, it shall be a condition of any further obligation of the Corporation under such Sections to indemnify the Indemnitee with respect to such action, suit or proceeding that the Indemnitee shall have provided an undertaking in writing to repay all legal or other costs and expenses subsequently incurred by the Corporation in conducting such defense if it shall ultimately be determined that the Indemnitee is not entitled to be indemnified in respect of the costs and expenses of such action, suit or proceeding by the Corporation as authorized by this Article. Notwithstanding anything in this Article to the contrary, after the Corporation shall have notified the Indemnitee of its election so to assume the defense, the Corporation shall not be liable under such Sections for any legal or other costs or expenses subsequently incurred by the Indemnitee in connection with the defense of such action, suit or proceeding, unless (a) the parties thereto include both (i) the Corporation and the Indemnitee, or (ii) the Indemnitee and other persons who may be entitled to seek indemnification or advancement of expenses under any such Section and with respect to whom the Corporation shall have elected to assume the defense, and (b) the counsel chosen by the Corporation to conduct the defense shall have determined, in their sole discretion, that, under applicable standards of professional conduct, a conflict of interest exists that would prevent them from representing both (i) the Corporation and the Indemnitee, or (ii) the Indemnitee and such other persons, as the case may be, in which case the Indemnitee may retain separate counsel at the expense of the Corporation to the extent provided in such Sections and Section 3 above in this Article.

Section 7. Indemnification Not Exclusive. The provision of indemnification to or the advancement of expenses and costs to any person under this Article, or the entitlement of any person to indemnification or advancement of expenses and costs under this Article does not exclude any other rights to which a person seeking indemnification or advancement of expenses may be entitled under the articles of incorporation or any bylaw, agreement, vote of stockholders or disinterested directors or otherwise, for either an action in his official capacity or an action in another capacity while holding his office, except that indemnification, unless ordered by a court pursuant to NRS 78.7502 or for the advancement of expenses made pursuant to Section 5 of this Article may not be made to or on behalf of any director or officer if a final adjudication establishes that his acts or omissions involved intentional misconduct, fraud or a knowing violation of the law and was material to the cause of action.

Section 8. Corporate Obligations; Reliance. The provisions of Sections 1, 2, 4(a) and 5(a) above of this Article shall be deemed to create a binding obligation on the part of the Corporation to the directors, officers, employees and agents of the Corporation, and the persons who are serving at the request of the Corporation as Subsidiary Officers of Associated Entities, on the effective date of this Article and persons thereafter elected as directors and officers or retained as employees or agents, or serving at the request of the Corporation as Subsidiary Officers of Associated Entities (including persons who served as directors, officers, employees and agents, or served at the request of the Corporation as Subsidiary Officers of Associated Entities, on or after such date but who are no longer so serving at the time they present claims for advancement of expenses or indemnity), and such persons in acting in their capacities as directors, officers, employees or agents of the Corporation, or serving at the request of the Corporation as Subsidiary Officers of any Associated Entity, shall be entitled to rely on such provisions of this Article.

Section 9. Further Changes. Neither the amendment nor repeal of this Article, nor the adoption of any provision of the Articles of Incorporation inconsistent with this Article, shall eliminate or reduce the effect of such provisions in respect of any act or omission or any matter occurring prior to such amendment, repeal or adoption of an inconsistent provision regardless of when any cause of action, suit or claim relating to any such matter accrued or matured or was commenced, and such provision shall continue to have effect in respect of such act, omission or matter as if such provision had not been so amended or repealed or if a provision inconsistent therewith had not been so adopted.

Section 10. Successors. The right, if any, 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 Subsidiary Officer of an Associated Entity, to indemnification or advancement of expenses under Sections 1 through 9 above in this Article shall continue after he shall have ceased to be a director, officer, employee or agent or a Subsidiary Officer of an Associated Entity and shall inure to the benefit of the heirs, distributees, executors, administrators and other legal representatives of such person.

Section 11. Insurance. (a) The Corporation may purchase and maintain insurance or make other financial arrangements 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 Subsidiary Officer of any Associated Entity, against any liability asserted against such person and liability and expenses 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 and expenses.

(b) The other financial arrangements made by the Corporation pursuant to subsection (a) may include the following: (i) the creation of a trust fund; (ii) the establishment of a program of self-insurance; (iii) the securing of its obligation of indemnification by granting a security interest or other lien on any assets of the Corporation; and (iv) the establishment of a letter of credit, guaranty or surety. No financial arrangement made pursuant to this subsection may provide protection for a person adjudged by a court of competent jurisdiction, after exhaustion of all appeals therefrom, to be liable for intentional misconduct, fraud or a knowing violation of law, except with respect to the advancement of expenses or indemnification ordered by a court.

(c) Any insurance or other financial arrangement made on behalf of a person pursuant to this section may be provided by the Corporation or any other person approved by the board of directors, even if all or part of the other person's stock or other securities is owned by the Corporation.

(d) In the absence of fraud: (i) the decision of the Board of Directors as to the propriety of the terms and conditions of any insurance or other financial arrangement made pursuant to this Section and the choice of the person to provide the insurance or other financial arrangement is conclusive; and (ii) the insurance or other financial arrangement (A) is not void or voidable, and (B) does not subject any director approving it to personal liability for his action, even if, in either case, a director approving the insurance or other financial arrangement is a beneficiary of the insurance or other financial arrangement.

Section 12. Definitions of Certain Terms. For purposes of this Article, references to "fines" shall include any excise taxes assessed on a person with respect to any employee benefit plan; references to "serving at the request of the Corporation" shall include any service as a director, officer employee or agent of the Corporation or as a Subsidiary Officer of any Associated Entity which service imposes duties on, or involves services by, such person with respect to any 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.

ARTICLE VIII
GENERAL

Section 1. Fiscal Year. The fiscal year of the Corporation shall be such date as shall be fixed by resolution of the Board of Directors from time to time.

Section 2. Corporate Seal. The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization and the words "Corporate Seal, Nevada" The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise upon any paper, certificate or document.

Section 3. Disbursements. All checks, drafts or demands for money out of the funds of the Corporation and all notes and other evidences of indebtedness of the Corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

Section 4. Amendments. These By-Laws may be altered, amended or repealed, in whole or in part, or new By-Laws may be adopted by the stockholders or by the Board of Directors at any meeting thereof; *provided, however*, that notice of such alteration, amendment, repeal or adoption of new By-Laws shall be contained in the notice of such meeting of stockholders or in a notice of such meeting of the Board of Directors, as the case may be. Unless a higher percentage is required by law or by the Articles of Incorporation as to any matter which is the subject of these By-Laws, all such amendments must be approved by either the affirmative vote of holders of shares of capital stock issued and outstanding entitled to vote thereon representing at least a majority of the votes entitled to be cast thereon or by a majority of the entire Board of Directors then in office.

Section 5. Forum for Adjudication of Disputes. Unless the Corporation consents in writing to the selection of an alternative forum, the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim arising pursuant to any provision of the NRS, or (iv) any action asserting a claim governed by the internal affairs doctrine shall be a state or federal court located within the state of North Carolina, in all cases subject to the court's having personal jurisdiction over the indispensible parties named as defendants. Any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Article VIII, Section 5.

Section 6. Definitions. As used in this Article and in these By-Laws generally, the term "entire Board of Directors" means the total number of directors which the Corporation would have if there were no vacancies.

Exhibit 10.1

SPLIT-OFF AGREEMENT

This **SPLIT-OFF AGREEMENT** , dated as of May 22, 2015 (this "**Agreement**"), is entered into by and among Akoustis Technologies, Inc., formerly known as Danlax, Corp, a Nevada corporation (the "**Seller**"), Danlax Enterprise Corp., a Nevada corporation ("**Split-Off Subsidiary**"), and Ivan Krikun ("**Buyer**").

RECITALS:

WHEREAS, Seller is the owner of all of the issued and outstanding capital stock of Split-Off Subsidiary; Split-Off Subsidiary is a wholly owned subsidiary of Seller which will acquire the business assets and liabilities previously held by Seller; and Seller has no other businesses or operations prior to the Merger (as defined herein);

WHEREAS, contemporaneously with the execution of this Agreement, Seller, **Akoustis, Inc.**, a Delaware corporation ("**PrivateCo**"), a newly-formed wholly-owned subsidiary of Seller, Akoustis Acquisition Corp., a Delaware corporation ("**Acquisition Sub**"), and certain other parties thereto, will enter into an Agreement and Plan of Merger and Reorganization (the "**Merger Agreement**") pursuant to which Acquisition Sub will merge with and into PrivateCo with PrivateCo remaining as the surviving entity (the "**Merger**"); and the equity holders of PrivateCo will receive securities of Seller in exchange for their equity interests in PrivateCo;

WHEREAS, the execution, delivery of this Agreement, and the consummation of the assignment, assumption, purchase and sale transactions contemplated by this Agreement are conditions to the completion of the Merger pursuant to the Merger Agreement, and Seller has represented to PrivateCo in the Merger Agreement that the transactions contemplated by this Agreement will be consummated prior to or contemporaneously with the closing of the Merger, and PrivateCo relied on such representation in entering into the Merger Agreement;

WHEREAS, Buyer desires to purchase the Shares (as defined in Section 2.1) from Seller, and to assume, as between Seller and Buyer, all responsibility for any debts, obligations and liabilities of Seller (prior to the Merger) and Split-Off Subsidiary, on the terms and subject to the conditions specified in this Agreement; and

WHEREAS, Seller desires to sell and transfer the Shares to Buyer, on the terms and subject to the conditions specified in this Agreement;

NOW, THEREFORE, in consideration of the premises and the covenants, promises and agreements herein set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending legally to be bound, agree as follows:

I. ASSIGNMENT AND ASSUMPTION OF SELLER'S ASSETS AND LIABILITIES.

Subject to the terms and conditions provided below:

1.1 *Assignment of Assets*. Seller hereby contributes, assigns, conveys and transfers to Split-Off Subsidiary, and Split-Off Subsidiary hereby receives, acquires and accepts, all assets and properties of Seller as of the Closing Date (as defined below) immediately prior to giving effect to the Effective Time, including but not limited to the following, **but excluding in all cases (i) the right, title and assets of Seller in, to and under the Merger Agreement and all other agreements and instruments referred to therein (collectively, the "Transaction Documents"), and (ii) the capital stock of PrivateCo and Split-Off Subsidiary**:

(a) all cash and cash equivalents (having an approximate value of $0);

(b) all accounts receivable (having an approximate value of $0);

(c) all inventories of raw materials, work in process, parts, supplies and finished products;

(d) all right, title and interest, of record, beneficial or otherwise, in and to and stock, membership interests, partnership interests or other equity or ownership interests in any corporation, limited liability company, partnership or other entity, and all bonds, debentures, notes or other securities;

(e) all of Seller's rights, title and interests in, to and under all contracts, agreements, leases, licenses (including software licenses), supply agreements, consulting agreements, commitments, purchase orders, customer orders and work orders, and including all of Seller's rights thereunder to use and possess equipment provided by third parties, and all representations, warranties, covenants and guarantees related to the foregoing (provided that, to the extent any of the foregoing or any claim or right or benefit arising thereunder or resulting therefrom is not assignable by its terms or the assignment thereof shall require the consent or approval of another party thereto, this Agreement shall not constitute an assignment thereof if an attempted assignment would be in violation of the terms thereof or if such consent is not obtained prior to the Effective Time, and in lieu thereof Seller shall reasonably cooperate with Split-Off Subsidiary in any reasonable arrangement designed to provide Split-Off Subsidiary the benefits thereunder or any claim or right arising thereunder);

(f) all intellectual property, including but not limited to issued patents, patent applications (whether or not patents are issued thereon and whether modified, withdrawn or resubmitted), unpatented inventions, product designs, copyrights (whether registered or unregistered), know-how, technology, trade secrets, technical information, notebooks, drawings, software, computer coding (both object and source) and all documentation, manuals and drawings related thereto, trademarks or service marks and applications therefor, unregistered trademarks or service marks, trade names, logos and icons and all rights to sue or recover for the infringement or misappropriation thereof;

(g) all fixed assets, including but not limited to the machinery, equipment, furniture, vehicles, office equipment and other tangible personal property owned or leased by Seller;

(h) all customer lists, business records, customer records and files, customer financial records, and all other files and information related to customers, all customer proposals, all open service agreements with customers and all uncompleted customer contracts and agreements; and

(i) to the extent legally assignable, all licenses, permits, certificates, approvals and authorizations issued by Governmental Entities and necessary to own, lease or operate the assets and properties of Seller and to conduct Seller's business as it is presently conducted;

all of the foregoing being referred to herein as the "**Assigned Assets**."

1.2 *Assignment and Assumption of Liabilities*. Seller hereby assigns to Split-Off Subsidiary, and Split-Off Subsidiary hereby assumes and agrees to pay, honor and discharge all debts, adverse claims, liabilities, judgments and obligations, including tax obligations, of Seller as of the Closing Date immediately prior to the Effective Time, whether accrued, contingent or otherwise and whether known or unknown, including those arising under any law (including the common law) or any rule or regulation of any Governmental Entity or imposed by any court or any arbitrator in a binding arbitration resulting from, arising out of or relating to the assets, activities, operations, actions or omissions of Seller, or products manufactured or sold thereby or services provided thereby, or under contracts, agreements (whether written or oral), leases, commitments or undertakings thereof, **but excluding in all cases the obligations of Seller under the Transaction Documents** (all of the foregoing being referred to herein as the "**Assigned Liabilities**").

The assignment and assumption of Seller's assets and liabilities provided for in this Article I is referred to as the "**Assignment**."

II. PURCHASE AND SALE OF STOCK.

2.1 *Purchased Shares*. Subject to the terms and conditions provided below, Seller shall sell and transfer to Buyer and Buyer shall purchase from Seller, on the Closing Date (as defined in Section 3.1), all of the issued and outstanding shares of capital stock of Split-Off Subsidiary (the "Shares"), as set forth in Exhibit A attached hereto.

2.2 *Purchase Price*. The purchase price for the Shares shall consist of the transfer and delivery by Buyer to Seller of the type and number of shares of common stock and other securities of Seller that Buyer owns (the "**Purchase Price Securities**"), as set forth in Exhibit A attached hereto, deliverable as provided in Section 3.3.

III. CLOSING.

3.1 *Closing*. The closing of the transactions contemplated in this Agreement (the "**Closing**") shall take place prior to or contemporaneously with the closing of the Merger immediately prior to the Effective Time. The date on which the Closing occurs shall be referred to herein as the "**Closing Date**."

3.2 *Transfer of Shares*. At the Closing, Seller shall deliver to Buyer certificates representing the Shares purchased by Buyer, duly endorsed to Buyer or as directed by Buyer, which delivery shall vest Buyer with good and marketable title to such Shares, free and clear of all liens and encumbrances.

3.3 *Payment of Purchase Price*. At the Closing, Buyer shall deliver to Seller a certificate or certificates representing Buyer's Purchase Price Securities duly endorsed to Seller, which delivery shall vest Seller with good and marketable title to the Purchase Price Securities, free and clear of all liens and encumbrances.

3.4 *Transfer of Records*. On or before the Closing, Seller shall transfer to Split-Off Subsidiary all existing corporate books and records in Seller's possession relating to Split-Off Subsidiary and its business, including but not limited to all agreements, litigation files, real estate files, personnel files and filings with governmental agencies; *provided, however*, when any such documents relate to both Seller and Split-Off Subsidiary, only copies of such documents need be furnished. On or before the Closing, Buyer and Split-Off Subsidiary shall transfer to Seller all existing corporate books and records in the possession of Buyer or Split-Off Subsidiary relating to Seller, including but not limited to all corporate minute books, stock ledgers, certificates and corporate seals of Seller and all agreements, litigation files, real property files, personnel files and filings with governmental agencies; *provided, however*, when any such documents relate to both Seller and Split-Off Subsidiary or its business, only copies of such documents need be furnished.

3.5 *Instruments of Assignment*. At the Closing, Seller and Split-Off Subsidiary shall deliver to each other such instruments providing for the Assignment as the other may reasonably request (the "**Instruments of Assignment**").

IV. **BUYER'S REPRESENTATIONS AND WARRANTIES**. Buyer represents and warrants to Seller and Split-Off Subsidiary that:

4.1 *Capacity and Enforceability*. Buyer has the legal capacity to execute and deliver this Agreement and the documents to be executed and delivered by Buyer at the Closing pursuant to the transactions contemplated hereby. This Agreement and all such documents constitute valid and binding agreements of Buyer, enforceable in accordance with their terms.

4.2 *Compliance*. Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby by Buyer will result in the breach of any term or provision of, or constitute a default under, or violate any agreement, indenture, instrument, order, law or regulation to which Buyer is a party or by which Buyer is bound.

4 . 3 *Purchase for Investment*. Buyer is financially able to bear the economic risks of acquiring the Shares and the other transaction contemplated hereby and has no need for liquidity in his investment in the Shares. Buyer has such knowledge and experience in financial and business matters in general, and with respect to businesses of a nature similar to the business of Split-Off Subsidiary (after giving effect to the Assignment), so as to be capable of evaluating the merits and risks of, and making an informed business decision with regard to, the acquisition of the Shares and the other transactions contemplated hereby. Buyer is acquiring the Shares solely for his own account and not with a view to or for resale in connection with any distribution or public offering thereof, within the meaning of any applicable securities laws and regulations, unless such distribution or offering is registered under the Securities Act of 1933, as amended (the "Securities Act"), or an exemption from such registration is available. Buyer has (i) received all the information he has deemed necessary to make an informed decision with respect to the acquisition of the Shares and the other transactions contemplated hereby; (ii) had an opportunity to make such investigation as he has desired pertaining to Split-Off Subsidiary (after giving effect to the Assignment) and the acquisition of an interest therein and the other transactions contemplated hereby, and to verify the information which is, and has been, made available to him; and (iii) had the opportunity to ask questions of Seller concerning Split-Off Subsidiary (after giving effect to the Assignment). Buyer acknowledges that Buyer is a current director and officer of Seller and Split-Off Subsidiary and, as such, has actual knowledge of the business, operations and financial affairs of Split-Off Subsidiary (after giving effect to the Assignment). Buyer has received no public solicitation or advertisement with respect to the offer or sale of the Shares. Buyer realizes that the Shares are "restricted securities" as that term is defined in Rule 144 promulgated by the Securities and Exchange Commission under the Securities Act, the resale of the Shares is restricted by federal and state securities laws and, accordingly, the Shares must be held indefinitely unless their resale is subsequently registered under the Securities Act or an exemption from such registration is available for their resale. Buyer understands that any resale of the Shares by him must be registered under the Securities Act (and any applicable state securities law) or be effected in circumstances that, in the opinion of counsel for Split-Off Subsidiary at the time, create an exemption or otherwise do not require registration under the Securities Act (or applicable state securities laws). Buyer acknowledges and consents that certificates now or hereafter issued for the Shares will bear a legend substantially as follows:

> THE SECURITIES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR QUALIFIED UNDER ANY APPLICABLE STATE SECURITIES LAWS (THE "STATE ACTS"), HAVE BEEN ACQUIRED FOR INVESTMENT AND MAY NOT BE SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO A REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND QUALIFICATION UNDER THE STATE ACTS OR PURSUANT TO EXEMPTIONS FROM SUCH REGISTRATION OR QUALIFICATION REQUIREMENTS (INCLUDING, IN THE CASE OF THE SECURITIES ACT, THE EXEMPTIONS AFFORDED BY SECTION 4(1) OF THE SECURITIES ACT AND RULE 144 THEREUNDER). AS A PRECONDITION TO ANY SUCH TRANSFER, THE ISSUER OF THESE SECURITIES SHALL BE FURNISHED WITH AN OPINION OF COUNSEL OPINING AS TO THE AVAILABILITY OF EXEMPTIONS FROM SUCH REGISTRATION AND QUALIFICATION AND/OR SUCH OTHER EVIDENCE AS MAY BE SATISFACTORY THERETO THAT ANY SUCH TRANSFER WILL NOT VIOLATE THE SECURITIES LAWS.

Buyer understands that the Shares are being sold to him pursuant to the exemption from registration contained in Section 4(1) of the Securities Act and that Seller is relying upon the representations made herein as one of the bases for claiming the Section 4(1) exemption.

4.4 *Liabilities*. Following the Closing, Seller will have no liability for any debts, liabilities or obligations of Split-Off Subsidiary or its business or activities, or the business or activities of Seller prior to the Closing that are unrelated to the business of PrivateCo, and there are no outstanding guaranties, performance or payment bonds, letters of credit or other contingent contractual obligations that have been undertaken by Seller directly or indirectly in relation to Split-Off Subsidiary or its business, or the business of Seller prior to the Closing that are unrelated to the business of PrivateCo, and that may survive the Closing.

4.5 *Title to Purchase Price Securities*. Buyer is the sole record and beneficial owner of the Purchase Price Securities. At Closing, Buyer will have good and marketable title to the Purchase Price Securities, which Purchase Price Securities are, and at the Closing will be, free and clear of all options, warrants, pledges, claims, liens and encumbrances, and any restrictions or limitations prohibiting or restricting transfer to Seller, except for restrictions on transfer as contemplated by applicable securities laws.

V. **SELLER'S AND SPLIT-OFF SUBSIDIARY'S REPRESENTATIONS AND WARRANTIES**. Seller and Split-Off Subsidiary, as applicable, represent and warrant to Buyer that:

5.1 *Organization and Good Standing*. Each of Seller and Split-Off Subsidiary is a corporation duly incorporated, validly existing, and in good standing under the laws of the State of Nevada.

5.2 *Authority and Enforceability*. The execution and delivery of this Agreement and the documents to be executed and delivered at the Closing pursuant to the transactions contemplated hereby, and performance in accordance with the terms hereof and thereof, have been duly authorized by Seller and Split-Off Subsidiary and all such documents constitute valid and binding agreements of Seller and Split-Off Subsidiary enforceable in accordance with their terms.

5.3 *Title to Shares*. Seller is the sole record and beneficial owner of the Shares. At Closing, Seller will have good and marketable title to the Shares, which Shares are, and at the Closing will be, free and clear of all options, warrants, pledges, claims, liens and encumbrances, and any restrictions or limitations prohibiting or restricting transfer to Buyer, except for restrictions on transfer as contemplated by Section 4.3 above. The Shares constitute all of the issued and outstanding shares of capital stock of Split-Off Subsidiary.

5.4 *Representations in Merger Agreement*. Split-Off Subsidiary represents and warrants that all of the representations and warranties by Seller, insofar as they relate to Split-Off Subsidiary, contained in the Merger Agreement are true and correct.

VI. **OBLIGATIONS OF BUYER PENDING CLOSING**. Buyer covenants and agrees that between the date hereof and the Closing:

6.1 *Not Impair Performance*. Buyer shall not take any intentional action that would cause the conditions upon the obligations of the parties hereto to effect the transactions contemplated hereby not to be fulfilled, including, without limitation, taking or causing to be taken any action that would cause the representations and warranties made by any party herein not to be true, correct and accurate as of the Closing, or in any way impairing the ability of Seller to satisfy its obligations as provided in Article VII.

6.2 *Assist Performance*. Buyer shall exercise reasonable best efforts to cause to be fulfilled those conditions precedent to Seller's obligations to consummate the transactions contemplated hereby which are dependent upon actions of Buyer and to make and/or obtain any necessary filings and consents in order to consummate the transactions contemplated by this Agreement.

VII. **OBLIGATIONS OF SELLER AND SPLIT-OFF SUBSIDIARY PENDING CLOSING**. Seller and Split-Off Subsidiary covenant and agree that between the date hereof and the Closing:

7.1 *Business as Usual*. Split-Off Subsidiary shall operate and Seller shall cause Split-Off Subsidiary to operate in accordance with past practices and shall use best efforts to preserve its goodwill and the goodwill of its employees, customers and others having business dealings with Split-Off Subsidiary. Without limiting the generality of the foregoing, from the date of this Agreement until the Closing Date, Split-Off Subsidiary shall (a) make all normal and customary repairs to its equipment, assets and facilities, (b) keep in force all insurance, (c) preserve in full force and effect all material franchises, licenses, contracts and real property interests and comply in all material respects with all laws and regulations, (d) collect all accounts receivable and pay all trade creditors in the ordinary course of business at intervals historically experienced, and (e) preserve and maintain Split-Off Subsidiary's assets in their current operating condition and repair, ordinary wear and tear excepted. From the date of this Agreement until the Closing Date, Split-Off Subsidiary shall not (i) amend, terminate or surrender any material franchise, license, contract or real property interest, or (ii) sell or dispose of any of its assets except in the ordinary course of business. Neither Split-Off Subsidiary nor Seller shall take or omit to take any action that results in Buyer incurring any liability or obligation prior to or in connection with the Closing.

7.2 *Not Impair Performance*. Seller shall not take any intentional action that would cause the conditions upon the obligations of the parties hereto to effect the transactions contemplated hereby not to be fulfilled, including, without limitation, taking or causing to be taken any action which would cause the representations and warranties made by any party herein not to be materially true, correct and accurate as of the Closing, or in any way impairing the ability of Buyer to satisfy his obligations as provided in Article VI.

7.3 *Assist Performance*. Seller shall exercise its reasonable best efforts to cause to be fulfilled those conditions precedent to Buyer's obligations to consummate the transactions contemplated hereby which are dependent upon the actions of Seller and to work with Buyer to make and/or obtain any necessary filings and consents. Seller shall cause Split-Off Subsidiary to comply with its obligations under this Agreement.

VIII. **SELLER'S AND SPLIT-OFF SUBSIDIARY'S CONDITIONS PRECEDENT TO CLOSING**. The obligations of Seller and Split-Off Subsidiary to close the transactions contemplated by this Agreement are subject to the satisfaction at or prior to the Closing of each of the following conditions precedent (any or all of which may be waived by Seller and PrivateCo in writing):

8.1 *Representations and Warranties; Performance*. All representations and warranties of Buyer contained in this Agreement shall have been true and correct, in all material respects, when made and shall be true and correct, in all material respects, at and as of the Closing, with the same effect as though such representations and warranties were made at and as of the Closing. Buyer shall have performed and complied with all covenants and agreements and satisfied all conditions, in all material respects, required by this Agreement to be performed or complied with or satisfied by Buyer at or prior to the Closing.

8.2 *Additional Documents*. Buyer shall deliver or cause to be delivered such additional documents as may be necessary in connection with the consummation of the transactions contemplated by this Agreement and the performance of their obligations hereunder.

8.3 *Release by Split-Off Subsidiary*. At the Closing, Split-Off Subsidiary shall execute and deliver to Seller a general release which in substance and effect releases Seller and PrivateCo from any and all liabilities and obligations that Seller and PrivateCo may owe to Split-Off Subsidiary in any capacity, and from any and all claims that Split-Off Subsidiary may have against Seller, PrivateCo or their respective managers, members, officers, directors, stockholders, employees and agents (other than those arising pursuant to this Agreement or any document delivered in connection with this Agreement).

8.4 *Completion of Merger*. The closing of the Merger pursuant to the Merger Agreement, and all of the transactions contemplated thereby, shall occur simultaneously.

IX. **BUYER'S CONDITIONS PRECEDENT TO CLOSING**. The obligation of Buyer to close the transactions contemplated by this Agreement is subject to the satisfaction at or prior to the Closing of each of the following conditions precedent (any and all of which may be waived by Buyer in writing):

9.1 *Representations and Warranties; Performance*. All representations and warranties of Seller and Split-Off Subsidiary contained in this Agreement shall have been true and correct, in all material respects, when made and shall be true and correct, in all material respects, at and as of the Closing with the same effect as though such representations and warranties were made at and as of the Closing. Seller and Split-Off Subsidiary shall have performed and complied with all covenants and agreements and satisfied all conditions, in all material respects, required by this Agreement to be performed or complied with or satisfied by them at or prior to the Closing.

X. **OTHER AGREEMENTS**.

10.1 *Expenses*. Each party hereto shall bear its expenses separately incurred in connection with this Agreement and with the performance of its obligations hereunder.

10.2 *Confidentiality*. Buyer shall not make any public announcements concerning this transaction without the prior written agreement of PrivateCo, other than as may be required by applicable law or judicial process. If for any reason the transactions contemplated hereby are not consummated, then Buyer shall return any information received by Buyer from Seller or Split-Off Subsidiary, and Buyer shall cause all confidential information obtained by Buyer concerning Split-Off Subsidiary and its business to be treated as such.

10.3 *Brokers' Fees*. In connection with the transaction specifically contemplated by this Agreement, no party to this Agreement has employed the services of a broker and each agrees to indemnify the other against all claims of any third parties for fees and commissions of any brokers claiming a fee or commission related to the transactions contemplated hereby.

10.4 *Access to Information Post-Closing; Cooperation.*

(a) Following the Closing, Buyer and Split-Off Subsidiary shall afford to Seller and its authorized accountants, counsel and other designated representatives, reasonable access (and including using reasonable efforts to give access to persons or firms possessing information) and duplicating rights during normal business hours to allow records, books, contracts, instruments, computer data and other data and information (collectively, "**Information**") within the possession or control of Buyer or Split-Off Subsidiary insofar as such access is reasonably required by Seller. Information may be requested under this Section 10.4(a) for, without limitation, audit, accounting, claims, litigation and tax purposes, as well as for purposes of fulfilling disclosure and reporting obligations and performing this Agreement and the transactions contemplated hereby. No files, books or records of Split-Off Subsidiary existing at the Closing Date shall be destroyed by Buyer or Split-Off Subsidiary after Closing but prior to the expiration of any period during which such files, books or records are required to be maintained and preserved by applicable law without giving Seller at least 30 days' prior written notice, during which time Seller shall have the right to examine and to remove any such files, books and records prior to their destruction.

(b) Following the Closing, Seller shall afford to Split-Off Subsidiary and its authorized accountants, counsel and other designated representatives reasonable access (including using reasonable efforts to give access to persons or firms possessing information) and duplicating rights during normal business hours to Information within Seller's possession or control relating to the business of Split-Off Subsidiary insofar as such access is reasonably required by Buyer. Information may be requested under this Section 10.4(b) for, without limitation, audit, accounting, claims, litigation and tax purposes as well as for purposes of fulfilling disclosure and reporting obligations and for performing this Agreement and the transactions contemplated hereby. No files, books or records of Split-Off Subsidiary existing at the Closing Date shall be destroyed by Seller after Closing but prior to the expiration of any period during which such files, books or records are required to be maintained and preserved by applicable law without giving Buyer at least 30 days' prior written notice, during which time Buyer shall have the right to examine and to remove any such files, books and records prior to their destruction.

(c) At all times following the Closing, Seller, Buyer and Split-Off Subsidiary shall use their reasonable efforts to make available to the other on written request, the current and former officers, directors, employees and agents of Seller or Split-Off Subsidiary for any of the purposes set forth in Section 10.4(a) or (b) above or as witnesses to the extent that such persons may reasonably be required in connection with any legal, administrative or other proceedings in which Seller or Split-Off Subsidiary may from time to be involved.

(d) The party to whom any Information or witnesses are provided under this Section 10.4 shall reimburse the provider thereof for all out-of-pocket expenses actually and reasonably incurred in providing such Information or witnesses.

(e) Seller, Buyer, Split-Off Subsidiary and their respective employees and agents shall each hold in strict confidence all Information concerning the other party in their possession or furnished by the other or the other's representative pursuant to this Agreement with the same degree of care as such party utilizes as to such party's own confidential information (except to the extent that such Information is (i) in the public domain through no fault of such party or (ii) later lawfully acquired from any other source by such party), and each party shall not release or disclose such Information to any other person, except such party's auditors, attorneys, financial advisors, bankers, other consultants and advisors or persons to whom such party has a valid obligation to disclose such Information, unless compelled to disclose such Information by judicial or administrative process or, as advised by its counsel, by other requirements of law.

(f) Seller, Buyer and Split-Off Subsidiary shall each use their best efforts to forward promptly to the other party all notices, claims, correspondence and other materials which are received and determined to pertain to the other party.

10.5 *Guarantees, Surety Bonds and Letter of Credit Obligations*. In the event that Seller is obligated for any debts, obligations or liabilities of Split-Off Subsidiary by virtue of any outstanding guarantee, performance or surety bond or letter of credit provided or arranged by Seller on or prior to the Closing Date, Buyer and Split-Off Subsidiary shall use their best efforts to cause to be issued replacements of such bonds, letters of credit and guarantees and to obtain any amendments, novations, releases and approvals necessary to release and discharge fully Seller from any liability thereunder following the Closing. Buyer and Split-Off Subsidiary, jointly and severally, shall be responsible for, and shall indemnify, hold harmless and defend Seller from and against, any costs or losses incurred by Seller arising from such bonds, letters of credit and guarantees and any liabilities arising therefrom and shall reimburse Seller for any payments that Seller may be required to pay pursuant to enforcement of its obligations relating to such bonds, letters of credit and guarantees.

10.6 *Filings and Consents*. Buyer, at his risk, shall determine what, if any, filings and consents must be made and/or obtained prior to Closing to consummate the purchase and sale of the Shares. Buyer shall indemnify the Seller Indemnified Parties (as defined in Section 12.1 below) against any Losses (as defined in Section 12.1 below) incurred by such Seller Indemnified Parties by virtue of the failure to make and/or obtain any such filings or consents. Recognizing that the failure to make and/or obtain any filings or consents may cause Seller to incur Losses or otherwise adversely affect Seller, Buyer and Split-Off Subsidiary confirm that the provisions of this Section 10.6 will not limit Seller's right to treat such failure as the failure of a condition precedent to Seller's obligation to close pursuant to Article VIII above.

10.7 *Insurance*. Buyer acknowledges that on the Closing Date, effective as of the Closing, any insurance coverage and bonds provided by Seller for Buyer or for Split-Off Subsidiary, and all certificates of insurance evidencing that Buyer or Split-Off Subsidiary maintain any required insurance by virtue of insurance provided by Seller, will terminate with respect to any insured damages resulting from matters occurring subsequent to Closing.

10.8 *Agreements Regarding Taxes*.

(a) Tax Sharing Agreements. Any tax sharing agreement between Seller and Split-Off Subsidiary is terminated as of the Closing Date and will have no further effect for any taxable year (whether the current year, a future year or a past year).

(b) Returns for Periods Through the Closing Date. Seller will include the income and loss of Split-Off Subsidiary (including any deferred income triggered into income by Reg. §1.1502-13 and any excess loss accounts taken into income under Reg. §1.1502-19) on Seller's consolidated federal income tax returns for all periods through the Closing Date and pay any federal income taxes attributable to such income. Seller and Split-Off Subsidiary agree to allocate income, gain, loss, deductions and credits between the period up to Closing (the "**Pre-Closing Period**") and the period after Closing (the "**Post-Closing Period**") based on a closing of the books of Split-Off Subsidiary, and both Seller and Split-Off Subsidiary agree not to make an election under Reg. §1.1502-76(b)(2)(ii) to ratably allocate the year's items of income, gain, loss, deduction and credit. Seller, Split-Off Subsidiary and Buyer agree to report all transactions not in the ordinary course of business occurring on the Closing Date after Buyer's purchase of the Shares on Split-Off Subsidiary's tax returns to the extent permitted by Reg. §1.1502-76(b)(1)(ii)(B). Buyer agrees to indemnify Seller for any additional tax owed by Seller (including tax owed by Seller due to this indemnification payment) resulting from any transaction engaged in by Split-Off Subsidiary or Seller (not related to the Merger) during the Pre-Closing Period or on the Closing Date before Buyer's purchase of the Shares. Split-Off Subsidiary will furnish tax information to Seller for inclusion in Seller's consolidated federal income tax return for the period which includes the Closing Date in accordance with Split-Off Subsidiary's past custom and practice.

(c) Audits. Seller will allow Split-Off Subsidiary and its counsel to participate at Split-Off Subsidiary's expense in any audit of Seller's consolidated federal income tax returns to the extent that such audit raises issues that relate to and increase the tax liability of Split-Off Subsidiary. Seller shall have the absolute right, in its sole discretion, to engage professionals and direct the representation of Seller in connection with any such audit and the resolution thereof, without receiving the consent of Buyer or Split-Off Subsidiary or any other party acting on behalf of Buyer or Split-Off Subsidiary, provided that Seller will not settle any such audit in a manner which would materially adversely affect Split-Off Subsidiary after the Closing Date unless such settlement would be reasonable in the case of a person that owned Split-Off Subsidiary both before and after the Closing Date. In the event that after Closing any tax authority informs Buyer or Split-Off Subsidiary of any notice of proposed audit, claim, assessment or other dispute concerning an amount of taxes which pertain to Seller, or to Split-Off Subsidiary during the period prior to Closing, Buyer or Split-Off Subsidiary must promptly notify Seller of the same within 15 calendar days of the date of the notice from the tax authority. In the event Buyers or Split-Off Subsidiary do not notify Seller within such 15 day period, Buyer and Split-Off Subsidiary, jointly and severally, will indemnify Seller for any incremental interest, penalty or other assessments resulting from the delay in giving notice. To the extent of any conflict or inconsistency, the provisions of this Section 10.8 shall control over the provisions of Section 12.2 below.

(d) Cooperation on Tax Matters. Buyer, Seller and Split-Off Subsidiary shall cooperate fully, as and to the extent reasonably requested by any party, in connection with the filing of tax returns pursuant to this Section and any audit, litigation or other proceeding with respect to taxes. Such cooperation shall include the retention and (upon the other party's request) the provision of records and information which are reasonably relevant to any such audit, litigation or other proceeding and making employees available on a mutually convenient basis to provide additional information and explanation of any material provided hereunder. Split-Off Subsidiary shall (i) retain all books and records with respect to tax matters pertinent to Split-Off Subsidiary and Seller relating to any taxable period beginning before the Closing Date until the expiration of the statute of limitations (and, to the extent notified by Seller, any extensions thereof) of the respective taxable periods, and abide by all record retention agreements entered into with any taxing authority, and (ii) give Seller reasonable written notice prior to transferring, destroying or discarding any such books and records and, if Seller so requests, Buyer agrees to cause Split-Off Subsidiary to allow Seller to take possession of such books and records.

10.9 *ERISA*. Effective as of the Closing Date, Split-Off Subsidiary shall terminate its participation in, and withdraw from, any employee benefit plans sponsored by Seller, and Seller and Buyer shall cooperate fully in such termination and withdrawal. Without limitation, Split-Off Subsidiary shall be solely responsible for (i) all liabilities under those employee benefit plans notwithstanding any status as an employee benefit plan sponsored by Seller, and (ii) all liabilities for the payment of vacation pay, severance benefits, and similar obligations, including, without limitation, amounts which are accrued but unpaid as of the Closing Date with respect thereto. Buyer and Split-Off Subsidiary acknowledge and agree that Split-Off Subsidiary is solely responsible for providing continuation health coverage, as required under the Consolidated Omnibus Reconciliation Act of 1985, as amended ("**COBRA**"), to each person, if any, participating in an employee benefit plan subject to COBRA with respect to such employee benefit plan as of the Closing Date, including, without limitation, any person whose employment with Split-Off Subsidiary is terminated after the Closing Date.

XI. **TERMINATION**. This Agreement may be terminated at, or at any time prior to, the Closing by mutual written consent of Seller, Buyer and PrivateCo.

If this Agreement is terminated as provided herein, it shall become wholly void and of no further force and effect and there shall be no further liability or obligation on the part of any party except to pay such expenses as are required of such party.

XII. **INDEMNIFICATION**.

12.1 *Indemnification by Buyer and Split-Off Subsidiary*. Buyer and Split-Off Subsidiary, jointly and severally, covenant and agree to indemnify, defend, protect and hold harmless Seller and PrivateCo, and their respective officers, directors, employees, stockholders, agents, representatives and Affiliates (collectively, the "**Seller Indemnified Parties**") at all times from and after the date of this Agreement from and against all losses, liabilities, damages, claims, actions, suits, proceedings, demands, assessments, adjustments, costs and expenses (including specifically, but without limitation, reasonable attorneys' fees and expenses of investigation), whether or not involving a third party claim and regardless of any negligence of any Seller Indemnified Party (collectively, "**Losses**"), incurred by any Seller Indemnified Party as a result of or arising from (i) any breach of the representations and warranties of Buyer set forth herein or in certificates delivered in connection herewith, (ii) any breach or nonfulfillment of any covenant or agreement (including any other agreement of Buyers to indemnify set forth in this Agreement) on the part of Buyer under this Agreement, (iii) any Assigned Asset or Assigned Liability or any other debt, liability or obligation of Split-Off Subsidiary, (iv) the conduct and operations, (A) prior to Closing, of the business of Seller unrelated to the assets that are the subject of the Merger, (B) whether before or after Closing, of (X) the business of Seller pertaining to the Assigned Assets and Assigned Liabilities or (Y) the business of Split-Off Subsidiary, (v) claims asserted (including claims for payment of taxes), whether before or after Closing, (A) against Split-Off Subsidiary or (B) pertaining to the Assigned Assets and Assigned Liabilities or to the business of Seller prior to the Closing, or (vi) any federal or state income tax payable by Seller or PrivateCo and attributable to the transactions contemplated by this Agreement or to the business of Seller prior to the Closing. For the purposes of this Agreement, an "Affiliate" is a person or entity that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, another specified person or entity.

12.2 *Third Party Claims*.

(a) Defense. If any claim or liability (a "**Third-Party Claim**") should be asserted against any of the Seller Indemnified Parties (the "**Indemnitees**") by a third party after the Closing for which Buyer has an indemnification obligation under the terms of Section 12.1, then the Indemnitee shall notify Buyer (collectively, the "**Indemnitor**") within 20 days after the Third-Party Claim is asserted by a third party (said notification being referred to as a "**Claim Notice**") and give the Indemnitor a reasonable opportunity to take part in any examination of the books and records of the Indemnitee relating to such Third-Party Claim and to assume the defense of such Third-Party Claim and, in connection therewith, to conduct any proceedings or negotiations relating thereto and necessary or appropriate to defend the Indemnitee and/or settle the Third-Party Claim. The expenses (including reasonable attorneys' fees) of all negotiations, proceedings, contests, lawsuits or settlements with respect to any Third-Party Claim shall be borne by the Indemnitor. If the Indemnitor agrees to assume the defense of any Third-Party Claim in writing within 20 days after the Claim Notice of such Third-Party Claim has been delivered, through counsel reasonably satisfactory to Indemnitee, then the Indemnitor shall be entitled to control the conduct of such defense, and any decision to settle such Third-Party Claim, and shall be responsible for any expenses of the Indemnitee in connection with the defense of such Third-Party Claim so long as the Indemnitor continues such defense until the final resolution of such Third-Party Claim. The Indemnitor shall be responsible for paying all settlements made or judgments entered with respect to any Third-Party Claim the defense of which has been assumed by the Indemnitor. Except as provided in subsection (b) below, both the Indemnitor and the Indemnitee must approve any settlement of a Third-Party Claim. A failure by the Indemnitee to timely give the Claim Notice shall not excuse Indemnitor from any indemnification liability except only to the extent that the Indemnitor is materially and adversely prejudiced by such failure.

(b) Failure to Defend. If the Indemnitor shall not agree to assume the defense of any Third-Party Claim in writing within 20 days after the Claim Notice of such Third-Party Claim has been delivered, or shall fail to continue such defense until the final resolution of such Third-Party Claim, then the Indemnitee may defend against such Third-Party Claim in such manner as it may deem appropriate and the Indemnitee may settle such Third-Party Claim, in its sole discretion, on such terms as it may deem appropriate; provided however, that the Indemnitor shall (i) promptly reimburse the Indemnitee for the amount of all settlement payments and expenses, legal and otherwise, incurred by the Indemnitee in connection with the defense or settlement of such Third-Party Claim, or (ii) shall pay, in advance of any settlement or proceedings and in installments as reasonably agreed to by the parties, such sums and expenses reasonably expected to be incurred in connection with the defense of the Third-Party Claim and any settlement thereof. If no settlement of such Third-Party Claim is made, then the Indemnitor shall satisfy any judgment rendered with respect to such Third-Party Claim before the Indemnitee is required to do so, and pay all expenses, legal or otherwise, incurred by the Indemnitee in the defense against such Third-Party Claim.

12.3 *Non-Third-Party Claims*. Upon discovery of any claim for which Buyer has an indemnification obligation under the terms of Section 12.1 which does not involve a claim by a third party against the Indemnitee, the Indemnitee shall give prompt notice to Buyer of such claim and, in any case, shall give Buyer such notice within 30 days of such discovery. A failure by Indemnitee to timely give the foregoing notice to Buyer shall not excuse Buyer from any indemnification liability except to the extent that Buyer is materially and adversely prejudiced by such failure.

12.4 *Survival*. Except as otherwise provided in this Section 12.4, all representations and warranties made by Buyer, Split-Off Subsidiary and Seller in connection with this Agreement shall survive the Closing. Anything in this Agreement to the contrary notwithstanding, the liability of all Indemnitors under this Article XII shall terminate on the third (3rd) anniversary of the Closing Date, except with respect to (a) liability for any item as to which, prior to the third (3rd) anniversary of the Closing Date, any Indemnitee shall have asserted a Claim in writing, which Claim shall identify its basis with reasonable specificity, in which case the liability for such Claim shall continue until it shall have been finally settled, decided or adjudicated, (b) liability of any party for Losses for which such party has an indemnification obligation, incurred as a result of such party's breach of any covenant or agreement to be performed by such party after the Closing, (c) liability of Buyer for Losses incurred by a Seller Indemnified Party due to breaches of its representations and warranties in Article IV of this Agreement, and (d) liability of Buyer for Losses arising out of Third-Party Claims for which Buyer has an indemnification obligation, which liability shall survive until the statute of limitation applicable to any third party's right to assert a Third-Party Claim bars assertion of such claim.

XIII. **MISCELLANEOUS**.

13.1 *Definitions*. Capitalized terms used herein without definition have the meanings ascribed to them in the Merger Agreement.

13.2 *Notices*. All notices and communications required or permitted hereunder shall be in writing and deemed given when received by means of the United States mail, addressed to the party to be notified, postage prepaid and registered or certified with return receipt requested, or personal delivery, or overnight courier, as follows:

(a) If to Seller, addressed to:

Akoustis Technologies, Inc.
f/k/a Danlax, Corp.
Transportnaya Street, 58-7
Nizhneudinsk, Russia 665106
Attn: Ivan Krikun
Telephone: 702 605-4427
Facsimile:

With a copy to (which shall not constitute notice hereunder):

CKR Law LLP
1330 Avenue of the Americas, 35th Floor
New York, NY 10022
Attention: Mark Crone, Esq.
Telephone: 212-400-6900
Facsimile: 212-400-6901

(b) If to Buyer or Split-Off Subsidiary, addressed to:

Ivan Krikun
Transportnaya Street, 58-7
Nizhneudinsk, Russia 665106
Telephone: 702 605-4427
Facsimile:

or to such other address as any party hereto shall specify pursuant to this Section 13.2 from time to time.

13.3 *Exercise of Rights and Remedies*. Except as otherwise provided herein, no delay of or omission in the exercise of any right, power or remedy accruing to any party as a result of any breach or default by any other party under this Agreement shall impair any such right, power or remedy, nor shall it be construed as a waiver of or acquiescence in any such breach or default, or of any similar breach or default occurring later; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default occurring before or after that waiver.

13.4 *Time*. Time is of the essence with respect to this Agreement.

13.5 *Reformation and Severability*. In case any provision of this Agreement shall be invalid, illegal or unenforceable, it shall, to the extent possible, be modified in such manner as to be valid, legal and enforceable but so as to most nearly retain the intent of the parties, and if such modification is not possible, such provision shall be severed from this Agreement, and in either case the validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby.

13.6 *Further Acts and Assurances*. From and after the Closing, Seller, Buyer and Split-Off Subsidiary agree that each will act in a manner supporting compliance, including compliance by its Affiliates, with all of its obligations under this Agreement and, from time to time, shall, at the request of another party hereto, and without further consideration, cause the execution and delivery of such other instruments of conveyance, transfer, assignment or assumption and take such other action or execute such other documents as such party may reasonably request in order more effectively to convey, transfer to and vest in Buyer, and to put Split-Off Subsidiary in possession of, all Assigned Assets and Assigned Liabilities, and to convey, transfer to and vest in Seller and Buyer, and to them in possession of, the Purchase Price Securities and the Shares (respectively), and, in the case of any contracts and rights that cannot be effectively transferred without the consent or approval of another person that is unobtainable, to use its best reasonable efforts to ensure that Split-Off Subsidiary receives the benefits thereof to the maximum extent permissible in accordance with applicable law or other applicable restrictions, and shall perform such other acts which may be reasonably necessary to effectuate the purposes of this Agreement.

13.7 *Entire Agreement; Amendments*. This Agreement contains the entire understanding of the parties relating to the subject matter contained herein. This Agreement cannot be amended or changed except through a written instrument signed by all of the parties hereto and by PrivateCo. No provisions of this Agreement or any rights hereunder may be waived by any party without the prior written consent of PrivateCo.

13.8 *Assignment*. No party may assign his, her or its rights or obligations hereunder, in whole or in part, without the prior written consent of the other parties.

13.9 *Governing Law*. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to principles of conflicts or choice of laws thereof.

13.10 *Counterparts*. This Agreement may be executed in one or more counterparts, with the same effect as if all parties had signed the same document. Each such counterpart shall be an original, but all such counterparts taken together shall constitute a single agreement. In the event that any signature is delivered by facsimile transmission, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) the same with the same force and effect as if such facsimile signature page was an original thereof.

13.11 *Section Headings and Gender*. The section headings used herein are inserted for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement. All personal pronouns used in this Agreement shall include the other genders, whether used in the masculine, feminine or neuter and the singular shall include the plural, and vice versa, whenever and as often as may be appropriate.

13.12 *Third-Party Beneficiary*. Each of Seller, Buyer and Split-Off Subsidiary acknowledges and agrees that this Agreement is entered into for the express benefit of PrivateCo, and that PrivateCo is relying hereon and on the consummation of the transactions contemplated by this Agreement in entering into and performing its obligations under the Merger Agreement, and that PrivateCo shall be in all respects entitled to the benefit hereof and to enforce this Agreement as a result of any breach hereof.

13.13 *Specific Performance; Remedies*. Each of the parties to this Agreement acknowledges and agrees that, if any provision of this Agreement is not performed in accordance with its specific terms or is otherwise breached, irreparable damages would be incurred by the other parties to this Agreement and by PrivateCo. Accordingly, the parties to this Agreement agree that any party or PrivateCo will be entitled to seek an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically this Agreement and its terms and provisions in any action instituted in any court of the United States or any state thereof having jurisdiction over the parties and the matter, subject to Section 13.9, in addition to any other remedy to which they may be entitled, at law or in equity. Except as expressly provided herein, the rights, obligations and remedies created by this Agreement are cumulative and are in addition to any other rights, obligations or remedies otherwise available at law or in equity, and nothing herein will be considered an election of remedies.

13.14 *Submission to Jurisdiction; Process Agent; No Jury Trial*.

(a) Each party to the Agreement hereby submits to the jurisdiction of any state or federal court sitting in the Borough of Manhattan, City and State of New York, in any action arising out of or relating to this Agreement, and agrees that all claims in respect of the action may be heard and determined in any such court. Each party to the Agreement also agrees not to bring any action arising out of or relating to this Agreement in any other court. Each party to the Agreement agrees that a final judgment in any action so brought will be conclusive and may be enforced by action on the judgment or in any other manner provided at law or in equity. Each party to the Agreement waives any defense of inconvenient forum to the maintenance of any action so brought and waives any bond, surety or other security that might be required of any other party with respect thereto.

(b) EACH PARTY TO THIS AGREEMENT HEREBY AGREES TO WAIVE ITS RIGHTS TO JURY TRIAL OF ANY DISPUTE BASED UPON OR ARISING OUT OF THIS AGREEMENT OR ANY OTHER AGREEMENTS RELATING TO THE SUBJECT MATTER OF THIS AGREEMENT OR ANY DEALINGS AMONG THEM RELATING TO THE TRANSACTIONS CONTEMPLATED HEREBY. The scope of this waiver is intended to be all encompassing of any and all actions that may be filed in any court and that relate to the subject matter of the transactions, including contract claims, tort claims, breach of duty claims and all other common law and statutory claims. Each party to the Agreement hereby acknowledges that this waiver is a material inducement to enter into a business relationship and that they will continue to rely on the waiver in their related future dealings. Each party to the Agreement further represents and warrants that it has reviewed this waiver with its legal counsel, and that each knowingly and voluntarily waives its jury trial rights following consultation with legal counsel. NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED ORALLY OR IN WRITING, AND THE WAIVER WILL APPLY TO ANY AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING HERETO. In the event of commencement of any action, this Agreement may be filed as a written consent to trial by a court.

13.15 *Construction*. The parties hereto have participated jointly in the negotiation and drafting of this Agreement. If an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the parties hereto and no presumption or burden of proof will arise favoring or disfavoring any party because of the authorship of any provision of this Agreement. Any reference to any federal, state, local or foreign law will be deemed also to refer to law as amended and all rules and regulations promulgated thereunder, unless the context requires otherwise. The words "**include**," "**includes**," and "**including**" will be deemed to be followed by "**without limitation**." The words "**this Agreement**," "**herein**," "**hereof**," "**hereby**," "**hereunder**," and words of similar import refer to this Agreement as a whole and not to any particular subdivision unless expressly so limited. The parties hereto intend that each representation, warranty and covenant contained herein will have independent significance. If any party hereto has breached any representation, warranty or covenant contained herein in any respect, the fact that there exists another representation, warranty or covenant relating to the same subject matter (regardless of the relative levels of specificity) which that party has not breached will not detract from or mitigate the fact that such party is in breach of the first representation, warranty or covenant.

[Signature page follows this page.]

IN WITNESS WHEREOF, the parties hereto have duly executed this Split-Off Agreement as of the day and year first above written.

SELLER:

AKOUSTIS TECHNOLOGIES, INC.
f/k/a Danlax, Corp.

By: /s/ Ivan Krikun
Name: Ivan Krikun
Title: President

SPLIT-OFF SUBSIDIARY

By: /s/ Ivan Krikun
Name: Ivan Krikun
Title: President

BUYER:

/s/ Ivan Krikun
Ivan Krikun

EXHIBIT A

Buyer	Purchase Price Security	Number of Shares	Certificate No(s).
Ivan Krikun	Common Stock	9,000,000	1001
	Common Stock	854,019	1066

Split-Off Subsidiary	Shares	Number of Shares	Certificate No(s).
Danlax Enterprise Corp.	Common Stock	100	1

Exhibit 10.2

GENERAL RELEASE AGREEMENT

This **GENERAL RELEASE AGREEMENT** (this "**Agreement**"), dated as of May 22, 2015, is entered into by and among Akoustis Technologies, Inc., formerly known as Danlax, Corp., a Nevada corporation ("**Seller**"), Danlax Enterprise Corp, a Nevada corporation and a wholly owned subsidiary of Seller ("**Split-Off Subsidiary**"), and Ivan Krikun ("**Buyer**"). In consideration of the mutual benefits to be derived from this Agreement, the covenants and agreements set forth herein, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the execution and delivery hereof, the parties hereto hereby agree as follows:

1 . Split-Off Agreement. This Agreement is executed and delivered by Split-Off Subsidiary pursuant to the requirements of Section 8.3 of that certain Split-Off Agreement (the "**Split-Off Agreement**") by and among Seller, Split-Off Subsidiary and Buyer, as a condition to the closing of the purchase and sale transaction contemplated thereby (the "**Transaction**").

2 . Release and Waiver by Split-Off Subsidiary. For and in consideration of the covenants and promises contained herein and in the Split-Off Agreement, the receipt and sufficiency of which are hereby acknowledged, Split-Off Subsidiary, on behalf of itself and its assigns, representatives and agents, if any, hereby covenants not to sue and fully, finally and forever completely releases Seller and Akoustis, Inc., a Delaware corporation ("**PrivateCo**"), along with their respective present, future and former officers, directors, stockholders, members, employees, agents, attorneys and representatives (collectively, the "**Seller Released Parties**"), of and from any and all claims, actions, obligations, liabilities, demands and/or causes of action, of whatever kind or character, whether now known or unknown, which Split-Off Subsidiary has or might claim to have against the Seller Released Parties for any and all injuries, harm, damages (actual and punitive), costs, losses, expenses, attorneys' fees and/or liability or other detriment, if any, whenever incurred or suffered by Split-Off Subsidiary arising from, relating to, or in any way connected with, any fact, event, transaction, action or omission that occurred or failed to occur at or prior to the closing of the Transaction.

3. Release and Waiver by Buyer. For and in consideration of the covenants and promises contained herein and in the Split-Off Agreement, the receipt and sufficiency of which are hereby acknowledged, Buyer on behalf of himself and his assigns, representatives and agents, if any, hereby covenants not to sue and fully, finally and forever completely releases the Seller Released Parties of and from any and all claims, actions, obligations, liabilities, demands and/or causes of action, of whatever kind or character, whether now known or unknown, which Buyer has or might claim to have against the Seller Released Parties for any and all injuries, harm, damages (actual and punitive), costs, losses, expenses, attorneys' fees and/or liability or other detriment, if any, whenever incurred or suffered by such Buyer arising from, relating to, or in any way connected with, any fact, event, transaction, action or omission that occurred or failed to occur on or prior to the date of the Closing.

4. Additional Covenants and Agreements.

(a) Each of Split-Off Subsidiary and Buyer, on the one hand, and Seller, on the other hand, waives and releases the other from any claims that this Agreement was procured by fraud or signed under duress or coercion so as to make this Agreement not binding.

(b) Each of the parties hereto acknowledges and agrees that the releases set forth herein do not include any claims the other party hereto may have against such party for such party's failure to comply with or breach of any provision in this Agreement or the Split-Off Agreement.

(c) Notwithstanding anything contained herein to the contrary, this Agreement shall not release or waive, or in any manner affect or void, any party's rights and obligations under the following:

(i) the Split-Off Agreement; and

(ii) the Agreement and Plan of Merger and Reorganization among Seller, PrivateCo, and Akoustis Acquisition Corp, a wholly-owned subsidiary of Seller (the "**Merger Agreement**"), and the Transaction Documents.

5. Modification. This Agreement cannot be modified orally and can only be modified through a written document signed by all parties and PrivateCo.

6. Severability. If any provision contained in this Agreement is determined to be void, illegal or unenforceable, in whole or in part, then the other provisions contained herein shall remain in full force and effect as if the provision that was determined to be void, illegal or unenforceable had not been contained herein.

7. Expenses. The parties hereto agree that each party shall pay its respective costs, including attorneys' fees, if any, associated with this Agreement.

8. Further Acts and Assurances. Split-Off Subsidiary and Buyer agrees that it will act in a manner supporting compliance, including compliance by its Affiliates, with all of its obligations under this Agreement and, from time to time, shall, at the request of Seller or PrivateCo, and without further consideration, cause the execution and delivery of such other instruments of release or waiver and take such other action or execute such other documents as such party may reasonably request in order to confirm or effect the releases, waivers and covenants contained herein, and, in the case of any claims, actions, obligations, liabilities, demands and/or causes of action that cannot be effectively released or waived without the consent or approval of other Persons that is unobtainable, to use its best reasonable efforts to ensure that the Seller Released Parties receive the benefits thereof to the maximum extent permissible in accordance with applicable law or other applicable restrictions, and shall perform such other acts which may be reasonably necessary to effectuate the purposes of this Agreement.

9. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to principles of conflicts or choice of laws thereof.

10. **Third-Party Beneficiary**. Each of Seller, Buyers and Split-Off Subsidiary acknowledges and agrees that this Agreement is entered into for the express benefit of PrivateCo, and that PrivateCo is relying hereon and on the consummation of the transactions contemplated by this Agreement in entering into and performing its obligations under the Merger Agreement, and that PrivateCo shall be in all respects entitled to the benefit hereof and to enforce this Agreement as a result of any breach hereof.

11. **Specific Performance; Remedies**. Each of Seller, Buyer and Split-Off Subsidiary acknowledges and agrees that PrivateCo would be damaged irreparably if any provision of this Agreement is not performed in accordance with its specific terms or is otherwise breached. Accordingly, each of Seller, Buyer and Split-Off Subsidiary agrees that PrivateCo will be entitled to seek an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically this Agreement and its terms and provisions in any action instituted in any court of the United States or any state thereof having jurisdiction over the parties and the matter, subject to Section 9, in addition to any other remedy to which they may be entitled, at law or in equity. Except as expressly provided herein, the rights, obligations and remedies created by this Agreement are cumulative and are in addition to any other rights, obligations or remedies otherwise available at law or in equity, and nothing herein will be considered an election of remedies.

12. **Entire Agreement.** This Agreement constitutes the entire understanding and agreement of Seller, Split-Off Subsidiary and Buyer and supersedes prior understandings and agreements, if any, among or between Seller, Split-Off Subsidiary and Buyer with respect to the subject matter of this Agreement, other than as specifically referenced herein. This Agreement does not, however, operate to supersede or extinguish any confidentiality, non-solicitation, non-disclosure or non-competition obligations owed by Split-Off Subsidiary to Seller under any prior agreement.

13. **Definitions.** Capitalized terms used herein without definition have the meanings ascribed to them in the Merger Agreement.

[Signature page follows this page.]

IN WITNESS WHEREOF, the undersigned have executed this General Release Agreement as of the day and year first above written.

SELLER

AKOUSTIS TECHNOLOGIES, INC.
formerly known as Danlax, Corp.

By: /s/ Ivan Krikun
Name: Ivan Krikun
Title: President

SPLIT-OFF SUBSIDIARY

By: /s/ Ivan Krikun
Name: Ivan Krikun
Title: President

BUYER

/s/ Ivan Krikun
Ivan Krikun

Exhibit 10.3

INDEMNIFICATION SHARES ESCROW AGREEMENT

This Indemnification Shares Escrow Agreement (the "Agreement") is entered into as of May 22, 2015, by and among Akoustis Technologies, Inc. (formerly known as Danlax, Corp.), a Nevada corporation (the "Parent"), Jeffrey B. Shealy, a North Carolina resident (the "Indemnification Representative"), and CKR Law LLP, as escrow agent (the "Escrow Agent"). Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Merger Agreement (as defined below).

WHEREAS, the Parent has entered into an Agreement and Plan of Merger and Reorganization (the "Merger Agreement") among Akoustis, Inc., a Delaware corporation (the "Company"), Parent and Akoustis Acquisition Corp., a Delaware corporation and a wholly-owned acquisition subsidiary of the Parent ("Acquisition Subsidiary"), pursuant to which (i) Acquisition Subsidiary will merge with and into the Company, with the Company surviving the merger, (ii) the Company will become a wholly-owned subsidiary of the Parent, and (iii) the Company Stockholders will receive shares of the Parent Common Stock in exchange for their shares of the Company Common Stock and Company Preferred Stock issued and outstanding immediately prior to the Effective Time (other than Dissenting Shares, if any), as equal to the applicable Conversion Ratio ("Merger Shares"); and

WHEREAS, in lieu of any fractional Merger Shares that would have otherwise been issuable, each former Company Stockholder that would have been entitled to receive a fractional share shall, on proper surrender of such person's Company Stock Certificates, receive such whole number of Merger Shares as is equal to the precise number of Merger Shares to which such Company Stockholder would be entitled, rounded up to the nearest whole number (with a fractional interest equal to 0.5 rounded upward to the nearest whole number); provided that each Company Stockholder shall receive at least one Merger Share; and

WHEREAS, the Merger Agreement provides that ninety-five percent (95%) of the Merger Shares to be issued to such Company Stockholders shall be delivered to such Company Stockholders and five percent (5%) of the Merger Shares (the "Indemnification Escrow Shares") shall be delivered to the Escrow Agent to secure the indemnification obligations under the Merger Agreement of the Company Stockholders as of the Closing Date (collectively, the "Indemnifying Stockholders"), to the Parent; and

WHEREAS, the Merger Agreement provides for the execution of this Agreement and the establishment of an escrow account and the parties hereto desire to establish the terms and conditions pursuant to which such escrow account will be established and maintained.

NOW, THEREFORE, the parties hereto hereby agree as follows:

1. Escrow and Indemnification.

(a) Escrow of Shares. Simultaneously with the execution of this Agreement, the Parent shall cause to be issued and shall deposit with the Escrow Agent certificates representing an aggregate number of shares of the Parent Common Stock computed based upon the applicable Conversion Ratio, as determined pursuant to Section 1.5(b) of the Merger Agreement, issued in the name of the Escrow Agent. The Escrow Agent agrees to hold the Indemnification Escrow Shares in escrow, subject to the terms and conditions of this Agreement.

(b) Indemnification. Section 6.1 of the Merger Agreement provides that the Company Stockholders shall indemnify and hold harmless the Parent from and against certain Damages (as defined in Section 6.1 of the Merger Agreement) on the terms and conditions contained in Article VI of the Merger Agreement. The Indemnification Escrow Shares shall be (i) security for such indemnity obligation of the Indemnifying Stockholders, subject to the limitations, and in the manner provided, in this Agreement and the Merger Agreement and (ii) except with respect to any fraud or willful misconduct by the Company in connection with the Merger Agreement, shall be the exclusive means for the Parent to collect any Damages with respect to which the Parent is entitled to indemnification under Article VI of the Merger Agreement.

(c) Dividends, Etc. Any securities distributed in respect of or in exchange for any of the Indemnification Escrow Shares, whether by way of stock dividends, stock splits or otherwise, shall be issued in the name of the Escrow Agent or its nominee and shall be delivered to the Escrow Agent, who shall hold such securities in escrow. Such securities shall be considered Indemnification Escrow Shares for purposes hereof. Any cash dividends or property (other than securities) distributed in respect of the Indemnification Escrow Shares shall promptly be distributed by the Escrow Agent to the Indemnifying Stockholders in accordance with Section 2(c) hereof.

(d) Voting of Shares. The Indemnification Representative shall have the right, in his sole discretion, on behalf of the Indemnifying Stockholders, to direct the Escrow Agent in writing as to the exercise of any voting rights pertaining to the Indemnification Escrow Shares, and the Escrow Agent shall comply with any such written instructions. In the absence of such instructions, the Escrow Agent shall vote all of the Indemnification Escrow Shares of each Indemnifying Stockholder in the exact proportions as such Indemnifying Stockholder votes its other shares of Parent Common Stock, or shall not vote any of such Indemnifying Stockholder's Indemnification Escrow Shares if such Indemnifying Stockholder does not vote any of its other shares of Parent Common Stock. The Indemnification Representative shall have no obligation to solicit consents or proxies from the Indemnifying Stockholders for purposes of any such vote.

(e) Transferability. The respective interests of the Indemnifying Stockholders in the Indemnification Escrow Shares shall not be assignable or transferable, other than by operation of law. Notice of any such assignment or transfer by operation of law shall be given to the Escrow Agent and the Parent, and no such assignment or transfer shall be valid until such notice is given.

2. Distribution of Indemnification Escrow Shares.

(a) The Escrow Agent shall distribute the Indemnification Escrow Shares only in accordance with (i) a written instrument delivered to the Escrow Agent that is executed by both the Parent and the Indemnification Representative and that instructs the Escrow Agent as to the distribution of some or all of the Indemnification Escrow Shares, (ii) an order of a court of competent jurisdiction, a copy of which is delivered to the Escrow Agent by either the Parent or the Indemnification Representative, that instructs the Escrow Agent as to the distribution of some or all of the Indemnification Escrow Shares, or (iii) the provisions of Section 2(b) hereof.

(b) Within five (5) business days after May 22, 2017 (the "Termination Date"), the Escrow Agent shall distribute or cause the Parent's transfer agent to distribute to the Indemnifying Stockholders all of the Indemnification Escrow Shares then held in escrow, registered in the names of the Indemnifying Stockholders. Notwithstanding the foregoing, if the Parent has previously delivered to the Escrow Agent a copy of a Claim Notice (as hereinafter defined) and the Escrow Agent has not received written notice executed by Parent and the Indemnification Representative of the resolution of the claim covered thereby, or if Parent has previously delivered to the Escrow Agent a copy of an Expected Claim Notice (as hereinafter defined) and the Escrow Agent has not received written notice executed by Parent and Indemnification Representative of the resolution of the anticipated claim covered thereby, the Escrow Agent shall retain in escrow after the Termination Date such number of Indemnification Escrow Shares as have a Value (as defined in Section 3 below) equal to the Claimed Amount (as hereinafter defined) covered by such Claim Notice or equal to the estimated amount of Damages set forth in such Expected Claim Notice, as the case may be. Any Indemnification Escrow Shares so retained in escrow shall be distributed only in accordance with the terms of clauses (i) or (ii) of Section 2(a) hereof. For purposes of this Agreement, a "Claim Notice" means a written notification under the Merger Agreement given by the Parent to the Indemnifying Stockholders with a copy to the Indemnification Representative which contains (i) a description and the amount (the "Claimed Amount") of any Damages incurred or reasonably expected to be incurred by the Parent, (ii) a statement that the Parent is entitled to indemnification under Article VI of the Merger Agreement for such Damages and a reasonable explanation of the basis therefor, and (iii) a demand for payment (in the manner provided in Section 6.3 of the Merger Agreement) in the amount of such Damages. For purposes of this Agreement, an "Expected Claim Notice" means a notice delivered pursuant to the Merger Agreement by the Parent to an Indemnifying Stockholder (with a copy to the Indemnification Representative), before expiration of a representation or warranty, to the effect that, as a result a legal proceeding instituted by or written claim made by a third party, the Parent reasonably expects to incur Damages as a result of a breach of such representation or warranty.

(c) Any distribution of all or a portion of the Indemnification Escrow Shares to the Indemnifying Stockholders shall be made by delivery of stock certificates issued in the name of the Indemnifying Stockholders in proportion to each such Indemnifying Stockholder's original contribution of Indemnification Escrow Shares pursuant to the terms of the Merger Agreement. Distributions to the Indemnifying Stockholders shall be made by mailing stock certificates to such holders at their respective addresses shown on the stock records of the Company as of the Closing Date (or such other address as may be provided in writing to the Escrow Agent by any such Indemnifying Stockholder). No fractional Indemnification Escrow Shares shall be distributed to Indemnifying Stockholders pursuant to this Agreement. Instead, the number of shares that each Indemnifying Stockholder shall receive shall be rounded up or down to the nearest whole number (provided that the Indemnification Representative shall have the authority to effect such rounding in such a manner that the total number of whole Indemnification Escrow Shares to be distributed equals the number of Indemnification Escrow Shares then held in escrow). In the event of the issuance of securities or distribution of cash dividends or property to Escrow Agent with respect to Indemnification Escrow Shares, such securities, cash and/or property shall be distributed to the Indemnifying Stockholders contemporaneous and proportional with the stock certificates evidencing the Indemnification Escrow Shares being distributed by Escrow Agent pursuant to this Agreement.

3. Valuation of Indemnification Escrow Shares. For purposes of this Agreement, the "Value" of any Indemnification Escrow Shares shall be $1.50 per share, multiplied by the number of such Indemnification Escrow Shares.

4. Fees and Expenses of Escrow Agent. The Parent shall pay a fee of $2,500 to the Escrow Agent at Closing for its services and reimburse the Escrow Agent for all out-of-pocket expenses reasonably incurred by the Escrow Agent for the services to be rendered by the Escrow Agent hereunder, including without limitation, all bank charges, courier charges and transfer agent fees.

5. Limitation of Escrow Agent's Liability.

(a) The Escrow Agent shall incur no liability with respect to any action taken or suffered by it in reliance upon any notice, direction, instruction, consent, statement or other documents believed by it to be genuine and duly authorized, nor for other action or inaction except its own willful misconduct or gross negligence. The Escrow Agent shall not be responsible for the validity or sufficiency of this Agreement. In all questions arising under this Agreement, the Escrow Agent may rely on the advice of counsel, and the Escrow Agent shall not be liable to anyone for anything done, omitted or suffered in good faith by the Escrow Agent based on such advice. The Escrow Agent shall not be required to take any action hereunder involving any expense unless the payment of such expense is made or provided for in a manner reasonably satisfactory to it. In no event shall the Escrow Agent be liable for indirect, punitive, special or consequential damages.

(b) The Parent and the Indemnifying Stockholders agree to indemnify the Escrow Agent for, and hold it harmless against, any loss, liability or expense incurred without gross negligence or willful misconduct on the part of Escrow Agent, arising out of or in connection with its carrying out of its duties hereunder. The Parent, on the one hand, and the Indemnifying Stockholders, on the other hand, shall each be liable for one-half of such amounts, provided that the Indemnification Escrow Shares shall constitute the sole and exclusive source for satisfaction of the Indemnifying Stockholders' obligations hereunder and the Indemnifying Stockholders shall in no event be responsible for amounts in excess of the value of the Escrow Shares at the time the indemnification is paid.

6. Liability and Authority of Indemnification Representative; Successors and Assignees.

(a) The Indemnification Representative shall not incur any liability to the Indemnifying Stockholders with respect to any action taken or suffered by him in reliance upon any note, direction, instruction, consent, statement or other documents believed by him to be genuinely and duly authorized, nor for other action or inaction except his own willful misconduct or gross negligence. The Indemnification Representative may, in all questions arising under this Agreement, rely on the advice of counsel and the Indemnification Representative shall not be liable to the Indemnifying Stockholders for anything done, omitted or suffered in good faith by the Indemnification Representative based on such advice.

(b) In the event of the death or permanent disability of the Indemnification Representative, or his or her resignation or termination as an Indemnification Representative, a successor Indemnification Representative shall be elected by a majority vote of the Indemnifying Stockholders, with each such Indemnifying Stockholder (or his, her or its successors or assigns) to be given a vote equal to the number of votes represented by the shares of stock of the Company held by such Indemnifying Stockholder immediately prior to the effective time of the Merger Agreement. Each successor Indemnification Representative shall have all of the power, authority, rights and privileges conferred by this Agreement upon the original Indemnification Representative, and the term "Indemnification Representative" as used herein shall be deemed to include each successor Indemnification Representative.

(c) The Indemnification Representative shall have full power and authority to represent the Indemnifying Stockholders, and their successors, with respect to all matters arising under this Agreement and Article VI of the Merger Agreement and all actions taken by the Indemnification Representative hereunder or under Article VI of the Merger Agreement shall be binding upon the Indemnifying Stockholders, and their successors, as if expressly confirmed and ratified in writing by each of them. Without limiting the generality of the foregoing, the Indemnification Representative shall have full power and authority to interpret all of the terms and provisions of this Agreement, to compromise any claims asserted hereunder and to authorize any release of the Indemnification Escrow Shares to be made with respect thereto, on behalf of the Indemnifying Stockholders and their successors.

(d) After Closing Date, the majority vote of the Indemnifying Stockholders may terminate the Indemnification Representative and appoint a successor Indemnification Representative in accordance with the terms of Section 6(b) above.

(e) The Escrow Agent may rely on the Indemnification Representative as the exclusive agent of the Indemnifying Stockholders under this Agreement and shall incur no liability to any party with respect to any action taken or suffered by it in good faith reliance thereon.

7. Amounts Payable by Indemnifying Stockholders. The amounts payable by the Indemnifying Stockholders under this Agreement (i.e., the indemnification obligations pursuant to Section 5(b)) shall be payable solely as follows. The Escrow Agent shall notify the Indemnification Representative of any such amount payable by the Indemnifying Stockholders as soon as it becomes aware that any such amount is payable, with a copy of such notice to the Parent. On the sixth (6^{th}) business day after the delivery of such notice, the Escrow Agent shall sell such number of Indemnification Escrow Shares (up to the number of Indemnification Escrow Shares then available in the Indemnification Shares Escrow Account), subject to compliance with all applicable securities laws, as is necessary to raise such amount, and shall be entitled to apply the proceeds of such sale in satisfaction of such indemnification obligations of the Indemnifying Stockholders; provided that if the Indemnification Representative delivers to the Escrow Agent (with a copy to the Parent), within five (5) business days after delivery of such notice by the Indemnification Representative, a written notice contesting the legitimacy or reasonableness of such amount, then the Escrow Agent shall not sell Indemnification Escrow Shares to raise the disputed portion of such claimed amount except in accordance with the terms of clauses (i) or (ii) of Section 2(a).

8. Termination. This Agreement shall terminate upon the distribution by the Escrow Agent of all of the Indemnification Escrow Shares in accordance with this Agreement; provided that the provisions of Sections 5 and 6 shall survive such termination.

9. Notices. All notices, consents, waivers, and other communications which are required or permitted under this Agreement shall be in writing will be deemed given to a party (a) on the date of delivery, if delivered to the appropriate address by hand or by nationally recognized overnight courier service (costs prepaid); (b) the date of transmission if sent by facsimile or e-mail with confirmation of transmission by the transmitting equipment if such notice or communication is delivered prior to 5:00 P.M., New York City time, on a Business Day, or the next Business Day after the date of transmission, if such notice or communication is delivered on a day that is not a Trading Day or later than 5:00 P.M., New York City time, on any Business Day; (c) the date received or rejected by the addressee, if sent by certified mail, return receipt requested; or (d) seven days after the placement of the notice into the mails (first class postage prepaid), to the party at the address, facsimile number, or e-mail address furnished by the such party.

If to the Parent:

Akoustis Technologies, Inc.
f/k/a Danlax, Corp.
Transportnaya Street, 58-7
Nizhneudinsk, Russia 665106
Attn: Ivan Krikun
Telephone: 702 605-4427

with a copy to (which shall not constitute notice hereunder):

CKR Law LLP
1330 Avenue of the Americas
New York, NY 10019
Attn: Barrett S. DiPaolo, Esq.
Email: bdipaolo@ckrlaw.com
Facsimile: 212.400.6901

If to the Indemnification Representative:

Jeffrey B. Shealy
c/o Akoustis, Inc.
9805 Northcross Center Court, Suite H
Huntersville, NC 28078
Email: jshealy@akoustis.com
Facsimile: 704.997.5734

with a copy to (which shall not constitute notice hereunder):

CKR Law LLP
1330 Avenue of the Americas
New York, NY 10019
Attn: Barrett S. DiPaolo, Esq.
Email: bdipaolo@ckrlaw.com
Facsimile: 212.400.6901

If to the Escrow Agent:

CKR Law LLP
1330 Avenue of the Americas
New York, NY 10019
Attn: Mark E. Crone, Esq.
Email: mcrone@ckrlaw.com
Facsimile: 212.400.6901

Any party may give any notice, instruction or communication in connection with this Agreement using any other means (including personal delivery, telecopy or ordinary mail), but no such notice, instruction or communication shall be deemed to have been delivered unless and until it is actually received by the party to whom it was sent. Any party may change the address to which notices, instructions or communications are to be delivered by giving the other parties to this Agreement notice thereof in the manner set forth in this Section 9.

10. Successor Escrow Agent. In the event the Escrow Agent becomes unavailable or unwilling to continue in its capacity herewith, the Escrow Agent may resign and be discharged from its duties or obligations hereunder by delivering a resignation to the parties to this Agreement, not less than 60 days prior to the date when such resignation shall take effect. The Parent may appoint a successor Escrow Agent with the consent of the Indemnification Representative, which shall not be unreasonably withheld. If, within such notice period, the Parent provides to the Escrow Agent written instructions with respect to the appointment of a successor Escrow Agent and directions for the transfer of any Indemnification Escrow Shares then held by the Escrow Agent to such successor, the Escrow Agent shall act in accordance with such instructions and promptly transfer such Indemnification Escrow Shares to such designated successor. If no successor Escrow Agent is named as provided in this Section 10 prior to the date on which the resignation of the Escrow Agent is to properly take effect, the Escrow Agent may apply to a court of competent jurisdiction for appointment of a successor Escrow Agent.

11. General.

(a) Governing Law; Assigns. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York without regard to conflict-of-law principles and shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns.

(b) 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.

(c) Entire Agreement. Except for those provisions of the Merger Agreement referenced herein, this Agreement constitutes the entire understanding and agreement of the parties with respect to the subject matter of this Agreement and supersedes all prior agreements or understandings, written or oral, between the parties with respect to the subject matter hereof.

(d) Waivers. No waiver by any party hereto of any condition or of any breach of any provision of this Agreement shall be effective unless in writing. No waiver by any party of any such condition or breach, in any one instance, shall be deemed to be a further or continuing waiver of any such condition or breach or a waiver of any other condition or breach of any other provision contained herein.

(e) Amendment. This Agreement may be amended only with the written consent of the Parent, the Escrow Agent and the Indemnification Representative.

(f) Consent to Jurisdiction and Service. The parties hereby absolutely and irrevocably consent and submit to the jurisdiction of the courts in the State of New York and of any federal court located in the State of New York in connection with any actions or proceedings brought against any party hereto by the Escrow Agent arising out of or relating to this Agreement. In any such action or proceeding, the parties hereby absolutely and irrevocably waive personal service of any summons, complaint, declaration or other process and hereby absolutely and irrevocably agree that the service thereof may be made by certified or registered first-class mail directed to such party, at their respective addresses in accordance with Section 10 hereof.

(g) Binding Effect. This Agreement shall be binding upon the respective parties hereto and their heirs, executors, successors and assigns.

(h) Taxes. As between the Parent and the Indemnifying Stockholders, the Indemnifying Stockholders shall be treated as the owner of the Indemnification Escrow Shares for tax purposes.

[signature page follows]

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the day and year first above written.

AKOUSTIS TECHNOLOGIES, INC.

By: /s/ Ivan Krikun
Name: Ivan Krikun
Title: Chief Executive Officer

Jeffrey B. Shealy, Individually and as
Indemnification Representative

/s/ Jeffrey B. Shealy
Jeffrey B. Shealy

CKR LAW LLP

By: /s/ Mark E. Crone
Name: Mark E. Crone
Title: Co-Managing Partner

Exhibit 10.4

LOCK-UP AGREEMENT

This LOCK-UP AGREEMENT (this "Agreement") is made as of May 22, 2015 by and between the undersigned person or entity (the "Restricted Holder") and **Akoustis Technologies, Inc.**, a Nevada corporation formerly known as Danlax, Corp. (the "Parent"). Capitalized terms used and not otherwise defined herein shall have the meanings given to such terms in the Merger Agreement (as defined herein).

WHEREAS, pursuant to the transactions contemplated under that certain Agreement and Plan of Merger and Reorganization, dated as of May 22, 2015 (the "Merger Agreement"), by and among the Parent, Akoustis Acquisition Corp., a Delaware corporation (the "Acquisition Subsidiary"), and Akoustis, Inc., a Delaware corporation (the "Company"), the Acquisition Subsidiary will merge with and into the Company, with the result of such merger being that the Company will be the surviving entity and become a wholly-owned subsidiary of the Parent, with all the Company stockholders exchanging their shares of Company Stock for shares of Parent Common Stock (as defined below) pursuant to the terms of the Merger Agreement (the "Merger");

WHEREAS, simultaneously with or prior to the closing of the Merger, Parent will complete a private placement offering (the "Private Placement Offering") of a minimum of 2,000,000 shares of common stock of the Parent, par value $0.001 per share (the "Parent Common Stock"), at a purchase price of $1.50 per share (which includes the conversion of certain convertible notes of the Company into Parent Common Stock);

WHEREAS, the Merger Agreement provides that, among other things, all the shares of Parent Common Stock owned by the Restricted Holder and all securities owned by the Restricted Holder that are convertible into or exercisable or exchangeable for Restricted Securities, in each case whether owned on the date of closing of the Merger or thereafter acquired (collectively, the "Restricted Securities") shall be subject to certain restrictions on Disposition (as defined herein), and the Restricted Holder will be subject to certain other restrictions relating to the Parent Common Stock, during the period of twenty-four (24) months immediately following the closing date of the Merger (the "Restricted Period"), subject to certain conditions all as more fully set forth herein.

NOW, THEREFORE, as an inducement to and in consideration of the Parent's agreement to enter into the Merger Agreement and proceed with the Merger, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Lock Up Period.

(a) During the Restricted Period, the Restricted Holder will not, directly or indirectly: (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant for the sale of, make any short sale, lend or otherwise dispose of or transfer any Restricted Securities or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences of ownership of any Restricted Securities (with the actions described in clause (i) or (ii) above being hereinafter referred to as a "Disposition"). The foregoing restrictions are expressly agreed to preclude the Restricted Holder from engaging in any hedging or other transaction which is designed to or which reasonably could be expected to lead to or result in a sale or disposition of any of the Restricted Securities of the Restricted Holder during the Restricted Period, even if such securities would be disposed of by someone other than the Restricted Holder.

(b) In addition, during the Restricted Period, the Restricted Holder will not, directly or indirectly, effect or agree to effect any short sale (as defined in Rule 200 under Regulation SHO of the Securities Exchange Act of 1934 (the "Exchange Act")), whether or not against the box, establish any "put equivalent position" (as defined in Rule 16a-1(h) under the Exchange Act) with respect to any shares of the Parent Common Stock, borrow or pre-borrow any shares of the Parent Common Stock, or grant any other right (including, without limitation, any put or call option) with respect to shares of the Parent Common Stock or with respect to any security that includes, is convertible into or exercisable for or derives any significant part of its value from shares of the Parent Common Stock or otherwise seek to hedge the Restricted Holder's position in the Parent Common Stock.

(c) Notwithstanding anything contained herein to the contrary, the Restricted Holder shall be permitted to engage in any Disposition (i) where the other party to such Disposition is another Restricted Holder and the transferee agrees in writing that the Restricted Securities shall continue to be subject to the restrictions on transfer set forth in this Agreement; (ii) where such Disposition is in connection with estate planning purposes, including, without limitation to an inter-vivos trust, and the transferee takes title to such shares subject to the restrictions on transfer set forth in this Agreement; (iii) where such Disposition is to an affiliate of such Restricted Holder (including entities wholly owned by such Restricted Holder or one or more trusts where such Restricted Holder is the grantor of such trust(s)) as long as such affiliate executes a copy of this Agreement; (iv) as a distribution to stockholders, partners or members of the Restricted Holder, provided that such stockholders, partners or members agrees in writing that the Restricted Securities shall continue to be subject to the restrictions on transfer set forth in this Agreement; or (v) approved in advance in writing by all of the independent directors of the Parent.

(d) For the avoidance of doubt, nothing shall prevent the Restricted Holder from, or restrict the ability of the Restricted Holder to, exercise any options, warrants or other convertible securities issued by the Parent to the Restricted Holder or any of its affiliates, subject to the limitations on Disposition of the shares of Parent Common Stock so acquired set forth above.

2. Legends; Stop Transfer Instructions.

(a) In addition to any legends to reflect applicable transfer restrictions under federal or state securities laws, each stock certificate representing Restricted Securities shall be stamped or otherwise imprinted with the following legend:

> "THE SECURITIES REPRESENTED HEREBY ARE SUBJECT TO THE TERMS AND CONDITIONS OF A LOCK-UP AGREEMENT, DATED AS OF MAY 22, 2015, BETWEEN THE HOLDER HEREOF, AKOUSTIS TECHNOLOGIES, INC., AND MAY ONLY BE SOLD OR TRANSFERRED IN ACCORDANCE WITH THE TERMS THEREOF."

(b) The Restricted Holder hereby agrees and consents to the entry of stop transfer instructions with the Parent's transfer agent and registrar against the transfer of the Restricted Securities or securities convertible into or exchangeable for Restricted Securities held by the Restricted Holder except in compliance with this Agreement.

3. Miscellaneous.

(a) Periodic Reports. The Parent shall be permitted to request from the Restricted Holder such person's brokerage statement summary with respect to the Restricted Securities covering any period during the Restricted Period.

(b) Specific Performance. The Restricted Holder agrees that in the event of any breach or threatened breach by the Restricted Holder of any covenant, obligation or other provision contained in this Agreement, then the Parent shall be entitled (in addition to any other remedy that may be available to the Parent) to: (i) a decree or order of specific performance or mandamus to enforce the observance and performance of such covenant, obligation or other provision; and (ii) an injunction restraining such breach or threatened breach. The Restricted Holder further agrees that neither the Parent nor any other person or entity shall be required to obtain, furnish or post any bond or similar instrument in connection with or as a condition to obtaining any remedy referred to in this Section 3, and the Restricted Holder irrevocably waives any right that he, she, or it may have to require the obtaining, furnishing or posting of any such bond or similar instrument.

(c) Other Agreements. Nothing in this Agreement shall limit any of the rights or remedies of the Parent under the Merger Agreement, or any of the rights or remedies of the Parent or any of the obligations of the Restricted Holder under any other agreement between the Restricted Holder and the Parent or any certificate or instrument executed by the Restricted Holder in favor of the Parent; and nothing in the Merger Agreement or in any other agreement, certificate or instrument shall limit any of the rights or remedies of the Parent or any of the obligations of the Restricted Holder under this Agreement.

(d) Notices. All notices, consents, waivers, and other communications which are required or permitted under this Agreement shall be in writing will be deemed given to a party (a) on the date of delivery, if delivered to the appropriate address by hand or by nationally recognized overnight courier service (costs prepaid); (b) the date of transmission if sent by facsimile or e-mail with confirmation of transmission by the transmitting equipment if such notice or communication is delivered prior to 5:00 P.M., New York City time, on a business day, or the next business day after the date of transmission, if such notice or communication is delivered on a day that is not a business day or later than 5:00 P.M., New York City time, on any trading day; (c) the date received or rejected by the addressee, if sent by certified mail, return receipt requested; or (d) seven days after the placement of the notice into the mails (first class postage prepaid), to the party at the address, facsimile number, or e-mail address furnished by the such party,

If to the Parent:

Akoustis Technologies, Inc.
f/k/a Danlax, Corp.
Transportnaya Street, 58-7
Nizhneudinsk, Russia 665106
Attn: Ivan Krikun

With a copy (which copy shall not constitute notice hereunder) to:

CKR Law LLP
1330 Avenue of the Americas
New York, NY 10019
Attention Barrett S. DiPaolo, Esq.
Facsimile: 212-400-6901
Telephone Number: 212-400-6900
E-mail Address: bdipaolo@ckrlaw.com

If to the Restricted Holder:

To the address set forth on the signature page hereto.

Any party may give any notice, request, demand, claim or other communication hereunder using any other means (including personal delivery, expedited courier, messenger service, telecopy, telex, ordinary mail or electronic mail), but no such notice, request, demand, claim or other communication shall be deemed to have been duly given unless and until it actually is received by the party for whom it is intended. Any party may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other Parties notice in the manner herein set forth.

(e) Severability. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction. If the final judgment of a court of competent jurisdiction declares that any term or provision hereof is invalid or unenforceable, the parties hereto agree that the court making such determination shall have the power to limit the term or provision, to delete specific words or phrases, or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, and this Agreement shall be enforceable as so modified. In the event such court does not exercise the power granted to it in the prior sentence, the parties hereto agree to replace such invalid or unenforceable term or provision with a valid and enforceable term or provision that will achieve, to the extent possible, the economic, business and other purposes of such invalid or unenforceable term.

(f) Applicable Law; Jurisdiction. THIS AGREEMENT IS MADE UNDER, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO AGREEMENTS MADE AND TO BE PERFORMED SOLELY THEREIN, WITHOUT GIVING EFFECT TO PRINCIPLES OF CONFLICTS OF LAW. In any action between or among any of the parties arising out of this Agreement, (i) each of the parties irrevocably and unconditionally consents and submits to the exclusive jurisdiction and venue of the state and federal courts having jurisdiction over New York County, New York; (ii) if any such action is commenced in a state court, then, subject to applicable law, no party shall object to the removal of such action to any federal court having jurisdiction over New York County, New York; (iii) each of the parties irrevocably waives the right to trial by jury; and (iv) each of the parties irrevocably consents to service of process by first class certified mail, return receipt requested, postage prepared, to the address at which such party is to receive notice in accordance with this Agreement.

(g) Waiver; Termination. No failure on the part of the Parent to exercise any power, right, privilege or remedy under this Agreement, and no delay on the part of the Parent in exercising any power, right, privilege or remedy under this Agreement, shall operate as a waiver of such power, right, privilege or remedy; and no single or partial exercise of any such power, right, privilege or remedy shall preclude any other or further exercise thereof or of any other power, right, privilege or remedy. The Parent shall not be deemed to have waived any claim arising out of this Agreement, or any power, right, privilege or remedy under this Agreement, unless the waiver of such claim, power, right, privilege or remedy is expressly set forth in a written instrument duly executed and delivered on behalf of the Parent; and any such waiver shall not be applicable or have any effect except in the specific instance in which it is given. If the Merger Agreement is terminated, this Agreement shall thereupon terminate.

(h) Captions. The captions contained in this Agreement are for convenience of reference only, shall not be deemed to be a part of this Agreement and shall not be referred to in connection with the construction or interpretation of this Agreement.

(i) Further Assurances. The Restricted Holder hereby represents and warrants that the Restricted Holder has full power and authority to enter into this Agreement and that this Agreement constitutes the legal, valid and binding obligation of the Restricted Holder, enforceable in accordance with its terms. The Restricted Holder shall execute and/or cause to be delivered to the Parent such instruments and other documents and shall take such other actions as the Parent may reasonably request to effectuate the intent and purposes of this Agreement.

(j) Entire Agreement. This Agreement and the Merger Agreement collectively set forth the entire understanding of the Parent and the Restricted Holder relating to the subject matter hereof and supersedes all other prior agreements and understandings between the Parent and the Restricted Holder relating to the subject matter hereof.

(k) Non-Exclusivity. The rights and remedies of the Parent hereunder are not exclusive of or limited by any other rights or remedies which the Parent may have, whether at law, in equity, by contract or otherwise, all of which shall be cumulative (and not alternative).

(l) Amendments. This Agreement may not be amended, modified, altered or supplemented other than by means of a written instrument duly executed and delivered on behalf of the Parent and the Restricted Holder.

(m) Assignment. This Agreement and all obligations of the Restricted Holder hereunder are personal to the Restricted Holder and may not be transferred or delegated by the Restricted Holder at any time. The Parent may freely assign any or all of its rights under this Agreement, in whole or in part, to any successor entity without obtaining the consent or approval of the Restricted Holder.

(n) Binding Nature. Subject to Section 3(m) above, this Agreement will inure to the benefit of the Parent and its successors and assigns and will be binding upon the Restricted Holder and the Restricted Holder's representatives, executors, administrators, estate, heirs, successors and permitted assigns.

(o) Survival. Each of the representations, warranties, covenants and obligations contained in this Agreement shall survive the consummation of the Merger.

(p) Counterparts. This Agreement may be executed in separate counterparts, each of which shall be deemed an original and both of which shall constitute one and the same instrument.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the date first set forth above.

AKOUSTIS TECHNOLOGIES, INC.

By: _____
Name: Ivan Krikun
Title: Chief Executive Officer

RESTRICTED HOLDER:

If an individual:

Sign: _____
Print Name:

Address:

_____

_____

_____

If an entity:
Print Name of Entity:

By (sign): _____
Print Name:
Print Title:

_____

Exhibit 10.5

SUBSCRIPTION AGREEMENT

This Subscription Agreement (this "*Agreement*") has been executed by the subscriber set forth on the signature page hereof (the "*Subscriber*") in connection with the private placement offering (the "*Offering*") by **Danlax, Corp. (intended to be renamed Akoustis Technologies, Inc.)**, a Nevada corporation (the "*Company*") of a minimum of $3,000,000 (the "*Minimum Offering*")[1] and a maximum of $6,000,000 (the "*Maximum Offering*") of shares (the "*Shares*") of the Company's common stock, par value $0.001 per share ("*Common Stock*") issued, at a purchase price of $1.50 per Share (the "*Purchase Price*"). This subscription is being submitted to you in accordance with and subject to the terms and conditions described in this Agreement, the Confidential and Non-Binding Summary Term Sheet of the Company dated April 17, 2015, relating to the Offering (as the same may be amended or supplemented, the "*Term Sheet*"), and any other Disclosure Materials (as defined below). The minimum subscription is $90,000 (60,000 Shares). The Company may accept subscriptions for less than $90,000 in its sole discretion.

The Shares being subscribed for pursuant to this Agreement have not been registered under the Securities Act of 1933, as amended (the "*Securities Act*"). The Offering is being made on a reasonable best efforts basis to "accredited investors," as defined in Regulation D under the Securities Act.

The Shares are being offered and sold in connection with a reverse triangular merger (the "*Merger*") between a subsidiary of the Company and Akoustis, Inc., a Delaware corporation ("*Akoustis*"), and certain other transactions, on the terms and conditions described in the Term Sheet, pursuant to which Akoustis will become a wholly owned subsidiary of the Company, and all of the outstanding Akoustis stock will be converted into shares of the Company's Common Stock, and Akoustis stock options and warrants (if any) will be converted into options and warrants to purchase the Company's Common Stock, as further described in the Term Sheet. Prior to the first Closing (as defined below), the Company intends to change its name to "**Akoustis Technologies, Inc.**" or another name that reflects its intended new business.

The undersigned acknowledges receipt of a copy of the Registration Rights Agreement, substantially in the form of Exhibit A hereto (the "*Registration Rights Agreement*").

Each closing of the Offering (a "*Closing*," and the date on which such Closing occurs hereinafter referred to as the "*Closing Date*") shall take place at the offices of CKR Law LLP, at 1330 Avenue of the Americas, New York, New York 10019 (or such other place as is mutually agreed to by the Company and the Placement Agents (as defined below)).

The initial Closing will not occur unless:

a. funds deposited in escrow as described in Section 2(b) below, plus the outstanding principal amount of the Akoustis Notes converted into Shares, equal at least the Minimum Offering, and corresponding documentation with respect to such amounts has been delivered by Subscribers and the holders of Akoustis Notes as described in Section 2(a) below; and

[1] Upon the Closing of the Merger and the Minimum Offering, $645,000 outstanding principal amount of certain convertible notes of Akoustis (the "Akoustis Notes") will be converted into 430,000 Shares at a price per Share equal to the Purchase Price, and the aggregate principal amount so converted will be included in the gross proceeds of the Offering for purposes of meeting the Minimum Offering amount.

b. the Merger shall have been effected (or is simultaneously effected).

Thereafter, the Company may conduct one or more additional Closings for the sale of the Shares until the termination of the Offering. Unless terminated earlier by the Company, the Offering shall continue until May 15, 2015, which date may be extended until June 15, 2015, by the Company, without notice to any Subscriber, past, current or prospective.

The Term Sheet and any supplement or amendment thereto, and any disclosure schedule or other information document, delivered to the Subscriber prior to Subscriber's execution of this Agreement, and any such document delivered to the Subscriber after Subscriber's execution of this Agreement and prior to the Closing of the Subscriber's subscription hereunder (including, without limitation, a draft of the Current Report on Form 8-K to be filed with the Company with the Securities and Exchange Commission (the "*SEC*") within four business days after the closing of the merger and the initial closing of the Offering (the "*Super 8-K*"), are collectively referred to as the "*Disclosure Materials*."

1. **Subscription.** The undersigned Subscriber hereby subscribes to purchase the number of Shares set forth on the Omnibus Signature Page attached hereto, for the aggregate Purchase Price as set forth on such Omnibus Signature Page, subject to the terms and conditions of this Agreement and on the basis of the representations, warranties, covenants and agreements contained herein.

2. **Subscription Procedure.** To complete a subscription for the Shares, the Subscriber must fully comply with the subscription procedure provided in paragraphs a. through c. of this Section on or before the Closing Date.

   a. Subscription Documents. On or before the Closing Date, the Subscriber shall review, complete and execute the Omnibus Signature Page to this Agreement, the Investor Profile, Anti-Money Laundering Form and Investor Certification, attached hereto following the Omnibus Signature Page (collectively, the "*Subscription Documents*"), and deliver the Subscription Documents to the Company's attorneys, CKR Law LLP ("*CKR*"), at the address set forth under the caption "*How to subscribe for Shares in the private offering of Danlax, Corp.*" below. Executed documents may be delivered to CKR by facsimile or electronic mail (e-mail), if the Subscriber delivers the original copies of the documents to CKR as soon as practicable thereafter.

   b. Purchase Price. Simultaneously with the delivery of the Subscription Documents to CKR as provided herein, and in any event on or prior to the Closing Date, the Subscriber shall deliver to Delaware Trust Company, in its capacity as escrow agent (the "*Escrow Agent*"), the full Purchase Price by certified or other bank check or by wire transfer of immediately available funds, pursuant to the instructions set forth under the caption "*How to subscribe for Shares in the private offering of Danlax, Corp.*" below. Such funds will be held for the Purchaser's benefit and will be returned promptly, without interest or offset, if this Subscription Agreement is not accepted by the Company or the Offering is terminated pursuant to its terms by the Company prior to the Closing as defined herein.

   c. Company Discretion. The Subscriber understands and agrees that the Company in its sole discretion reserves the right to accept or reject this or any other subscription for Shares, in whole or in part, notwithstanding prior receipt by the Subscriber of notice of acceptance of this subscription. The Company shall have no obligation hereunder until the Company shall execute and deliver to the Subscriber an executed copy of this Agreement. If this subscription is rejected in whole, or the offering of Shares is terminated, all funds received from the Subscriber will be returned without interest or offset, and this Agreement shall thereafter be of no further force or effect. If this subscription is rejected in part, the funds for the rejected portion of this subscription will be returned without interest or offset, and this Agreement will continue in full force and effect to the extent this subscription was accepted.

In addition, on or before the initial Closing Date, each holder of the Akoustis Notes shall deliver to the Company an instrument in form and substance satisfactory to the Company evidencing such holder's agreement to convert upon the initial Closing the outstanding principal amount of its Akoustis Notes into Shares at a price per Share equal to the Purchase Price, without additional consideration and with no further obligation by the Company or Akoustis with respect to the Akoustis Notes.

3. **Placement Agents.** Northland Securities, Inc., and Katalyst Securities LLC, each a broker-dealer licensed with FINRA, have been engaged on a co-exclusive basis as placement agents (the "*Placement Agents*") for the Offering on a reasonable best efforts basis. The Placement Agents and their sub-agents will be paid at closing a cash commission of 10% of funds raised from investors in the Offering (or 2% in the case of certain existing Akoustis investors) in the Offering and will receive warrants to purchase a number of shares of Common Stock equal to 10% of the number of Shares sold in the Offering (or 2% in the case of certain existing Akoustis investors), with a term of five (5) years and at an exercise price of $1.50 per share (the "*Placement Agent Warrants*"). The Placement Agent Warrants will have "weighted average" anti-dilution protection, subject to customary exceptions. Any sub-agent of a Placement Agent that introduces investors to the Offering will be entitled to share in the cash fees and attributable to those investors as described above, pursuant to the terms of an executed sub-agent agreement. The Company will pay certain expenses of the Placement Agents in connection with the Offering.

4. **Representations and Warranties of the Company**. The Company hereby represents and warrants to the Subscriber, as of the Closing Date and giving effect to the Merger (unless otherwise specified), the following:

a) Organization and Qualification. The Company and each of its subsidiaries is a corporation or other business entity duly organized and validly existing in good standing under the laws of the jurisdiction of its formation, and has the requisite corporate power to own its properties and to carry on its business as now being conducted. The Company and each of its subsidiaries is duly qualified as a foreign corporation to do business and is in good standing in every jurisdiction in which the nature of the business conducted by it makes such qualification necessary, except to the extent that the failure to be so qualified or be in good standing would not have a material adverse effect on the assets, business, condition (financial or otherwise), results of operations or future prospects of the Company and its subsidiaries taken as a whole (a "*Material Adverse Effect*"). Each subsidiary of the Company is identified on **Schedule 4a** attached hereto.

b) Authorization, Enforcement, Compliance with Other Instruments. (i) The Company has the requisite corporate power and authority to enter into and perform its obligations under this Agreement, the Registration Rights Agreement and each of the other agreements and documents that are exhibits hereto or thereto or are contemplated hereby or thereby or necessary or desirable to effect the transactions contemplated hereby or thereby (the "*Transaction Documents*") and to issue the Shares, in accordance with the terms hereof and thereof, (ii) the execution and delivery by the Company of each of the Transaction Documents and the consummation by it of the transactions contemplated hereby and thereby, including, without limitation, the issuance of the Shares, have been, or will be at the time of execution of such Transaction Document, duly authorized by the Company's Board of Directors, and no further consent or authorization is, or will be at the time of execution of such Transaction Document, required by the Company, its respective Board of Directors or its stockholders, (iii) each of the Transaction Documents will be duly executed and delivered by the Company, (iv) the Transaction Documents when executed will constitute the valid and binding obligations of the Company enforceable against the Company in accordance with their terms, except as such enforceability may be limited by general principles of equity or applicable bankruptcy, insolvency, reorganization, moratorium, liquidation or similar laws relating to, or affecting generally, the enforcement of creditors' rights and remedies.

c) Capitalization. The authorized capital stock of the Company consists of 300,000,000 shares of Common Stock and 10,000,000 shares of preferred stock. Immediately before giving effect to the Merger and the initial Closing of the Offering, the Company has 3,000,000 shares of Common Stock and no preferred stock issued and outstanding. All of the outstanding shares of Common Stock and of the stock of each of the Company's subsidiaries have been duly authorized, validly issued and are fully paid and nonassessable. After giving effect to the Merger: (i) no shares of capital stock of the Company or any of its subsidiaries will be subject to preemptive rights or any other similar rights or any liens or encumbrances suffered or permitted by the Company; (ii) except as set forth on **Schedule 4c(ii)** there will be no outstanding options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, any shares of capital stock of the Company or any of its subsidiaries, or contracts, commitments, understandings or arrangements by which the Company or any of its subsidiaries is or may become bound to issue additional shares of capital stock of the Company or any of its subsidiaries, (iii) there will be no outstanding debt securities other than indebtedness as set forth in **Schedule 4c(iii)**, (iv) other than pursuant to the Registration Rights Agreement or as set forth in **Schedule 4c(iv)**, there will be no agreements or arrangements under which the Company or any of its subsidiaries is obligated to register the sale of any of their securities under the Securities Act, (v) there will be no outstanding registration statements, and there will be no outstanding comment letters from the SEC or any other regulatory agency; (vi) except as provided in this Agreement or as set forth in **Schedule 4c(vi)**, there will be no securities or instruments containing anti-dilution or similar provisions, including the right to adjust the exercise, exchange or reset price under such securities, that will be triggered by the issuance of the Shares as described in this Agreement; and (vii) no co-sale right, right of first refusal or other similar right will exist with respect to the Shares or the issuance and sale thereof. Immediately after giving effect to the Merger and the Closing of the Minimum Offering or the Maximum Offering, the pro forma outstanding capitalization of the Company will be as set forth under "*Pro Forma Capitalization*" in **Schedule 4c**. Upon request, the Company will make available to the Subscriber true and correct copies of the Company's Certificate of Incorporation, and as in effect on the date hereof (the "*Certificate of Incorporation*"), and the Company's By-laws, as in effect on the date hereof (the "*By-laws*"), and the terms of all securities exercisable for Common Stock and the material rights of the holders thereof in respect thereto other than stock options issued to officers, directors, employees and consultants.

d) Issuance of Securities. The Shares are duly authorized and, upon issuance in accordance with the terms hereof, shall be duly issued, fully paid and nonassessable, and are free from all taxes, liens and charges with respect to the issue thereof.

e) No Conflicts. The execution, delivery and performance of each of the Transaction Documents by the Company, and the consummation by the Company of the transactions contemplated hereby and thereby will not (i) result in a violation of the Certificate of Incorporation or the By-laws (or equivalent constitutive document) of the Company or any of its subsidiaries or (ii) violate or conflict with, or result in a breach of any provision of, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture or instrument to which the Company or any subsidiary is a party, except for those which could not reasonably be expected to have a Material Adverse Effect, or (iii) result in a violation of any law, rule, regulation, order, judgment or decree (including U.S. federal and state securities laws and regulations) applicable to the Company or any subsidiary or by which any property or asset of the Company or any subsidiary is bound or affected. Neither the Company nor any subsidiary is in violation of any term of or in default under its constitutive documents. Except those which could not reasonably be expected to have a Material Adverse Effect, neither the Company nor any subsidiary is in violation of any term of or in default under any material contract, agreement, mortgage, indebtedness, indenture, instrument, judgment, decree or order or any statute, rule or regulation applicable to the Company or any subsidiary. The business of the Company and its subsidiaries is not being conducted, and shall not be conducted in violation of any law, ordinance, or regulation of any governmental entity, except for any violation which could not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect. Except as specifically contemplated by this Agreement and as required under the Securities Act and any applicable state securities laws, neither the Company nor any of its subsidiaries is required to obtain any consent, authorization or order of, or make any filing or registration with, any court or governmental agency in order for it to execute, deliver or perform any of its obligations under or contemplated by this Agreement or the other Transaction Documents in accordance with the terms hereof or thereof. Except as set forth on **Schedule 4e**, neither the execution and delivery by the Company of the Transaction Documents, nor the consummation by the Company of the transactions contemplated hereby or thereby, will require any notice, consent or waiver under any contract or instrument to which the Company or any subsidiary is a party or by which the Company or any subsidiary is bound or to which any of their assets is subject. All consents, authorizations, orders, filings and registrations which the Company or any of its subsidiaries is required to obtain pursuant to the preceding two sentences have been or will be obtained or effected on or prior to the Closing. The Company is unaware of any facts or circumstance, which might give rise to any of the foregoing.

f) Absence of Litigation. Except as set forth on **Schedule 4f**, there is no action, suit, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body now pending or, to the knowledge of the Company, threatened, against or affecting the Company or any of its subsidiaries.

g) Acknowledgment Regarding Subscriber's Purchase of the Shares. The Company acknowledges and agrees that each Subscriber is acting solely in the capacity of an arm's length purchaser with respect to the Transaction Documents and the transactions contemplated hereby and thereby.

h) No General Solicitation. Neither the Company, nor any of its affiliates, nor, to the knowledge of the Company, any person acting on its or their behalf, has engaged in any form of general solicitation or general advertising (within the meaning of Regulation D) in connection with the offer or sale of the Shares.

i) No Integrated Offering. Neither the Company, nor any of its affiliates, nor to the knowledge of the Company, any person acting on its or their behalf has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under circumstances that would require registration of the Shares under the Securities Act or cause this offering of the Shares to be integrated with prior offerings by the Company for purposes of the Securities Act.

j) Employee Relations. Neither Company nor any subsidiary is involved in any labor dispute nor, to the knowledge of the Company, is any such dispute threatened. Neither Company nor any subsidiary is party to any collective bargaining agreement. The Company's and/or its subsidiaries' employees are not members of any union, and the Company believes that its and its subsidiaries' relationship with their respective employees is good.

k) Intellectual Property Rights. Except as set forth on **Schedule 4k**, the Company and its subsidiaries own or possess all patents, trademarks, domain names (whether or not registered) and any patentable improvements or copyrightable derivative works thereof, websites and intellectual property rights relating thereto, service marks, trade names, copyrights, licenses and authorizations, and all rights with respect to the foregoing, which are necessary for the conduct of its business as now conducted without any conflict with the rights of others except for such conflicts that would not result in a Material Adverse Effect. Neither Company nor any subsidiary has received any notice of infringement of, or conflict with, the asserted rights of others with respect to any intellectual property that it utilizes.

l) Environmental Laws.

(i) The Company and each subsidiary has complied with all applicable Environmental Laws (as defined below), except for violations of Environmental Laws that, individually or in the aggregate, have not had and would not reasonably be expected to have a Material Adverse Effect. There is no pending or, to the knowledge of the Company, threatened civil or criminal litigation, written notice of violation, formal administrative proceeding, or investigation, inquiry or information request, relating to any Environmental Law involving the Company or any subsidiary, except for litigation, notices of violations, formal administrative proceedings or investigations, inquiries or information requests that, individually or in the aggregate, have not had and would not reasonably be expected to have a Material Adverse Effect. For purposes of this Agreement, "Environmental Law" means any national, state, provincial or local law, statute, rule or regulation or the common law relating to the environment or occupational health and safety, including without limitation any statute, regulation, administrative decision or order pertaining to (i) treatment, storage, disposal, generation and transportation of industrial, toxic or hazardous materials or substances or solid or hazardous waste; (ii) air, water and noise pollution; (iii) groundwater and soil contamination; (iv) the release or threatened release into the environment of industrial, toxic or hazardous materials or substances, or solid or hazardous waste, including without limitation emissions, discharges, injections, spills, escapes or dumping of pollutants, contaminants or chemicals; (v) the protection of wild life, marine life and wetlands, including without limitation all endangered and threatened species; (vi) storage tanks, vessels, containers, abandoned or discarded barrels, and other closed receptacles; (vii) health and safety of employees and other persons; and (viii) manufacturing, processing, using, distributing, treating, storing, disposing, transporting or handling of materials regulated under any law as pollutants, contaminants, toxic or hazardous materials or substances or oil or petroleum products or solid or hazardous waste. As used above, the terms "release" and "environment" shall have the meaning set forth in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended.

(ii) To the knowledge of the Company there is no material environmental liability with respect to any solid or hazardous waste transporter or treatment, storage or disposal facility that has been used by the Company or any subsidiary.

(iii) The Company and its subsidiaries (i) have received all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses and (ii) are in compliance, in all material respects, with all terms and conditions of any such permit, license or approval.

m) Permits; FCC Compliance. The Company and its subsidiaries have all authorizations, approvals, clearances, licenses, permits, certificates or exemptions (including manufacturing approvals and authorizations, pricing and reimbursement approvals, labeling approvals, registration notifications or their foreign equivalent) issued by any regulatory authority or governmental agency (collectively, "*Permits*") required to conduct their respective businesses as currently conducted except to the extent that the failure to have such Permits would not have a Material Adverse Effect. The conduct of business by the Company complies, and at all times has substantially complied, in all material respects with the Telecommunications Act of 1996 and similar federal, state and foreign laws applicable to the evaluation, testing, manufacturing, distribution, advertising and marketing of each of the Company's products, in whatever stage of development or commercialization except to the extent that the failure to so comply would not have a Material Adverse Effect. To the knowledge of the Company, as of the date hereof, neither the Federal Communications Commission (the "*FCC*") nor any comparable regulatory authority or governmental agency is considering limiting, suspending or revoking any such Permit or changing the marketing classification or labeling of the products of the Company or any of its subsidiaries. To the knowledge of the Company, there is no false or misleading information or material omission in any product application or other submission by the Company or any of its subsidiaries to the FCC or any comparable regulatory authority or governmental agency. The Company or its subsidiaries have fulfilled and performed in all material respects their obligations under each Permit, and, as of the date hereof, to the knowledge of the Company, no event has occurred or condition or state of facts exists which would constitute a breach or default or would cause revocation or termination of any such Permit except to the extent that such breach, default, revocation or termination would not have a Material Adverse Effect. To the knowledge of the Company, any third party that is a manufacturer or contractor for the Company or any of its subsidiaries is in compliance in all material respects with all Permits insofar as they pertain to the manufacture of product components or products for the Company. The Company and its subsidiaries have not received any notice of adverse finding, warning letter, notice of violation, notice of action or any other notice from the FCC or other governmental agency alleging or asserting noncompliance with any applicable laws or Permits. The Company and its subsidiaries have made all notifications, submissions and reports required by applicable federal, state and foreign laws, except to the extent that the failure to make such notifications, submission or reports would not have a Material Adverse Effect.

n) Title. Neither the Company nor any of its subsidiaries owns any real property. Except as set forth on **Schedule 4n**, each of the Company and its subsidiaries has good and marketable title to all of its personal property and assets, free and clear of any material restriction, mortgage, deed of trust, pledge, lien, security interest or other charge, claim or encumbrance which would have a Material Adverse Effect. Except as set forth on **Schedule 4n**, with respect to properties and assets it leases, each of the Company and its subsidiaries is in material compliance with such leases and holds a valid leasehold interest free of any liens, claims or encumbrances which would have a Material Adverse Effect.

o) No Material Adverse Breaches, etc. Neither Company nor any subsidiary is subject to any charter, corporate or other legal restriction, or any judgment, decree, order, rule or regulation which in the judgment of the Company's officers has had, or is reasonably expected in the future to have, a Material Adverse Effect. Neither Company nor any subsidiary is in breach of any contract or agreement which breach, in the judgment of the Company's officers, has had, or is reasonably expected to have a Material Adverse Effect.

p) Tax Status. The Company and each subsidiary has made and filed (taking into account any valid extensions) all federal and state income and all other tax returns, reports and declarations required by any jurisdiction to which it is subject and (unless and only to the extent that the Company or such subsidiary has set aside on its books provisions reasonably adequate for the payment of all unpaid and unreported taxes) has paid all taxes and other governmental assessments and charges that are material in amount, shown or determined to be due on such returns, reports and declarations, except those being contested in good faith and has set aside on its books provision reasonably adequate for the payment of all taxes for periods subsequent to the periods to which such returns, reports or declarations apply. To the knowledge of the Company, there are no unpaid taxes in any material amount claimed to be due from the Company or any subsidiary by the taxing authority of any jurisdiction, and the officers of the Company know of no basis for any such claim.

q) Certain Transactions. Except for arm's length transactions pursuant to which the Company or any subsidiary makes payments in the ordinary course of business upon terms no less favorable than it could obtain from third parties, none of the officers, directors, or employees of the Company or any subsidiary is presently a party to any transaction with the Company or any subsidiary (other than for services as employees, officers and directors), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, or otherwise requiring payments to or from any officer, director or such employee or, to the knowledge of the Company, any corporation, partnership, trust or other entity in which any officer, director, or any such employee has a substantial interest or is an officer, director, trustee or partner.

r) Rights of First Refusal. Except as set forth on **Schedule 4c(i)** or **Schedule 4r**, the Company is not obligated to offer the securities offered hereunder on a right of first refusal basis or otherwise to any third parties including, but not limited to, current or former stockholders of the Company, underwriters, brokers, agents or other third parties.

s) The Company has insurance policies of the type and in amounts customarily carried by organizations conducting businesses or owning assets similar to those of the Company and its subsidiaries. There is no material claim pending under any such policy as to which coverage has been questioned, denied or disputed by the underwriter of such policy.

t) SEC Reports. The Company has filed all reports, schedules, forms, statements and other documents required to be filed by the Company under the Securities Exchange Act of 1934, as amended, including pursuant to Section 13(a) or 15(d) thereof, for the two years preceding the date hereof (or such shorter period as the Company was required by law or regulation to file such material).

t. Brokers' Fees. Except as set forth on **Schedule 4t**, the Company does not have any liability or obligation to pay any fees or commissions to any broker, finder or agent with respect to the transactions contemplated by this Agreement, except for the payment of fees to the Placement Agents as described below.

u. Disclosure Materials. The Disclosure Materials taken as a whole do not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The Super 8-K does not omit to state a material fact required to be stated therein.

v. Reliance. The Company acknowledges that the Subscriber is relying on the representations and warranties made by the Company hereunder and that such representations and warranties are a material inducement to the Subscriber purchasing the Shares. The Company further acknowledges that without such representations and warranties of the Company made hereunder, the Subscribers would not enter into this Agreement.

5. **Representations, Warranties and Agreements of the Subscriber.** The Subscriber represents and warrants to, and agrees with, the Company the following:

a. The Subscriber has the knowledge and experience in financial and business matters necessary to evaluate the merits and risks of its prospective investment in the Company, and has carefully reviewed and understand the risks of, and other considerations relating to, the purchase of Shares and the tax consequences of the investment, and have the ability to bear the economic risks of the investment.

b. The Subscriber is acquiring the Shares for investment for its own account and not with the view to, or for resale in connection with, any distribution thereof. The Subscriber understands and acknowledges that the Shares have not been registered under the Securities Act or any state securities laws, by reason of a specific exemption from the registration provisions of the Securities Act and applicable state securities laws, which depends upon, among other things, the bona fide nature of the investment intent as expressed herein. The Subscriber further represents that it does not have any contract, undertaking, agreement or arrangement with any person to sell, transfer or grant participation to any third person with respect to any of the Shares. The Subscriber understands and acknowledges that the offering of the Shares pursuant to this Agreement will not be registered under the Securities Act nor under the state securities laws on the ground that the sale provided for in this Agreement and the issuance of securities hereunder is exempt from the registration requirements of the Securities Act and any applicable state securities laws.

c. The Subscriber is an "accredited investor" as defined in Rule 501 of Regulation D as promulgated by the SEC under the Securities Act, for the reason(s) specified on the **Accredited Investor Certification** attached hereto as completed by Subscriber, and Subscriber shall submit to the Company such further assurances of such status as may be reasonably requested by the Company. The Subscriber resides in the jurisdiction set forth on the Subscriber's Omnibus Signature Page affixed hereto.

d. The Subscriber (i) if a natural person, represents that he or she is the greater of (A) 21 years of age or (B) the age of legal majority in his or her jurisdiction of residence, and has full power and authority to execute and deliver this Agreement and all other related agreements or certificates and to carry out the provisions hereof and thereof; (ii) if a corporation, partnership, or limited liability company or partnership, or association, joint stock company, trust, unincorporated organization or other entity, represents that such entity was not formed for the specific purpose of acquiring the Shares, such entity is duly organized, validly existing and in good standing under the laws of the state or jurisdiction of its organization, the consummation of the transactions contemplated hereby is authorized by, and will not result in a violation of state law or its charter or other organizational documents, such entity has full power and authority to execute and deliver this Agreement and all other related agreements or certificates and to carry out the provisions hereof and thereof and to purchase and hold the Shares, the execution and delivery of this Agreement has been duly authorized by all necessary action, this Agreement has been duly executed and delivered on behalf of such entity and is a legal, valid and binding obligation of such entity; or (iii) if executing this Agreement in a representative or fiduciary capacity, represents that it has full power and authority to execute and deliver this Agreement in such capacity and on behalf of the subscribing individual, ward, partnership, trust, estate, corporation, or limited liability company or partnership, or other entity for whom the Subscriber is executing this Agreement, and such individual, partnership, ward, trust, estate, corporation, or limited liability company or partnership, or other entity has full right and power to perform pursuant to this Agreement and make an investment in the Company, and represents that this Agreement constitutes a legal, valid and binding obligation of such entity. The execution and delivery of this Agreement will not violate or be in conflict with any order, judgment, injunction, agreement or controlling document to which the Subscriber is a party or by which it is bound.

e. The Subscriber understands that the Shares are being offered and sold to it in reliance on specific exemptions from the registration requirements of United States federal and state securities laws and that the Company is relying in part upon the truth and accuracy of, and such Subscriber's compliance with, the representations, warranties, agreements, acknowledgments and understandings of such Subscriber set forth herein in order to determine the availability of such exemptions and the eligibility of such Subscriber to acquire such securities. The Subscriber further acknowledges and understands that the Company is relying on the representations and warranties made by the Subscriber hereunder and that such representations and warranties are a material inducement to the Company to sell the Shares to the Subscriber. The Subscriber further acknowledges that without such representations and warranties of the Subscriber made hereunder, the Company would not enter into this Agreement with the Subscriber.

f. The Subscriber understands that no public market now exists, and there may never be a public market for, the Shares, that only a limited public market for the Company's Common Stock exists and that there can be no assurance that an active public market for the Common Stock will exist or continue to exist.

g. The Subscriber has received and reviewed information about the Company, including all Disclosure Materials, and have had an opportunity to discuss the Company's business, management and financial affairs with the Company's management. The Subscriber understands that such discussions, as well as any Disclosure Material provided by the Company, were intended to describe the aspects of the Company's business and prospects which the Company believes to be material, but were not necessarily a thorough or exhaustive description, and except as expressly set forth in this Agreement, the Company makes no representation or warranty with respect to the completeness of such information and makes no representation or warranty of any kind with respect to any information provided by any entity other than the Company. Some of such information may include projections as to the future performance of the Company, which projections may not be realized, may be based on assumptions which may not be correct and may be subject to numerous factors beyond the Company's control. Additionally, the Subscriber understands and represents that it is purchasing the Shares notwithstanding the fact that the Company may disclose in the future certain material information the Subscriber has not received, including (without limitation) financial statements of the Company and/or Akoustis for the current or prior fiscal periods, and any subsequent period financial statements that will be filed with the SEC, that it is not relying on any such information in connection with its purchase of the Shares and that it waives any right of action with respect to the nondisclosure to it prior to its purchase of the Shares of any such information. Each Subscriber has sought such accounting, legal and tax advice as it has considered necessary to make an informed investment decision with respect to its acquisition of the Shares.

h. The Subscriber acknowledges that none of the Company or the Placement Agents is acting as a financial advisor or fiduciary of the Subscriber (or in any similar capacity) with respect to the Transaction Documents and the transactions contemplated hereby and thereby, and no investment advice has been given by the Company, the Placement Agents or any of their respective representatives or agents in connection with the Transaction Documents and the transactions contemplated hereby and thereby. The Subscriber further represents to the Company that the Subscriber's decision to enter into the Transaction Documents has been based solely on the independent evaluation by the Subscriber and its representatives.

i. As of the Closing, all actions on the part of Subscriber, and its officers, directors and partners, if applicable, necessary for the authorization, execution and delivery of this Agreement and the Registration Rights Agreement and the performance of all obligations of the Subscriber hereunder and thereunder shall have been taken, and this Agreement and the Registration Rights Agreement, assuming due execution by the parties hereto and thereto, constitute valid and legally binding obligations of the Subscriber, enforceable in accordance with their respective terms, subject to: (i) judicial principles limiting the availability of specific performance, injunctive relief, and other equitable remedies and (ii) bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect generally relating to or affecting creditors' rights.

j. Subscriber represents that neither it nor, to its knowledge, any person or entity controlling, controlled by or under common control with it, nor any person having a beneficial interest in it, nor any person on whose behalf the Subscriber is acting: (i) is a person listed in the Annex to Executive Order No. 13224 (2001) issued by the President of the United States (Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism); (ii) is named on the List of Specially Designated Nationals and Blocked Persons maintained by the U.S. Office of Foreign Assets Control; (iii) is a non-U.S. shell bank or is providing banking services indirectly to a non-U.S. shell bank; (iv) is a senior non-U.S. political figure or an immediate family member or close associate of such figure; or (v) is otherwise prohibited from investing in the Company pursuant to applicable U.S. anti-money laundering, anti-terrorist and asset control laws, regulations, rules or orders (categories (i) through (v), each a "*Prohibited Subscriber*"). The Subscriber agrees to provide the Company, promptly upon request, all information that the Company reasonably deems necessary or appropriate to comply with applicable U.S. anti-money laundering, anti-terrorist and asset control laws, regulations, rules and orders. The Subscriber consents to the disclosure to U.S. regulators and law enforcement authorities by the Company and its affiliates and agents of such information about the Subscriber as the Company reasonably deems necessary or appropriate to comply with applicable U.S. antimony laundering, anti-terrorist and asset control laws, regulations, rules and orders. If the Subscriber is a financial institution that is subject to the USA Patriot Act, the Subscriber represents that it has met all of its obligations under the USA Patriot Act. The Subscriber acknowledges that if, following its investment in the Company, the Company reasonably believes that the Subscriber is a Prohibited Subscriber or is otherwise engaged in suspicious activity or refuses to promptly provide information that the Company requests, the Company has the right or may be obligated to prohibit additional investments, segregate the assets constituting the investment in accordance with applicable regulations or immediately require the Subscriber to transfer the Shares. The Subscriber further acknowledges that the Subscriber will have no claim against the Company or any of its affiliates or agents for any form of damages as a result of any of the foregoing actions.

If the Subscriber is affiliated with a non-U.S. banking institution (a "*Foreign Bank*"), or if the Subscriber receives deposits from, makes payments on behalf of, or handles other financial transactions related to a Foreign Bank, the Subscriber represents and warrants to the Company that: (1) the Foreign Bank has a fixed address, other than solely an electronic address, in a country in which the Foreign Bank is authorized to conduct banking activities; (2) the Foreign Bank maintains operating records related to its banking activities; (3) the Foreign Bank is subject to inspection by the banking authority that licensed the Foreign Bank to conduct banking activities; and (4) the Foreign Bank does not provide banking services to any other Foreign Bank that does not have a physical presence in any country and that is not a regulated affiliate.

k. The Subscriber or its duly authorized representative realizes that because of the inherently speculative nature of businesses of the kind conducted and contemplated by the Company, the Company's financial results may be expected to fluctuate from month to month and from period to period and will, generally, involve a high degree of financial and market risk that could result in substantial or, at times, even total losses for investors in securities of the Company.

l. The Subscriber has adequate means of providing for its current and anticipated financial needs and contingencies, is able to bear the economic risk for an indefinite period of time and has no need for liquidity of the investment in the Shares and could afford complete loss of such investment.

m. The Subscriber is not subscribing for Shares as a result of or subsequent to any advertisement, article, notice or other communication, published in any newspaper, magazine or similar media or broadcast over television, radio, or the internet, or presented at any seminar or meeting, or any solicitation of a subscription by a person not previously known to the Subscriber in connection with investments in securities generally.

n. The Subscriber acknowledges that no U.S. federal or state agency or any other government or governmental agency has passed upon the Shares or made any finding or determination as to the fairness, suitability or wisdom of any investments therein.

o. The Subscriber agrees to be bound by all of the terms and conditions of the Registration Rights Agreement and to perform all obligations thereby imposed upon it.

p. All of the information that the Subscriber has heretofore furnished or which is set forth herein is true, correct and complete as of the date of this Agreement, and, if there should be any material change in such information prior to the admission of the undersigned to the Company, the Subscriber will immediately furnish revised or corrected information to the Company.

q. **(For ERISA plans only)** The fiduciary of the ERISA plan (the "*Plan*") represents that such fiduciary has been informed of and understands the Company's investment objectives, policies and strategies, and that the decision to invest "plan assets" (as such term is defined in ERISA) in the Company is consistent with the provisions of ERISA that require diversification of plan assets and impose other fiduciary responsibilities. The Subscriber fiduciary or Plan (a) is responsible for the decision to invest in the Company; (b) is independent of the Company or any of its affiliates; (c) is qualified to make such investment decision; and (d) in making such decision, the Purchaser fiduciary or Plan has not relied primarily on any advice or recommendation of the Company or any of its affiliates.

6. **Transfer Restrictions**. The Subscriber acknowledges and agrees as follows:

a. The Shares have not been registered for sale under the Securities Act, in reliance on the private offering exemption in Section 4(a)(2) thereof; other than as expressly provide in the Registration Rights Agreement, the Company does not currently intend to register the Shares under the Securities Act at any time in the future; and the undersigned will not immediately be entitled to the benefits of Rule 144 with respect to the Shares.

b. The Subscriber understands that there are substantial restrictions on the transferability of the Shares (collectively, the "*Securities*") that the certificates representing the Securities shall bear a restrictive legend in substantially the following form (and a stop-transfer order may be placed against transfer of such certificates or other instruments):

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS, AND NEITHER SUCH SECURITIES NOR ANY INTEREST THEREIN MAY BE OFFERED, SOLD, PLEDGED, ASSIGNED OR OTHERWISE TRANSFERRED UNLESS (1) A REGISTRATION STATEMENT WITH RESPECT THERETO IS EFFECTIVE UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, OR (2) AN EXEMPTION FROM SUCH REGISTRATION EXISTS AND THE COMPANY RECEIVES AN OPINION OF COUNSEL TO THE HOLDER OF SUCH SECURITIES, WHICH COUNSEL AND OPINION ARE SATISFACTORY TO THE COMPANY, THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED, ASSIGNED OR TRANSFERRED IN THE MANNER CONTEMPLATED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR APPLICABLE STATE SECURITIES LAWS. HEDGING TRANSACTIONS INVOLVING THESE SECURITIES MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE SECURITIES ACT.

The legend set forth above shall be removed and the Company shall issue a certificate without such legend to the holder of the Securities upon which it is stamped, if (a) such Shares are sold pursuant to a registration statement under the Securities Act, or (b) such holder delivers to the Company an opinion of counsel, reasonably acceptable to the Company, that a disposition of the Securities is being made pursuant to an exemption from such registration and that the Securities, after such transfer, shall no longer be "restricted securities" within the meaning of Rule 144.

c. Each Subscriber understands that prior to the Merger, the Company will be a "shell company" as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended (the "*Exchange Act*"), and that upon the filing of a Current Report on Form 8-K (the "Super 8-K) reporting the consummation of the Merger and the Transactions and otherwise containing Form 10 information discussed below, the Company will cease to be a shell company. Pursuant to Rule 144(i), securities issued by a current or former shell company (that is, the Securities) that otherwise meet the holding period and other requirements of Rule 144 nevertheless cannot be sold in reliance on Rule 144 until one year after the Company (a) is no longer a shell company; and (b) has filed current "Form 10 information" (as defined in Rule 144(i)) with the SEC reflecting that it is no longer a shell company, and provided that at the time of a proposed sale pursuant to Rule 144, the Company is subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act and has filed all reports and other materials required to be filed by Section 13 or 15(d) of the Exchange Act, as applicable, during the preceding 12 months (or for such shorter period that the issuer was required to file such reports and materials), other than Form 8-K reports. As a result, the restrictive legends on certificates for the Securities cannot be removed except in connection with an actual sale meeting the foregoing requirements or pursuant to an effective registration statement.

7. **Indemnification.**

a. The Subscriber agrees to indemnify and hold harmless the Company, the Placement Agents and any other broker, agent or finder engaged by the Company for the Offering, and their respective officers, directors, employees, agents, control persons and affiliates from and against all losses, liabilities, claims, damages, costs, fees and expenses whatsoever (including, but not limited to, any and all expenses incurred in investigating, preparing or defending against any litigation commenced or threatened) based upon or arising out of the Subscriber's actual or alleged false acknowledgment, representation or warranty, or misrepresentation or omission to state a material fact, or breach by the Subscriber of any covenant or agreement made by the Subscriber, contained herein or in any other document delivered by the Subscriber in connection with this Agreement. The liability of the Subscriber under this paragraph shall not exceed the total Purchase Price paid by the Subscriber hereunder.

b. The Company agrees to indemnify and hold harmless the Subscriber from and against all losses, liabilities, claims, damages, costs, fees and expenses whatsoever (including, but not limited to, any and all expenses incurred in investigating, preparing or defending against any litigation commenced or threatened) based upon or arising out of the Company's actual or alleged false acknowledgment, representation or warranty, or misrepresentation or omission to state a material fact, or breach by the Company of any covenant or agreement made by the Company, contained herein or in any other any other Disclosure Materials. The liability of the Company under this paragraph shall not exceed the total Purchase Price paid by the Subscriber hereunder.

c. Promptly after receipt by an indemnified party under this Section 7 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 7, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party otherwise than under this Section 7. In case any such action is brought against any indemnified party, and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein, and to the extent that it may elect by written notice delivered to the indemnified party promptly after receiving the aforesaid notice from such indemnified party, to assume the defense thereof, with counsel satisfactory to such indemnified party; provided, however, if the defendants in any such action include both the indemnified party and the indemnifying party and either (i) the indemnifying party or parties and the indemnified party or parties mutually agree or (ii) representation of both the indemnifying party or parties and the indemnified party or parties by the same counsel is inappropriate under applicable standards of professional conduct due to actual or potential differing interests between them, the indemnified party or parties shall have the right to select separate counsel to assume such legal defenses and to otherwise participate in the defense of such action on behalf of such indemnified party or parties. Upon receipt of notice from the indemnifying party to such indemnified party of its election so to assume the defense of such action and approval by the indemnified party of counsel, the indemnifying party will not be liable to such indemnified party under this Section 7 for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof unless (i) the indemnified party shall have employed counsel in connection with the assumption of legal defenses in accordance with the proviso to the next preceding sentence (it being understood, however, that the indemnifying party shall not be liable for the expenses of more than one separate counsel in such circumstance), (ii) the indemnifying party shall not have employed counsel satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of commencement of the action or (iii) the indemnifying party has authorized the employment of counsel for the indemnified party at the expense of the indemnifying party. No indemnifying party shall (i) without the prior written consent of the indemnified parties (which consent shall not be unreasonably withheld), settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified parties are actual or potential parties to such claim or action) unless such settlement, compromise or consent includes an unconditional release of each indemnified party from all liability arising out of such claim, action, suit or proceeding, or (ii) be liable for any settlement of any such action effected without its written consent (which consent shall not be unreasonably withheld), but if settled with its written consent or if there be a final judgment of the plaintiff in any such action, the indemnifying party agrees to indemnify and hold harmless any indemnified party from and against any loss or liability by reason of such settlement or judgment.

8. **Revocability; Binding Effect.** The subscription hereunder may be revoked prior to the Closing thereon, provided that written notice of revocation is sent and is received by the Company or a Placement Agent at least three business days prior to the Closing on such subscription. The Subscriber hereby acknowledges and agrees that this Agreement shall survive the death or disability of the Subscriber and shall be binding upon and inure to the benefit of the parties and their heirs, executors, administrators, successors, legal representatives and permitted assigns. If the Subscriber is more than one person, the obligations of the Subscriber hereunder shall be joint and several and the agreements, representations, warranties and acknowledgments herein shall be deemed to be made by and be binding upon each such person and such person's heirs, executors, administrators, successors, legal representatives and permitted assigns.

9. **Modification.** This Agreement shall not be modified or waived except by an instrument in writing signed by the party against whom any such modification or waiver is sought to be enforced.

10. **Immaterial Modifications to the Registration Rights Agreement.** The Company may, at any time prior to the initial Closing, amend the Registration Rights Agreement if necessary to clarify any provision therein, without first providing notice or obtaining prior consent of the Subscriber.

11. **Notices.** Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be mailed by certified mail, return receipt requested, or delivered against receipt to the party to whom it is to be given (a) if to the Company, at the address set forth above, with a copy to CKR Law LLP, 1330 Avenue of the Americas, New York, NY 10019, Attention: Barrett S. DiPaolo, facsimile +1-212-400-6901, or (b) if to the Subscriber, at the address set forth on the Omnibus Signature Page hereof (or, in either case, to such other address as the party shall have furnished in writing in accordance with the provisions of this Section). Any notice or other communication given by certified mail shall be deemed given at the time of certification thereof, except for a notice changing a party's address which shall be deemed given at the time of receipt thereof.

12. **Assignability.** This Agreement and the rights, interests and obligations hereunder are not transferable or assignable by the Subscriber, and the transfer or assignment of the Shares shall be made only in accordance with all applicable laws.

13. **Applicable Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without reference to the principles thereof relating to the conflict of laws.

14. **Arbitration.** The parties agree to submit all controversies to arbitration in accordance with the provisions set forth below and understand that:

    a. Arbitration shall be final and binding on the parties.

    b. The parties are waiving their right to seek remedies in court, including the right to a jury trial.

    c. Pre-arbitration discovery is generally more limited and different from court proceedings.

    d. The arbitrator's award is not required to include factual findings or legal reasoning and any party's right to appeal or to seek modification of rulings by arbitrators is strictly limited.

    e. The panel of arbitrators will typically include a minority of arbitrators who were or are affiliated with the securities industry.

    f. All controversies which may arise between the parties concerning this Agreement shall be determined by arbitration pursuant to the rules then pertaining to the Financial Industry Regulatory Authority in New York City, New York. Judgment on any award of any such arbitration may be entered in the Supreme Court of the State of New York or in any other court having jurisdiction of the person or persons against whom such award is rendered. Any notice of such arbitration or for the confirmation of any award in any arbitration shall be sufficient if given in accordance with the provisions of this Agreement. The parties agree that the determination of the arbitrators shall be binding and conclusive upon them. The prevailing party, as determined by such arbitrators, in a legal proceeding shall be entitled to collect any costs, disbursements and reasonable attorney's fees from the other party. Prior to filing an arbitration, the parties hereby agree that they will attempt to resolve their differences first by submitting the matter for resolution to a mediator, acceptable to all parties, and whose expenses will be borne equally by all parties. The mediation will be held in the County of New York, State of New York, on an expedited basis. If the parties cannot successfully resolve their differences through mediation, the matter will be resolved by arbitration. The arbitration shall take place in the County of New York, State of New York, on an expedited basis.

15. **Blue Sky Qualification.** The purchase of Shares under this Agreement is expressly conditioned upon the exemption from qualification of the offer and sale of the Shares from applicable federal and state securities laws. The Company shall not be required to qualify this transaction under the securities laws of any jurisdiction and, should qualification be necessary, the Company shall be released from any and all obligations to maintain its offer, and may rescind any sale contracted, in the jurisdiction.

16. **Use of Pronouns.** All pronouns and any variations thereof used herein shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the person or persons referred to may require.

17. **Confidentiality.** The Subscriber acknowledges and agrees that any information or data the Subscriber has acquired from or about the Company or may acquire in the future, not otherwise properly in the public domain, including, without limitation, the Disclosure Materials, was received in confidence. The Subscriber agrees not to divulge, communicate or disclose, except as may be required by law or for the performance of this Agreement, or use to the detriment of the Company or for the benefit of any other person, or misuse in any way, any confidential information of the Company, including any scientific, technical, trade or business secrets of the Company and any scientific, technical, trade or business materials that are treated by the Company as confidential or proprietary, including, but not limited to, internal personnel and financial information of the Company or its affiliates, the manner and methods of conducting the business of the Company or its affiliates and confidential information obtained by or given to the Company about or belonging to third parties. The Subscriber understands that the Company may rely on Subscriber's agreement of confidentiality to comply with the exemptive provisions of Regulation FD under the Securities Act of 1933 as set forth in Rule 100(a)(b)(2)(ii) of Regulation FD. In addition, the Subscriber acknowledges that it is aware that the United States securities laws generally prohibit any person who is in possession of material nonpublic information about a public company such as the Company from purchasing or selling securities of such company. The provisions of this Section 17 are in addition to and not in replacement of any other confidentiality agreement between the Company and the Subscriber.

18. **Anti-Dilution.** The Subscriber shall have anti-dilution protection such that if within twelve (12) months after the final Closing of the Offering the Company shall issue Additional Shares of Common Stock (as defined below) for a consideration per share, or with an exercise or conversion price per share, less than the Purchase Price (the "Lower Price"), the Subscriber shall be entitled to receive from the Company (for no additional consideration) additional Shares in an amount such that, when added to the number of Shares purchased by Subscriber under this Agreement, will equal the number of Shares that the Subscriber's Purchase Price for the Shares set forth on the Subscriber's signature page hereof would have purchased at the Lower Price.

"*Additional Shares of Common Stock*" shall mean all shares of Common Stock issued by the Company after the first Closing of the Offering (including without limitation any shares of Common Stock issuable upon conversion or exchange of any convertible securities or upon exercise of any option or warrant, on an as-converted basis), other than: (i) shares of Common Stock issued or issuable upon conversion or exchange of any convertible securities or exercise of any options or warrants outstanding as of immediately following the Merger and the initial Closing; (ii) shares of Common Stock issued or issuable upon exercise of the Placement Agent Warrants; (iii) shares of Common Stock issued or issuable by reason of a dividend, stock split, split-up or other distribution on shares of Common Stock relating to any recapitalization, reclassification or reorganization of the capital stock of the Company, or any consolidation or merger of the Company with another corporation, or the sale of all or substantially all of its assets or other transaction effected in such a way that there is no change of control; (iv) shares of Common Stock issued in a firmly underwritten registered public offering under the Securities Act; (v) shares of Common Stock issued or issuable pursuant to the acquisition of another entity or business by the Company by merger, purchase of substantially all of the assets or other reorganization or pursuant to a joint venture or technology license agreement, but not including a transaction in which the Company is issuing securities primarily for the purpose of raising capital or to an entity whose primary business is investing in securities; (vi) shares of Common Stock issued or issuable to officers, directors and employees of, or consultants to, the Company pursuant to stock grants, option plans, purchase plans or other employee stock incentive programs or arrangements approved by the Board of Directors, or upon exercise of options or warrants granted to such parties pursuant to any such plan or arrangement; (vii) any securities issued or issuable by the Company pursuant to the Subscription Agreements; and (viii) securities issued to financial institutions, institutional investors or lessors in connection with credit arrangements, equipment financings, lease arrangements or similar transactions, in the aggregate not exceeding five percent (5%) of the number of shares of Common Stock outstanding at any time, and in case of clauses (iii) through (viii) above, such issuance is approved by a majority of disinterested directors of the Company and includes no "death spiral" provision of any kind.

19. **Miscellaneous.**

a. This Agreement, together with the Registration Rights Agreement and any Confidentiality Agreement, constitute the entire agreement between the Subscriber and the Company with respect to the Offering and supersede all prior oral or written agreements and understandings, if any, relating to the subject matter hereof. The terms and provisions of this Agreement may be waived, or consent for the departure therefrom granted, only by a written document executed by the party entitled to the benefits of such terms or provisions.

b. The representations and warranties of the Company and the Subscriber made in this Agreement shall survive the execution and delivery hereof and delivery of the Shares for a period of twelve (12) months following the Closing Date.

c. Each of the parties hereto shall pay its own fees and expenses (including the fees of any attorneys, accountants, appraisers or others engaged by such party) in connection with this Agreement and the transactions contemplated hereby, whether or not the transactions contemplated hereby are consummated.

d. This Agreement may be executed in one or more original or facsimile counterparts, each of which shall be deemed an original, but all of which shall together constitute one and the same instrument and which shall be enforceable against the parties actually executing such counterparts. The exchange of copies of this Agreement and of signature pages by facsimile transmission or in .pdf format shall constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of the original Agreement for all purposes. Signatures of the parties transmitted by facsimile or in pdf format shall be deemed to be their original signatures for all purposes.

e. Each provision of this Agreement shall be considered separable and, if for any reason any provision or provisions hereof are determined to be invalid or contrary to applicable law, such invalidity or illegality shall not impair the operation of or affect the remaining portions of this Agreement.

f. Paragraph titles are for descriptive purposes only and shall not control or alter the meaning of this Agreement as set forth in the text.

g. The Subscriber understands and acknowledges that there may be multiple Closings for the Offering.

h. The Subscriber hereby agrees to furnish the Company such other information as the Company may request prior to the Closing with respect to its subscription hereunder.

20. **Omnibus Signature Page.** This Agreement is intended to be read and construed in conjunction with the Registration Rights Agreement. Accordingly, pursuant to the terms and conditions of this Agreement and the Registration Rights Agreement, it is hereby agreed that the execution by the Subscriber of this Agreement, in the place set forth on the Omnibus Signature Page below, shall constitute agreement to be bound by the terms and conditions hereof and the terms and conditions of the Registration Rights Agreement, with the same effect as if each of such separate but related agreement were separately signed.

21. **Public Disclosure.** Neither the Subscriber nor any officer, manager, director, member, partner, stockholder, employee, affiliate, affiliated person or entity of the Subscriber shall make or issue any press releases or otherwise make any public statements or make any disclosures to any third person or entity with respect to the transactions contemplated herein and will not make or issue any press releases or otherwise make any public statements of any nature whatsoever with respect to the Company without the Company's express prior approval. The Company has the right to withhold such approval in its sole discretion.

22. **Potential Conflicts.** The Placement Agents, their sub-agents, legal counsel to the Company and/or their respective affiliates, principals, representatives or employees may now or hereafter own shares of the Company.

[Signature page follows.]

IN WITNESS WHEREOF, the Company has duly executed this Subscription Agreement as of the ____ day of _____, 2015.

AKOUSTIS TECHNOLOGIES, INC.
(f/k/a Danlax, Corp.)

By: _____

Name: Ivan Krikun
Title: President

Danlax, Corp. (intended to be renamed Akoustis Technologies, Inc.)
OMNIBUS SIGNATURE PAGE TO
SUBSCRIPTION AGREEMENT AND REGISTRATION RIGHTS AGREEMENT

The undersigned, desiring to: (i) enter into the Subscription Agreement, dated as of _____ ___, [2] 2015 (the "Subscription Agreement"), between the undersigned, **Danlax, Corp.**, a Nevada corporation (the "Company"), and the other parties thereto, in or substantially in the form furnished to the undersigned, (ii) enter into the Registration Rights Agreement (the "Registration Rights Agreement"), among the undersigned, the Company and the other parties thereto, in or substantially in the form furnished to the undersigned and (iii) purchase the Shares of the Company's securities as set forth in the Subscription Agreement and below, hereby agrees to purchase such Shares from the Company and further agrees to join the Subscription Agreement and the Registration Rights Agreement as a party thereto, with all the rights and privileges appertaining thereto, and to be bound in all respects by the terms and conditions thereof. The undersigned specifically acknowledges having read the representations section in the Subscription Agreement entitled "Representations and Warranties of the Subscriber" and hereby represents that the statements contained therein are complete and accurate with respect to the undersigned as a Subscriber.

IN WITNESS WHEREOF, the Subscriber hereby executes this Subscription Agreement and the Registration Rights Agreement.

Dated: _____, 2015

_____	X	$1.50	=	$_____
Number of Shares		Purchase Price per Share		Total Purchase Price

SUBSCRIBER (individual)

_____
Signature

_____
Print Name

_____
Signature (if Joint Tenants or Tenants in Common)

Address of Principal Residence:

_____

_____

_____

Social Security Number(s):

_____

Telephone Number:

_____

Facsimile Number:

_____

E-mail Address:

_____

SUBSCRIBER (entity)

_____
Name of Entity

_____
Signature

Print Name: _____
Title: _____

Address of Executive Offices:

_____

_____

_____

IRS Tax Identification Number:

_____

Telephone Number:

_____

Facsimile Number:

_____

E-mail Address:

_____

[2] ***Will reflect the Closing Date. Not to be completed by Subscriber.***

Danlax, Corp. (intended to be renamed Akoustis Technologies, Inc.)
ACCREDITED INVESTOR CERTIFICATION

For Individual Investors Only
(all Individual Investors must *INITIAL* where appropriate):

Initial _____ I have a net worth of at least US$1 million either individually or through aggregating my individual holdings and those in which I have a joint, community property or other similar shared ownership interest with my spouse. ***(For purposes of calculating your net worth under this paragraph, (a) your primary residence shall not be included as an asset; (b) indebtedness secured by your primary residence, up to the estimated fair market value of your primary residence at the time of your purchase of the securities, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of your purchase of the securities exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of your primary residence, the amount of such excess shall be included as a liability); and (c) indebtedness that is secured by your primary residence in excess of the estimated fair market value of your primary residence at the time of your purchase of the securities shall be included as a liability.)***

Initial _____ I have had an annual gross income for the past two years of at least US$200,000 (or US$300,000 jointly with my spouse) and expect my income (or joint income, as appropriate) to reach the same level in the current year.

Initial _____ I am a director or executive officer of Danlax, Corp.

For Non-Individual Investors (Entities)
(all Non-Individual Investors must *INITIAL* where appropriate):

Initial _____ The investor certifies that it is a partnership, corporation, limited liability company or business trust that is 100% owned by persons who meet at least one of the criteria for Individual Investors set forth above (in which case each such person must complete the Accreditor Investor Certification for Individuals above as well the remainder of this questionnaire) .

Initial _____ The investor certifies that it is a partnership, corporation, limited liability company or business trust that has total assets of at least US$5 million and was not formed for the purpose of investing the Company.

Initial _____ The investor certifies that it is an employee benefit plan whose investment decision is made by a plan fiduciary (as defined in ERISA §3(21)) that is a bank, savings and loan association, insurance company or registered investment advisor.

Initial _____ The investor certifies that it is an employee benefit plan whose total assets exceed US$5,000,000 as of the date of this Agreement.

Initial _____ The undersigned certifies that it is a self-directed employee benefit plan whose investment decisions are made solely by persons who meet at least one of the criteria for Individual Investors.

Initial _____ The investor certifies that it is a U.S. bank, U.S. savings and loan association or other similar U.S. institution acting in its individual or fiduciary capacity.

Initial _____ The undersigned certifies that it is a broker-dealer registered pursuant to §15 of the Securities Exchange Act of 1934.

Initial _____ The investor certifies that it is an organization described in §501(c)(3) of the Internal Revenue Code with total assets exceeding US$5,000,000 and not formed for the specific purpose of investing in the Company.

Initial _____ The investor certifies that it is a trust with total assets of at least US$5,000,000, not formed for the specific purpose of investing in the Company, and whose purchase is directed by a person with such knowledge and experience in financial and business matters that such person is capable of evaluating the merits and risks of the prospective investment.

Initial _____ The investor certifies that it is a plan established and maintained by a state or its political subdivisions, or any agency or instrumentality thereof, for the benefit of its employees, and which has total assets in excess of US$5,000,000.

Initial _____ The investor certifies that it is an insurance company as defined in §2(13) of the Securities Act of 1933, or a registered investment company.

Danlax, Corp. (intended to be renamed Akoustis Technologies, Inc.)
Investor Profile
(Must be completed by Investor)

Section A - Personal Investor Information

Investor Name(s): _____

Individual executing Profile or Trustee: _____

Social Security Numbers / Federal I.D. Number: _____

Date of Birth: _____ Marital Status: _____
Joint Party Date of Birth: _____ Investment Experience (Years): _____
Annual Income: _____ Liquid Net Worth: _____

Net Worth*: _____

Tax Bracket: _____ 15% or below _____ 25% - 27.5% _____ Over 27.5%

Home Street Address: _____

Home City, State & Zip Code: _____

Home Phone: _____ Home Fax: _____ Home Email: _____

Employer: _____

Employer Street Address: _____

Employer City, State & Zip Code: _____

Bus. Phone: _____ Bus. Fax: _____ Bus. Email: _____

Type of Business: _____

Outside Broker/Dealer: _____

Section B – Certificate Delivery Instructions

____ Please deliver certificate to the Employer Address listed in Section A.
____ Please deliver certificate to the Home Address listed in Section A.
____ Please deliver certificate to the following address: _____

Section C – Form of Payment – Check or Wire Transfer

____ Check payable to **Delaware Trust Company, as Escrow Agent for DANLAX, CORP., ACCT# 79-2363**
____ Wire funds from my outside account according to Section 2(b) of the Subscription Agreement.
____ The funds for this investment are rolled over, tax deferred from _____ within the allowed 60 day window.

Please check if you are a FINRA member or affiliate of a FINRA member firm: ____

_____ _____
Investor Signature **Date**

*** For purposes of calculating your net worth in this form, (a) your primary residence shall not be included as an asset; (b) indebtedness secured by your primary residence, up to the estimated fair market value of your primary residence at the time of your purchase of the securities, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of your purchase of the securities exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of your primary residence, the amount of such excess shall be included as a liability); and (c) indebtedness that is secured by your primary residence in excess of the estimated fair market value of your primary residence at the time of your purchase of the securities shall be included as a liability.**

ANTI MONEY LAUNDERING REQUIREMENTS

The USA PATRIOT Act

The USA PATRIOT Act is designed to detect, deter, and punish terrorists in the United States and abroad. The Act imposes new anti-money laundering requirements on brokerage firms and financial institutions. Since April 24, 2002 all brokerage firms have been required to have new, comprehensive anti-money laundering programs.

To help you understand these efforts, we want to provide you with some information about money laundering and our steps to implement the USA PATRIOT Act.

What is money laundering?

Money laundering is the process of disguising illegally obtained money so that the funds appear to come from legitimate sources or activities. Money laundering occurs in connection with a wide variety of crimes, including illegal arms sales, drug trafficking, robbery, fraud, racketeering, and terrorism.

How big is the problem and why is it important?

The use of the U.S. financial system by criminals to facilitate terrorism or other crimes could well taint our financial markets. According to the U.S. State Department, one recent estimate puts the amount of worldwide money laundering activity at $1 trillion a year.

What are we required to do to eliminate money laundering?

Under rules required by the USA PATRIOT Act, our anti-money laundering program must designate a special compliance officer, set up employee training, conduct independent audits, and establish policies and procedures to detect and report suspicious transaction and ensure compliance with such laws. As part of our required program, we may ask you to provide various identification documents or other information. Until you provide the information or documents we need, we may not be able to effect any transactions for you.

ANTI-MONEY LAUNDERING INFORMATION FORM
The following is required in accordance with the AML provision of the USA PATRIOT ACT.
(Please fill out and return with requested documentation.)

INVESTOR NAME: _____

LEGAL ADDRESS: _____

_____

SSN# or TAX ID#
OF INVESTOR: _____

YEARLY INCOME: _____

NET WORTH: _____ *****

*** For purposes of calculating your net worth in this form, (a) <u>your primary residence shall not be included as an asset</u>; (b) indebtedness secured by your primary residence, up to the estimated fair market value of your primary residence at the time of your purchase of the securities, shall not be included as a liability (except that if the amount of such indebtedness outstanding at the time of your purchase of the securities exceeds the amount outstanding 60 days before such time, other than as a result of the acquisition of your primary residence, the amount of such excess shall be included as a liability); and (c) indebtedness that is secured by your primary residence in excess of the estimated fair market value of your primary residence at the time of your purchase of the securities shall be included as a liability.**

INVESTMENT OBJECTIVE(S) (FOR ALL INVESTORS): _____

ADDRESS OF BUSINESS OR OF EMPLOYER: _____

FOR INVESTORS WHO ARE <u>INDIVIDUALS</u>: AGE: _____

FOR INVESTORS WHO ARE <u>INDIVIDUALS</u>: OCCUPATION: _____

FOR INVESTORS WHO ARE <u>ENTITIES</u>: TYPE OF BUSINESS: _____

<u>IDENTIFICATION & DOCUMENTATION AND SOURCE OF FUNDS:</u>

1. Please submit a copy of non-expired identification for the authorized signatory(ies) on the investment documents, showing name, date of birth, address and signature. **The address shown on the identification document MUST match the Investor's address shown on the Investor Signature Page.**

   Current Driver's License or Valid Passport or Identity Card
   (*Circle one or more)*

2. If the Investor is a corporation, limited liability company, trust or other type of entity, please submit the following requisite documents: (i) Articles of Incorporation, By-Laws, Certificate of Formation, Operating Agreement, Trust or other similar documents for the type of entity; and (ii) Corporate Resolution or power of attorney or other similar document granting authority to signatory(ies) and designating that they are permitted to make the proposed investment.

3. Please advise where the funds were derived from to make the proposed investment:

   Investments Savings Proceeds of Sale Other _____
   (Circle one or more)

Signature: _____

Print Name: _____

Title (if applicable): _____

Date: _____

Exhibit 10.6

PLACEMENT AGENCY AGREEMENT

April 17, 2015

Northland Securities, Inc.
Mr. Jeffrey Peterson, Director
45 S. 7th Street, Suite 2000
Minneapolis, MN 55402

Katalyst Securities LLC
Mr. Paul Ehrenstein, President
15 Maiden Lane, Suite 601
New York, NY 10038

Re: Danlax Corp. (to be renamed Akoustis Technologies, Inc.)

Dear Mr. Peterson and Mr. Ehrenstein:

This Placement Agency Agreement ("Agreement") sets forth the terms upon which Northland Securities, Inc. ("Northland") and Katalyst Securities, LLC ("Katalyst"), registered broker-dealers and members of the Financial Industry Regulatory Authority ("FINRA"), (hereinafter referred to as the "Placement Agents"), shall be engaged by Danlax Corp. (to be renamed Akoustis Technologies, Inc., a publicly traded Nevada Corporation (hereinafter referred to as the "Company"), to act as exclusive co-Placement Agents in connection with the private placement (the "Offering") of the securities of the Company (the "Securities"). The initial closing of the Offering will be conditioned upon and acceptance of subscriptions for the Minimum Amount (as defined below) and the consummation of a reverse triangular merger (the "Merger") by and among a subsidiary of the Company, Akoustis, Inc., ("Akoustis"), a privately held Delaware corporation, and the Company and certain other transactions describe herein, pursuant to which Akoustis will become a wholly owned subsidiary of the Company, and all of the outstanding Akoustis stock will be converted into shares of the Company's common stock.

1. Appointment of Placement Agents.

(a) On the basis of the written and documented representations and warranties of the Company provided herein, and subject to the terms and conditions set forth herein, the Placement Agents are hereby appointed as co-exclusive Placement Agents of the Company during the Offering Period (as defined in Section 3(b) below) to assist the Company in finding qualified subscribers for the Offering. The Placement Agents may sell the Securities through other broker-dealers who are FINRA members (collectively, the "Sub Agents") and may reallow all or a portion of the Brokers' Fees (as defined in Section 3(a), 3(b) and 3(d) below) it receives to such other Sub Agents or pay a finders or consultant fee as allowed by applicable law. On the basis of such representations and warranties and subject to such terms and conditions, the Placement Agents hereby accept such appointment and agree to perform the services hereunder diligently and in good faith and in a professional and businesslike manner and in compliance with applicable law and to use its reasonable best efforts to assist the Company in finding subscribers of the Securities who qualify as "accredited investors," as such term is defined in Rule 501 of Regulation D. The Placement Agents have no obligation to purchase any of the Securities or sell any Securities. Unless sooner terminated in accordance with this Agreement, the engagement of the Placement Agents hereunder shall continue until the later of the Termination Date or the Final Closing (as defined below). The Offering is currently anticipated to be the private placement of a minimum of gross proceeds of $3,000,000 (the "Minimum Offering") and a maximum of gross proceeds of $6,000,000 (the "Maximum Offering") through the sale of shares of common stock, par value $0.001 per share, of the Company (the "Common Stock"), at the Purchase Price of $1.50 per share (the "Offering Price"). The minimum subscription is $90,000 (60,000 shares), *provided, however,* that subscriptions in lesser amounts may be accepted by the Company in its sole discretion.

(b) Placement of the Securities by the Placement Agents will be made on a reasonable best efforts basis. The Company agrees and acknowledges that the Placement Agents are not acting as underwriters with respect to the Offering and the Company shall determine the purchasers in the Offering in its sole discretion The Shares will be offered by the Company to potential subscribers, which may include related parties of the Placement Agents or the Company, commencing on April 20, 2015 through June 15, 2015 (the "Initial Offering Period"), which date may be extended by the Company (this additional period and the Initial Offering Period shall be referred to as the "Offering Period"). The date on which the Offering is terminated shall be referred to as the "Termination Date". The closing of the Offering may be held up to ten days after the Termination Date.

(c) The Company shall only offer securities to and accept subscriptions from or sell Securities to, persons or entities that either (i) qualify as (or are reasonably believed to be) "accredited investors," as such term is defined in Rule 501 of Regulation D ("Regulation D") as promulgated by the United States Securities and Exchange Commission (the "SEC") under Section 4(a)(2) of the Securities Act of 1933, as amended (the "Act").

(d) The offering of Securities will be made by the Placement Agents on behalf of the Company solely pursuant to the Subscription Agreement and the Exhibits to the Subscription Agreement, including, but not limited to, and to the extent applicable, the Term Sheet, Registration Rights Agreement, a draft of the Form 8-K relating to the Merger and the business of Akoustis to be filed by the Company with the Securities and Exchange Commission (the "Super 8-K") and the risk factors and disclosures will be available to the Placement Agents prior to such filing. and any documents, agreements, supplements and additions thereto (collectively, the "Subscription Documents"), which at all times will be in form and substance reasonably acceptable to the Company and the Placement Agents and their respective counsel and contain such legends and other information as the Company and the Placement Agents and their respective counsel, may, from time to time, deem necessary and desirable to be set forth therein.

(e) With respect to the Offering, the Company shall provide the Placement Agents, on terms set forth herein, the right to offer and sell all of the available Securities being offered during the Offering Period (subject to prior offer and sale of some of the Securities). It is understood that no sale shall be regarded as effective unless and until accepted by the Company. The Company may, in their sole discretion, accept or reject, in whole or in part, any prospective investment in the Securities or allot to any prospective subscriber less than the number of Securities that such subscriber desires to purchase. Purchases of Securities may be made by the Placement Agents and their selected sub-dealers and their respective officers, directors, employees and affiliates and by the officers, directors, employees and affiliates of the Company and Akoustis (collectively, the "Affiliates") for the Offering and such purchases will be made by the Affiliates based solely upon the same information that is provided to the investors in the Offering.

2. Representations, Warranties and Covenants.

A. Representations, Warranties and Covenants of the Company. The Company hereby represents and warrants to the Placement Agents that, except as otherwise set forth in the disclosure schedule provided by the Company to the Placement Agents on the date hereof and as updated, if necessary, by the Company immediately prior to the closing of the transactions contemplated hereby, and collectively attached hereto as Exhibit A (the "Company Disclosure Schedule"), and assuming that the conditions described in Section 6 hereof are satisfied, each of the representations and warranties contained in this Section 2 is true in all respects as of the date hereof and will be true in all respects as of the Closing Date and any subsequent Closing Dates (which will be deemed to be following the closing of the Merger), as defined under Section 4(e). In addition to the representations and warranties set forth herein, the Placement Agents shall be entitled to rely upon the representations and warranties made or given by the Company to any acquirer of Securities in the Offering in any agreement, certificate, legal opinion or otherwise in connection with an Offering. For purposes of this Section 2(A), the term Company includes all of the Company's subsidiaries (if any).

(a) The Subscription Documents have been and/or will be prepared by the Company, in conformity with all applicable laws, and in compliance with Regulation D and/or Section 4(a)(2) of the Act and the requirements of all other rules and regulations (the "Regulations") of the SEC relating to offerings of the type contemplated by the Offering, and the applicable securities laws and the rules and regulations of those jurisdictions wherein the Placement Agents notify the Company that the Securities are to be offered and sold (including U.S. states). The Securities will be offered and sold pursuant to the registration exemption provided by Regulation D and/or Section 4(a)(2) of the Act as a transaction not involving a public offering and the requirements of any other applicable state securities laws and the respective rules and regulations thereunder in those United States jurisdictions in which the Placement Agents notify the Company that the Securities are being offered for sale. None of the Company, its affiliates, or any person acting on its or their behalf (other than the Placement Agents, their respective affiliates or any person acting on their behalf, in respect of which no representation is made) has taken nor will it take any action that conflicts with the conditions and requirements of, or that would make unavailable with respect to the Offering, the exemption(s) from registration available pursuant to Rule 506 of Regulation D and/or Section 4(a)(2) of the Act and applicable state securities laws, or knows of any reason why any such exemption would be otherwise unavailable to it). Neither the Company, nor any of its affiliates, nor any person acting on its or their behalf, has directly or indirectly made any offers or sales of any security or solicited any offers to buy any security under circumstances that would require registration under the Act of the issuance of the Securities or the Brokers Warrants (as hereinafter defined). None of the Company, its predecessors or affiliates has been subject to any order, judgment or decree of any court of competent jurisdiction temporarily, preliminarily or permanently enjoining such person for failing to comply with Section 503 of Regulation D or the equivalent state securities law requirements. The Company has not, for a period of six months prior to the commencement of the offering of Securities, sold, offered for sale or solicited any offer to buy any of its securities in a manner that would be integrated with the offer and sale of the Securities pursuant to this Agreement, would cause the exemption from registration set forth in Rule 506 of Regulation D and state securities laws to become unavailable with respect to the offer and sale of the Securities to this Agreement in the United States. The Securities, and upon the exercise of the Brokers Warrants pursuant to their terms, the Brokers Warrant Shares will be quoted on the OTCQB (the "*Principal Market*"). The Company has taken no action designed to, or likely to have the effect of, terminating the quotation of the Common Stock (including the Securities and the Brokers Warrant Shares) on the Principal Market. The Company, on the Closing Date, will be in compliance with all of the then-applicable requirements for continued quotation of the Common Stock on the Principal Market.

(b) The Subscription Documents, as prepared and contemplated by the Company, will not and do not include any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. To the knowledge of the Company, none of the statements, documents, certificates or other items made, prepared or supplied by the Company with respect to the transactions contemplated hereby contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements contained therein not misleading in light of the circumstances in which they were made. There is no fact which the Company has not disclosed in the Subscription Documents or which is not disclosed in the filings (the "SEC Filings", which is deemed to include the Super 8-K) that the Company makes with the US Securities and Exchange Commission (the "SEC") and of which the Company is aware that materially adversely affects or that could reasonably be expected to have a material adverse effect on the (i) assets, liabilities, results of operations, condition (financial or otherwise), business or business prospects of the Company, including the business prospects as a result of the Merger or (ii) ability of the Company to perform its obligations under this Agreement and the other Subscription Documents (the "Company Material Adverse Effect"). Notwithstanding anything to the contrary herein, the Company makes no representation or warranty with respect to any estimates, projections and other forecasts and plans (including the reasonableness of the assumptions underlying such estimates, projections and other forecasts and plans) that may have been delivered to the Placement Agents or their respective representatives, except that such estimates, projections and other forecasts and plans have been prepared in good faith on the basis of assumptions stated therein, which assumptions were believed to be reasonable at the time of such preparation. Other than the Company's SEC Filings, the Company has not distributed and will not distribute prior to the Closing any offering material in connection with the offering and sale of the Securities, unless such offering materials are provided to the Placement Agents prior to or simultaneously with such delivery to the offerees of the Securities.

(c) The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Nevada and is qualified and in good standing as a foreign corporation in each jurisdiction in which the nature of the business conducted by the Company or the property owned or leased by the Company requires such qualification, except to the extent that the failure to be so qualified or be in good standing would not have a Company Material Adverse Effect. The Company has all requisite corporate power and authority to conduct its business as presently conducted and as proposed to be conducted (as described in the Subscription Documents and/or the SEC Filings), has all the necessary and requisite documents and approvals from all state authorities, has all requisite corporate power and authority to enter into and perform its obligations under this Agreement, the Subscription Agreement substantially in the form made part of the Subscription Documents (the "Subscription Agreement"), the Registration Rights Agreement substantially in the form made part of the Subscription Documents (the "Registration Rights Agreement"), and the other agreements, if any, contemplated by the Offering (this Agreement, Subscription Agreement, the Registration Rights Agreement and the other agreements contemplated hereby that the Company is required to execute and deliver are collectively referred to herein as the "Company Transaction Documents") and subject to necessary Board and stockholder approvals, to issue, sell and deliver the Common Stock and the shares of Common Stock (the "Brokers Warrant Shares") issuable upon exercise of the Brokers Warrants (as defined below) and to make the representations in this Agreement accurate and not misleading. Prior to the First Closing, as defined under Section 4(e), each of the Company Transaction Documents and the Offering will have been duly authorized. This Agreement has been duly authorized, executed and delivered and constitutes, and each of the other Company Transaction Documents, upon due execution and delivery, will constitute, valid and binding obligations of the Company, enforceable against the Company in accordance with their respective terms (i) except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect related to laws affecting creditors' rights generally, including the effect of statutory and other laws regarding fraudulent conveyances and preferential transfers, and except that no representation is made herein regarding the enforceability of the Company's obligations to provide indemnification and contribution remedies under the securities laws and (ii) subject to the limitations imposed by general equitable principles (regardless of whether such enforceability is considered in a proceeding at law or in equity).

(d) None of the execution and delivery of or performance by the Company under this Agreement or any of the other Company Transaction Documents or the consummation of the transactions in this Agreement or in the Subscription Documents (including the issuance and sale of the Securities, the issuance of the Brokers Warrants or the issuance and sale of the Brokers Warrants Shares conflicts with or violates, or causes a default under (with our without the passage of time or the giving of notice), or will result in the creation or imposition of, any lien, charge or other encumbrance upon any of the assets of the Company under any agreement, evidence of indebtedness, joint venture, commitment or other instrument to which the Company is a party or by which the Company or its assets may be bound, any statute, rule, law or governmental regulation applicable to the Company, or any term of the Article of Incorporation as in effect on the date hereof or any closing date for the Offering (the "Articles of Incorporation") or By-Laws as in effect on the date hereof or any closing date for the Offering (the "By-Laws") of the Company, or any license, permit, judgment, decree, order, statute, rule or regulation applicable to the Company or any of its assets, except in the case of a conflict, violation, lien, charge or other encumbrance (except with respect to the Company's Articles of Incorporation or By-Laws) which would not, or could not reasonably be expected to, have a Company Material Adverse Effect. No consent, approval, authorization or other order of, or registration, qualification or filing with, any regulatory body, administrative agency, or other governmental body is required for the execution and delivery of this Agreement by the Company and the valid issuance or sale of the Securities, the Brokers Warrants and the Brokers Warrant Shares by the Company pursuant to this Agreement, other than such as have been made or obtained and that remain in full force and effect, and except for the filing of a Form D or any filings required to be made under state securities laws, which shall be timely filed by the Company.

(e) The Company's financial statements, together with the related notes, if any, included in the Subscription Documents or the Company's SEC Filings, present fairly, in all material respects, the financial position of the Company as of the dates specified and the results of operations for the periods covered thereby. Such financial statements and related notes were prepared in accordance with United States generally accepted accounting principles applied on a consistent basis throughout the periods indicated, except that the unaudited financial statements omit full notes, and except for normal year end adjustments. If the financials for the Company are unaudited financial statements, it will state such clearly on the financials. During the period of engagement of the Company's independent certified public accountants, there have been no disagreements between the accounting firm and the Company on any matters of accounting principles or practices, financial statement disclosure or auditing scope or procedures. The Company has made and kept books and records and accounts which are in reasonable detail and which fairly and accurately reflect the activities of the Company in all material respects, subject only to year-end adjustments. Except as set forth in such financial statements or otherwise disclosed in the Subscription Documents, the Company's senior management has no knowledge of any material liabilities of any kind, whether accrued, absolute or contingent, or otherwise, and subsequent to the date of the Subscription Documents and prior to the date of the First Closing, it shall not enter into any material transactions or commitments without promptly thereafter notifying the Placement Agents and the purchasers in the Offering in writing of any such material transaction or commitment. The other financial and statistical information with respect to the Company and any pro forma information and related notes included in the SEC Filings present fairly the information shown therein on a basis consistent with the financial statements of the Company included in the SEC Filings. Except as disclosed in the Subscription Documents, the Company does not know of any facts, circumstances or conditions which could materially adversely affect its operations, earnings or prospects that have not been fully disclosed in the financial statements appearing in the SEC Filings or other financial statements appearing in the SEC Filings or other documents or information provided by the Company.

(f) Immediately prior to the First Closing, the shares of Common Stock and the Brokers Warrants Shares will have been duly authorized and, when issued and delivered against payment therefor as provided in the Company Transaction Documents, will be validly issued, fully paid and nonassessable. No holder of any of the shares of Common Stock and Brokers Warrants Shares will be subject to personal liability solely by reason of being such a holder, and except as described in the Subscription Documents, none of the shares of Common Stock, the Brokers Warrants or the Brokers Warrants Shares will be subject to preemptive or similar rights of any stockholder or security holder of the Company or an adjustment under the antidilution or exercise rights of any holders of any outstanding shares of capital stock, options, warrants or other rights to acquire any securities of the Company. Immediately prior to the First Closing, a sufficient number of authorized but unissued shares of Common Stock will have been reserved for issuance upon the exercise of the Brokers Warrants.

(g) Except as described in the Subscription Documents and/or the Company's SEC Filings and for the Brokers Warrants, and as of the date of each Closing: (i) there will be no outstanding options, stock subscription agreements, warrants or other rights permitting or requiring the Company or others to purchase or acquire any shares of capital stock or other equity securities of the Company or to pay any dividend or make any other distribution in respect thereof; (ii) there will be no securities issued or outstanding which are convertible into or exchangeable for any of the foregoing and there are no contracts, commitments or understandings, whether or not in writing, to issue or grant any such option, warrant, right or convertible or exchangeable security; (iii) no Securities of the Company or other securities of the Company are reserved for issuance for any purpose; (iv) there will be no voting trusts or other contracts, commitments, understandings, arrangements or restrictions of any kind with respect to the ownership, voting or transfer of shares of stock or other securities of the Company, including, without limitation, any preemptive rights, rights of first refusal, proxies or similar rights, and (v) no person prior to the execution of this Agreement by the Company holds a right to require the Company to register any securities of the Company under the Act or to participate in any such registration. Immediately prior to the First Closing, the issued and outstanding shares of capital stock of the Company will conform in all material respects to all statements in relation thereto contained in the Company's SEC Filings and the Company's SEC Filings describe all material terms and conditions thereof. All issuances by the Company of its securities have been issued pursuant to either a current effective registration statement under the 1933 Act or an exemption from registration requirements under the Act, and were issued in accordance with any applicable Federal and state securities laws.

(h) Except as described in the Subscription Documents and/or the Company's SEC Filings, the Company has no subsidiaries and does not own any equity interest and has not made any loans or advances to or guarantees of indebtedness to any person, corporation, partnership or other entity and is not a party to any joint venture. The Company's subsidiaries are duly incorporated or organized, validly existing and in good standing under the laws of their jurisdiction of incorporation or organization and have all requisite power and authority to carry on their business as now conducted. Such subsidiaries are duly qualified to transact business and is in good standing in each jurisdiction in which the failure to so qualify would have a material adverse effect on their respective business or properties. All of the outstanding capital stock or other voting securities of such subsidiaries are owned by the Company, directly or indirectly, free and clear of any liens, claims, or encumbrances. The conduct of business by the Company as presently and proposed to be conducted is not subject to continuing oversight, supervision, regulation or examination by any governmental official or body of the United States, or any other jurisdiction wherein the Company conducts or proposes to conduct such business, except as described in the Subscription Documents and/or the Company's SEC Filings and except as such regulation is applicable to US public companies and commercial enterprises generally. The Company has obtained all material licenses, permits and other governmental authorizations necessary to conduct its business as presently conducted. The Company has not received any notice of any violation of, or noncompliance with, any federal, state, local or foreign laws, ordinances, regulations and orders (including, without limitation, those relating to environmental protection, occupational safety and health, securities laws, equal employment opportunity, consumer protection, credit reporting, "truth-in-lending", and warranties and trade practices) applicable to its business, the violation of, or noncompliance with, would have a Company Material Adverse Effect, and the Company knows of no facts or set of circumstances which could give rise to such a notice.

(i) Except as described in the Subscription Documents and/or the Company's SEC Filings, no default by the Company or, to the knowledge of the Company, any other party, exists in the due performance under any material agreement to which the Company is a party or to which any of its assets is subject (collectively, the "Company Agreements"). The Company Agreements, if any, disclosed in the Subscription Documents and/or the Company's SEC Filings are the only material agreements to which the Company is bound or by which its assets are subject, are accurately described in the Subscription Documents and/or the Company's SEC Filings and are in full force and effect in accordance with their respective terms, subject to any applicable bankruptcy, insolvency or other laws affecting the rights of creditors generally and to general equitable principles and the availability of specific performance.

(j) Subsequent to the respective dates as of which information is given in the Subscription Documents, the Company has operated its business in the ordinary course and, except as may otherwise be set forth in the Subscription Documents or the Company's SEC Filings, there has been no: (i) Company Material Adverse Effect; (ii) material transaction otherwise than in the ordinary course of business consistent with past practice; (iii) issuance of any securities (debt or equity) or any rights to acquire any such securities other than pursuant to equity incentive plans approved by its Board of Directors; (iv) damage, loss or destruction, whether or not covered by insurance, with respect to any material asset or property of the Company; or (v) agreement to permit any of the foregoing.

(k) Except as set forth in the Subscription Documents and/or the Company's SEC Filings, there are no actions, suits, claims, hearings or proceedings pending before any court or governmental authority or, to the knowledge of the Company, threatened, against the Company, or involving its assets or any of its officers or directors (in their capacity as such) which, (i) if determined adversely to the Company or such officer or director, could reasonably be expected to have a Company Material Adverse Effect or adversely affect the transactions contemplated by this Agreement or the Company Transaction Documents (as defined in this Agreement) or the enforceability hereof or (ii) would be required to be disclosed in the Company's Annual Report on Form 10-K under the requirements of Item 103 of Regulation S-K. The Company is not subject to any injunction, judgment, decree or order of any court, regulatory body, arbitral panel, administrative agency or other government body.

(l) The Articles of Incorporation and By-laws of the Company are true, correct and complete copies of the certificate of incorporation and bylaws of the Company, as in effect on the date hereof. Any subsequent amendments to the certificate of incorporation or bylaws will be provided promptly to the Placement Agents and investors in the Offering. The Company is not: (i) in violation of its Articles of Incorporation or By-Laws; (ii) in default of any contract, indenture, mortgage, deed of trust, note, loan agreement, security agreement, lease, alliance agreement, joint venture agreement or other agreement, license, permit, consent, approval or instrument to which the Company is a party or by which it is or may be bound or to which any of its assets may be subject, the default of which could reasonably be expected to have a Company Material Adverse Effect; (iii) in violation of any statute, rule or regulation applicable to the Company, the violation of which would have a Company Material Adverse Effect; or (iv) in violation of any judgment, decree or order of any court or governmental body having jurisdiction over the Company and specifically naming the Company, which violation or violations individually, or in the aggregate, could reasonably be expected to have a Company Material Adverse Effect.

(m) Except as disclosed in the Subscription Documents and/or the Company's SEC Filings, as of the date of this Agreement, no current or former stockholder, director, officer or employee of the Company, nor, to the knowledge of the Company, any affiliate of any such person is presently, directly or indirectly through his/her affiliation with any other person or entity, a party to any loan from the Company or any other transaction (other than as an employee) with the Company.

(n) The Company is not obligated to pay, and has not obligated the Placement Agents to pay, a finder's or origination fee in connection with the Offering other than to the Placement Agents under this Agreement, and hereby agrees to indemnify the Placement Agents from any such claim made by any other person as more fully set forth in Section 8 hereof. The Company has not offered for sale or solicited offers to purchase the Securities except for negotiations with the designated Placement Agents. Except as set forth in the Subscription Documents, no other person has any right to participate in any offer, sale or distribution of the Company's securities to which the Placement Agents' rights, described herein, shall apply.

(o) Until the earlier of (i) the Termination Date or (ii) the Final Closing (as hereinafter defined), the Company will not issue any press release, grant any interview, or otherwise communicate with the media in any manner whatsoever with respect to the Offering without the Placement Agents' prior written consent, which consent will not unreasonably be withheld or delayed, and subject to any applicable laws and regulations.

(p) No representation or warranty contained in Section 2A of this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements herein not misleading in the context of such representations and warranties. The Placement Agents shall be entitled to rely on such representations and warranties.

(q) No consent, authorization or filing of or with any court or governmental authority is required in connection with the issuance or the consummation of the transactions contemplated herein or in the other Company Transaction Documents, except for required filings with the SEC and the applicable state securities commissions relating specifically to the Offering (all of which filings will be duly made by, or on behalf of, the Company), and those which are required to be made after the First Closing (all of which will be duly made on a timely basis).

(r) Neither the sale of the Securities by the Company nor its use of the proceeds thereof will violate the Trading with the Enemy Act, as amended, nor any of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto. Without limiting the foregoing, the Company is not (a) a person whose property or interests in property are blocked pursuant to Section 1 of Executive Order 13224 of September 23, 2001 Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism (66 Fed. Reg. 49079 (2001)) or (b) a person who engages in any dealings or transactions, or be otherwise associated, with any such person. The Company and its subsidiaries, if any, are in compliance, in all material respects, with the USA Patriot Act of 2001 (signed into law October 26, 2001). Each of the Company, its affiliates and any of their respective officers, directors, supervisors, managers, agents, or employees, has not violated, its participation in the offering will not violate, and the Company has instituted and maintains policies and procedures designed to ensure continued compliance with, each of the following laws: (a) anti-bribery laws, including but not limited to, any applicable law, rule, or regulation of any locality, including but not limited to any law, rule, or regulation promulgated to implement the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, signed December 17, 1997, including the U.S. Foreign Corrupt Practices Act of 1977, as amended, or any other law, rule or regulation of similar purposes and scope, (b) anti-money laundering laws, including but not limited to, applicable federal, state, international, foreign or other laws, regulations or government guidance regarding anti-money laundering, including, without limitation, Title 18 US. Code section 1956 and 1957, the Bank Secrecy Act, and international anti-money laundering principles or procedures by an intergovernmental group or organization, such as the Financial Action Task Force on Money Laundering, of which the United States is a member and with which designation the United States representative to the group or organization continues to concur, all as amended, and any Executive order, directive, or regulation pursuant to the authority of any of the foregoing, or any orders or licenses issued thereunder or (c) laws and regulations imposing U.S. economic sanctions measures, including, but not limited to, the International Emergency Economic Powers Act, the United Nations Participation Act and the Syria Accountability and Lebanese Sovereignty Act, all as amended, and any Executive Order, directive, or regulation pursuant to the authority of any of the foregoing, including the regulations of the United States Treasury Department set forth under 31 CFR, Subtitle B, Chapter V, as amended, or any orders or licenses issued thereunder. Neither the Company nor any director, officer, agent, employee or other person acting on behalf of the Company has, in the course of its actions for, or on behalf of, the Company (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; or (iii) made any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any foreign or domestic government official or employee.

(s) None of Company, any of its predecessors, any affiliated issuer, any director, executive officer, other officer of the Company participating in the Offering, any beneficial owner of 20% or more of the Company's outstanding voting equity securities, calculated on the basis of voting power, nor any promoter (as that term is defined in Rule 405 under the Securities Act) connected with the Company in any capacity at the time of sale (each, an "Issuer Covered Person" and, together, "Issuer Covered Persons") is subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i)–(viii) under the Securities Act (a "Disqualification Event"), except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3) or has been involved in any matter which would be a Disqualification Event except for the fact that it occurred before September 23, 2013. The Company has exercised reasonable care to determine whether any Issuer Covered Person is subject to a Disqualification Event. The Company has complied, to the extent applicable, with its disclosure obligations under Rule 506(e), and has furnished to the Placement Agent a copy of any disclosures provided thereunder.

(t) The Company is not aware of any person (other than any Issuer Covered Person or Placement Agent Covered Person (as defined below) that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with the sale of any the Securities. For purposes of this subsection Placement Agent Covered Person shall mean Northland Securities, Inc. and Katalyst Securities Inc., or any of its directors, executive officers, general partners, managing members or other officers participating in the Offering.

(u) The Company will promptly notify the Placement Agent in writing of (A) any Disqualification Event relating to any Issuer Covered Person and (B) any event that would, with the passage of time, become a Disqualification Event relating to any Issuer Covered Person. The Company will notify the Agent in writing, prior to the Closing Date of (i) any Disqualification Event relating to any Issuer Covered Person and (ii) any event that would, with the passage of time, become a Disqualification Event relating to any Issuer Covered Person.

(v) The authorized capital stock of the Company as of the First Closing will be set forth in the Company's SEC Filings. As of the First Closing, the Company's issued and outstanding capital stock will be set forth in the Company's SEC Filings. All issued and outstanding shares of capital stock have been duly authorized and validly issued, are fully paid and nonassessable, were not issued in violation of any preemptive rights or similar rights to subscribe for or purchase securities, and, except as disclosed in the Company's SEC Filings, have been issued and sold in compliance with the registration requirements of federal and state securities laws or the applicable statutes of limitation have expired. Except as set forth in the Company's SEC Filings, there are no (i) outstanding rights (including, without limitation, preemptive rights), warrants or options to acquire, or instruments convertible into or exchangeable for, any unissued shares of capital stock or other equity interest in the Company, or any contract, commitment, agreement, understanding or arrangement of any kind to which the Company or its subsidiaries is a party and relating to the issuance or sale of any capital stock or convertible or exchangeable security of the Company; or (ii) obligations of the Company to purchase redeem or otherwise acquire any of its outstanding capital stock or any interest therein or to pay any dividend or make any other distribution in respect thereof.

(w) The Company has ownership or license or legal right to use all patents, copyrights, trade secrets, know-how, trademarks, trade names, customer lists, designs, manufacturing or other processes, computer software, systems, data compilation, research results or other proprietary rights used in the business of the Company or its subsidiaries (collectively "*Intellectual Property*"). All of such patents, registered trademarks and registered copyrights have been duly registered in, filed in or issued by the United States Patent and Trademark Office, the United States Register of Copyrights or the corresponding offices of other jurisdictions and have been maintained and renewed in accordance with all applicable provisions of law and administrative regulations in the United States and all such jurisdictions. The Company believes it has taken all reasonable steps required in accordance with sound business practice and business judgment to establish and preserve its and its subsidiaries' ownership of all material Intellectual Property with respect to their products and technology. To the knowledge of the Company, there is no infringement of the Intellectual Property by any third party. To the knowledge of the Company, the present business, activities and products of the Company and its subsidiaries do not infringe any intellectual property of any other person. There is no proceeding charging the Company or its subsidiaries with infringement of any adversely held Intellectual Property has been filed and the Company is unaware of any facts which are reasonably likely to form a basis for any such proceeding. There are no proceedings have been instituted or pending or, to the knowledge of the Company, threatened, which challenge the rights of the Company or its subsidiaries to the use of the Intellectual Property. The Intellectual Property owned by the Company and its subsidiaries, and to the knowledge of the Company, the Intellectual Property licensed to the Company and its subsidiaries, has not been adjudged invalid or unenforceable, in whole or in part. There is no pending or, to the knowledge of the Company, threatened proceeding by others challenging the validity or scope of any such Intellectual Property, and the Company is unaware of any facts which are reasonably likely to form a basis for any such claim. Each of the Company and its subsidiaries has the right to use, free and clear of material claims or rights of other persons, all of its customer lists, designs, computer software, systems, data compilations, and other information that are required for its products or its business as presently conducted. Neither the Company nor its subsidiaries is making unauthorized use of any confidential information or trade secrets of any person. The activities of any of the employees on behalf of the Company or of its subsidiaries do not violate any agreements or arrangements between such employees and third parties are related to confidential information or trade secrets of third parties or that restrict any such employee's engagement in business activity of any nature. Each former and current employee or consultant of the Company or its subsidiaries is a party to a written contract with the Company or its subsidiaries that assigns to the Company or its subsidiaries, or has received an employee handbook that requires an employee to assign, all rights to all inventions, improvements, discoveries and information relating to the Company or its subsidiaries, except for any failure to so do as would not reasonably be expected to result in a Material Adverse Effect. All licenses or other agreements under which (i) the Company or its subsidiaries employs rights in Intellectual Property, or (ii) the Company or its subsidiaries has granted rights to others in Intellectual Property owned or licensed by the Company or its subsidiaries are in full force and effect, and there is no default (and there exists no condition which, with the passage of time or otherwise, would constitute a default by the Company or such subsidiary) by the Company or its subsidiaries with respect thereto.

(x) Marcum LLP and KLJ & Associates, LLP, who will express their opinion with respect to the consolidated financial statements contained in the Company SEC Documents, have advised the Company that they are, and to the knowledge of the Company they are, independent accountants as required by the Securities Act and the rules and regulations promulgated thereunder.

(y) The Company has filed all necessary federal, state, local and foreign income and franchise tax returns and have paid or accrued all taxes shown as due thereon, and the Company has no knowledge of a tax deficiency which has been or might be asserted or threatened against it by any taxing jurisdiction, other than any deficiency which the Company is contesting in good faith and with respect to which adequate reserves for payment have been established.

(z) The Company maintains and will continue to maintain insurance of the types and in the amounts that the Company reasonably believes are adequate for its business, including, but not limited to, insurance covering all real and personal property owned or leased by the Company against theft, damage, destruction, acts of vandalism and all other risks customarily insured against by similarly situated companies, all of which insurance is in full force and effect.

(aa) On each Closing Date, all stock transfer or other taxes (other than income taxes) that are required to be paid in connection with the sale and transfer of the Securities and the Brokers Warrants will be, or will have been, fully paid or provided for by the Company and the Company will have complied with all laws imposing such taxes.

(bb) The Company (including its subsidiaries) is not an "investment company" or an "affiliated person" of, or "promoter" or "principal underwriter" for an investment company, within the meaning of the Investment Company Act of 1940 and will not be deemed an "investment company" as a result of the transactions contemplated by the Offering.

(cc) The books, records and accounts of the Company accurately and fairly reflect, in reasonable detail, the transactions in, and dispositions of, the assets of, and the operations of, the Company.

(dd) The Company and its subsidiaries have established and maintain disclosure controls and procedures (as such term is defined in Rule 13a-15 under the Securities Exchange Act of 1934 (the "Exchange Act"), which (i) are designed to ensure that material information relating to the Company or its subsidiaries is made known to the Company's principal executive officer and its principal financial officer by others within those entities particularly during the periods in which the periodic reports required under the Securities Exchange Act are being prepared; and (ii) provide for the periodic evaluation of the effectiveness of such disclosure controls and procedures as of the end of the period covered by the Company's most recent annual or quarterly report filed with the SEC. The Company and its subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset and liability accountability, (iii) access to assets or incurrence of liabilities is permitted only in accordance with management's general or specific authorization and (iv) the recorded accountability for assets and liabilities is compared with the existing assets and liabilities at reasonable intervals and appropriate action is taken with respect to any difference. The Company and its subsidiaries maintain disclosure controls and procedures (as such term is defined in Rule 13a-15 under the Exchange Act) that are effective in ensuring that information required to be disclosed by the Company in the reports that it files with or submits to the SEC is recorded, processed, summarized and reported, within the time periods specified in the rules and forms of the SEC, including, without limitation, controls and procedures designed in to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including its principal executive officer or officers and its principal financial officer or officers, as appropriate, to allow timely decisions regarding required disclosure. The Company is not aware of (i) any significant deficiency or material weakness in the design or operation of internal controls which could adversely affect the Company's or its subsidiaries' ability to record, process, summarize and report financial data or any material weaknesses in internal controls; or (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's or its subsidiaries' internal controls. Since January 1, 2015, there have been no changes that have materially affected, or are reasonably likely to materially affect, the Company's or its subsidiaries' internal control over financial reporting, including any corrective actions with regard to significant deficiencies and material weaknesses. There are no material off-balance sheet arrangements (as defined in Item 303 of Regulation S-K), or any other relationships with unconsolidated entities (in which the Company or its control persons have an equity interest) that may have a material current or future effect on the Company's or its subsidiaries' financial condition, revenues or expenses, changes in financial condition, results of operations, liquidity, capital expenditures or capital resources. The board of directors has not been informed, nor is any director of the Company aware, of (1) any significant deficiencies in the design or operation of the internal controls of the Company or its subsidiaries which could adversely affect the Company's or its subsidiaries' ability to record, process, summarize and report financial data or any material weakness in the Company's or its subsidiaries' internal controls; or (2) any fraud, whether or not material, that involves management or other employees of the Company or its subsidiaries who have a significant role in the Company's or its subsidiaries' internal controls.

(ee) Neither the Company, nor any of its affiliates, nor any person acting on its or their behalf, has engaged or will engage in any form of general solicitation or general advertising (within the meaning of Regulation D promulgated under the Securities Act) in connection with the offer or sale of the Securities or the Brokers Warrants.

(ff) The Company is in compliance in all material respects with any and all applicable requirements of the Sarbanes-Oxley Act of 2002 that are effective as of the date hereof, and any and all applicable rules and regulations promulgated by the SEC thereunder that are effective as of the date hereof.

(gg) The Company is not a party to any collective bargaining agreement or employs any member of a union. The Company believes that its relations with its employees are good. No executive officer of the Company (as defined in Rule 501(f) of Regulation D under the Securities Act) has notified the Company that such officer intends to leave the Company or otherwise terminate such officer's employment with the Company. No executive officer of the Company, to the knowledge of the Company, is, or is now expected to be, in violation of any material term of any employment contract, confidentiality, disclosure or proprietary information agreement, non-competition agreement, or any other contract or agreement or any restrictive covenant, and the continued employment of each such executive officer does not subject the Company to any liability with respect to any of the foregoing matters. The Company and its subsidiaries are in compliance with all federal, state, local and foreign laws and regulations respecting labor, employment and employment practices and benefits, terms and conditions of employment and wages and hours, except where failure to be in compliance would not, either individually or in the aggregate, reasonably be expected to result in a Company Material Adverse Effect.

(hh) None of the Company, its subsidiaries or any executive officer of the Company (as defined in Rule 501(f) of Regulation D under the Securities Act) has taken and will not take any action designed to or that might reasonably be expected to cause or result in an unlawful manipulation of the price of the Common Stock to facilitate the sale or resale of the Securities, the Brokers Warrants or the Brokers Warrant Shares. The Company confirms that, to its knowledge, with the exception of the proposed sale of Securities, neither it nor any other person acting on its behalf has provided any of the potential investors or their agent or counsel with any information that constitutes or might constitute material, non-public information. The Company understands and confirms that the potential investors shall be relying on the foregoing representations in effecting transactions in securities of the Company.

(ii) The Company and its board of directors have taken all necessary action, if any, in order to render inapplicable any control share acquisition, business combination, poison pill (including any distribution under a rights agreement) or other similar anti-takeover provision under the Company's certificate of incorporation or the laws of the jurisdiction of its formation which is or could become applicable to any potential investor as a result of the transactions contemplated by the Offering, including, without limitation, the Company's issuance of the Securities and any potential investor's ownership of the Securities. The Company has not adopted a stockholder rights plan or similar arrangement relating to accumulations of beneficial ownership of its capital stock or a change in control of the Company.

(jj) The Company acknowledges that the Placement Agents, their sub agents, legal counsel to the Company and/or their respective affiliates, principals, representatives or employees may now or hereafter own shares of the Company.

B. Representations, Warranties and Covenants of Northland. Northland hereby represents and warrants to the Company that the following representations and warranties are true and correct as of the date of this Agreement:

(a) Northland represents that neither it, nor to its knowledge any of its Sub- Agents or any of its or their respective directors, executive officers, general partners, managing members or other officers participating in the Offering (each, a "Northland Covered Person" and, together, "Northland Covered Persons"), is subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) under the Securities Act (a **"**Disqualification Event") or has been involved in any matter which would be a Disqualification Event except for the fact that it occurred before September 23, 2013.

(b) Northland will notify the Company promptly in writing of any Disqualification Event relating to any Northland Covered Person not previously disclosed to the Company in accordance with the prior section.

C. Representations, Warranties and Covenants of Katalyst. Katalyst hereby represents and warrants to the Company that the following representations and warranties are true and correct as of the date of this Agreement:

(a) Katalyst represents that neither it, nor to its knowledge any of its Sub- Agents or any of its or their respective directors, executive officers, general partners, managing members or other officers participating in the Offering (each, a "Katalyst Covered Person" and, together, "Katalyst Covered Persons"), is subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) under the Securities Act (a **"**Disqualification Event") or has been involved in any matter which would be a Disqualification Event except for the fact that it occurred before September 23, 2013.

(b) Katalyst will notify the Company promptly in writing of any Disqualification Event relating to any Katalyst Covered Person not previously disclosed to the Company in accordance with the prior section.

3. Placement Agents Compensation.

(a) In connection with the Offering, the Company will pay a cash fee (the "Broker Cash Fee") to the Placement Agents at each Closing equal to 10% of each Closing's gross proceeds from any sale of Securities in the Offering during the Term; except for proceeds raised from certain existing investors of Akoustis for which the Placement Agents shall be entitled to a cash fee equal to 2% of such proceeds. The Broker Cash Fee shall be paid to the Placement Agents in cash by wire transfer from the escrow account established for the Offering, and as a condition to closing, simultaneous with the distribution of funds to the Company. The allocation of the Broker Cash Fee between the Placement Agents (and their designees, if applicable) shall be provided in writing by the Placement Agents.

(b) Also, at each Closing, the Company will sell for an aggregate price of $10.00 to the Placement Agents (or their designees), warrants in the form of Attachment I to purchase shares of the Company's Common Stock equal, in the aggregate, to 10% of the number of Securities sold in the Offering, which warrants shall have an initial exercise price equal to the price per share of the Securities ("Brokers Warrants"); except for Securities sold to certain existing investors of Akoustis for which the Placement Agents shall be entitled to warrants to purchase shares of the Company's Common Stock equal to 2% of such Securities sold. To the extent permitted by applicable laws, all warrants shall permit unencumbered transfer to the respective Placement Agents' employees and affiliates and the warrants may be issued directly to the respective Placement Agents' employees and affiliates at the respective Placement Agents' request. The allocation of the Brokers Warrants between the Placement Agents (and their designees, if applicable) shall be provided in writing by the Placement Agents. The Broker Cash Fee and the Broker Warrants are sometimes referred to collectively as the "Brokers Fees").

(c) To the extent there is more than one Closing, payment of the proportional amount of the Broker Cash Fees will be made out of the gross proceeds from any sale of Securities sold at each Closing and the Company will issue to the Placement Agents the corresponding number of Brokers Warrants. All cash compensation and warrants under this Agreement shall be paid directly by the Company to and in the name provided to the Company by the Placement Agents.

(d) Provided that an Offering is consummated during the Offering Period, the Placement Agents shall be entitled to the Broker Cash Fee and Brokers Warrants, calculated in the manner provided in Paragraph C with respect to any subsequent public or private offering or other financing or capital-raising transaction of any kind ("Subsequent Financing") to the extent that such financing or capital is provided the Company, or to any Affiliate of the Company, by investors whom the Placement Agents had "introduced" (as defined below), directly or indirectly, to the Company during the Offering Period if such Subsequent Financing is consummated at any time within the six-month period following the earlier of expiration or termination of this Agreement or the closing of the Offering, if an Offering is consummated (the "Tail Period"). A party "introduced" by the Placement Agents shall mean an investor who either (i) met with the Company and/or had a conversation with the Company either in person or via telephone regarding the Offering or (ii) was provided by the Placement Agents with a copy of the Company's offering memorandum (or other materials prepared and/or approved by the Company in connection with the Offering) based upon such investor expressing an interest, directly or indirectly, to the Placement Agents in investing in the Offering; and in each instance as listed on an Exhibit that the Placement Agents shall provide in writing to the Company at the closing of the Offering. An "Affiliate" of an entity shall mean any individual or entity controlling, controlled by or under common control with such entity and any officer, director, employee, stockholder, partner, member or agent of such entity.

4. <u>Subscription and Closing Procedures</u>.

(a) The Company shall cause to be delivered to the Placement Agents copies of the Subscription Documents and has consented, and hereby consents, to the use of such copies for the purposes permitted by the Act and applicable securities laws and in accordance with the terms and conditions of this Agreement, and hereby authorizes the Placement Agents and their agents and employees to use the Subscription Documents in connection with the sale of the Securities until the earlier of (i) the Termination Date or (ii) the Final Closing, and no person or entity is or will be authorized to give any information or make any representations other than those contained in the Subscription Documents or to use any offering materials other than those contained in the Subscription Documents in connection with the sale of the Securities, unless the Company first provides the Placement Agents with notification of such information, representations or offering materials.

(b) The Company shall make available to the Placement Agents and their representatives such information, including, but not limited to, financial information, and other information regarding the Company (the "Information"), as may be reasonably requested in making a reasonable investigation of the Company and its affairs. The Company shall provide access to the officers, directors, employees, independent accountants, legal counsel and other advisors and consultants of the Company as shall be reasonably requested by the Placement Agents. The Company recognizes and agrees that the Placement Agents (i) will use and rely primarily on the Information and generally available information from recognized public sources in performing the services contemplated by this Agreement without independently verifying the Information or such other information, (ii) does not assume responsibility for the accuracy of the Information or such other information, and (iii) will not make an appraisal of any assets or liabilities owned or controlled by the Company or its market competitors.

(c) Each prospective purchaser will be required to complete and execute the Subscription Documents, Anti-Money Laundering Form, Accredited Investor Certification and other documents which will be forwarded or delivered to the Placement Agent at the Placement Agent's offices at the address set forth in Section 12 hereof or to an address identified in the Subscription Documents.

(d) Simultaneously with the delivery to the Placement Agents of the Subscription Documents, the subscriber's check or other good funds will be forwarded directly by the subscriber to the escrow agent and deposited into a non interest bearing escrow account (the "Escrow Account") established for such purpose (the "Escrow Agent"). All such funds for subscriptions will be held in the Escrow Account pursuant to the terms of an escrow agreement among the Company, the Placement Agents and the Escrow Agent. The Company will pay all fees related to the establishment and maintenance of the Escrow Account. Subject to the receipt of subscriptions for the amount for Closing, the Company will either accept or reject, for any or no reason, the Subscription Documents in a timely fashion and at each Closing will countersign the Subscription Documents and provide duplicate copies of such documents to the Placement Agents for distribution to the subscribers. The Company will give notice to the Placement Agents of its acceptance of each subscription. The Company, or the Placement Agents on the Company's behalf, will promptly return to subscribers incomplete, improperly completed, improperly executed and rejected subscriptions and give written notice thereof to the Placement Agents upon such return.

(e) If subscriptions for at least the Minimum Offering Amount for Closing have been accepted prior to the Termination Date, the funds therefor have been collected by the Escrow Agent and all of the conditions set forth elsewhere in this Agreement are fulfilled, a closing shall be held promptly with respect to the Securities sold (the "First Closing"). Thereafter, the remaining Securities will continue to be offered and sold until the earlier of the Termination Date or the date that additional subscription amounts up to the Maximum Offering amount have been collected by the Escrow Agent. Additional Closings (each a "Closing", collectively "Closings") may from time to time be conducted at times mutually agreed to among the Company and the Placement Agents with respect to additional Securities sold, with the final closing ("Final Closing") to occur within 10 days after the earlier of the Termination Date and the date on which the Maximum Amount has been subscribed for. Delivery of payment for the accepted subscriptions for the Securities from the funds held in the Escrow Account will be made at each Closing at the Placement Agents' offices against delivery of the Securities by the Company at the address set forth in Section 12 hereof (or at such other place as may be mutually agreed upon between the Company and the Placement Agents), net of amounts agreed upon by the parties herein, including, the Blue Sky counsel as of such Closing. Executed certificates for the shares of Common Stock and the Brokers Warrants will be in such authorized denominations and registered in such names as the Placement Agents may request on or before the date of each Closing ("Closing Date"). The certificates will be forwarded to the subscriber directly by the stock transfer agent as soon as practicable following each Closing. At each Closing, the Company will (i) deliver irrevocable issuance instruction to its stock transfer agent for the issuance of certificates representing the shares of Common Stock being sold, and (ii) issue and deliver the applicable Brokers Warrants.

(f) If Subscription Documents for the Minimum Offering Amount for Closing have not been received and accepted by the Company on or before the Termination Date for any reason, the Offering will be terminated, no Securities will be sold, and the Escrow Agent will, at the request of the Placement Agents, cause all monies received from subscribers for the Securities to be promptly returned to such subscribers without interest, penalty, expense or deduction.

5. **Further Covenants**. The Company hereby covenants and agrees that:

(a) Except upon prior written notice to the Placement Agents, the Company shall not, at any time prior to the Final Closing, knowingly take any action which would cause any of the representations and warranties made by it in this Agreement not to be complete and correct in all material respects on and as of the date of each Closing with the same force and effect as if such representations and warranties had been made on and as of each such date (except to the extent any representation or warranty relates to an earlier date).

(b) If, at any time prior to the Final Closing, any event shall occur that causes a Company Material Adverse Effect which as a result it becomes necessary to amend or supplement the Subscription Documents so that the representations and warranties herein remain true and correct in all material respects, or in case it shall be necessary to amend or supplement the Subscription Documents to comply with Regulation D or any other applicable securities laws or regulations, the Company will promptly notify the Placement Agents and shall, at its sole cost, prepare and furnish to the Placement Agents copies of appropriate amendments and/or supplements in such quantities as the Placement Agents may reasonably request. The Company will not at any time before the Final Closing prepare or use any amendment or supplement to the Subscription Documents of which the Placement Agents will not previously have been advised and furnished with a copy, or which is not in compliance in all material respects with the Act and other applicable securities laws. As soon as the Company is advised thereof, the Company will advise the Placement Agents and its counsel, and confirm the advice in writing, of any order preventing or suspending the use of the Subscription Documents, or the suspension of any exemption for such qualification or registration thereof for offering in any jurisdiction, or of the institution or threatened institution of any proceedings for any of such purposes, and the Company will use their best efforts to prevent the issuance of any such order and, if issued, to obtain as soon as reasonably possible the lifting thereof.

(c) The Company shall comply with the Act, the Exchange Act, the rules and regulations thereunder, all applicable state securities laws and the rules and regulations thereunder in the states in which the Company's Blue Sky counsel has advised the Placement Agents and/or the Company that the Securities are qualified or registered for sale or exempt from such qualification or registration, so as to permit the continuance of the sales of the Securities, and will file or cause to be filed with the SEC, and shall promptly thereafter forward or cause to be forwarded to the Placement Agents, any and all reports on Form D as are required. The Company will pay the attorney's fee and out of pocket expenses related to the filings for registrations of sale or exemption from such qualifications with any state securities commissions and any other regulatory agencies. Such fees will be paid at the time of invoicing, or at the time of Closing, if known, and if not yet invoiced, funds will remain in escrow to cover the estimated invoice. The Company will pay the invoice or authorize release of the funds from escrow within five (5) days of receipt of invoice.

(d) The Company, at its own cost and expense, shall use best efforts to qualify the Securities for sale under the securities laws of such jurisdictions in the United States as may be mutually agreed to by the Company and the Placement Agents, and the Company will make or cause to be made such applications and furnish information as may be required for such purposes, provided that the Company will not be required to qualify as a foreign corporation in any jurisdiction or execute a general consent to service of process. The Company will, from time to time, prepare and file such statements and reports as are or may be required to continue such qualifications in effect for so long a period as the Placement Agents may reasonably request with respect to the Offering.

(e) The Company shall place a legend on the certificates representing the shares of the Common Stock and the Brokers Warrants that the securities evidenced thereby have not been registered under the Act or applicable state securities laws, setting forth or referring to the applicable restrictions on transferability and sale of such securities under the Act and applicable state laws.

(f) The Company shall apply the net proceeds from the sale of the Securities for the purposes set forth in the Subscription Documents. Except as set forth in the Subscription Documents, the Company shall not use any of the net proceeds of the Offering to repay indebtedness to officers (other than accrued salaries incurred in the ordinary course of business), directors or stockholders of the Company without the prior written consent of the Placement Agents.

(g) During the Offering Period, the Company shall afford each prospective purchaser of Securities the opportunity to ask questions of and receive answers from an officer of the Company concerning the terms and conditions of the Offering and the opportunity to obtain such other additional information necessary to verify the accuracy of the Subscription Documents to the extent the Company possesses such information or can acquire it without unreasonable expense.

(h) Except with the prior written consent of the Placement Agents, the Company shall not, at any time prior to the earlier of the Final Closing or the Termination Date, except as contemplated by the Subscription Documents (i) engage in or commit to engage in any transaction other than the Merger outside the ordinary course of business as described in the Subscription Documents, (ii) issue, agree to issue or set aside for issuance any securities (debt or equity) or any rights to acquire any such securities, (iii) incur, outside the ordinary course of business, any material indebtedness, (iv) dispose of any material assets, (v) make any material acquisition or (vi) change its business or operations in any material respect.

(i) Whether or not the transactions contemplated hereby are consummated, or this Agreement is terminated, the Company shall pay all reasonable expenses incurred in connection with the preparation and printing of all necessary offering documents and instruments related to the Offering and the issuance of the Common Stock and the Brokers Warrants and will also pay for the Company's expenses for accounting fees, legal fees, printing costs, and other costs involved with the Offering. The Company will provide at its own expense such quantities of the Subscription Documents and other documents and instruments relating to the Offering as the Placement Agents may reasonably request. The Company will pay at its own expense in connection with the creation, authorization, issuance, transfer and delivery of the Securities, including, without limitation, fees and expenses of any transfer agent or registrar; the fees and expenses of the Escrow Agent; all fees and expenses of legal, accounting and other advisers to the Company; the registration or qualification of the Securities for offer and sale under the securities or Blue Sky laws of such jurisdictions, payable within five (5) days of being invoiced. The Company will pay all such amounts, unless previously paid, at the First Closing, or, if there is no Closing, within ten (10) days after written request therefor following the Termination Date. In addition to any fees payable to the Placement Agents hereunder and regardless of whether a Merger or Offering is consummated, the Company hereby agrees to promptly reimburse the Placement Agents upon written request as follows: Northland's legal counsel fees in the amount of Fifty Thousand Dollars ($50,000) and Northland's reasonable out-of-pocket expenses not to exceed Ten Thousand Dollars ($10,000) and Katalyst's legal counsel fees in the amount of Twenty Five Thousand Dollars ($25,000) and Katalyst's reasonable out-of-pocket expenses not to exceed Five Thousand Dollars ($5,000). Out-of-pocket expenses, include, but are not limited to, the fees and disbursements related to travel, database, FedEx, messenger, investor presentations, WebEx presentations, printing and other reasonable out-of-pocket expenses incurred in performing the services described herein. This reimbursement obligation is in addition to the reimbursement of fees and expenses relating to attendance by the Placement Agents at proceedings or to indemnification and contribution as contemplated elsewhere in this agreement. In the event either Placement Agent's personnel must attend or participate in judicial or other proceedings to which we are not a party relating to the subject matter of this agreement, the Company shall pay such Placement Agents an additional per diem payment, per person, at our customary rates, together with reimbursement of all out-of-pocket expenses and disbursements, including reasonable attorneys' fees and disbursements incurred by it in respect of its preparation for and participation in such proceedings. The Placement Agents' legal counsel fees do not include the Registration Legal Fees and expenses for the Blue Sky and other regulatory filings to be made in connection with the Offering(s).

(j) On each Closing Date, the Company permits the Placement Agents to rely on any representations and warranties made by the Company to the investors and will cause its counsel to permit the Placement Agents to rely upon any opinion furnished to the investors in the Private Placement.

(k) The Company will comply with all of its obligations and covenants set forth in its agreements with the investors in the Offering. If not filed on EDGAR, the Company will promptly deliver to the Placement Agent and their counsel copies of any and all filings with the SEC and each amendment or supplement thereto, as well as all prospectuses and free writing prospectuses, prior to the closing of the Offering and six months thereafter. The Placement Agents are authorized on behalf of the Company to use and distribute copies of any Subscription Documents, including Company's SEC Filings in connection with the sale of the Securities as, and to the extent, permitted by federal and applicable state securities laws. The Company acknowledges and agrees that the Placement Agents will be relying, without assuming responsibility for independent verification, on the accuracy and completeness of all financial and other information that is and will be furnished to them by the Company and the Company will be liable for any material misstatements or omissions contained therein.

6 . Conditions of Placement Agents' Obligations. The obligations of the Placement Agents hereunder to affect a Closing are subject to the fulfillment, at or before each Closing, of the following additional conditions:

(a) Each of the representations and warranties made by the Company (which shall take into account that the Merger has been consummated such that all representations and warranties referring to the Company shall relate to the Company and its subsidiaries following completion of the Merger) shall be true and correct on each Closing Date.

(b) The Company shall have performed and complied in all material respects with all agreements, covenants and conditions required to be performed, and complied with by it at or before the Closing.

(c) The Subscription Documents do not, and as of the date of any amendment or supplement thereto will not, include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

(d) No order suspending the use of the Subscription Documents or enjoining the Offering or sale of the Securities shall have been issued, and no proceedings for that purpose or a similar purpose shall have been initiated or pending, or, to the best of the Company's knowledge, be contemplated or threatened.

(e) No holder of any of the Securities from the Offering will be subject to personal liability solely by reason of being such a holder, and except as described in the Subscription Documents, none of the Company's shares of Common Stock and Brokers Warrant Shares will be subject to preemptive or similar rights of any stockholder or security holder of the Company, or an adjustment under the antidilution or exercise rights of any holders of any outstanding shares of capital stock, membership units, options, warrants or other rights to acquire any securities of the Company.

(f) There shall have been no material adverse change nor development involving a prospective change in the financial condition, operations or projects of the Company, except where such change would not have a Company Material Adverse Effect on the business activities, financial or otherwise, results of operations or prospects of the Company, taken individually or in the aggregate.

(g) The Placement Agents shall have received a certificate of the Chief Executive Officer of the Company, dated as of the Closing Date, certifying, as to the fulfillment of the conditions set forth in subparagraphs (a), (b), (c), (d), (e) and (f) above.

(h) The Company shall have delivered to the Placement Agents: (i) a good standing certificate dated as of a date within 10 days prior to the date of the First Closing from the secretary of state of its jurisdiction of incorporation and (ii) resolutions of the Company's Board of Directors approving this Agreement and the transactions and agreements contemplated by this Agreement, and the Subscription Documents, all as certified by the Chief Executive Officer of the Company.

(i) At each Closing, the Company shall have (i) paid to the Placement Agents the Broker Cash Fee in respect of all Securities sold at such Closing, (ii) executed and delivered to the Placement Agents the Brokers Warrants in respect of all Securities sold at such Closing, and (iii) paid all fees, costs and expenses as set forth in Section 5 hereof.

(j) There shall have been delivered to the Placement Agents a signed opinion of counsel to the Company dated as of the Closing Date, in the form set forth in Attachment II.

(k) Prior to the closing of the Offering, the Company shall have engaged Continental Stock Transfer & Trust Company as its transfer agent for purposes of handling the transfers of its capital stock and other securities

(l) All proceedings taken at or prior to the Closing in connection with the authorization, issuance and sale of the Common Stock and the Brokers Warrants will be reasonably satisfactory in form and substance to the Placement Agents and their counsel, and such counsel shall have been furnished with all such documents, certificates and opinions as it may reasonably request upon reasonable prior notice in connection with the transactions contemplated hereby.

(m) If in connection with the Offering, the Placement Agents determine that they or the Company would be required to make a filing with the FINRA to enable the Placement Agents to act as agents in the Offering, the Company will do the following: The Company will cooperate with the Placement Agents with respect to all FINRA filings that the Company or the Placement Agents may be required to make and provide all information and documentation necessary to make the filings in a timely manner The Company will pay all expenses related to all FINRA filings that the Company or Placement Agents may be required to make, including, but not limited to, all printing costs related to all documents required or that the Agent may reasonably deem necessary, to comply with FINRA rules; any FINRA filing fees; postage and express charges; and all other expenses incurred in making the FINRA filings.

The Company agrees and understands that this Agreement in no way constitutes a guarantee that the Offering will be successful. The Company acknowledges that the Company is ultimately responsible for the successful completion of a transaction.

7 . Conditions of the Company's Obligations. The obligations of the Company hereunder are subject to the satisfaction of each of the following conditions:

(a) The satisfaction or waiver of all conditions to Closing as set forth herein.

(b) As of each Closing, each of the representations and warranties made by Placement Agents herein being true and correct as of the Closing Date for such Closing.

(c) At each Closing, the Company shall have received the proceeds from the sale of the Securities that are part of such Closing less applicable Broker Fees and other deductions contemplated by this Agreement.

(d) At each Closing, the Company shall have received a copy of Subscription Documents signed by investors delivered by the Placement Agents.

7A . **Mutual Condition.** The obligations of the Placement Agents and the Company hereunder are subject to the execution by each investor of a Subscription Agreement in form and substance acceptable to the Placement Agents and the Company and deposit by such investor with the escrow agent of all funds required to be so deposited by such investor.

8. Indemnification.

(a) The Company will: (i) indemnify and hold harmless the Placement Agents, jointly and severally, their agents and their respective officers, directors, employees, agents, selected dealers and each person, if any, who controls the Placement Agents within the meaning of the Act and such agents (each an "Indemnitee" or a "Placement Agent Party") against, and pay or reimburse each Indemnitee for, any and all losses, claims, damages, liabilities or expenses whatsoever (or actions or proceedings or investigations in respect thereof (collectively, "Proceedings"), joint or several (which will, for all purposes of this Agreement, include, but not be limited to, all reasonable costs of defense and investigation and all reasonable attorneys' fees, including appeals), to which any Indemnitee may become subject (a) under the Act or otherwise, in connection with the offer and sale of the Securities and (b) as a result of the breach of any representation, warranty or covenant made by the Company herein or the failure of the Company to perform its obligations under the Agreement, regardless of whether such losses, claims, damages, liabilities or expenses shall result from any claim by any Indemnitee or by any third party; and (ii) reimburse each Indemnitee for any legal or other expenses reasonably incurred in connection with investigating or defending against any such loss, claim, action, proceeding or investigation; provided, however, the Company will not be liable in any such case to the extent that any such claim, damage or liability of a Placement Agent is to have resulted from that Placement Agent's gross negligence or willful misconduct. In addition to the foregoing agreement to indemnify and reimburse, the Company will indemnify and hold harmless each Indemnitee against any and all losses, claims, damages, liabilities or expenses whatsoever (or actions or proceedings or investigations in respect thereof), joint or several (which shall, for all purposes of this Agreement, include, but not be limited to, all reasonable costs of defense and investigation and all reasonable attorneys' fees, including appeals) to which any Indemnitee may become subject insofar as such costs, expenses, losses, claims, damages or liabilities arise out of or are based upon the claim of any person or entity that he or it is entitled to broker's or finder's fees from any Indemnitee in connection with the Offering as a result of the Company obligating itself or any Indemnitee to pay such a fee, other than fees due to the Placement Agents, its dealers, sub-agents or finders. The foregoing indemnity agreements will be in addition to any liability the Company may otherwise have. The Indemnitees are intended third party beneficiaries of this provision.

(b) Promptly after receipt by an indemnified party under this Section 8 of notice of the commencement of any action, claim, proceeding or investigation (the "Action"), such indemnified party, if a claim in respect thereof is to be made against the indemnifying party under this Section 8, will notify the indemnifying party of the commencement thereof, but the omission to so notify the indemnifying party will not relieve it from any liability that it may have to any indemnified party under this Section 8 unless the indemnifying party has been substantially prejudiced by such omission. The indemnifying party will be entitled to participate in and, to the extent that it may wish, jointly with any other indemnifying party, to assume the defense thereof subject to the provisions herein stated, with counsel reasonably satisfactory to such indemnified party. The indemnified party will have the right to employ separate counsel in any such Action and to participate in the defense thereof, but the fees and expenses of such counsel will not be at the expense of the indemnifying party if the indemnifying party has assumed the defense of the Action with counsel reasonably satisfactory to the indemnified party, provided, however, that if the indemnified party shall be requested by the indemnifying party to participate in the defense thereof or shall have concluded in good faith and specifically notified the indemnifying party either that there may be specific defenses available to it that are different from or additional to those available to the indemnifying party or that such Action involves or could have a material adverse effect upon it with respect to matters beyond the scope of the indemnity agreements contained in this Agreement, then the counsel representing it, to the extent made necessary by such defenses, shall have the right to direct such defenses of such Action on its behalf and in such case the reasonable fees and expenses of such counsel in connection with any such participation or defenses shall be paid by the indemnifying party. No settlement of any Action against an indemnified party will be made without the consent of the indemnifying party and the indemnified party, which consent shall not be unreasonably withheld or delayed in light of all factors of importance to such party, and no indemnifying party shall be liable to indemnify any person for any settlement of any such claim effected without such indemnifying party's consent. Notwithstanding the immediately preceding sentence, if at any time an indemnified party requests the indemnifying party to reimburse the indemnified party for legal or other expenses in connection with investigating, responding to or defending any Proceedings as contemplated by this indemnity agreement, the indemnifying party will be liable for any settlement of any Proceedings effected without its written consent if (i) the proposed settlement is entered into more than 30 days after receipt by the indemnifying party of the request for reimbursement, (ii) the indemnifying party has not reimbursed the indemnified party within 30 days of such request for reimbursement, (iii) the indemnified party delivered written notice to the indemnifying party of its intention to settle and the failure to pay within such 30 day period, and (iv) the indemnifying party does not, within 15 days of receipt of the notice of the intention to settle and failure to pay, reimburse the indemnified party for such legal or other expenses and object to the indemnified party's seeking to settle such Proceedings.

9 . Contribution. To provide for just and equitable contribution, if: (i) an indemnified party makes a claim for indemnification pursuant to Section 8 hereof and it is finally determined, by a judgment, order or decree not subject to further appeal that such claims for indemnification may not be enforced, even though this Agreement expressly provides for indemnification in such case; or (ii) any indemnified or indemnifying party seeks contribution under the Act, the Exchange Act, or otherwise, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company on the one hand and the Placement Agents on the other in connection with the statements or omissions which resulted in such losses, claims, damages, liabilities or expenses (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Placement Agents on the other shall be deemed to be in the same proportion as the total net proceeds from the Offering (before deducting expenses) received by the Company bear to the total Brokers' Fees received by the Placement Agents. The relative fault, in the case of an untrue statement, alleged untrue statement, omission or alleged omission will be determined by, among other things, whether such statement, alleged statement, omission or alleged omission relates to information supplied by the Company or by the Placement Agents, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement, alleged statement, omission or alleged omission. The Company and the Placement Agents agree that it would be unjust and inequitable if the respective obligations of the Company and the Placement Agents for contribution were determined by pro rata allocation of the aggregate losses, liabilities, claims, damages and expenses or by any other method or allocation that does not reflect the equitable considerations referred to in this Section 9. No person guilty of a fraudulent misrepresentation (within the meaning of Section 10(f) of the Act) will be entitled to contribution from any person who is not guilty of such fraudulent misrepresentation. For purposes of this Section 9, each person, if any, who controls the Placement Agents within the meaning of the Act will have the same rights to contribution as the Placement Agents, and each person, if any, who controls the Company within the meaning of the Act will have the same rights to contribution as the Company, subject in each case to the provisions of this Section 9. Anything in this Section 9 to the contrary notwithstanding, no party will be liable for contribution with respect to the settlement of any claim or action effected without its written consent. This Section 9 is intended to supersede, to the extent permitted by law, any right to contribution under the Act, the Exchange Act or otherwise available. The provisions of Section 9 shall apply to each Placement Agent on a several, and not joint, basis.

10. Termination.

(a) The Offering may be terminated by the Placement Agents at any time prior to the expiration of the Offering Period in the event that: (i) any of the representations, warranties or covenants of the Company contained herein or in the Subscription Documents shall prove to have been false or misleading in any material respect when actually made; (ii) the Company shall have failed to perform any of its material obligations hereunder or under any other Company Transaction Document or any other transaction document; (iii) there shall occur any event, within the control of the Company that is reasonably likely to materially and adversely affect the transactions contemplated hereunder or the ability of the Company to perform hereunder; or (iv) the Placement Agents determine that it is reasonably likely that any of the conditions to Closing to be fulfilled by the Company set forth herein will not, or cannot, be satisfied.

(b) This Offering may be terminated by the Company at any time prior to the Termination Date in the event that (i) the Placement Agents shall have failed to perform any of its material obligations hereunder or (ii) on account of the Placement Agents' fraud, illegal or willful misconduct or gross negligence. In the event of any termination by the Company, the Placement Agents shall be entitled to receive, on the Termination Date, all unpaid Broker Fees earned or accrued through the Termination Date and reimbursement of all expenses as provided for in this Agreement, but shall be entitled to no other amounts whatsoever except as may be due under any indemnity or contribution obligation for provided herein, at law or otherwise. On such Termination Date, the Company shall pay all such unpaid costs and expenses incurred by the Placement Agents in connection with the Offering; *provided*, *however*, that such costs and expenses shall not exceed the maximum Placement Agent Expense Allowance, and all unpaid Blue Sky Fees and other expenses set forth in Section 5(i) hereof.

(c) This Offering may be terminated upon mutual agreement of the Company and the Placement Agents at any time prior to the expiration of the Offering Period.

(d) Except as otherwise provided above, before any termination by the Placement Agents under Section 10(a) or by the Company under Section 10(b) shall become effective, the terminating party shall give ten (10) day prior written notice to the other party of its intention to terminate the Offering (the "Termination Notice"). The Termination Notice shall specify the grounds for the proposed termination. If the specified grounds for termination, or their resulting adverse effect on the transactions contemplated hereby, are curable, then the other party shall have five (5) days from the Termination Notice within which to remove such grounds or to eliminate all of their material adverse effects on the transactions contemplated hereby; otherwise, the Offering shall terminate.

(e) Upon any termination pursuant to this Section 10, the Placement Agents and the Company will instruct the Escrow Agent to cause all monies received with respect to the subscriptions for Securities not accepted by the Company to be promptly returned to such subscribers without interest, penalty or deduction.

11. Survival.

(a) The obligations of the parties to pay any costs and expenses hereunder and to provide indemnification and contribution as provided herein shall survive any termination hereunder. In addition, the provisions of Sections 3, and 8 through 22 shall survive the sale of the Securities or any termination of the Offering hereunder.

(b) The respective indemnities, covenants, representations, warranties and other statements of the Company and the Placement Agents set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation made by or on behalf of, and regardless of any access to information by the Company or the Placement Agents, or any of their officers or directors or any controlling person thereof, and will survive the sale of the Securities or any termination of the Offering hereunder.

12. Notices. All notice and other communications hereunder will be in writing and shall be deemed effectively given to a party by (a) personal delivery; (b) upon deposit with the United States Post Office, by certified mail, return receipt requested, first-class mail, postage prepaid; (c) delivered by hand or by messenger or overnight courier, addressee signature required, to the addresses below or at such other address and/or to such other persons as shall have been furnished by the parties:

If to the Company:	Danlax Corp 2360 Corporate Circle Suite 400 Henderson, NV 89074-7722
With a copy to: (which shall not constitute notice)	CKR Law LLP 1330 Avenue of the Americas, 35th floor New York, NY 10019 Attention: Barrett S. diPaolo, Esq.

If to Northland Securities, Inc.:	Northland Securities, Inc. 45 South 7th Street Minneapolis, MN 55402 Attention: Mr. Jeffrey Peterson Director of Investment Banking
With a copy to: (which shall not constitute notice)	Faegre Baker Daniels LLP 2200 Wells Fargo Center 90 South Seventh Street Minneapolis, MN 55402-3901 Attention: Jonathan R. Zimmerman, Esq.
If to Katalyst Securities, LLC.	Katalyst Securities, LLC 15 Maiden Lane, Room 601 New York, NY 10038 Attention: Paul Ehrenstein President
With a copy to: (which shall not constitute notice)	Barbara J. Glenns, Esq. Law Office of Barbara J. Glenns, Esq. 30 Waterside Plaza, Suite 25G New York, NY 10010

13. **Governing Law, Jurisdiction**. This Agreement shall be deemed to have been made and delivered in New York City and shall be governed as to validity, interpretation, construction, effect and in all other respects by the internal laws of the State of New York without regard to principles of conflicts of law thereof.

THE PARTIES HERETO AGREE TO SUBMIT ALL CONTROVERSIES TO THE EXCLUSIVE JURISDICTION OF FINRA ARBITRATION IN ACCORDANCE WITH THE PROVISIONS SET FORTH BELOW AND UNDERSTAND THAT (A) ARBITRATION IS FINAL AND BINDING ON THE PARTIES, (B) THE PARTIES ARE WAIVING THEIR RIGHTS TO SEEK REMEDIES IN COURT, INCLUDING THE RIGHT TO A JURY TRIAL, (C) PRE-ARBITRATION DISCOVERY IS GENERALLY MORE LIMITED AND DIFFERENT FROM COURT PROCEEDINGS, (D) THE ARBITRATOR'S AWARD IS NOT REQUIRED TO INCLUDE FACTUAL FINDINGS OR LEGAL REASONING AND ANY PARTY'S RIGHT TO APPEAL OR TO SEEK MODIFICATION OF RULES BY ARBITRATORS IS STRICTLY LIMITED, (E) THE PANEL OF FINRA ARBITRATORS WILL TYPICALLY INCLUDE A MINORITY OF ARBITRATORS WHO WERE OR ARE AFFILIATED WITH THE SECURITIES INDUSTRY, AND (F) ALL CONTROVERSIES WHICH MAY ARISE BETWEEN THE PARTIES CONCERNING THIS AGREEMENT SHALL BE DETERMINED BY ARBITRATION PURSUANT TO THE RULES THEN PERTAINING TO FINRA. ALL QUESTIONS CONCERNING THE CONSTRUCTION, VALIDITY, ENFORCEMENT AND INTERPRETATION OF THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. JUDGMENT ON ANY AWARD OF ANY SUCH ARBITRATION MAY BE ENTERED IN THE SUPREME COURT OF THE STATE OF NEW YORK OR IN ANY OTHER COURT HAVING JURISDICTION OVER THE PERSON OR PERSONS AGAINST WHOM SUCH AWARD IS RENDERED. THE PARTIES AGREE THAT THE DETERMINATION OF THE ARBITRATORS SHALL BE BINDING AND CONCLUSIVE UPON THEM. THE PREVAILING PARTY, AS DETERMINED BY SUCH ARBITRATORS, IN A LEGAL PROCEEDING SHALL BE ENTITLED TO COLLECT ANY COSTS, DISBURSEMENTS AND REASONABLE ATTORNEY'S FEES FROM THE OTHER PARTY. PRIOR TO FILING AN ARBITRATION, THE PARTIES HEREBY AGREE THAT THEY WILL ATTEMPT TO RESOLVE THEIR DIFFERENCES FIRST BY SUBMITTING THE MATTER FOR RESOLUTION TO A MEDIATOR, ACCEPTABLE TO ALL PARTIES, AND WHOSE EXPENSES WILL BE BORNE EQUALLY BY ALL PARTIES. THE MEDIATION WILL BE HELD IN THE COUNTY OF NEW YORK, STATE OF NEW YORK, ON AN EXPEDITED BASIS. IF THE PARTIES CANNOT SUCCESSFULLY RESOLVE THEIR DIFFERENCES THROUGH MEDIATION, THE MATTER WILL BE RESOLVED BY ARBITRATION. THE ARBITRATION SHALL TAKE PLACE IN THE COUNTY OF NEW YORK, THE STATE OF NEW YORK, ON AN EXPEDITED BASIS.

14. Miscellaneous.

(a) No provision of this Agreement may be changed or terminated except by a writing signed by the party or parties to be charged therewith. Unless expressly so provided, no party to this Agreement will be liable for the performance of any other party's obligations hereunder. Either party hereto may waive compliance by the other with any of the terms, provisions and conditions set forth herein; provided, however, that any such waiver shall be in writing specifically setting forth those provisions waived thereby. No such waiver shall be deemed to constitute or imply waiver of any other term, provision or condition of this Agreement. Neither party may assign its rights or obligations under this Agreement to any other person or entity without the prior written consent of the other party.

(b) Each party shall, without payment of any additional consideration by any other party, at any time on or after the date of any Closings, take such further action and execute such other and further documents and instruments as the other party may reasonably request in order to provide the other party with the benefits of this Agreement.

(c) The Parties to this Agreement each hereby confirm that they will cooperate with each other to the extent that it may become necessary to enter into any revisions or amendments to this Agreement, in the future to conform to any federal or state regulations as long as such revisions or amendments do not materially alter the obligations or benefits of either party under this Agreement.

15. Entire Agreement; Severability. This Agreement together with any other agreement referred to herein supersedes all prior understandings and written or oral agreements between the parties with respect to the Offering and the subject matter hereof. If any portion of this Agreement shall be held invalid or unenforceable, then so far as is reasonable and possible (i) the remainder of this Agreement shall be considered valid and enforceable and (ii) effect shall be given to the intent manifested by the portion held invalid or unenforceable.

16. Counterparts. This Agreement may be executed in multiple counterparts, each of which may be executed by less than all of the parties and shall be deemed to be an original instrument which shall be enforceable against the parties actually executing such counterparts and all of which together shall constitute one and the same instrument. The exchange of copies of this Agreement and of signature pages by facsimile transmission or in pdf format shall constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of the original Agreement for all purposes. Signatures of the parties transmitted by facsimile or in pdf format shall be deemed to be their original signatures for all purposes.

17. Announcement of Offering. The Placement Agents and their counsel and advisors may, subsequent to the closing of any Offering, make public their involvement with the Company, including use of the Company's trademarks and logos. The Placement Agents counsel and advisors are intended third party beneficiaries of this Section.

18. **Advice to the Board**. The Company acknowledges that any advice given by the Placement Agents to the Company is solely for benefit and use of the Company's board of directors and officers, who will make all decisions regarding whether and how to pursue any opportunity or transaction, including any potential Offering. The Company's board of directors and management may consider such advice, but will also base their decisions on the advice of legal, tax and other business advisors and other factors which they consider appropriate. Accordingly, as an independent contractor, the Placement Agents will not assume the responsibilities of a fiduciary to the Company or its stockholders in connection with the performance of the services. Any advice provided may not be used, reproduced, disseminated, quoted or referred to without prior written consent of the providing party. The Placement Agents do not provide accounting, tax or legal advice. The Company is a sophisticated business enterprise that has retained the Placement Agents for the limited purposes set forth in this Agreement. The parties acknowledge and agree that their respective rights and obligations are contractual in nature. Each party disclaims an intention to impose fiduciary obligations on the other by virtue of the engagement contemplated by this Agreement.

19. **Other Investment Banking Services**. The Company acknowledges that the Placement Agents and their affiliates are securities firms engaged in securities trading and brokerage activities and providing investment banking and financial advisory services. In the ordinary course of business, the Placement Agents and their affiliates may at any time hold long or short positions, and may trade or otherwise effect transactions, for their own account or the accounts of customers, in the Company's debt or equity securities, its affiliates or other entities that may be involved in the transactions contemplated by this Agreement. In addition, the Placement Agents and their affiliates may from time to time perform various investment banking and financial advisory services for other clients and customers who may have conflicting interests with respect to the Company or the Offering. The Company also acknowledges that the Placement Agents and their affiliates have no obligation to use in connection with this engagement or to furnish the Company, confidential information obtained from other companies. Furthermore, the Company acknowledges the Placement Agents may have fiduciary or other relationships whereby their or their affiliates may exercise voting power over securities of various persons, which securities may from time to time include securities of the Company or others with interests in respect of any Offering. The Company acknowledges that the Placement Agents or such affiliates may exercise such powers and otherwise perform our functions in connection with such fiduciary or other relationships without regard to the Placement Agents' relationship to the Company hereunder.

20. **Research Matters**. By entering into this Agreement or serving as a placement agent in the Offering, the Placement Agents do not provide any promise, either explicitly or implicitly, of favorable or continued research coverage of the Company and the Company hereby acknowledges and agrees that the Placement Agents' selection as a placement agent for the Offering was in no way conditioned, explicitly or implicitly, on the Placement Agents providing favorable or any research coverage of the Company. In accordance with FINRA Rule 2711(e), the parties acknowledge and agree that the Placement Agents have not directly or indirectly offered favorable research, a specific rating or a specific price target, or threatened to change research, a rating or a price target, to the Company or inducement for the receipt of business or compensation.

21. **Successors**. This Agreement shall inure to the benefit of and be binding upon the successors of the Placement Agents and of the Company (including any party that acquires the Company or all or substantially all of its assets or merges with the Company). Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any person or corporation, other than the parties hereto and parties expressly referred to herein, any legal or equitable right, remedy or claim under or in respect to this Agreement or any provision hereof. The term "successors" shall not include any purchaser of the Securities merely by reason of such purchase. No subrogee of a benefited party shall be entitled to any benefits hereunder. Each party hereto disclaims any an intention to impose any fiduciary obligation on any other party by virtue of the arrangements contemplated by this Agreement.

2 2 . **Future Services**. In the event the Company determines to undertake any public offering, any private offering of securities or any merger, acquisition or sale transaction, whether on its own behalf or on behalf of its security holders, at any time within the Offering Period or within two years thereafter, the Company will offer Northland the right to serve as sole bookrunner (in the case of a public offering), as placement agent (in the case of a private or registered direct offering) or as financial advisor (in the case of a merger, acquisition or sale transaction). At the Company's request, Northland shall agree to act as a co-agent with another agent for the aforementioned public offering, private offering, or merger, acquisition or sale transaction, provided that (a) Northland shall remain the sole bookrunner in the case of a public offering; and (b) Northland shall be entitled to (i) no less than 50% of the total allocation of the securities to the agents or underwriters and (ii) no less than its pro rata portion of the discounts, commissions or fees to the agents or underwriters, based on the percentage of the total offering that Northland actually places or underwrites. If Northland agrees to act in such capacity, the Company and Northland will enter into an appropriate form of separate agreement containing customary terms and conditions to be mutually agreed upon. This Agreement is neither an expressed nor implied commitment by Northland to act in any capacity in any such transaction or to purchase any securities in connection therewith, which commitment will only be set forth in a separate agreement. Notwithstanding the foregoing, in no event shall the right provided by this Section have a duration of more than three years from the date of effectiveness or commencement of sales of the Offering.

[Signatures on following page.]

If the foregoing is in accordance with your understanding of the agreement among the Company and the Placement Agents, kindly sign and return this Agreement, whereupon it will become a binding agreement as provided herein, between the Company and the Placement Agents in accordance with its terms.

This Agreement contains a predispute arbitration provision in paragraph 13.

DANLAX CORP.

By: /s/ Ivan Krikun
Ivan Krikun
Chief Executive Officer

NORTHLAND SECURITIES, INC.

By: /s/ Jeffrey Peterson
Jeffrey Peterson
Head of Investment Banking

KATALYST SECURITIES LLC

By: /s/ Michael A. Silverman
Michael A. Silverman
Managing Director

Attachment I

FORM OF BROKER WARRANT

[See Exhibit 10.8]

Attachment II

FORM OF LEGAL OPINION

1. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Nevada. Each subsidiary of the Company is duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation or formation.

2. The Company and each subsidiary has all necessary corporate power and authority to (i) execute and deliver, and to perform its obligations under, the Subscription Documents and the Placement Agency Agreement and (ii) conduct its business as it is, to our knowledge, currently conducted and described in the Company SEC Documents, and own, lease and license its properties and assets.

3. The Company is duly qualified to do business and is in good standing as a foreign corporation in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary except where the failure to be so qualified and in good standing would not result in a Company Material Adverse Effect.

4. The execution, delivery and performance by the Company of the Subscription Documents and the Placement Agency Agreement and the consummation of the transactions contemplated thereby, including the issuance of the Securities, the Brokers Warrants and the Brokers Warrant Shares, have been duly authorized by all necessary corporate action of the Company.

5. The Subscription Documents and the Placement Agency Agreement have been duly executed and delivered by the Company and constitute the legal, valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, subject to applicable bankruptcy, reorganization, insolvency, moratorium, fraudulent conveyance and similar laws in effect from time to time and general equitable principles.

6. Except for filings, authorizations or approvals contemplated by the Subscription Documents and the Placement Agency Agreement, no authorizations or approvals of, and no filings with, any governmental or administrative agency, regulatory authority, stock market or trading facility are necessary or required by the Company for the execution and delivery of the Subscription Documents or the Placement Agency Agreement or the consummation of the transactions contemplated thereby.

7. Neither the execution and delivery of the Subscription Documents or the Placement Agency Agreement by the Company, nor the consummation or performance by the Company of any of the transactions contemplated thereby (including the issuance of the Securities, the Brokers Warrants and the Brokers Warrant Shares) (i) contravene, conflict with or result in a violation of any provisions of the Company's certificate of incorporation or bylaws; (ii) constitute a violation of any U.S. federal or state law, rule or regulation applicable to the Company; (iii) violate any judgment, decree, order or award of any court, governmental body or arbitrator specifically naming the Company; or (iv) with or without notice and/or the passage of time, conflict with or result in the breach or termination of any term or provision of, or constitute a default under, or cause any acceleration under, or cause the creation of any lien, charge or encumbrance upon the properties or assets of the Company or its subsidiaries pursuant to, any agreement to which the Company or its subsidiaries is a party (including those described or included in the Company's SEC Filings).

8. The authorized capital stock of the Company on the date hereof consists of [_____] shares of Common Stock and [_____] shares of preferred stock, [_____] of which are designated as [_____] Preferred Stock. As of the date hereof, without giving effect to the sale of securities contemplated by the Subscription Documents and the Placement Agency Agreement to occur at the Closing, there are issued and outstanding of record: [_____] shares of Common Stock and no shares of preferred stock. There are issued and outstanding of record warrants and options to purchase [_____] shares of Common Stock. The currently outstanding shares of capital stock of the Company have been duly authorized and validly issued and are fully paid and nonassessable. The form of certificates for the Shares and the Brokers Warrant Shares conforms to the requirements of Delaware law. The capital stock of the Company conforms as to legal matters to the description thereof contained in the Company' SEC Filings.

9. To our knowledge, except as provided or disclosed in the Company's SEC Filings, no person or entity is entitled to any preemptive, right of first refusal, contractual or similar rights with respect to the issuance of the Securities, the Brokers Warrants or the Brokers Warrant Shares.

10. The Securities, the Brokers Warrants and the Brokers Warrant Shares have been duly authorized or reserved for issuance by all necessary corporate action on the part of the Company; and the Securities, when issued, sold and delivered against payment therefor in accordance with the provisions of the Subscription Documents, and the Brokers Warrants Shares, when issued upon exercise of the Brokers Warrants in accordance with the terms thereof, will be duly and validly issued, fully paid and non-assessable. The board of directors of the Company has adopted a resolution reserving Common Stock issuable upon exercise of the Brokers Warrants.

11. Assuming the accuracy of the representations and warranties of each of the investors set forth in the Subscription Documents and of the Company set forth in the Placement Agency Agreement, the offer, issuance and sale of the Securities at the Closing pursuant to the Subscription Documents and the issuance of the Brokers Warrants pursuant to the Placement Agency Agreement are, and the issuance of the Brokers Warrant Shares issuable upon exercise of the Brokers Warrants will be exempt from the registration requirements of the Securities Act and the securities or "blue sky" laws of any state.

12. Other than as disclosed in the Company's SEC Filings, we are not aware of any actions, suits, arbitrations, claims, proceedings or investigations pending or threatened against the Company or its subsidiaries or any of their respective operations, businesses, properties or assets by or before any court, arbitrator or government or regulatory commission, board, body, authority or agency that challenges the validity of any actions taken or to be taken by the Company pursuant to the Subscription Documents or the Placement Agency Agreement or the transaction contemplated thereby.

13. To our knowledge and except as set forth in the Company's SEC Filings, no holders of the Company's securities have rights to the registration of shares of Common Stock or other securities of the Company because of the Offering or the issuance of the Securities, Brokers Warrants or the Brokers Warrant Shares.

14. The descriptions in the Company's SEC Filings of statutes, regulations, legal and governmental proceedings, contracts and other documents are accurate and fairly present the information required to be shown; and we are not aware of any statutes, regulations, legal or governmental proceedings or contracts or other documents required to be described in the Company's SEC Filings or included as exhibits to the Company's SEC Filings that are not described or included as required.

15. Nothing has come to our attention that has caused us to be aware that any of the Company's SEC Filings contained an untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in light of the circumstances in which they were made, not misleading. We do not express any belief as to the financial statements and related notes, financial statement schedules or financial or accounting data and information contained in or omitted from the Company's SEC Filings.

Exhibit 10.7

FIRST AMENDMENT

This First Amendment to Placement Agency Agreement ("Amendment") is entered into as of the 15th day of May 2015, by and among Akoustis Technologies, Inc. (formerly known as Danlax Corp., the "Company"), Northland Securities, Inc. ("Northland") and Katalyst Securities Inc. ("Katalyst"), (collectively referred to as the "Placement Agents") and amends the Placement Agency Agreement dated April 17, 2015 (the "Agreement").

The Parties to the Agreement hereby amend and restate in its entirety the following paragraphs of the Agreement to read as follows:

Paragraph 1 (a):

(a) On the basis of the written and documented representations and warranties of the Company provided herein, and subject to the terms and conditions set forth herein, the Placement Agents are hereby appointed as co-exclusive Placement Agents of the Company during the Offering Period (as defined in Section 3(b) below) to assist the Company in finding qualified subscribers for the Offering. The Placement Agents may sell the Securities through other broker-dealers who are FINRA members (collectively, the "Sub Agents") and may reallow all or a portion of the Brokers' Fees (as defined in Section 3(a), 3(b) and 3(d) below) it receives to such other Sub Agents or pay a finders or consultant fee as allowed by applicable law. On the basis of such representations and warranties and subject to such terms and conditions, the Placement Agents hereby accept such appointment and agree to perform the services hereunder diligently and in good faith and in a professional and businesslike manner and in compliance with applicable law and to use its reasonable best efforts to assist the Company in finding subscribers of the Securities who qualify as "accredited investors," as such term is defined in Rule 501 of Regulation D. The Placement Agents have no obligation to purchase any of the Securities or sell any Securities. Unless sooner terminated in accordance with this Agreement, the engagement of the Placement Agents hereunder shall continue until the later of the Termination Date or the Final Closing (as defined below). The Offering is currently anticipated to be the private placement of a minimum of gross proceeds of $3,000,000 (the "Minimum Offering") and a maximum of gross proceeds of $6,000,000 through the sale of Four Million (4,000,000) shares (the "Maximum Offering") through the sale of shares of common stock, par value $0.001 per share, of the Company (the "Common Stock"), at the Purchase Price of $1.50 per share (the "Offering Price"). The minimum subscription is $90,000 (60,000 shares), *provided, however,* that subscriptions in lesser amounts may be accepted by the Company in its sole discretion.

This Amendment is hereby made part of and incorporated into the Agreement, with all the terms and conditions of the Agreement remaining in full force and effect, except to the extent modified hereby.

This Amendment may be executed in multiple counterparts, each of which may be executed by less than all of the parties and shall be deemed to be an original instrument which shall be enforceable against the parties actually executing such counterparts and all of which together shall constitute one and the same instrument. The exchange of copies of this Amendment and of signature pages by facsimile transmission or in pdf format shall constitute effective execution and delivery of this Amendment as to the parties and may be used in lieu of the original Amendment for all purposes. Signatures of the parties transmitted by facsimile or in pdf format shall be deemed to be their original signatures for all purposes.

IN WITNESS WHEREOF, this Amendment has been executed and delivered by the parties below effective as of the date first set forth above.

DANLAX CORP.

By: /s/ Ivan Krikun
Ivan Krikun
Chief Executive Officer

NORTHLAND SECURITIES, INC.

By: /s/ Jeffrey Peterson
Jeffrey Peterson
Head of Investment Banking

KATALYST SECURITIES LLC

By: /s/ Michael A. Silverman
Michael A. Silverman
Managing Director

Exhibit 10.8

FORM OF PLACEMENT AGENT WARRANT

NEITHER THE SECURITIES REPRESENTED HEREBY NOR THE SECURITIES ISSUABLE UPON EXERCISE OF THESE SECURITIES HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "*SECURITIES ACT*"), OR UNDER THE SECURITIES LAWS OF ANY STATES. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. UNLESS SOLD PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER TO THE EFFECT THAT ANY PROPOSED TRANSFER OR RESALE IS IN COMPLIANCE WITH THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

AKOUSTIS TECHNOLOGIES, INC.

WARRANT

Warrant No. _____ Original Issue Date: _____, 2015

Akoustis Technologies, Inc., a Nevada corporation (the "*Company*"), hereby certifies that, for value received, [Northland Securities, Inc. // Katalyst Securities LLC] or its registered assigns (the "*Holder*"), is entitled to purchase from the Company up to a total of _____ shares of Common Stock (each such share, a "*Warrant Share*" and all such shares, the "*Warrant Shares*"), at any time and from time to time from and after the Original Issue Date and through and including _____, 2020 (the "*Expiration Date*"), and subject to the following terms and conditions:

1. Definitions. As used in this Warrant, the following terms shall have the respective definitions set forth in this Section 1. Capitalized terms that are used and not defined in this Warrant that are defined in the Agreement (as defined below) shall have the respective definitions set forth in the Agreement.

"*Closing Price*" means, for any date of determination, the price determined by the first of the following clauses that applies: (i) if the Common Stock is then listed or quoted on a Trading Market, the closing bid price per share of the Common Stock for such date (or the nearest preceding date) on such market; (ii) if prices for the Common Stock are then quoted on the OTC Bulletin Board, the closing bid price per share of the Common Stock for such date (or the nearest preceding date) so quoted; (iii) if prices for the Common Stock are then reported in the OTC Markets, the most recent bid price per share of the Common Stock so reported; or (iv) in all other cases, the fair market value of a share of Common Stock as determined by an independent qualified appraiser selected in good faith and paid for by the Company.

"*Common Stock*" means the common stock of the Company, par value $0.001 per share, and any securities into which such common stock may hereafter be reclassified.

"*Exercise Price*" means $_____, subject to adjustment in accordance with Section 9.

"*Agreement*" means the Placement Agency Agreement, dated _____, 2015, to which the Company and the Holder are parties.

"*Fundamental Transaction*" means any of the following: (i) the Company effects any merger or consolidation of the Company with or into another person, (ii) the Company effects any sale of all or substantially all of its assets in one or a series of related transactions, (iii) any tender offer or exchange offer (whether by the Company or another person) is completed pursuant to which holders of Common Stock are permitted to tender or exchange their shares for other securities, cash or property, or (iv) the Company effects any reclassification of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property.

"*Original Issue Date*" means the Original Issue Date first set forth on the first page of this Warrant or its predecessor instrument.

"*Registration Rights Agreement*" means the Registration Rights Agreement, dated _____, 2015, to which the Company and the Holder are parties.

"*Trading Day*" means (i) a day on which the Common Stock is traded on a Trading Market (other than the OTC Bulletin Board), or (ii) if the Common Stock is not listed on a Trading Market (other than the OTC Bulletin Board), a day on which the Common Stock is traded in the over-the-counter market, as reported by the OTC Bulletin Board, or (iii) if the Common Stock is not quoted on any Trading Market, a day on which the Common Stock is quoted in the over-the-counter market as reported by the OTC Markets (or any similar organization or agency succeeding to its functions of reporting prices); provided, that in the event that the Common Stock is not listed or quoted as set forth in clauses (i), (ii) and (iii) hereof, then Trading Day shall mean a Business Day.

"*Trading Market*" means whichever of the New York Stock Exchange, NYSE MKT, the NASDAQ Global Select Market, the NASDAQ Global Market, the NASDAQ Capital Market or the OTC Bulletin Board on which the Common Stock is listed or quoted for trading on the date in question.

2. Registration of Warrant. The Company shall register this Warrant upon records to be maintained by the Company for that purpose (the "*Warrant Register*"), in the name of the record Holder hereof from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Holder, and for all other purposes, absent actual notice to the contrary.

3. Registration of Transfers. The Company shall register the transfer of any portion of this Warrant in the Warrant Register, upon surrender of this Warrant, with the Form of Assignment attached hereto duly completed and signed, to the Company at its address specified herein. Upon any such registration or transfer, a new Warrant to purchase Common Stock, in substantially the form of this Warrant (any such new Warrant, a "*New Warrant*"), evidencing the portion of this Warrant so transferred shall be issued to the transferee and a New Warrant evidencing the remaining portion of this Warrant not so transferred, if any, shall be issued to the transferring Holder. The acceptance of the New Warrant by the transferee thereof shall be deemed the acceptance by such transferee of all of the rights and obligations of a holder of a Warrant.

4. Exercise and Duration of Warrants.

(a) This Warrant shall be exercisable by the registered Holder in whole at any time and in part from time to time from the Original Issue Date through and including the Expiration Date. At 5:30 p.m., Central time on the Expiration Date, the portion of this Warrant not exercised prior thereto shall be and become void and of no value. The Company may not call or redeem any portion of this Warrant without the prior written consent of the affected Holder.

(b) Notwithstanding anything to the contrary contained herein, the number of Warrant Shares that may be acquired by the Holder upon any exercise of this Warrant (or otherwise in respect hereof) shall be limited to the extent necessary to insure that, following such exercise (or other issuance), the total number of shares of Common Stock then beneficially owned by such Holder and its affiliates (as defined under Rule 144, "*Affiliates*") and any other persons whose beneficial ownership of Common Stock would be aggregated with the Holder's for purposes of Section 13(d) of the Exchange Act, does not exceed 4.999% of the total number of issued and outstanding shares of Common Stock (including for such purpose the shares of Common Stock issuable upon such exercise). For such purposes, beneficial ownership shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. This provision shall not restrict the number of shares of Common Stock which a Holder may receive or beneficially own in order to determine the amount of securities or other consideration that such Holder may receive in the event of a Fundamental Transaction as contemplated in Section 9 of this Warrant. By written notice to the Company, the Holder may waive the provisions of this Section 4(b) but any such waiver will not be effective until the 61st day after delivery of such notice, nor will any such waiver effect any other Holder.

Notwithstanding anything to the contrary contained herein, the number of Warrant Shares that may be acquired by the Holder upon any exercise of this Warrant (or otherwise in respect hereof) shall be limited to the extent necessary to insure that, following such exercise (or other issuance), the total number of shares of Common Stock then beneficially owned by such Holder and its Affiliates and any other persons whose beneficial ownership of Common Stock would be aggregated with the Holder's for purposes of Section 13(d) of the Exchange Act, does not exceed 9.999% of the total number of issued and outstanding shares of Common Stock (including for such purpose the shares of Common Stock issuable upon such exercise). For such purposes, beneficial ownership shall be determined in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder. This provision shall not restrict the number of shares of Common Stock which a Holder may receive or beneficially own in order to determine the amount of securities or other consideration that such Holder may receive in the event of a Fundamental Transaction as contemplated in Section 9 of this Warrant. This restriction may not be waived.

5. Delivery of Warrant Shares.

(a) To effect exercises hereunder, the Holder shall not be required to physically surrender this Warrant unless the aggregate Warrant Shares represented by this Warrant are being exercised. Upon delivery of the Exercise Notice (in the form attached hereto) to the Company (with the attached Warrant Shares Exercise Log) at its address for notice set forth herein and upon payment of the Exercise Price multiplied by the number of Warrant Shares that the Holder intends to purchase hereunder, the Company shall promptly (but in no event later than three Trading Days after the Date of Exercise (as defined herein)) issue and deliver to the Holder, a certificate for the Warrant Shares issuable upon such exercise, which, unless otherwise required by applicable law, shall be free of restrictive legends. The Company shall, upon request of the Holder and subsequent to the date on which a registration statement covering the resale of the Warrant Shares has been declared effective by the Securities and Exchange Commission, use its reasonable best efforts to deliver Warrant Shares hereunder electronically through the Depository Trust Corporation or another established clearing corporation performing similar functions, if available, provided, that, the Company may, but will not be required to change its transfer agent if its current transfer agent cannot deliver Warrant Shares electronically through the Depository Trust Corporation. A " *Date of Exercise*" means the date on which the Holder shall have delivered to the Company: (i) the Exercise Notice (with the Warrant Exercise Log attached to it), appropriately completed and duly signed and (ii) if such Holder is not utilizing the cashless exercise provisions set forth in this Warrant, payment of the Exercise Price for the number of Warrant Shares so indicated by the Holder to be purchased.

(b) If by the third Trading Day after a Date of Exercise the Company fails to deliver the required number of Warrant Shares in the manner required pursuant to Section 5(a), then the Holder will have the right to rescind such exercise.

(c) If by the third Trading Day after a Date of Exercise the Company fails to deliver the required number of Warrant Shares in the manner required pursuant to Section 5(a), and if after such third Trading Day and prior to the receipt of such Warrant Shares, the Holder purchases (in an open market transaction or otherwise) shares of Common Stock to deliver in satisfaction of a sale by the Holder of the Warrant Shares which the Holder anticipated receiving upon such exercise (a "*Buy-In*"), then the Company shall (1) pay in cash to the Holder the amount by which (x) the Holder's total purchase price (including brokerage commissions, if any) for the shares of Common Stock so purchased exceeds (y) the amount obtained by multiplying (A) the number of Warrant Shares that the Company was required to deliver to the Holder in connection with the exercise at issue by (B) the closing bid price of the Common Stock at the time of the obligation giving rise to such purchase obligation and (2) at the option of the Holder, either reinstate the portion of the Warrant and equivalent number of Warrant Shares for which such exercise was not honored or deliver to the Holder the number of shares of Common Stock that would have been issued had the Company timely complied with its exercise and delivery obligations hereunder. The Holder shall provide the Company written notice indicating the amounts payable to the Holder in respect of the Buy-In.

(d) The Company's obligations to issue and deliver Warrant Shares in accordance with the terms hereof are absolute and unconditional, irrespective of any action or inaction by the Holder to enforce the same, any waiver or consent with respect to any provision hereof, the recovery of any judgment against any person or any action to enforce the same, or any setoff, counterclaim, recoupment, limitation or termination, or any breach or alleged breach by the Holder or any other person of any obligation to the Company or any violation or alleged violation of law by the Holder or any other person, and irrespective of any other circumstance which might otherwise limit such obligation of the Company to the Holder in connection with the issuance of Warrant Shares. Nothing herein shall limit a Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver certificates representing Warrant Shares upon exercise of the Warrant as required pursuant to the terms hereof.

6. Charges, Taxes and Expenses. Issuance and delivery of Warrant Shares upon exercise of this Warrant shall be made without charge to the Holder for any issue or transfer tax, withholding tax, transfer agent fee or other incidental tax or expense in respect of the issuance of such certificates, all of which taxes and expenses shall be paid by the Company; provided, however, that the Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the registration of any certificates for Warrant Shares or Warrants in a name other than that of the Holder. The Holder shall be responsible for all other tax liability that may arise as a result of holding or transferring this Warrant or receiving Warrant Shares upon exercise hereof.

7. Replacement of Warrant. If this Warrant is mutilated, lost, stolen or destroyed, the Company shall issue or cause to be issued in exchange and substitution for and upon cancellation hereof, or in lieu of and substitution for this Warrant, a New Warrant, but only upon receipt of evidence reasonably satisfactory to the Company of such loss, theft or destruction and customary and reasonable indemnity (which shall not include a surety bond), if requested. Applicants for a New Warrant under such circumstances shall also comply with such other reasonable regulations and procedures and pay such other reasonable third-party costs as the Company may prescribe. If a New Warrant is requested as a result of a mutilation of this Warrant, then the Holder shall deliver such mutilated Warrant to the Company as a condition precedent to the Company's obligation to issue the New Warrant.

8. Reservation of Warrant Shares. The Company covenants that it will at all times reserve and keep available out of the aggregate of its authorized but unissued and otherwise unreserved Common Stock, solely for the purpose of enabling it to issue Warrant Shares upon exercise of this Warrant as herein provided, the number of Warrant Shares which are then issuable and deliverable upon the exercise of this entire Warrant, free from preemptive rights or any other contingent purchase rights of Persons other than the Holder (taking into account the adjustments and restrictions of Section 9). The Company covenants that all Warrant Shares so issuable and deliverable shall, upon issuance and the payment of the applicable Exercise Price in accordance with the terms hereof, be duly and validly authorized, issued and fully paid and nonassessable.

9. Certain Adjustments. The Exercise Price and number of Warrant Shares issuable upon exercise of this Warrant are subject to adjustment from time to time as set forth in this Section 9.

(a) Stock Dividends and Splits. If the Company, at any time while this Warrant is outstanding, (i) pays a stock dividend on its Common Stock or otherwise makes a distribution on any class of capital stock that is payable in shares of Common Stock, (ii) subdivides outstanding shares of Common Stock into a larger number of shares, or (iii) combines outstanding shares of Common Stock into a smaller number of shares, then in each such case the Exercise Price shall be adjusted to equal the product obtained by multiplying the then-current Exercise Price by a fraction of which the numerator shall be the number of shares of Common Stock outstanding immediately before such event and of which the denominator shall be the number of shares of Common Stock outstanding immediately after such event. Any adjustment made pursuant to clause (i) of this paragraph shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution, and any adjustment pursuant to clause (ii) or (iii) of this paragraph shall become effective immediately after the effective date of such subdivision or combination.

(b) Fundamental Transactions. If, at any time while this Warrant is outstanding there is a Fundamental Transaction, then the Holder shall have the right thereafter to receive, upon exercise of this Warrant, the same amount and kind of securities, cash or property as it would have been entitled to receive upon the occurrence of such Fundamental Transaction if it had been, immediately prior to such Fundamental Transaction, the holder of the number of Warrant Shares then issuable upon exercise in full of this Warrant (the "*Alternate Consideration*"). For purposes of any such exercise, the determination of the Exercise Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Exercise Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any exercise of this Warrant following such Fundamental Transaction. At the Holder's option and request, any successor to the Company or surviving entity in such Fundamental Transaction shall, either (1) issue to the Holder a new warrant substantially in the form of this Warrant and consistent with the foregoing provisions and evidencing the Holder's right to purchase the Alternate Consideration for the aggregate Exercise Price upon exercise thereof, or (2) purchase the Warrant from the Holder for a purchase price, payable in cash within five Trading Days after such request (or, if later, on the effective date of the Fundamental Transaction), equal to the Black Scholes value of the remaining unexercised portion of this Warrant on the date of such request. The terms of any agreement pursuant to which a Fundamental Transaction is effected shall include terms requiring any such successor or surviving entity to comply with the provisions of this paragraph (b) and insuring that the Warrant (or any such replacement security) will be similarly adjusted upon any subsequent transaction analogous to a Fundamental Transaction.

(c) Number of Warrant Shares. Simultaneously with any adjustment to the Exercise Price pursuant to this Section 9, the number of Warrant Shares that may be purchased upon exercise of this Warrant shall be increased or decreased proportionately, so that after such adjustment the aggregate Exercise Price payable hereunder for the adjusted number of Warrant Shares shall be the same as the aggregate Exercise Price in effect immediately prior to such adjustment.

(e) Calculations. All calculations under this Section 9 shall be made to the nearest cent or the nearest $1/100^{th}$ of a share, as applicable. The number of shares of Common Stock outstanding at any given time shall not include shares owned or held by or for the account of the Company, and the disposition of any such shares shall be considered an issue or sale of Common Stock.

(f) Notice of Adjustments. Upon the occurrence of each adjustment pursuant to this Section 9, the Company at its expense will promptly compute such adjustment in accordance with the terms of this Warrant and prepare a certificate setting forth such adjustment, including a statement of the adjusted Exercise Price and adjusted number or type of Warrant Shares or other securities issuable upon exercise of this Warrant (as applicable), describing the transactions giving rise to such adjustments and showing in detail the facts upon which such adjustment is based. Upon written request, the Company will promptly deliver a copy of each such certificate to the Holder and to the Company's Transfer Agent.

10. Payment of Exercise Price. The Holder may pay the Exercise Price in one of the following manners:

(a) Cash Exercise. The Holder may deliver immediately available funds; or

(b) Cashless Exercise. Pursuant to a Company Exercise, or if an Exercise Notice is delivered at a time when a registration statement permitting the Holder to resell the Warrant Shares is not then effective or the prospectus forming a part thereof is not then available to the Holder for the resale of the Warrant Shares, then the Holder may notify the Company in an Exercise Notice of its election to utilize a cashless exercise, in which event the Company shall issue to the Holder the number of Warrant Shares determined as follows:

$$X = Y [(A-B)/A]$$

where:

X = the number of Warrant Shares to be issued to the Holder.

Y = the number of Warrant Shares with respect to which this Warrant is being exercised.

A = the average of the Closing Prices for the five Trading Days immediately prior to (but not including) the Exercise Date.

B = the Exercise Price.

For purposes of Rule 144 promulgated under the Securities Act, it is intended, understood and acknowledged that the Warrant Shares issued in a cashless exercise transaction shall be deemed to have been acquired by the Holder, and the holding period for the Warrant Shares shall be deemed to have commenced, on the date this Warrant was originally issued.

11. No Fractional Shares. No fractional shares of Warrant Shares will be issued in connection with any exercise of this Warrant. In lieu of any fractional shares which would, otherwise be issuable, the Company shall pay cash equal to the product of such fraction multiplied by the Closing Price of one Warrant Share on the date of exercise.

12. **Notices.** Any and all notices or other communications or deliveries hereunder (including, without limitation, any Exercise Notice) shall be in writing and shall be deemed given and effective if provided pursuant to the Agreement. In case any time: (1) the Company shall declare any cash dividend on its capital stock; (2) the Company shall pay any dividend payable in stock upon its capital stock or make any distribution to the holders of its capital stock; (3) the Company shall offer for subscription pro rata to the holders of its capital stock any additional shares of stock of any class or other rights; (4) there shall be any capital reorganization, or reclassification of the capital stock of the Company, or consolidation or merger of the Company with, or sale of all or substantially all of its assets to, another corporation; or (5) there shall be a voluntary or involuntary dissolution, liquidation or winding up of the Company; then, in any one or more of said cases, the Company shall give prompt written notice to the Holder. Such notice shall also specify the date as of which the holders of capital stock of record shall participate in such dividend, distribution or subscription rights, or shall be entitled to exchange their capital stock for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation or winding up, or conversion or redemption, as the case may be. Such written notice shall be given at least 20 days prior to the action in question and not less than 20 days prior to the record date or the date on which the Company's transfer books are closed in respect thereto.

13. **Registration Rights.** The Holder shall be entitled to the registration rights set forth in the Registration Rights Agreement.

14. **Lock Up.** In accordance with FINRA Rule 5110(g), this Warrant shall not be sold during the Private Placement, or sold, transferred, assigned, pledged, or hypothecated, or be the subject of any hedging, short sale, derivative, put, or call transaction that would result in the effective economic disposition of this Warrant or the Warrant Shares, by any person for a period of 180 days immediately following the date of effectiveness or commencement of sales of the Private Placement, except as provided in paragraph (g)(2) of FINRA Rule 5110.

16. **Miscellaneous.**

(a) This Warrant shall be binding on and inure to the benefit of the parties hereto and their respective successors and assigns. Subject to the preceding sentence, nothing in this Warrant shall be construed to give to any Person other than the Company and the Holder any legal or equitable right, remedy or cause of action under this Warrant. This Warrant may be amended only in writing signed by the Company and the Holder and their successors and assigns.

(b) All questions concerning the construction, validity, enforcement and interpretation of this Warrant shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof.

(c) The headings herein are for convenience only, do not constitute a part of this Warrant and shall not be deemed to limit or affect any of the provisions hereof.

(d) In case any one or more of the provisions of this Warrant shall be invalid or unenforceable in any respect, the validity and enforceability of the remaining terms and provisions of this Warrant shall not in any way be affected or impaired thereby and the parties will attempt in good faith to agree upon a valid and enforceable provision which shall be a commercially reasonable substitute therefor, and upon so agreeing, shall incorporate such substitute provision in this Warrant.

(e) Prior to exercise of this Warrant, the Holder hereof shall not, by reason of by being a Holder, be entitled to any rights of a stockholder with respect to the Warrant Shares.

[*Remainder of page intentionally left blank, signature page follows*]

In witness whereof, the Company has caused this Warrant to be duly executed by its authorized officer as of the date first indicated above.

AKOUSTIS TECHNOLOGIES, INC.

By: _____
Name: _____
Title: _____

EXERCISE NOTICE

The undersigned Holder hereby irrevocably elects to purchase _____ shares of Common Stock pursuant to the attached Warrant. Capitalized terms used herein and not otherwise defined have the respective meanings set forth in the Warrant.

(1) The undersigned Holder hereby exercises its right to purchase _____ Warrant Shares pursuant to the Warrant.

(2) The Holder intends that payment of the Exercise Price shall be made as (check one):

_____ "Cash Exercise" under Section 10

_____ "Cashless Exercise" under Section 10

(3) If the Holder has elected a Cash Exercise, the Holder shall pay the sum of $_____ to the Company in accordance with the terms of the Warrant.

(4) Pursuant to this Exercise Notice, the Company shall deliver to the Holder _____ Warrant Shares in accordance with the terms of the Warrant.

Dated _____ __, _____

Name of Holder:

(Print)

_____

By: _____

Title: _____

(Signature must conform in all respects to name of holder as specified on the face of the Warrant)

FORM OF ASSIGNMENT

[To be completed and signed only upon transfer of Warrant]

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____ the right represented by the attached Warrant to purchase _____ shares of Common Stock to which such Warrant relates and appoints _____ attorney to transfer said right on the books of the Company with full power of substitution in the premises.

Dated: _____ __, _____

_____
(Signature must conform in all respects to name of holder as specified on the face of the Warrant)

Address of Transferee

_____

_____

_____

Attest:

_____

Exhibit 10.9

FORM OF
REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (this "**Agreement**") is made and entered into effective as of _____, among **Akoustis Technologies, Inc.**, a Nevada corporation (formerly known as Danlax, Corp.) (the "**Company**"), the persons who have executed omnibus or counterpart signature page(s) hereto (each, a "**Purchaser**" and collectively, the "**Purchasers**") and the persons or entities identified on Schedule 1 hereto holding Placement Agent Warrants (as defined below) (collectively, the " **Brokers**") or Registrable Pre-Merger Shares (as defined below).

RECITALS:

WHEREAS, the Company has offered and sold in compliance with Rule 506 of Regulation D promulgated under the Securities Act to accredited investors in a private placement offering (the "**PPO**") shares (the "**Shares**") of the common stock of the Company, par value $0.001 per share, pursuant to that certain Subscription Agreement entered into by and between the Company and each of the subscribers for the Shares set forth on the signature pages affixed thereto (the "**Subscription Agreement**"); and

WHEREAS, the Company has agreed to enter into a registration rights agreement with each of the Purchasers in the PPO who purchased the Shares with the Brokers who hold Placement Agent Warrants and certain other investors; and

WHEREAS, simultaneously with the closing of the PPO, a wholly-owned subsidiary of the Company will merge with and into Akoustis, Inc. ("**Akoustis**") (the "**Merger**");

NOW, THEREFORE, in consideration of the mutual promises, representations, warranties, covenants, and conditions set forth herein, the parties mutually agree as follows:

1. Certain Definitions. As used in this Agreement, the following terms shall have the following respective meanings:

"Approved Market" means the OTC Markets Group, the Nasdaq Stock Market, the New York Stock Exchange or the NYSE Amex.

"Blackout Period" means, with respect to a registration, a period during which the Company, in the good faith judgment of its board of directors, determines (because of the existence of, or in anticipation of, any acquisition, financing activity, or other transaction involving the Company, or the unavailability for reasons beyond the Company's control of any required financial statements, disclosure of information which is in its best interest not to publicly disclose, or any other event or condition of similar significance to the Company) that the registration and distribution of the Registrable Securities to be covered by such registration statement, if any, would be seriously detrimental to the Company and its stockholders, in each case commencing on the day the Company notifies the Holders that they are required, because of the determination described above, to suspend offers and sales of Registrable Securities and ending on the earlier of (1) the date upon which the material non-public information resulting in the Blackout Period is disclosed to the public or ceases to be material and (2) such time as the Company notifies the selling Holders that sales pursuant to such Registration Statement or a new or amended Registration Statement may resume.

"Business Day" means any day of the year, other than a Saturday, Sunday, or other day on which banks in the State of New York are required or authorized to close.

"Commission" means the U. S. Securities and Exchange Commission or any other federal agency at the time administering the Securities Act.

"Common Stock" means the common stock, par value $0.001 per share, of the Company and any and all shares of capital stock or other equity securities of: (i) the Company which are added to or exchanged or substituted for the Common Stock by reason of the declaration of any stock dividend or stock split, the issuance of any distribution or the reclassification, readjustment, recapitalization or other such modification of the capital structure of the Company; and (ii) any other corporation, now or hereafter organized under the laws of any state or other governmental authority, with which the Company is merged, which results from any consolidation or reorganization to which the Company is a party, or to which is sold all or substantially all of the shares or assets of the Company, if immediately after such merger, consolidation, reorganization or sale, the Company or the stockholders of the Company own equity securities having in the aggregate more than 50% of the total voting power of such other corporation.

"Effective Date" means the date of the final closing of the PPO.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission promulgated thereunder.

"Family Member" means (a) with respect to any individual, such individual's spouse, any descendants (whether natural or adopted), any trust all of the beneficial interests of which are owned by any of such individuals or by any of such individuals together with any organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, the estate of any such individual, and any corporation, association, partnership or limited liability company all of the equity interests of which are owned by those above described individuals, trusts or organizations and (b) with respect to any trust, the owners of the beneficial interests of such trust.

"Holder" means (i) each Purchaser or any of such Purchaser's respective successors and Permitted Assignees who acquire rights in accordance with this Agreement with respect to any Registrable Securities directly or indirectly from a Purchaser or from any Permitted Assignee and (ii) each Broker or any of such Broker's respective successors and Permitted Assignees who acquire rights in accordance with this Agreement with respect to any Registrable Securities directly or indirectly from an Broker or from any Permitted Assignee.

"Majority Holders" means, at any time, Holders of a majority of the Registrable Securities then outstanding.

"Permitted Assignee" means (a) with respect to a partnership, its partners or former partners in accordance with their partnership interests, (b) with respect to a corporation, its stockholders in accordance with their interest in the corporation, (c) with respect to a limited liability company, its members or former members in accordance with their interest in the limited liability company, (d) with respect to an individual party, any Family Member of such party, (e) an entity that is controlled by, controls, or is under common control with a transferor, or (f) a party to this Agreement.

"Piggyback Registration" means, in any registration of Common Stock referenced in Section 3(b), the right of each Holder to include the Registrable Securities of such Holder in such registration.

"Placement Agent Warrants" shall have the meaning set forth in the Subscription Agreement.

The terms "register," "registered," and "registration" refer to a registration effected by preparing and filing a registration statement in compliance with the Securities Act, and the declaration or ordering of the effectiveness of such registration statement.

"Registrable Pre-Merger Shares" means all shares of Common Stock of the Company held by any person who was a shareholder of the Company immediately prior to the Merger who at any time has beneficially owned 10% or more of the Company's outstanding Common Stock.

"Registrable Pre-Merger Shareholder" means a person holding Registrable Pre-Merger Shares.

"Registrable Securities" means (a) the Shares, (b) the shares of Common Stock issuable upon exercise of the Placement Agent Warrants, and (c) the Registrable Pre-Merger Shares; but, in each case, excluding any otherwise Registrable Securities that (i) have been sold or otherwise transferred other than to a Permitted Assignee, (ii) may be sold under the Securities Act without volume limitations either pursuant to Rule 144 of the Securities Act or otherwise during any ninety (90) day period, or (iii) are at the time subject to an effective registration statement under the Securities Act.

"Registration Default Period" means the period during which any Registration Event occurs and is continuing.

"Registration Effectiveness Date" means the date that is one hundred and eighty (180) calendar days after the Registration Statement is first filed with the Commission.

"Registration Event" means the occurrence of any of the following events:

(a) the Company fails to file with the Commission the Registration Statement on or before the Registration Filing Date;

(b) the Registration Statement is not declared effective by the Commission on or before the Registration Effectiveness Date;

(c) after the SEC Effective Date, the Registration Statement ceases for any reason to remain continuously effective or the Holders are otherwise not permitted to utilize the prospectus therein to resell the Registrable Securities (including a Blackout Period) for a period of more than fifteen (15) consecutive Trading Days, except as excused pursuant to Section 3(a); or

(d) the Registrable Securities, if issued, are not listed or included for quotation on an Approved Market, or trading of the Common Stock is suspended or halted on the Approved Market, which at the time constitutes the principal market for the Common Stock, for more than three (3) full, consecutive Trading Days; provided, however, a Registration Event shall not be deemed to occur if all or substantially all trading in equity securities (including the Common Stock) of the Company is suspended or halted on the Approved Market for any length of time.

"Registration Filing Date" means the date that is ninety (90) calendar days after the Effective Date.

"Registration Statement" means the registration statement that the Company is required to file pursuant to Section 3(a) of this Agreement to register the Registrable Securities.

"Restricted Holders" means the officers and directors and certain key employees of the Company and certain stockholders of the Company who have entered into lock-up agreements with the Company pursuant to which such they agree to certain restrictions on the sale or disposition (including pledge) of the Common Stock held by (or issuable to) them.

"Rule 144" means Rule 144 promulgated by the Commission under the Securities Act, as such rule may be amended or supplemented from time to time, or any similar successor rule that may be promulgated by the Commission.

"Rule 145" means Rule 145 promulgated by the Commission under the Securities Act, as such rule may be amended or supplemented from time to time, or any similar successor rule that may be promulgated by the Commission.

"Rule 415" means Rule 415 promulgated by the Commission under the Securities Act, as such rule may be amended or supplemented from time to time, or any similar successor rule that may be promulgated by the Commission.

"Securities Act" means the Securities Act of 1933, as amended, or any similar federal statute promulgated in replacement thereof, and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time.

"SEC Effective Date" means the date the Registration Statement is declared effective by the Commission.

"Shares" means the shares of Common Stock issued to the Purchasers pursuant to the Subscription Agreement (including any Shares of Common Stock issued pursuant to Section 18 of the Subscription Agreement) and any shares of Common Stock issued or issuable with respect to such shares upon any stock split, dividend or other distribution, recapitalization or similar event with respect to the foregoing.

"Trading Day" means any day on which such national securities exchange, the OTC Markets Group or such other securities market or quotation system, which at the time constitutes the principal securities market for the Common Stock, is open for general trading of securities.

Capitalized terms used herein without definition have the meanings ascribed to them in the Subscription Agreement.

2. Term. This Agreement shall terminate with respect to each Holder on the earlier of: (i) the date that is the later of (x) two years from the SEC Effective Date and (y) the date on which all Registrable Securities held by such Holder are transferred other than to a Permitted Transferee or may be sold under Rule 144 without volume limitations during any ninety (90) day period; or (ii) the date otherwise terminated as provided herein.

3. Registration.

(a) Registration on Form S-1. The Company shall file with the Commission a Registration Statement on Form S-1, or any other form for which the Company then qualifies or which counsel for the Company shall deem appropriate and which form shall be available for the resale by the Holders of all of the Registrable Securities, and the Company shall (i) use its commercially reasonable efforts to make the initial filing of the Registration Statement no later than the Registration Filing Date, (ii) use its commercially reasonable efforts to cause such Registration Statement to be declared effective no later than the Registration Effectiveness Date and (iii) use its commercially reasonable efforts to keep such Registration Statement effective for a period of twenty-four (24) months or for such shorter period ending on the earlier to occur of (x) the sale of all Registrable Securities and (y) the availability of Rule 144 for the Holder to sell all of the Registrable Securities without volume limitations within a 90 day period (the "**Effectiveness Period**"); provided, however, that the Company shall not be obligated to effect any such registration, qualification or compliance pursuant to this Section, or keep such registration effective pursuant to the terms hereunder, in any particular jurisdiction in which the Company would be required to qualify to do business as a foreign corporation or as a dealer in securities under the securities laws of such jurisdiction or to execute a general consent to service of process in effecting such registration, qualification or compliance, in each case where it has not already done so. Notwithstanding the foregoing, in the event that the staff (the "**Staff**") of the Commission should limit the number of Registrable Securities that may be sold pursuant to the Registration Statement, the Company may remove from the Registration Statement such number of Registrable Securities as specified by the Commission on behalf of all of the holders of Registrable Securities first from the shares of Common Stock issuable upon exercise of the Placement Agent Warrants, on a pro-rata basis among the holders thereof (and on an as-exercised basis with respect to any Placement Agent Warrants not then exercised), and second from the other Registrable Securities, on a pro rata basis among the holders thereof. In such event, the Company shall give the Purchasers prompt notice of the number of Registrable Securities excluded therefrom. No liquidated damages shall accrue or be payable to any Holder pursuant to Section 3(d) with respect to any Registrable Securities that are excluded by reason of the foregoing sentence.

(b) Piggyback Registration. If, after the SEC Effective Date, the Company shall determine to register for sale for cash any of its Common Stock, for its own account or for the account of others (other than the Holders), other than (i) a registration relating solely to employee benefit plans or securities issued or issuable to employees, consultants (to the extent the securities owned or to be owned by such consultants could be registered on Form S-8 (or its then equivalent form) or any of their Family Members (including a registration on Form S-8 (or its then equivalent form)), (ii) a registration relating solely to a Securities Act Rule 145 transaction or a registration on Form S-4 (or its then equivalent form) in connection with a merger, acquisition, divestiture, reorganization or similar event, or (iii) a transaction relating solely to the sale of debt or convertible debt instruments, then the Company shall promptly give to each Holder written notice thereof (the "**Registration Rights Notice**") (and in no event shall such notice be given less than twenty (20) calendar days prior to the filing of such registration statement), and shall, subject to Section 3(c), include as a Piggyback Registration all of the Registrable Securities (including any Registrable Securities that are removed from the Registration Statement as a result of a requirement by the Staff) specified in a written request delivered by the Holder thereof within ten (10) calendar days after delivery to the Holder of such written notice from the Company. However, the Company may, without the consent of such Holders, withdraw such registration statement prior to its becoming effective if the Company or such other selling stockholders have elected to abandon the proposal to register the securities proposed to be registered thereby. The right contained in this paragraph may be exercised by each Holder only with respect to two (2) qualifying registrations. The Holders acknowledge and agree that the stockholders of the Company prior to the consummation of the Merger and PPO (the "**Pre-Merger Stockholders**") (but, for avoidance of doubt, not holders of the shares issued to the stockholders of Akoustis in consideration for the Merger) shall have "piggyback" registration rights identical to the foregoing for inclusion in any such registration together with the Holders.

(c) Underwriting. For purposes of this subsection (c) only, the term "Holders" shall include the Pre-Merger Stockholders. If a Piggyback Registration is for a registered public offering that is to be made by an underwriting, the Company shall so advise the Holders as part of the Registration Rights Notice. In that event, the right of any Holder to Piggyback Registration shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to sell any of their Registrable Securities through such underwriting shall (together with the Company and any other stockholders of the Company selling their securities through such underwriting) enter into an underwriting agreement in customary form with the underwriter selected for such underwriting by the Company or such other selling stockholders, as applicable. Notwithstanding any other provision of this Section 3(c), if the underwriter or the Company determines that marketing factors require a limitation on the number of shares of Common Stock or the amount of other securities to be underwritten, the underwriter may exclude some or all Registrable Securities from such registration and underwriting. The Company shall so advise all Holders (except those Holders who failed to timely elect to include their Registrable Securities through such underwriting or have indicated to the Company their decision not to do so), and indicate to each such Holder the number of shares of Registrable Securities that may be included in the registration and underwriting, if any. The number of shares of Registrable Securities to be included in such registration and underwriting shall be allocated among such Holders as follows:

(i) If the Piggyback Registration was initiated by the Company, the number of shares that may be included in the registration and underwriting shall be allocated first to the Company and then, subject to obligations and commitments existing as of the date hereof, to all persons exercising piggyback registration rights (including the Holders) who have requested to sell in the registration on a pro rata basis according to the number of shares requested to be included therein; and

(ii) If the Piggyback Registration was initiated by the exercise of demand registration rights by a stockholder or stockholders of the Company, then the number of shares that may be included in the registration and underwriting shall be allocated first to such selling stockholders who exercised such demand to the extent of their demand registration rights, and then, subject to obligations and commitments existing as of the date hereof, to the Company and then, subject to obligations and commitments existing as of the date hereof, to all persons exercising piggyback registration rights (including the Holders) who have requested to sell in the registration on a pro rata basis according to the number of shares requested to be included therein.

No Registrable Securities excluded from the underwriting by reason of the underwriter's marketing limitation shall be included in such registration. If any Holder disapproves of the terms of any such underwriting, such Holder may elect to withdraw such Holder's Registrable Securities therefrom by delivering a written notice to the Company and the underwriter. The Registrable Securities so withdrawn from such underwriting shall also be withdrawn from such registration; provided, however, that, if by the withdrawal of such Registrable Securities, a greater number of Registrable Securities held by other Holders may be included in such registration (up to the maximum of any limitation imposed by the underwriters), then the Company shall offer to all Holders who have included Registrable Securities in the registration the right to include additional Registrable Securities pursuant to the terms and limitations set forth herein in the same proportion used above in determining the underwriter limitation.

(d) Liquidated Damages. If a Registration Event occurs, then the Company will make payments to each Holder of Registrable Securities, as liquidated damages to such Holder by reason of the Registration Event, a cash sum equal to one percent (1%) of the aggregate purchase price paid by such Holder pursuant to Subscription Agreement or upon exercise of Placement Agent Warrants (or in the case of unexercised Placement Agent Warrants, of the exercise price thereof) with respect to such Holder's Registrable Securities that are affected by such Registration Event, for each full thirty (30) days during which such Registration Event continues to affect such Registrable Securities (which shall be pro-rated for any period less than 30 days). Notwithstanding the foregoing, the maximum amount of liquidated damages that may be paid by the Company pursuant to this Section 3(d) shall be an amount equal to eight percent (8%) of the applicable foregoing amount with respect to such Holder's Registrable Securities that are affected by all Registration Events in the aggregate. Each payment of liquidated damages pursuant to this Section 3(d) shall be due and payable in arrears within five (5) days after the end of each full 30-day period of the Registration Default Period until the termination of the Registration Default Period and within five (5) days after such termination. Such payments shall constitute the Holder's exclusive remedy for any Registration Event. The Registration Default Period shall terminate upon the earlier of such time as the Registrable Securities that are affected by the Registration Event cease to be Registrable Securities or (i) the filing of the Registration Statement in the case of clause (a) of the definition of Registration Event, (ii) the SEC Effective Date in the case of clause (b) of the definition of Registration Event, (iii) the ability of the Holders to effect sales pursuant to the Registration Statement in the case of clause (c) of the definition of Registration Event, and (iv) the listing or inclusion and/or trading of the Common Stock on an Approved Market, as the case may be, in the case of clause (d) of the definition of Registration Event. The amounts payable as liquidated damages pursuant to this Section 3(d) shall be payable in lawful money of the United States. Notwithstanding the foregoing, the Company will not be liable for the payment of liquidated damages described in this Section 3(d) for any delay in registration of Registrable Securities that would otherwise be includable in the Registration Statement pursuant to Rule 415 solely as a result of a comment received by the Staff requiring a limit on the number of Registrable Securities included in such Registration Statement in order for such Registration Statement to be able to avail itself of Rule 415. In the event of any such delay, the Company will use its commercially reasonable efforts at the first opportunity that is permitted by the Commission to register for resale the Registrable Securities that have been cut back from being registered pursuant to Rule 415 only with respect to that portion of the Holders' Registrable Securities that are then Registrable Securities.

(e) Other Limitations. Notwithstanding the provisions of Section 3(d) above, if (i) the Commission does not declare the Registration Statement effective on or before the Registration Effectiveness Date, or (ii) the Commission allows the Registration Statement to be declared effective at any time before or after the Registration Effectiveness Date, subject to the withdrawal of certain Registrable Securities from the Registration Statement, and the reason for (i) or (ii) is the Commission's determination that (x) the offering of any of the Registrable Securities constitutes a primary offering of securities by the Company, (y) Rule 415 may not be relied upon for the registration of the resale of any or all of the Registrable Securities, and/or (z) a Holder of any Registrable Securities must be named as an underwriter, the Holders understand and agree that in the case of (ii) the Company may (notwithstanding anything to the contrary contained herein) reduce, on a pro rata basis, the total number of Registrable Securities to be registered on behalf of each such Holder, and in the case of (i) or (ii) the Holder shall not be entitled to liquidated damages with respect to the Registrable Securities not registered for the reason set forth in (i) or so reduced on a pro rata basis as set forth above.

(f) Other Registrations. During the twenty-four (24) month period following the effective date of the Merger, the Company shall not register, nor shall it take any action to facilitate registration, under the Securities Act, the shares of the Common Stock of the Company issued pursuant to the Merger to the Restricted Holders. The above restriction shall not prohibit the Company from (i) a registration (including a registration on Form S-8 (or its then equivalent form)) relating solely to employee benefit or incentive plans approved by the Company's Board of Directors or securities issued or issuable to employees, consultants (to the extent the securities owned or to be owned by such consultants could be registered on Form S-8 (or its then equivalent form)) or any of their Family Members pursuant to such a plan, or (ii) a registration on Form S-4 (or its then equivalent form) in connection with a merger, acquisition, divestiture, reorganization or similar event.

4. Registration Procedures. The Company will keep each Holder reasonably advised as to the filing and effectiveness of the Registration Statement. At its expense with respect to the Registration Statement, the Company will:

(a) prepare and file with the Commission with respect to the Registrable Securities, a Registration Statement in accordance with Section 3(a) hereof, and use its commercially reasonable efforts to cause such Registration Statement to become effective and to remain effective for the Effectiveness Period;

(b) if the Registration Statement is subject to review by the Commission, promptly respond to all comments and diligently pursue resolution of any comments to the satisfaction of the Commission;

(c) prepare and file with the Commission such amendments and supplements to such Registration Statement as may be necessary to keep such Registration Statement effective during the Effectiveness Period;

(d) furnish, without charge, to each Holder of Registrable Securities covered by such Registration Statement (i) a reasonable number of copies of such Registration Statement (including any exhibits thereto other than exhibits incorporated by reference), each amendment and supplement thereto as such Holder may reasonably request, (ii) such number of copies of the prospectus included in such Registration Statement (including each preliminary prospectus and any other prospectus filed under Rule 424 of the Securities Act) as such Holders may reasonably request, in conformity with the requirements of the Securities Act, and (iii) such other documents as such Holder may reasonably require to consummate the disposition of the Registrable Securities owned by such Holder, but only during the Effectiveness Period;

(e) use its commercially reasonable efforts to register or qualify such registration under such other applicable securities laws of such jurisdictions within the United States as any Holder of Registrable Securities covered by such Registration Statement reasonably requests and as may be necessary for the marketability of the Registrable Securities (such request to be made by the time the applicable Registration Statement is deemed effective by the Commission) and do any and all other acts and things necessary to enable such Holder to consummate the disposition in such jurisdictions of the Registrable Securities owned by such Holder; provided, that the Company shall not be required to (i) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this paragraph, (ii) subject itself to taxation in any such jurisdiction, or (iii) consent to general service of process in any such jurisdiction.

(f) as promptly as practicable after becoming aware of such event, notify each Holder of Registrable Securities, the disposition of which requires delivery of a prospectus relating thereto under the Securities Act, of the happening of any event, which comes to the Company's attention, that will after the occurrence of such event cause the prospectus included in such Registration Statement, if not amended or supplemented, to contain an untrue statement of a material fact or an omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading and the Company shall promptly thereafter prepare and furnish to such Holder a supplement or amendment to such prospectus (or prepare and file appropriate reports under the Exchange Act) so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus shall not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, unless suspension of the use of such prospectus otherwise is authorized herein or in the event of a Blackout Period, in which case no supplement or amendment need be furnished (or Exchange Act filing made) until the termination of such suspension or Blackout Period;

(g) comply, and continue to comply during the Effectiveness Period, in all material respects with the Securities Act and the Exchange Act and with all applicable rules and regulations of the Commission with respect to the disposition of all securities covered by such Registration Statement;

(h) as promptly as practicable after becoming aware of such event, notify each Holder of Registrable Securities being offered or sold pursuant to the Registration Statement of the issuance by the Commission of any stop order or other suspension of effectiveness of the Registration Statement;

(i) use its commercially reasonable efforts to cause all the Registrable Securities covered by the Registration Statement to be quoted on the OTC Markets Group or such other principal securities market or quotation system on which securities of the same class or series issued by the Company are then listed or traded or quoted;

(j) provide a transfer agent and registrar, which may be a single entity, for the shares of Common Stock at all times;

(k) cooperate with the Holders of Registrable Securities being offered pursuant to the Registration Statement to issue and deliver, or cause its transfer agent to issue and deliver, certificates representing Registrable Securities to be offered pursuant to the Registration Statement within a reasonable time after the delivery of certificates representing the Registrable Securities to the transfer agent or the Company, as applicable, and enable such certificates to be in such denominations or amounts as the Holders may reasonably request and registered in such names as the Holders may request;

(l) during the Effectiveness Period, refrain from bidding for or purchasing any Common Stock or any right to purchase Common Stock or attempting to induce any person to purchase any such security or right if such bid, purchase or attempt would in any way limit the right of the Holders to sell Registrable Securities by reason of the limitations set forth in Regulation M of the Exchange Act; and

(m) take all other commercially reasonable actions necessary to expedite and facilitate the disposition by the Holders of the Registrable Securities pursuant to the Registration Statement during the term of this Agreement.

5. Obligations of the Holders.

(a) Each Holder agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 4(f) hereof or of the commencement of a Blackout Period, such Holder shall discontinue the disposition of Registrable Securities included in the Registration Statement until such Holder's receipt of the copies of the supplemented or amended prospectus contemplated by Section 4(f) hereof or notice of the end of the Blackout Period, and, if so directed by the Company, such Holder shall deliver to the Company (at the Company's expense) all copies (including, without limitation, any and all drafts), other than permanent file copies, then in such Holder's possession, of the prospectus covering such Registrable Securities current at the time of receipt of such notice.

(b) The holders of the Registrable Securities shall provide such information as may reasonably be requested by the Company, or the managing underwriter, if any, in connection with the preparation of any registration statement, including amendments and supplements thereto, in order to effect the registration of any Registrable Securities under the Securities Act pursuant to Section 3(a) and/or 3(b) of this Agreement and in connection with the Company's obligation to comply with federal and applicable state securities laws, including a completed questionnaire in the form attached to this Agreement as Annex A (a " **Selling Securityholder Questionnaire**") or any update thereto not later than three (3) Business Days following a request therefore from the Company.

(c) Each Holder, by its acceptance of the Registrable Securities, agrees to cooperate with the Company as reasonably requested by the Company in connection with the preparation and filing of any Registration Statement hereunder, unless such Holder has notified the Company in writing of its election to exclude all of its Registrable Securities from such Registration Statement.

6. Registration Expenses. The Company shall pay all expenses in connection with any registration obligation provided herein, including, without limitation, all registration, filing, stock exchange fees, printing expenses, all fees and expenses of complying with applicable securities laws, and the fees and disbursements of counsel for the Company and of its independent accountants; provided, that, in any underwritten registration, the Company shall have no obligation to pay any underwriting discounts, selling commissions or transfer taxes attributable to the Registrable Securities being sold by the Holders thereof, which underwriting discounts, selling commissions and transfer taxes shall be borne by such Holders. Additionally, in an underwritten offering, all selling stockholders and the Company shall bear the expenses of the underwriter pro rata in proportion to the respective amount of shares each is selling in such offering. Except as provided in this Section 6 and Section 8 of this Agreement, the Company shall not be responsible for the expenses of any attorney or other advisor employed by a Holder.

7. Assignment of Rights. No Holder may assign its rights under this Agreement to any party without the prior written consent of the Company; provided, however, that any Holder may assign its rights under this Agreement without such consent to a Permitted Assignee as long as (a) such transfer or assignment is effected in accordance with applicable securities laws; (b) such transferee or assignee agrees in writing to become bound by and subject to the terms of this Agreement; and (c) such Holder notifies the Company in writing of such transfer or assignment, stating the name and address of the transferee or assignee and identifying the Registrable Securities with respect to which such rights are being transferred or assigned. The Company may assign this Agreement or any rights or obligations hereunder without the prior written consent of the other party hereto.

8. Indemnification.

(a) In the event of the offer and sale of Registrable Securities under the Securities Act, the Company shall, and hereby does, indemnify and hold harmless, to the fullest extent permitted by law, each Holder, its directors, officers, partners, and each other person, if any, who controls or is under common control with such Holder within the meaning of Section 15 of the Securities Act, against any losses, claims, damages or liabilities, joint or several, and expenses to which the Holder or any such director, officer, partner or controlling person may become subject under the Securities Act or otherwise, insofar as such losses, claims, damages, liabilities or expenses (or actions or proceedings, whether commenced or threatened, in respect thereof) arise out of or are based upon any untrue statement of any material fact contained in any registration statement prepared and filed by the Company under which Registrable Securities were registered under the Securities Act, any preliminary prospectus, final prospectus or summary prospectus contained therein, or any amendment or supplement thereto, or any omission to state therein a material fact required to be stated or necessary to make the statements therein in light of the circumstances in which they were made not misleading, and the Company shall reimburse the Holder, and each such director, officer, partner and controlling person for any legal or any other expenses reasonably incurred by them in connection with investigating, defending or settling any such loss, claim, damage, liability, action or proceeding; provided, however, that such indemnity agreement found in this Section 8(a) shall in no event exceed the net proceeds from the PPO received by the Company; and provided further, that the Company shall not be liable in any such case (i) to the extent that any such loss, claim, damage, liability (or action or proceeding in respect thereof) or expense arises out of or is based upon (x) an untrue statement in or omission from such registration statement, any such preliminary prospectus, final prospectus, summary prospectus, amendment or supplement in reliance upon and in conformity with written information furnished by a Holder to the Company for use in the preparation thereof or (y) the failure of a Holder to comply with the covenants and agreements contained in Section 5 hereof respecting the sale of Registrable Securities; or (ii) if the person asserting any such loss, claim, damage, liability (or action or proceeding in respect thereof) who purchased the Registrable Securities that are the subject thereof did not receive a copy of an amended preliminary prospectus or the final prospectus (or the final prospectus as amended or supplemented) at or prior to the written confirmation of the sale of such Registrable Securities to such person because of the failure of such Holder to so provide such amended preliminary or final prospectus and the untrue statement or omission of a material fact made in such preliminary prospectus was corrected in the amended preliminary or final prospectus (or the final prospectus as amended or supplemented). Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Holders, or any such director, officer, partner or controlling person and shall survive the transfer of such shares by the Holder.

(b) As a condition to including Registrable Securities in any registration statement filed pursuant to this Agreement, each Holder agrees to be bound by the terms of this Section 8 and to indemnify and hold harmless, to the fullest extent permitted by law, the Company, each of its directors, officers, partners, legal counsel and accountants and each underwriter, if any, and each other person, if any, who controls the Company within the meaning of Section 15 of the Securities Act, against any losses, claims, damages or liabilities, joint or several, to which the Company or any such director or officer or controlling person may become subject under the Securities Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions or proceedings, whether commenced or threatened, in respect thereof) arise out of or are based upon any untrue statement of a material fact or any omission of a material fact required to be stated in any registration statement, any preliminary prospectus, final prospectus, summary prospectus, amendment or supplement thereto or necessary to make the statements therein not misleading, to the extent that such untrue statement or omission is included or omitted in reliance upon and in conformity with written information furnished by the Holder to the Company for use in the preparation thereof, and such Holder shall reimburse the Company, and such Holders, directors, officers, partners, legal counsel and accountants, persons, underwriters, or control persons, each such director, officer, and controlling person for any legal or other expenses reasonably incurred by them in connection with investigating, defending, or settling any such loss, claim, damage, liability, action, or proceeding; provided, however, that indemnity obligation contained in this Section 8(b) shall in no event exceed the amount of the net proceeds received by such Holder as a result of the sale of such Holder's Registrable Securities pursuant to such registration statement, except in the case of fraud or willful misconduct. Such indemnity shall remain in full force and effect, regardless of any investigation made by or on behalf of the Company or any such director, officer or controlling person and shall survive the transfer by any Holder of such shares.

(c) Promptly after receipt by an indemnified party of notice of the commencement of any action or proceeding involving a claim referred to in this Section 8 (including any governmental action), such indemnified party shall, if a claim in respect thereof is to be made against an indemnifying party, give written notice to the indemnifying party of the commencement of such action; provided, that the failure of any indemnified party to give notice as provided herein shall not relieve the indemnifying party of its obligations under this Section, except to the extent that the indemnifying party is actually prejudiced by such failure to give notice. In case any such action is brought against an indemnified party, unless in the reasonable judgment of counsel to such indemnified party a conflict of interest between such indemnified and indemnifying parties may exist or the indemnified party may have defenses not available to the indemnifying party in respect of such claim, the indemnifying party shall be entitled to participate in and to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party for any legal or other expenses subsequently incurred by the latter in connection with the defense thereof, unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties arises in respect of such claim after the assumption of the defenses thereof or the indemnifying party fails to defend such claim in a diligent manner, other than reasonable costs of investigation. Neither an indemnified nor an indemnifying party shall be liable for any settlement of any action or proceeding effected without its consent. No indemnifying party shall, without the consent of the indemnified party, consent to entry of any judgment or enter into any settlement, which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect of such claim or litigation. Notwithstanding anything to the contrary set forth herein, and without limiting any of the rights set forth above, in any event any party shall have the right to retain, at its own expense, counsel with respect to the defense of a claim. Each indemnified party shall furnish such information regarding itself or the claim in question as an indemnifying party may reasonably request in writing and as shall be reasonably required in connection with defense of such claim and litigation resulting therefrom.

(d) If an indemnifying party does not or is not permitted to assume the defense of an action pursuant to Sections 8(c) or in the case of the expense reimbursement obligation set forth in Sections 8(a) and 8(b), the indemnification required by Sections 8(a) and 8(b) shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or expenses, losses, damages, or liabilities are incurred.

(e) If the indemnification provided for in Section 8(a) or 8(b) is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any loss, liability, claim, damage or expense referred to herein, the indemnifying party, in lieu of indemnifying such indemnified party hereunder, shall contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage or expense (i) in such proportion as is appropriate to reflect the proportionate relative fault of the indemnifying party on the one hand and the indemnified party on the other (determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or omission relates to information supplied by the indemnifying party or the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission), or (ii) if the allocation provided by clause (i) above is not permitted by applicable law or provides a lesser sum to the indemnified party than the amount hereinafter calculated, then in such proportion as is appropriate to reflect not only the proportionate relative fault of the indemnifying party and the indemnified party, but also the relative benefits received by the indemnifying party on the one hand and the indemnified party on the other, as well as any other relevant equitable considerations. No indemnified party guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any indemnifying party who was not guilty of such fraudulent misrepresentation.

(f) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with an underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control.

(g) Other Indemnification. Indemnification similar to that specified in this Section (with appropriate modifications) shall be given by the Company and each Holder of Registrable Securities with respect to any required registration or other qualification of securities under any federal or state law or regulation or governmental authority other than the Securities Act.

9. Rule 144. The Company shall file with the Commission "Form 10 information" (as defined in Rule 144(i)(3) under the Securities Act) reflecting its status as an entity that is no longer an issuer described in Rule 144(i)(1)(i) promptly following the closing of the Merger. For a period of at least twelve (12) months following the Effective Date, the Company will use its commercially reasonable efforts to timely file all reports required to be filed by the Company after the date hereof under the Exchange Act and the rules and regulations adopted by the Commission thereunder, and if the Company is not required to file reports pursuant to such sections, it will prepare and furnish to the Purchasers and make publicly available in accordance with Rule 144(c) such information as is required for the Purchasers to sell shares of Common Stock under Rule 144.

10. Independent Nature of Each Purchaser's Obligations and Rights. The obligations of each Purchaser and each Broker under this Agreement are several and not joint with the obligations of any other Purchaser or Broker, and each Purchaser and each Broker shall not be responsible in any way for the performance of the obligations of any other Purchaser or any Broker under this Agreement. Nothing contained herein and no action taken by any Purchaser or Broker pursuant hereto, shall be deemed to constitute such Purchasers and/or Brokers as a partnership, an association, a joint venture, or any other kind of entity, or create a presumption that the Purchasers and/or Brokers are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated by this Agreement. Each Purchaser and each Broker shall be entitled to independently protect and enforce its rights, including without limitation the rights arising out of this Agreement, and it shall not be necessary for any other Purchaser or Broker to be joined as an additional party in any proceeding for such purpose.

11. Miscellaneous.

(a) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the United States of America and the State of New York, both substantive and remedial, without regard to New York conflicts of law principles. Any judicial proceeding brought against either of the parties to this Agreement or any dispute arising out of this Agreement or any matter related hereto shall be brought in the courts of the State of New York, New York County, or in the United States District Court for the Southern District of New York and, by its execution and delivery of this Agreement, each party to this Agreement accepts the jurisdiction of such courts. The foregoing consent to jurisdiction shall not be deemed to confer rights on any person other than the parties to this Agreement.

(b) Remedies. Except as otherwise specifically set forth herein with respect to a Registration Event, in the event of a breach by the Company or by a Holder of any of their respective obligations under this Agreement, each Holder or the Company, as the case may be, in addition to being entitled to exercise all rights granted by law and under this Agreement, including recovery of damages, shall be entitled to specific performance of its rights under this Agreement. Except as otherwise specifically set forth herein with respect to a Registration Event, the Company and each Holder agree that monetary damages would not provide adequate compensation for any losses incurred by reason of a breach by it of any of the provisions of this Agreement and hereby further agrees that, in the event of any action for specific performance in respect of such breach, it shall not assert or shall waive the defense that a remedy at law would be adequate.

(c) Successors and Assigns. Except as otherwise provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, Permitted Assignees, executors and administrators of the parties hereto.

(d) No Inconsistent Agreements. The Company has not entered, as of the date hereof, and shall not enter, on or after the date of this Agreement, into any agreement with respect to its securities that would have the effect of impairing the rights granted to the Holders in this Agreement or otherwise conflicts with the provisions hereof.

(e) Entire Agreement. This Agreement and the documents, instruments and other agreements specifically referred to herein or delivered pursuant hereto constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof.

(f) Notices, etc. All notices, consents, waivers, and other communications which are required or permitted under this Agreement shall be in writing will be deemed given to a party (a) on the date of delivery, if delivered to the appropriate address by hand or by nationally recognized overnight courier service (costs prepaid); (b) the date of transmission if sent by facsimile or e-mail with confirmation of transmission by the transmitting equipment if such notice or communication is delivered prior to 5:00 P.M., New York City time, on a Trading Day, or the next Trading Day after the date of transmission, if such notice or communication is delivered on a day that is not a Trading Day or later than 5:00 P.M., New York City time, on any Trading Day; (c) the date received or rejected by the addressee, if sent by certified mail, return receipt requested; or (d) seven days after the placement of the notice into the mails (first class postage prepaid), to the party at the address, facsimile number, or e-mail address furnished by the such party,

If to the Company, to:

Akoustis Technologies, Inc.
f/k/a Danlax, Corp.
Transportnaya Street, 58-7
Nizhneudinsk, Russia 665106
Attn: Ivan Krikun
Telephone Number: 702 605-4427
Facsimile:

with copy to:

CKR Law LLP
1330 Avenue of the Americas
New York, NY 10019
Attention: Barrett S. DiPaolo
Facsimile: 1-212-400-6901
Telephone Number: 1-212-400-6900
E-mail Address: bdipaolo@ckrlaw.com

if to a Purchaser or Broker, to:

such Purchaser or Broker at the address set forth on the signature page hereto;

or at such other address as any party shall have furnished to the other parties in writing in accordance with this Section 11(f).

(g) Delays or Omissions. No delay or omission to exercise any right, power or remedy accruing to any Holder, upon any breach or default of the Company under this Agreement, shall impair any such right, power or remedy of such Holder nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of any similar breach or default thereunder 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. Any waiver, permit, consent or approval of any kind or character on the part of any Holder of any breach or default under this Agreement, or any waiver on the part of any Holder of any provisions or conditions of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement, or by law or otherwise afforded to any holder, shall be cumulative and not alternative.

(h) Counterparts. This Agreement may be executed in any number of counterparts, and with respect to any Purchaser, by execution of an Omnibus Signature Page to this Agreement and the Subscription Agreement, each of which shall be enforceable against the parties actually executing such counterparts, and all of which together shall constitute one instrument. In the event that any signature is delivered by facsimile transmission or by e-mail, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile signature page were an original thereof.

(i) Severability. In the case any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

(j) Amendments. Except as otherwise provided herein, the provisions of this Agreement may be amended at any time and from time to time, and particular provisions of this Agreement may be waived, with and only with an agreement or consent in writing signed by the Company and the Majority Holders. The Purchasers and Brokers acknowledge that by the operation of this Section, the Majority Holders may have the right and power to diminish or eliminate all rights of the Purchasers and/or Brokers under this Agreement.

[COMPANY SIGNATURE PAGE FOLLOWS]

This Registration Rights Agreement is hereby executed as of the date first above written.

The Company:

AKOUSTIS TECHNOLOGIES, INC.

By: _____
Name: Ivan Krikun
Title: President

Purchasers

See Omnibus Signature Pages to Subscription Agreement

Brokers:

_____

By: _____
Name:
Title:

_____

By: _____
Name:
Title:

Annex A

AKOUSTIS TECHNOLOGIES, INC.

Selling Securityholder Notice and Questionnaire

The undersigned beneficial owner of Registrable Securities of **Akoustis Technologies, Inc. (formerly known as Danlax, Corp.)**, a Nevada corporation (the "Company"), understands that the Company has filed or intends to file with the U.S. Securities and Exchange Commission a registration statement (the "Registration Statement") for the registration and resale under Rule 415 of the Securities Act of 1933, as amended, of the Registrable Securities, in accordance with the terms of the Registration Rights Agreement (the "Registration Rights Agreement") to which this document is annexed. A copy of the Registration Rights Agreement is available from the Company upon request at the address set forth below. All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Registration Rights Agreement.

Certain legal consequences arise from being named as a selling security holder in the Registration Statement and the related prospectus. Accordingly, holders and beneficial owners of Registrable Securities are advised to consult their own securities law counsel regarding the consequences of being named or not being named as a selling security holder in the Registration Statement and the related prospectus.

NOTICE

The undersigned beneficial owner (the "Selling Securityholder") of Registrable Securities hereby elects to include the Registrable Securities owned by it in the Registration Statement.

The undersigned hereby provides the following information to the Company and represents and warrants that such information is accurate:

QUESTIONNAIRE

1. Name:

(a) Full Legal Name of Selling Securityholder

_____

_____

(b) Full Legal Name of Registered Holder (holder of record) (if not the same as (a) above) through which Registrable Securities are held:

_____

_____

(c) If you are not a natural person, full Legal Name of Natural Control Person (which means a natural person who directly or indirectly alone or with others has power to vote or dispose of the securities covered by this Questionnaire):

_____

_____

_____

2. Address for Notices to Selling Securityholder:

Telephone: _____ Fax:_____
Email:_____
Contact Person:_____

3. Broker-Dealer Status:

(a) Are you a broker-dealer?

Yes ☐ No ☐

(b) If "yes" to Section 3(a), did you receive your Registrable Securities as compensation for investment banking services to the Company?

Yes ☐ No ☐

Note: If "no" to Section 3(b), the Commission's staff has indicated that you should be identified as an underwriter in the Registration Statement.

(c) Are you an affiliate of a broker-dealer?

Yes ☐ No ☐

(d) If you are an affiliate of a broker-dealer, do you certify that you purchased the Registrable Securities in the ordinary course of business, and at the time of the purchase of the Registrable Securities to be resold, you had no agreements or understandings, directly or indirectly, with any person to distribute the Registrable Securities?

Yes ☐ No ☐

Note: If "no" to Section 3(d), the Commission's staff has indicated that you should be identified as an underwriter in the Registration Statement.

4. Beneficial Ownership of Securities of the Company Owned by the Selling Securityholder:

Except as set forth below in this Item 4, the undersigned is not the beneficial or registered owner of any securities of the Company.

(a) Please list the type (common stock, warrants, etc.) and amount of all securities of the Company (including any Registrable Securities) beneficially owned[1] by the Selling Securityholder:

_____

_____

5. Relationships with the Company:

Except as set forth below, neither you nor (if you are a natural person) any member of your immediate family, nor (if you are not a natural person) any of your affiliates[2], officers, directors or principal equity holders (owners of 5% of more of the equity securities of the undersigned) has held any position or office or has had any other material relationship with the Company (or its predecessors or affiliates) during the past three years.

Stateany exceptions here:

_____

_____

[1] ***Beneficially Owned*****:** A "beneficial owner" of a security includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise has or shares (i) ***voting power***, including the power to direct the voting of such security, *or* (ii) ***investment power***, including the power to dispose of, or direct the disposition of, such security. In addition, a person is deemed to have "beneficial ownership" of a security of which such person has the right to acquire beneficial ownership at any time within 60 days, including, but not limited to, any right to acquire such security: (i) through the exercise of any option, warrant or right, (ii) through the conversion of any security or (iii) pursuant to the power to revoke, or the automatic termination of, a trust, discretionary account or similar arrangement.

It is possible that a security may have more than one "beneficial owner," such as a trust, with two co-trustees sharing voting power, and the settlor or another third party having investment power, in which case each of the three would be the "beneficial owner" of the securities in the trust. The power to vote or direct the voting, or to invest or dispose of, or direct the investment or disposition of, a security may be indirect and arise from legal, economic, contractual or other rights, and the determination of beneficial ownership depends upon who ultimately possesses or shares the power to direct the voting or the disposition of the security.

The final determination of the existence of beneficial ownership depends upon the facts of each case. You may, if you believe the facts warrant it, disclaim beneficial ownership of securities that might otherwise be considered "beneficially owned" by you.

[2] ***Affiliate*****:** An "affiliate" is a company or person that directly, or indirectly through one or more intermediaries, controls you, or is controlled by you, or is under common control with you.

The undersigned agrees to promptly notify the Company of any inaccuracies or changes in the information provided herein that may occur subsequent to the date hereof at any time while the Registration Statement remains effective.

By signing below, the undersigned consents to the disclosure of the information contained herein in its answers to Items 1 through 5 and the inclusion of such information in the Registration Statement and the related prospectus and any amendments or supplements thereto. The undersigned understands that such information will be relied upon by the Company in connection with the preparation or amendment of the Registration Statement and the related prospectus and any amendments or supplements thereto.

IN WITNESS WHEREOF the undersigned, by authority duly given, has caused this Selling Securityholder Notice and Questionnaire to be executed and delivered either in person or by its duly authorized agent.

BENEFICIAL OWNER (individual)	**BENEFICIAL OWNER** (entity)
_____	_____
Signature	Name of Entity
_____	_____
Print Name	Signature
	Print Name: _____
_____	
Signature (if Joint Tenants or Tenants in Common)	Title: _____

PLEASE E-MAIL OR FAX A COPY OF THE COMPLETED AND EXECUTED SELLING SECURITYHOLDER NOTICE AND QUESTIONNAIRE, AND RETURN THE ORIGINAL BY OVERNIGHT MAIL, TO:

CKR Law LLP
1330 Avenue of the Americas, 35th Floor
New York, NY 10022
Attention: Linda B. Kalayjian
Facsimile: (212) 400-6901
E-mail Address: lkalayjian@CKRlaw.com

Exhibit 10.10

AKOUSTIS TECHNOLOGIES, INC.

2015 EQUITY INCENTIVE PLAN

1. Purposes of the Plan. The purposes of this Plan are:

- to attract and retain the best available personnel for positions of substantial responsibility,
- to provide incentives to individuals who perform services for the Company, and
- to promote the success of the Company's business.

The Plan permits the grant of Incentive Stock Options, Nonstatutory Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Units, Performance Shares and other stock or cash awards as the Administrator may determine.

2. Definitions. As used herein, the following definitions will apply:

(a) "Administrator" means the Board or any of its Committees as will be administering the Plan, in accordance with Section 4 hereof.

(b) "Affiliate" means any corporation or any other entity (including, but not limited to, partnerships and joint ventures) controlling, controlled by, or under common control with the Company.

(c) "Applicable Laws" means the requirements relating to the administration of equity-based awards under U.S. federal and state corporate laws, U.S. federal and state securities laws, the Code, any stock exchange or quotation system on which the Common Stock is listed or quoted and the applicable laws of any foreign country or jurisdiction where Awards are, or will be, granted under the Plans.

(d) "Award" means, individually or collectively, a grant under the Plan of Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Units, Performance Shares and other stock or cash awards as the Administrator may determine.

(e) "Award Agreement" means the written agreement setting forth the terms and provisions applicable to each Award granted under the Plan. The Award Agreement is subject to the terms and conditions of the Plan.

(f) "Board" means the Board of Directors of the Company.

(g) "Change in Control" means the occurrence of any of the following events after the Effective Date:

(i) A change in the ownership of the Company which occurs on the date that any one person, or more than one person acting as a group ("Person"), acquires ownership of stock in the Company that, together with the stock already held by such Person, constitutes more than 50% of the total voting power of the stock of the Company; provided, however, that for purposes of this subsection (i), the acquisition of additional stock by any Person who is considered to own more than 50% of the total voting power of the stock of the Company before the acquisition will not be considered a Change in Control; or

(ii) The individuals who constitute the members of the Board cease, by reason of a financing, merger, combination, acquisition, takeover or other non-ordinary course transaction affecting the Company, to constitute at least fifty-one percent (51%) of the members of the Board; or

(iii) The consummation of any of the following events: (A) a change in the ownership of a substantial portion of the Company's assets, which occurs on the date that any Person acquires (or has acquired during the twelve (12) month period ending on the date of the most recent acquisition by such Person) assets from the Company that have a total gross fair market value equal to or more than 50% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions, or (B) a merger, consolidation or reorganization involving the Company, where either or both of the events described in clauses (i) or (ii) above would be the result. For purposes of this subsection (iii), the following will not constitute a change in the ownership of a substantial portion of the Company's assets or a Change in Control: (A) a transfer to an entity that is controlled by the Company's stockholders immediately after the transfer, or (B) a transfer of assets by the Company to: (1) a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to the Company's stock, (2) an entity, 50% or more of the total value or voting power of which is owned, directly or indirectly, by the Company, (3) a Person that owns, directly or indirectly, 50% or more of the total value or voting power of all the outstanding stock of the Company, or (4) an entity, at least 50% of the total equity or voting power of which is owned, directly or indirectly, by a Person described in subsection (iii)(B)(3) above. For purposes of this subsection (iii), gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

For purposes of this Section 2(g), persons will be considered to be acting as a group if they are owners of a corporation or other entity that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company.

(h) "Code" means the Internal Revenue Code of 1986, as amended. Any reference to a section of the Code herein will be a reference to any successor or amended section of the Code.

(i) "Committee" means a committee of Directors or of other individuals satisfying Applicable Laws appointed by the Board in accordance with Section 4 hereof.

(j) "Common Stock" means the common stock, par value $0.001 per share, of the Company.

(k) "Company" means **Akoustis Technologies, Inc**., a Nevada corporation, or any successor thereto.

(l) "Consultant" means any person, including an advisor, other than an Employee engaged by the Company or a Parent, Subsidiary or Affiliate to render services to such entity.

(m) "Determination Date" means the latest possible date that will not jeopardize the qualification of an Award granted under the Plan as "performance-based compensation" under Section 162(m) of the Code.

(n) "Director" means a member of the Board.

(o) "Disability" means permanent and total disability as defined in Section 22(e)(3) of the Code, provided that in the case of Awards other than Incentive Stock Options, the Administrator in its discretion may determine whether a permanent and total disability exists in accordance with uniform and non-discriminatory standards adopted by the Administrator from time to time.

(p) "Effective Date" shall have the meaning set forth in Section 18 hereof.

(q) "Employee" means any person, including Officers and Directors, other than a Consultant employed by the Company or any Parent, Subsidiary or Affiliate of the Company. Neither service as a Director nor payment of a director's fee by the Company will be sufficient to constitute "employment" by the Company.

(r) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(s) "Exchange Program" means a program under which (i) outstanding Awards are surrendered or cancelled in exchange for Awards of the same type (which may have lower exercise prices and different terms), Awards of a different type, and/or cash, and/or (ii) the exercise price of an outstanding Award is reduced. The Administrator will determine the terms and conditions of any Exchange Program in its sole discretion.

(t) "Fair Market Value" means, as of any date, the value of the Common Stock as the Administrator may determine in good faith, by reference to the closing price of such stock on any established stock exchange or on a national market system on the day of determination, if the Common Stock is so listed on any established stock exchange or on a national market system. If the Common Stock is not listed on any established stock exchange or on a national market system, the value of the Common Stock will be determined as the Administrator may determine in good faith using (i) a valuation methodology set forth in Treasury Regulation 1.409A-1(b)(5)(iv)(B) or (ii) with respect to valuations applicable to Awards that are not subject to Code Section 409A, such other valuation methods as the Administrator may select.

(u) "Fiscal Year" means the fiscal year of the Company.

(v) "Incentive Stock Option" means an Option that by its terms qualifies and is otherwise intended to qualify as an incentive stock option within the meaning of Section 422 of the Code and the regulations promulgated thereunder.

(w) "Nonstatutory Stock Option" means an Option that by its terms does not qualify or expressly provides that it is not intended to qualify as an Incentive Stock Option.

(x) "Officer" means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act and the rules and regulations promulgated thereunder.

(y) "Option" means a stock option granted pursuant to Section 6 hereof.

(z) "Parent" means a "parent corporation," whether now or hereafter existing, as defined in Section 424(e) of the Code.

(aa) "Participant" means the holder of an outstanding Award.

(bb) "Performance Goals" will have the meaning set forth in Section 11 hereof.

(cc) "Performance Period" means any Fiscal Year of the Company or such other period as determined by the Administrator in its sole discretion.

(dd) "Performance Share" means an Award denominated in Shares which may be earned in whole or in part upon attainment of Performance Goals or other vesting criteria as the Administrator may determine pursuant to Section 10 hereof.

(ee) "Performance Unit" means an Award which may be earned in whole or in part upon attainment of Performance Goals or other vesting criteria as the Administrator may determine and which may be settled for cash, Shares or other securities or a combination of the foregoing pursuant to Section 10 hereof.

(ff) "Period of Restriction" means the period during which transfers of Shares of Restricted Stock are subject to restrictions and, therefore, the Shares are subject to a substantial risk of forfeiture. Such restrictions may be based on the passage of time, the achievement of target levels of performance, or the occurrence of other events specified in the applicable Award, as interpreted and construed by the Administrator.

(gg) "Plan" means this 2015 Equity Incentive Plan.

(hh) "Restricted Stock" means Shares issued pursuant to an Award of Restricted Stock under Section 8 hereof, or issued pursuant to the early exercise of an Option.

(ii) "Restricted Stock Unit" means a bookkeeping entry representing an amount equal to the Fair Market Value of one Share, granted pursuant to Section 9 hereof. Each Restricted Stock Unit represents an unfunded and unsecured obligation of the Company.

(jj) "Rule 16b-3" means Rule 16b-3 of the Exchange Act or any successor to Rule 16b-3, as in effect when discretion is being exercised with respect to the Plan.

(kk) "Section 16(b)" means Section 16(b) of the Exchange Act.

(ll) "Service Provider" means an Employee, Director, or Consultant.

(mm) "Share" means a share of the Common Stock, as adjusted in accordance with Section 14 hereof.

(nn) "Stock Appreciation Right" means an Award, granted alone or in connection with an Option, that pursuant to Section 7 is designated as a Stock Appreciation Right.

(oo) "Subsidiary" means a "subsidiary corporation," whether now or hereafter existing, as defined in Section 424(f) of the Code.

3. Stock Subject to the Plan.

(a) Subject to the provisions of Section 14 hereof, the maximum aggregate number of Shares that may be awarded and sold under the Plan is One Million Two Hundred Thousand (1,200,000) Shares. The Shares may be authorized, but unissued, or reacquired Common Stock.

(b) Lapsed Awards . If an Award expires or becomes unexercisable without having been exercised in full, or, with respect to Restricted Stock, Restricted Stock Units, Performance Shares or Performance Units, is forfeited to or repurchased by the Company, the unpurchased Shares (or for Awards other than Options and Stock Appreciation Rights, the forfeited or repurchased Shares) which were subject thereto will become available for future grant or sale under the Plan (unless the Plan has terminated). Upon exercise of a Stock Appreciation Right settled in Shares, the gross number of Shares covered by the portion of the Award so settled will cease to be available under the Plan. Shares that have actually been issued under the Plan under any Award will not be returned to the Plan and will not become available for future distribution under the Plan; provided, however, that if unvested Shares of Restricted Stock, Restricted Stock Units, Performance Shares or Performance Units are repurchased by the Company or are forfeited to the Company, such Shares will become available for future grant under the Plan. Shares subject to an Award that are transferred to or retained by the Company to pay the tax and/or exercise price of an Award will become available for future grant or sale under the Plan. To the extent an Award under the Plan is paid out in cash rather than Shares, such cash payment will not result in reducing the number of Shares available for issuance under the Plan and, for the elimination of doubt, the number of Shares of equal value to such cash payment shall become available for future grant or sale under the Plan. Notwithstanding the foregoing provisions of this Section 3(b), subject to adjustment provided in Section 14 hereof, the maximum number of Shares that may be issued upon the exercise of Incentive Stock Options will equal the aggregate Share number stated in Section 3(a) above, plus, to the extent allowable under Section 422 of the Code, any Shares that become available for issuance under the Plan under this Section 3(b).

(c) Share Reserve. The Company, during the term of this Plan, will at all times reserve and keep available such number of Shares as will be sufficient to satisfy the requirements of the Plan.

4. Administration of the Plan.

(a) Procedure.

(i) Multiple Administrative Bodies. Different Committees may be established with respect to different groups of Service Providers; in that event, the Committee established with respect to a group of Service Providers shall administer the Plan with respect to Awards granted to members of such group.

(ii) Section 162(m). To the extent that the Administrator determines it to be desirable to qualify Awards granted hereunder as "performance-based compensation" within the meaning of Section 162(m) of the Code, and if the Company is then a "publicly held corporation" as defined therein, the Plan will be administered by a Committee of two (2) or more "outside directors" within the meaning of Section 162(m) of the Code.

(iii) Rule 16b-3. To the extent desirable to qualify transactions hereunder as exempt under Rule 16b-3, the transactions contemplated hereunder will be structured to satisfy the requirements for exemption under Rule 16b-3.

(iv) Other Administration. Other than as provided above, the Plan will be administered by (A) the Board or (B) a Committee, which committee will be constituted to satisfy Applicable Laws.

(b) Powers of the Administrator. Subject to the provisions of the Plan, and in the case of a Committee, subject to the specific duties delegated by the Board to such Committee, the Administrator will have the authority, in its discretion:

(i) to determine Fair Market Value;

(ii) to select the Service Providers to whom Awards may be granted hereunder;

(iii) to determine the terms and condition, not inconsistent with the terms of the Plan, of any Award granted hereunder;

(iv) to institute an Exchange Program and to determine the terms and conditions, not inconsistent with the terms of the Plan, for (1) the surrender or cancellation of outstanding Awards in exchange for Awards of the same type, Awards of a different type, and/or cash, or (2) the reduction of the exercise price of outstanding Awards;

(v) to construe and interpret the terms of the Plan and Awards granted pursuant to the Plan;

(vi) to prescribe, amend and rescind rules and regulations relating to the Plan, including rules and regulations relating to sub-plans established for the purpose of satisfying applicable foreign laws;

(vii) to modify or amend each Award (subject to Section 19(c) hereof);

(viii) to authorize any person to execute on behalf of the Company any instrument required to reflect or implement the grant of an Award previously granted by the Administrator;

(ix) to allow a Participant to defer the receipt of the payment of cash or the delivery of Shares that would otherwise be due to such Participant under an Award pursuant to such procedures as the Administrator may determine consistent with the requirements for compliance with or exemption from the provisions of Code Section 409A; and

(x) to make all other determinations deemed necessary or advisable for administering the Plan.

(c) Effect of Administrator's Decision. The Administrator's decisions, determinations, and interpretations will be final and binding on all Participants and any other holders of Awards.

5. Eligibility. Nonstatutory Stock Options, Restricted Stock, Restricted Stock Units, Stock Appreciation Rights, Performance Units, Performance Shares, and such other cash or stock awards as the Administrator determines may be granted to Service Providers. Incentive Stock Options may be granted only to Employees.

6. Stock Options.

(a) Limitations.

(i) Each Option will be designated in the Award Agreement as either an Incentive Stock Option or a Nonstatutory Stock Option. However, notwithstanding such designation, to the extent that the aggregate Fair Market Value of the Shares with respect to which Incentive Stock Options are exercisable for the first time by the Participant during any calendar year (under all plans of the Company and any Parent or Subsidiary) exceeds $100,000 (U.S.), such Options will be treated as Nonstatutory Stock Options. For purposes of this Section 6(a), Incentive Stock Options will be taken into account in the order in which they were granted. The Fair Market Value of the Shares will be determined as of the time the Option with respect to such Shares is granted.

(ii) Subject to the limits set forth in Section 3, the Administrator will have complete discretion to determine the number of Shares subject to an Option granted to any Participant.

(b) Term of Option. The Administrator will determine the term of each Option in its sole discretion; provided, however, that the term will be no more than ten (10) years from the date of grant thereof in the case of Incentive Stock Options Moreover, in the case of an Incentive Stock Option granted to a Participant who, at the time the Incentive Stock Option is granted, owns stock representing more than 10% of the total combined voting power of all classes of stock of the Company or any Parent or Subsidiary, the term of the Incentive Stock Option will be five (5) years from the date of grant or such shorter term as may be provided in the Award Agreement.

(c) Option Exercise Price and Consideration.

(i) Exercise Price. The per share exercise price for the Shares to be issued pursuant to exercise of an Option will be determined by the Administrator, but will be no less than 100% of the Fair Market Value per Share on the date of grant. In addition, in the case of an Incentive Stock Option granted to an Employee who, at the time the Incentive Stock Option is granted, owns stock representing more than 10% of the voting power of all classes of stock of the Company or any Parent or Subsidiary, the per Share exercise price will be no less than 110% of the Fair Market Value per Share on the date of grant. Notwithstanding the foregoing provisions of this Section 6(c), Options may be granted with a per Share exercise price of less than 100% of the Fair Market Value per Share on the date of grant pursuant to the issuance or assumption of an Option in a transaction to which Section 424(a) of the Code applies in a manner consistent with said Section 424(a).

(ii) Waiting Period and Exercise Dates. At the time an Option is granted, the Administrator will fix the period within which the Option may be exercised and will determine any conditions that must be satisfied before the Option may be exercised.

(iii) Form of Consideration. The Administrator will determine the acceptable form(s) of consideration for exercising an Option, including the method of payment, to the extent permitted by Applicable Laws including but not limited to tendering capital stock of the Company owned by a Participant, duly endorsed for transfer to the Company.

(d) Exercise of Option.

(i) Procedure for Exercise; Rights as a Stockholder. Any Option granted hereunder will be exercisable according to the terms of the Plan and at such times and under such conditions as determined by the Administrator and set forth in the Award Agreement. An Option may not be exercised for a fraction of a Share.

An Option will be deemed exercised when the Company receives: (i) notice of exercise (in such form as the Administrator specifies from time to time) from the person entitled to exercise the Option, and (ii) full payment for the Shares with respect to which the Option is exercised (together with any applicable withholding taxes). No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 14 hereof.

(ii) Termination of Relationship as a Service Provider. If a Participant ceases to be a Service Provider, other than upon the Participant's termination as the result of the Participant's death or Disability, the Participant may exercise his or her Option within such period of time as is specified in the Award Agreement to the extent that the Option is vested on the date of termination (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement). In the absence of a specified time in the Award Agreement, the Option will remain exercisable for three (3) months following the Participant's termination. Unless otherwise provided by the Administrator, if on the date of termination the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will revert to the Plan. If after termination the Participant does not exercise his or her Option within the time specified by Award Agreement or by operation of this Section 6(d)(3), the Option will terminate, and the Shares covered by such Option will revert to the Plan.

(iii) Disability of Participant. If a Participant ceases to be a Service Provider as a result of the Participant's Disability, the Participant may exercise his or her Option within such period of time as is specified in the Award Agreement to the extent the Option is vested on the date of cessation (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement). In the absence of a specified time in the Award Agreement, the Option will remain exercisable for six (6) months following the date the Participant ceases to be a Service Provider. Unless otherwise provided by the Administrator, if on the date of cessation the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will revert to the Plan. If after cessation the Participant does not exercise his or her Option within the time specified herein, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

(iv) Death of Participant. If a Participant dies while a Service Provider, the Option may be exercised within such period of time as is specified in the Award Agreement to the extent that the Option is vested on the date of death (but in no event may the option be exercised later than the expiration of the term of such Option as set forth in the Award Agreement), by the Participant's beneficiary, provided such beneficiary has been designated prior to Participant's death in a form acceptable to the Administrator. If no such beneficiary has been designated by the Participant, then such Option may be exercised by the personal representative of the Participant's estate or by the person(s) to whom the Option is transferred pursuant to the Participant's will or in accordance with the laws of descent and distribution. In the absence of a specified time in the Award Agreement, the Option will remain exercisable for six (6) months following Participant's death. Unless otherwise provided by the Administrator, if at the time of death Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will continue to vest in accordance with the Award Agreement. If the Option is not so exercised within the time specified herein, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

7. Stock Appreciation Rights.

(a) Grant of Stock Appreciation Rights. Subject to the terms and conditions of the Plan, a Stock Appreciation Right may be granted to Service Providers at any time and from time to time as will be determined by the Administrator, in its sole discretion.

(b) Number of Shares. The Administrator will have complete discretion to determine the number of Stock Appreciation Rights granted to any Participant.

(c) Exercise Price and Other Terms. The Administrator, subject to the provisions of the Plan, will have complete discretion to determine the terms and conditions of Stock Appreciation Rights granted under the Plan; provided, however, that the exercise price will be not less than 100% of the Fair Market Value of a Share on the date of grant.

(d) Stock Appreciation Rights Agreement. Each Stock Appreciation Right grant will be evidenced by an Award Agreement that will specify the exercise price, the number of Shares with respect to which the Award is granted, the term of the Stock Appreciation Right, the conditions of exercise, and such other terms and conditions as the Administrator, in its sole discretion, will determine.

(e) Expiration of Stock Appreciation Rights. A Stock Appreciation Right granted under the Plan will expire upon the date determined by the Administrator, in its sole discretion, and set forth in the Award Agreement; provided, however, that the term will be no more than ten (10) years from the date of grant thereof. Notwithstanding the foregoing, the rules of Section 6(d) above also will apply to Stock Appreciation Rights.

(f) Payment of Stock Appreciation Right Amount. Upon exercise of a Stock Appreciation Right, a Participant will be entitled to receive payment from the Company in an amount determined by multiplying:

(i) The difference between the Fair Market Value of a Share on the date of exercise over the "stock appreciation right exercise price," as defined under Treasury Regulation Section 1.409A-1(b)(i)(B)(2), i.e.,, the Fair Market Value of a Share on the date of grant of the Stock Appreciation Right; times

(ii) The number of Shares with respect to which the Stock Appreciation Right is exercised.

At the discretion of the Administrator, the payment upon Stock Appreciation Right exercise may be in cash, in Shares of equivalent value, or in some combination thereof.

8. Restricted Stock.

(a) Grant of Restricted Stock. Subject to the terms and provisions of the Plan, the Administrator, at any time and from time to time, may grant Shares of Restricted Stock to Service Providers in such amounts as the Administrator, in its sole discretion, will determine.

(b) Restricted Stock Agreement. Each Award of Restricted Stock will be evidenced by an Award Agreement that will specify the Period of Restriction, the number of Shares granted, and such other terms and conditions as the Administrator, in its sole discretion, will determine.

(c) Transferability. Except as provided in this Section 8, Shares of Restricted Stock may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated until such Shares become non-forfeitable at the end of the applicable Period of Restriction.

(d) Other Restrictions. The Administrator, in its sole discretion, may impose such other restrictions on Shares of Restricted Stock as it may deem advisable or appropriate.

(e) Removal of Restrictions. Except as otherwise provided in this Section 8, Shares of Restricted Stock covered by each Restricted Stock grant made under the Plan will be released from escrow as soon as practicable after the last day of the Period of Restriction. The Administrator, in its discretion, may accelerate the time at which any restrictions will lapse or be removed.

(f) Voting Rights. During the Period of Restriction, Service Providers holding Shares of Restricted Stock granted hereunder may exercise full voting rights with respect to those Shares, unless the Administrator determines otherwise in a manner not prohibited by the Award Agreement.

(g) Dividends and Other Distributions. During the Period of Restriction, Service Providers holding Shares of Restricted Stock will be entitled to receive all dividends and other distributions paid with respect to such Shares unless otherwise provided in the Award Agreement. If any such dividends or distributions are paid in Shares, the Shares will be subject to the same restrictions on transferability and provisions for forfeiture as the Shares of Restricted Stock with respect to which they were paid.

(h) Return of Restricted Stock to Company. On the date set forth in the Award Agreement, the Restricted Stock for which restrictions have not lapsed will revert to the Company and again will become available for grant under the Plan.

(i) Section 162(m) Performance Restrictions. For purposes of qualifying grants of Restricted Stock as "performance-based compensation" under Section 162(m) of the Code, the Administrator, in its discretion, may condition the lapse of restrictions based upon the achievement of Performance Goals. The Performance Goals will be set by the Administrator on or before the Determination Date. In granting Restricted Stock which is intended to qualify under Section 162(m) of the Code, the Administrator will follow any procedures determined by it from time to time to be necessary or appropriate to ensure qualification of the Award under Section 162(m) of the Code (e.g., in determining the Performance Goals).

9. Restricted Stock Units.

(a) Grant. Restricted Stock Units may be granted at any time and from time to time as determined by the Administrator. Each Restricted Stock Unit grant will be evidenced by an Award Agreement that will specify such other terms and conditions as the Administrator, in its sole discretion, will determine in accordance with the terms and conditions of the Plan, including all terms, conditions, and restrictions related to the grant, the number of Restricted Stock Units and the form of payout, which, subject to Section 9(d) hereof, may be left to the discretion of the Administrator.

(b) Vesting Criteria and Other Terms. The Administrator will set vesting criteria in its discretion, which, depending on the extent to which the criteria are met, will determine the number of Restricted Stock Units that will be paid out to the Participant. After the grant of Restricted Stock Units, the Administrator, in its sole discretion, may reduce or waive any restrictions for such Restricted Stock Units. Each Award of Restricted Stock Units will be evidenced by an Award Agreement that will specify the vesting criteria, and such other terms and conditions as the Administrator, in its sole discretion will determine. The Administrator, in its discretion, may accelerate the time at which any restrictions will lapse or be removed, subject to the prohibition on acceleration of the timing of distribution of deferred compensation subject to Section 409A of the Code, to the extent applicable to the Award.

(c) Earning Restricted Stock Units. Upon meeting the applicable vesting criteria, the Participant will be entitled to receive a payout as specified in the Award Agreement.

(d) Form and Timing of Payment. Payment of earned Restricted Stock Units will be made as soon as practicable after the date(s) set forth in the Award Agreement, which shall satisfy the requirements of Section 409A of the Code, to the extent applicable to such Award. The Administrator, in its sole discretion, may pay earned Restricted Stock Units in cash, Shares, or a combination thereof. Shares represented by Restricted Stock Units that are fully paid in cash again will be available for grant under the Plan.

(e) Cancellation. On the date set forth in the Award Agreement, all unearned Restricted Stock Units will be forfeited to the Company.

(f) Section 162(m) Performance Restrictions. For purposes of qualifying grants of Restricted Stock Units as "performance-based compensation" under Section 162(m) of the Code, the Administrator, in its discretion, may set restrictions based upon the achievement of Performance Goals. The Performance Goals will be set by the Administrator on or before the Determination Date. In granting Restricted Stock Units which are intended to qualify under Section 162(m) of the Code, the Administrator will follow any procedures determined by it from time to time to be necessary or appropriate to ensure qualification of the Award under Section 162(m) of the Code (e.g., in determining the Performance Goals).

10. Performance Units and Performance Shares.

(a) Grant of Performance Units/Shares. Performance Units and Performance Shares may be granted to Service Providers at any time and from time to time, as will be determined by the Administrator, in its sole discretion. The Administrator will have complete discretion in determining the number of Performance Units/Shares granted to each Participant.

(b) Value of Performance Units/Shares. Each Performance Unit will have an initial value that is established by the Administrator on or before the date of grant. Each Performance Share will have an initial value equal to the Fair Market Value of a Share on the date of grant.

(c) Performance Objectives and Other Terms. The Administrator will set performance objectives or other vesting provisions. The Administrator may set vesting criteria based upon the achievement of Company-wide, business unit, or individual goals (including, but not limited to, continued employment), or any other basis determined by the Administrator in its discretion. Each Award of Performance Units/Shares will be evidenced by an Award Agreement that will specify the Performance Period, and such other terms and conditions as the Administrator, in its sole discretion, will determine.

(d) Earning of Performance Units/Shares. After the applicable Performance Period has ended, the holder of Performance Units/Shares will be entitled to receive a payout of the number of Performance Units/Shares earned by the Participant over the Performance Period, to be determined as a function of the extent to which the corresponding performance objectives or other vesting provisions have been achieved. After the grant of a Performance Unit/Share, the Administrator, in its sole discretion, may reduce or waive any performance objectives or other vesting provisions for such Performance Unit/Share.

(e) Form and Timing of Payment of Performance Units/Shares. Payment of earned Performance Units/Shares will be made as soon as practicable after the expiration of the applicable Performance Period or, if earlier, after the date on which a Participant's interest in such Performance Units/Shares is no longer subject to a substantial risk of forfeiture, provided however, that in no event shall such payment be made after the later to occur of (i) December 31 of the year in which such risk of forfeiture lapses or (ii) two and one-half months after such risk of forfeiture lapses. The Administrator, in its sole discretion, may pay earned Performance Units/Shares in the form of cash, in Shares (which have an aggregate Fair Market Value equal to the value of the earned Performance Units/Shares at the close of the applicable Performance Period) or in a combination thereof.

(f) Cancellation of Performance Units/Shares. On the date set forth in the Award Agreement, all unearned or unvested Performance Units/Shares will be forfeited to the Company, and again will be available for grant under the Plan.

(g) Section 162(m) Performance Restrictions. For purposes of qualifying grants of Performance Units/Shares as "performance-based compensation" under Section 162(m) of the Code, the Administrator, in its discretion, may set restrictions based upon the achievement of Performance Goals. The Performance Goals will be set by the Administrator on or before the Determination Date. In granting Performance Units/Shares which are intended to qualify under Section 162(m) of the Code, the Administrator will follow any procedures determined by it from time to time to be necessary or appropriate to ensure qualification of the Award under Section 162(m) of the Code (e.g., in determining the Performance Goals).

11. Performance-Based Compensation Under Code Section 162(m).

(a) General. If the Administrator, in its discretion, decides to grant an Award intended to qualify as "performance-based compensation" under Code Section 162(m), the provisions of this Section 11 will control over any contrary provision in the Plan; provided, however, that the Administrator may in its discretion grant Awards that are not intended to qualify as "performance-based compensation" under Section 162(m) of the Code to such Participants that are based on Performance Goals or other specific criteria or goals but that do not satisfy the requirements of this Section 11.

(b) Performance Goals. The granting and/or vesting of Awards of Restricted Stock, Restricted Stock Units, Performance Shares and Performance Units and other incentives under the Plan may be made subject to the attainment of performance goals relating to one or more business criteria within the meaning of Code Section 162(m) and may provide for a targeted level or levels of achievement ("Performance Goals") including (i) earnings per Share, (ii) operating cash flow, (iii) operating income, (iv) profit after-tax, (v) profit before-tax, (vi) return on assets, (vii) return on equity, (viii) return on sales, (ix) revenue, and (x) total shareholder return. Any Performance Goals may be used to measure the performance of the Company as a whole or a business unit of the Company and may be measured relative to a peer group or index. The Performance Goals may differ from Participant to Participant and from Award to Award. Prior to the Determination Date, the Administrator will determine whether any significant element(s) will be included in or excluded from the calculation of any Performance Goal with respect to any Participant.

(c) Procedures. To the extent necessary to comply with the performance-based compensation provisions of Code Section 162(m), with respect to any Award granted subject to Performance Goals, within the first twenty-five percent (25%) of the Performance Period, but in no event more than ninety (90) days following the commencement of any Performance Period (or such other time as may be required or permitted by Code Section 162(m)), the Administrator will, in writing, (i) designate one or more Participants to whom an Award will be made, (ii) select the Performance Goals applicable to the Performance Period, (iii) establish the amounts of such Awards, as applicable, which may be earned for such Performance Period, and (iv) specify the relationship between Performance Goals and the amounts of such Awards, as applicable, to be earned by each Participant for such Performance Period. Following the completion of each Performance Period but in no event later than December 31 of the year in which such Performance Period ends or, if later, the date that is two and one-half months after the end of such Performance Period, the Administrator will certify in writing whether the applicable Performance Goals have been achieved for such Performance Period and pay any amount to which a Participant is entitled under an Award with respect to such Performance Period. In determining the amounts earned by a Participant, the Administrator will have the right to reduce or eliminate (but not to increase) the amount payable at a given level of performance to take into account additional factors that the Administrator may deem relevant to the assessment of individual or corporate performance for the Performance Period. A Participant will be eligible to receive payment pursuant to an Award for a Performance Period only if the Performance Goals for such period are achieved.

(d) Additional Limitations. Notwithstanding any other provision of the Plan, any Award which is granted to a Participant and is intended to constitute qualified performance based compensation under Code Section 162(m) will be subject to any additional limitations set forth in the Code (including any amendment to Section 162(m)) or any regulations and ruling issued thereunder that are requirements for qualification as qualified performance-based compensation as described in Section 162(m) of the Code, and the Plan will be deemed amended to the extent necessary to conform to such requirements.

12. Leaves of Absence. Unless the Administrator provides otherwise, vesting of Awards granted hereunder will be suspended during any unpaid leave of absence. A Service Provider will not cease to be an Employee in the case of (i) any leave of absence approved by the Company, or (ii) transfers between locations of the Company or between the Company, its Parent, or any Subsidiary. For purposes of Incentive Stock Options, no such leave may exceed three (3) months, unless reemployment upon expiration of such leave is guaranteed by statute or contract. If reemployment upon expiration of a leave of absence approved by the Company is not so guaranteed, then six (6) months and one day following the commencement of such leave any Incentive Stock Option held by the Participant will cease to be treated as an Incentive Stock Option and will be treated for tax purposes as a Nonstatutory Stock Option.

13. Transferability of Awards. Unless determined otherwise by the Administrator, an Award may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised, during the lifetime of the Participant, only by the Participant. If the Administrator makes an Award transferable, such Award may only be transferred (i) by will, (ii) by the laws of descent and distribution, (iii) to a revocable trust, or (iv) as permitted by Rule 701 of the Securities Act of 1933, as amended.

14. Adjustments; Dissolution or Liquidation; Merger or Change in Control.

(a) Adjustments. In the event that any dividend or other distribution (whether in the form of cash, Shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Shares or other securities of the Company, or other change in the corporate structure of the Company affecting the Shares occurs, the Administrator, in order to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under the Plan, will adjust the number and class of Shares that may be delivered under the Plan and/or the number, class, and price of Shares covered by each outstanding Award, and the numerical Share limits set forth in Sections 3, 6, 7, 8, 9 and 10 hereof.

(b) Dissolution or Liquidation. In the event of the proposed dissolution or liquidation of the Company, any corporate separation or division, including, but not limited to, a split-up, a split-off or a spin-off; a reverse merger in which the Company is the surviving entity, but the shares of Company stock outstanding immediately preceding the merger are converted by virtue of the merger into other property, whether in the form of securities, cash or otherwise; or the transfer of more than fifty percent (50%) of the then outstanding voting stock of the Company to another person or entity. the Administrator will notify each Participant as soon as practicable prior to the effective date of such proposed transaction. The Company, to the extent permitted by applicable law but otherwise in its sole discretion may provide for: (i) the continuation Awards by the Company (if the Company is surviving entity or its parent; (ii) the assumption of the Plan and such outstanding Awards by the surviving entity or its parent; (iii) the substitution by the surviving entity or its parent of rights with substantially the same terms for such outstanding Awards; or (iv) the cancellation of such outstanding Rights without payment of any consideration provided that in the case of this clause (iv), the Administrator will provide notice of its intention to cancel Award and offer a reasonable opportunity to exercise vested Awards.

(c) Change in Control. In the event of a merger or Change in Control, each outstanding Award will be treated as the Administrator determines, including, without limitation, that each Award will be assumed or an equivalent option or right substituted by the successor corporation or a Parent or Subsidiary of the successor corporation (the "Successor Corporation"). The Administrator will not be required to treat all Awards similarly in the transaction.

In the event that the Successor Corporation does not assume or substitute for the Award, the Participant will fully vest in and have the right to exercise all of his or her outstanding Options and Stock Appreciation Rights, including Shares as to which such Awards would not otherwise be vested or exercisable, all restrictions on Restricted Stock will lapse, and, with respect to Restricted Stock Units, Performance Shares and Performance Units, all Performance Goals or other vesting criteria will be deemed achieved at target levels and all other terms and conditions met. In addition, if an Option or Stock Appreciation Right is not assumed or substituted for in the event of a Change in Control, the Administrator will notify the Participant in writing or electronically that the Option or Stock Appreciation Right will be fully vested and exercisable for a period of time determined by the Administrator in its sole discretion, and the Option or Stock Appreciation Right will terminate upon the expiration of such period.

For the purposes of this subsection (c), an Award will be considered assumed if, following the Change in Control, the Award confers the right to purchase or receive, for each Share subject to the Award immediately prior to the Change in Control, the consideration (whether stock, cash, or other securities or property) or, in the case of a Stock Appreciation Right upon the exercise of which the Administrator determines to settle in cash or a Performance Share or Performance Unit which the Administrator can determine to settle in cash, the fair market value of the consideration received in the merger or Change in Control by holders of Common Stock for each Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the Change in Control is not solely common stock of the Successor Corporation, the Administrator may, with the consent of the Successor Corporation, provide for the consideration to be received upon the exercise of an Option or Stock Appreciation Right or upon the payout of a Performance Share or Performance Unit, for each Share subject to such Award (or in the case of Performance Units, the number of implied shares determined by dividing the value of the Performance Units by the per share consideration received by holders of Common Stock in the Change in Control), to be solely common stock of the Successor Corporation equal in fair market value to the per share consideration received by holders of Common Stock in the Change in Control.

Notwithstanding anything in this Section 14(c) to the contrary, an Award that vests, is earned or paid-out upon the satisfaction of one or more Performance Goals will not be considered assumed if the Company or its successor modifies any of such Performance Goals without the Participant's consent; provided, however, a modification to such Performance Goals only to reflect the Successor Corporation's post-Change in Control corporate structure will not be deemed to invalidate an otherwise valid Award assumption.

15. Tax Withholding

(a) Withholding Requirements. Prior to the delivery of any Shares or cash pursuant to an Award (or exercise thereof), the Company will have the power and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy federal, state, local, foreign or other taxes (including the Participant's FICA obligation) required to be withheld with respect to such Award (or exercise thereof).

(b) Withholding Arrangements. The Administrator, in its sole discretion and pursuant to such procedures as it may specify from time to time, may permit a Participant to satisfy such tax withholding obligation, in whole or in part by (without limitation) (i) paying cash, (ii) electing to have the Company withhold otherwise deliverable cash or Shares having a Fair Market Value equal to the minimum amount required to be withheld, (iii) delivering to the Company already-owned Shares having a Fair Market Value equal to the amount required to be withheld, or (iv) selling a sufficient number of Shares otherwise deliverable to the Participant through such means as the Administrator may determine in its sole discretion (whether through a broker or otherwise) equal to the amount required to be withheld. The amount of the withholding requirement will be deemed to include any amount which the Administrator agrees may be withheld at the time the election is made, not to exceed the amount determined by using the maximum federal, state or local marginal income tax rates applicable to the Participant with respect to the Award on the date that the amount of tax to be withheld is to be determined. The Fair Market Value of the Shares to be withheld or delivered will be determined as of the date that the taxes are required to be withheld.

16. No Effect on Employment or Service. Neither the Plan nor any Award will confer upon a Participant any right with respect to continuing the Participant's relationship as a Service Provider with the Company, nor will they interfere in any way with the Participant's right or the Company's right to terminate such relationship at any time, with or without cause, to the extent permitted by Applicable Laws.

17. Date of Grant. The date of grant of an Award will be, for all purposes, the date on which the Administrator makes the determination granting such Award, or such other later date as is determined by the Administrator. Notice of the determination will be provided to each Participant within a reasonable time after the date of such grant.

18. Term of Plan. Subject to Section 22 hereof, the Plan will become effective upon its adoption by the Board (the "Effective Date"). It will continue in effect for a term of ten (10) years unless terminated earlier under Section 19 hereof; provided, however, that such expiration shall not affect Awards then outstanding, and the terms and conditions of this Plan shall continue to apply to such Awards.

19. Amendment and Termination of the Plan.

(a) Amendment and Termination. The Administrator may at any time amend, alter, suspend or terminate the Plan.

(b) Stockholder Approval. Subject to Section 22, the Company will obtain stockholder approval of the Plan and any Plan amendment to the extent necessary or desirable to comply with Applicable Laws.

(c) Effect of Amendment or Termination. No amendment, alteration, suspension, or termination of the Plan will impair the rights of any Participant, unless mutually agreed otherwise between the Participant and the Administrator, which agreement must be in writing and signed by the Participant and the Company. Termination of the Plan will not affect the Administrator's ability to exercise the powers granted to it hereunder with respect to Awards granted under the Plan prior to the date of such termination.

20. Conditions Upon Issuance of Shares.

(a) Legal Compliance. Shares will not be issued pursuant to the exercise of an Award unless the exercise of such Award and the issuance and delivery of such Shares will comply with Applicable Laws and will be further subject to the approval of counsel for the Company with respect to such compliance.

(b) Investment Representations. As a condition to the exercise of an Award, the Company may require the person exercising such Award to represent and warrant at the time of any such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required.

(c) Restrictive Legends. All Award Agreements and all securities of the Company issued pursuant thereto shall bear such legends regarding restrictions on transfer and such other legends as the appropriate officer of the Company shall determine to be necessary or advisable to comply with applicable securities and other laws.

21. Inability to Obtain Authority. The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, will relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority will not have been obtained.

22. Stockholder Approval. The Plan will be subject to approval by the stockholders of the Company within twelve (12) months after the date the Plan is adopted by the Board. Such stockholder approval will be obtained in the manner and to the degree required under Applicable Laws, including without limitation Section 422 of the Code. In the event that stockholder approval is not obtained within twelve (12) months after the date the Plan is adopted by the Board, all Incentive Stock Options granted hereunder shall be void *ab initio* and of no effect. Notwithstanding any other provisions of the Plan, no Awards shall be exercisable until the date of such stockholder approval.

23. Notification of Election Under Section 83(b) of the Code. If any Service Provider shall, in connection with the acquisition of Shares under the Plan, make the election permitted under Section 83(b) of the Code, such Service Provider shall notify the Company of such election within ten (10) days of filing notice of the election with the Internal Revenue Service and provide the Company with a copy thereof, in addition to any filing and a notification required pursuant to regulations issued under the authority of Section 83(b) of the Code. A Service Provider shall not be permitted to make a Section 83(b) election with respect to an Award of a Restricted Stock Unit.

24. Notification Upon Disqualifying Disposition Under Section 421(b) of the Code. Each Service Provider shall notify the Company of any disposition of Shares issued pursuant to the exercise of an Incentive Stock Option under the circumstances described in Section 421(b) of the Code (relating to certain disqualifying dispositions), within ten (10) days of such disposition.

25. 409A Timing Rule for Specified Employees. If at the time of a Service Provider's separation from service, such individual is considered a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code, and if any payment that such Service Provider becomes entitled to under the Plan or any Award is deemed payable on account of such individual's separation from service, then no such payment shall be made prior to the date that is the earlier of (i) six months and one day after the individual's separation from service, or (ii) the individual's death.

26. Governing Law. The law of the State of Nevada shall govern all questions concerning the construction, validity and interpretation of this Plan, without regard to such state's conflict of laws rules, subject to the Company's intention that the Plan satisfy the requirements of jurisdictions outside of the United States of America with respect to Awards subject to such jurisdictions.

27. General Provisions.

(a) No Rights as Stockholder. Except as specifically provided in this plan, a Participant or a transferee of an Award shall have no rights as a stockholder with respect to any shares covered by the Award until the date of the issuance of such shares to the Participant, and no adjustment shall be made for dividends (ordinary or extraordinary, whether in cash, securities or other property) or distributions of other rights for which the record date is prior to the date such Stock is issued.

(b) Other Compensation Arrangements. Nothing contained in this Plan shall prevent the Board from adopting other or additional compensation arrangements, subject to stockholder approval is required; and such arrangements may be either generally applicable or applicable only in specific cases.

(c) Disqualifying Dispositions. Any participant who shall make a "disposition" (as defined in Section 424 of the Code) of all or any portion of an Incentive Stock Option within two (2) years from the date of grant of such Incentive Stock Option or within (1) year after the issuance of the shares of Stock acquired upon exercise of such Incentive Stock Option shall be required to immediately advise the Company in writing as to the occurrence of the sale and the price realized upon the sale of such shares of Stock.

(d) Regulatory Matters Each Stock Option Agreement and Stock Purchase Agreement shall provide that no shares shall be purchased or sold thereunder unless and until (i) any then applicable requirements of state or federal laws and regulatory agencies shall have been fully compiled with to the satisfaction of the Company and its counsel and (ii) if required to do so by the Company, the Optionee or Offeree shall have executed and delivered to the Company a letter of investment intent in such form and containing such provisions as the Board or Committee may require.

(e) Delivery. Upon exercise of an Award granted under this Plan, the Company shall issue Stock or pay any amounts due within a reasonable period of time thereafter. Subject to any statutory obligations the Company may otherwise have, for purposes of this Plan, thirty days shall be considered a reasonable period of time.

(f) Other Provisions. The Stock Option Agreements and Stock Purchase Agreements authorized under the Plan may contain such other provisions not inconsistent with this Plan, including, without limitation, restrictions upon the exercise of the Rights, as the Administrator may deem advisable.

(g) Section 409A. Awards under the Plan are intended either to be exempt from the rules of Section 409A of the Code or to satisfy those rules, and the Plan and such awards shall be construed accordingly. Granted rights may be modified at any time, in the Administrator's direction, so as to increase the likelihood of exemption from or compliance with the rules of Section 409A of the Code.

Exhibit 10.11

STOCK OPTION AGREEMENT

AKOUSTIS TECHNOLOGIES, INC.

THIS STOCK OPTION AGREEMENT (this "Agreement") is entered into as of the ___ day of _____, 20___ (the "Date of Grant")

BETWEEN:

AKOUSTIS TECHNOLOGIES, INC., a company incorporated pursuant to the laws of the State of Nevada (the "Company"),

AND:

[_____], of _____ (the "Optionee").

WHEREAS:

A. The Board of Directors of the Company (the "Board") has approved and adopted the Akoustis Technologies, Inc. 2015 Equity Incentive Plan (the "2015 Plan"), pursuant to which the Board is authorized to grant to employees and other selected persons stock options to purchase common shares of the Company (the "Common Stock");

B. The 2015 Plan provides for the granting of stock options that either (i) are intended to qualify as "Incentive Stock Options" within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), or (ii) do not qualify under Section 422 of the Code ("Nonstatutory Stock Options"); and

C. The Board has authorized the grant to Optionee of options to purchase a total of **[_____] ([____])** shares of Common Stock (the "Options"), which Options are intended to be (select one):

[ ] Incentive Stock Options;
[ ] Nonstatutory Stock Options

NOW THEREFORE, the Company agrees to offer to the Optionee the option to purchase, upon the terms and conditions set forth herein and in the Plan, [_____] **(**[____]**)** shares of Common Stock. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the 2015 Plan.

1. Exercise Price. The exercise price of the options shall be **US$**[_____] per share.

2. Limitation on the Number of Shares. If the Options granted hereby are Incentive Stock Options, the number of shares which may be acquired upon exercise thereof is subject to the limitations set forth in Section 6(a) of the 2015 Plan.

3. Vesting Schedule. The Options shall vest in accordance with Exhibit A attached hereto.

4 . Options not Transferable. Subject to Section 13 of the 2015 Plan, the Options may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner (whether by operation of law or otherwise) other than by will or by the laws of descent or distribution or, in the case of a Nonstatutory Stock Option, pursuant to a qualified domestic relations order, and shall not be subject to execution, attachment or similar process; *provided, however*, that if the Options represent a Nonstatutory Stock Option, such Option is transferable without payment of consideration to immediate family members of the Optionee or to trusts or partnerships established exclusively for the benefit of the Optionee and Optionee's immediate family members. Upon any attempt to transfer, pledge, hypothecate or otherwise dispose of any Option or of any right or privilege conferred by the 2015 Plan contrary to the provisions thereof, or upon the sale, levy or attachment or similar process upon the rights and privileges conferred by the 2015 Plan, such Option shall thereupon terminate and become null and void.

5 . Investment Intent. By accepting the Options, the Optionee represents and agrees that none of the shares of Common Stock purchased upon exercise of the Options will be distributed in violation of applicable federal and state laws and regulations. In addition, the Company may require, as a condition of exercising the Options, that the Optionee execute an undertaking, in such a form as the Company shall reasonably specify, that the Stock is being purchased only for investment and without any then-present intention to sell or distribute such shares.

6 . Termination of Employment and Options. Vested Options shall terminate, to the extent not previously exercised, upon the occurrence of the first of the following events:

(a) Expiration. [_____] ([____]) years from the Date of Grant.

(b) Termination for Cause. The date of the first discovery by the Company of any reason for the termination of an Optionee's employment or contractual relationship with the Company or any related company for cause (as determined in the sole discretion of the Administrator (as defined in the 2015 Plan)), and, if an Optionee's employment is suspended pending any investigation by the Company as to whether the Optionee's employment should be terminated for cause, the Optionee's rights under this Agreement and the 2015 Plan shall likewise be suspended during the period of any such investigation.

(c) Termination Due to Death or Disability. Subject to Section 6(d)(iii) of the 2015 Plan, the expiration of six (6) months from the date of the death of the Optionee or cessation of an Optionee's employment or contractual relationship by reason of Disability (within the meaning of Section 22(e) of the Code) (but in no event later than the expiration of the term of such Option as set forth in this Agreement). Subject to Section 6(d)(iv) of the 2015 Plan, if an Optionee's employment or contractual relationship is terminated by death, any Option held by the Optionee shall be exercisable only by the person or persons to whom such Optionee's rights under such Option shall pass by the Optionee's will or by the laws of descent and distribution.

(d) Termination for Any Other Reason. Subject to Section 6(d) of the 2015 Plan, the expiration of three (3) months from the date of an Optionee's termination of employment or contractual relationship with the Company or any affiliated company or subsidiary of the Company (a "Related Corporation") for any reason whatsoever other than termination of service for cause, death or Disability.

Each unvested Option granted pursuant hereto shall terminate immediately upon termination of the Optionee's employment or contractual relationship with the Company for any reason whatsoever, including Disability unless vesting is accelerated in accordance with Sections 8(e) or 9(b) of the 2015 Plan.

7. Stock. In the case of any stock split, stock dividend or like change in the nature of shares of Stock covered by this Agreement, the number of shares and exercise price shall be proportionately adjusted as set forth in Section 14(a) of the 2015 Plan.

8. Exercise of Option. Options shall be exercisable, in full or in part, at any time after vesting, until termination; *provided, however,* that any Optionee who is subject to the reporting and liability provisions of Section 16 of the Securities Exchange Act of 1934, as amended, with respect to the Common Stock shall be precluded from selling or transferring any Common Stock or other security underlying an Option during the six (6) months immediately following the grant of that Option. If less than all of the shares included in the vested portion of any Option are purchased, the remainder may be purchased at any subsequent time prior to the expiration of the Option term. No portion of any Option for less than fifty (50) shares (as adjusted pursuant to Section 14(a) of the 2015 Plan) may be exercised; provided, that if the vested portion of any Option is less than fifty (50) shares, it may be exercised with respect to all shares for which it is vested. Only whole shares may be issued pursuant to an Option, and to the extent that an Option covers less than one (1) share, it is unexercisable.

Each exercise of the Option shall be by means of delivery of a notice of election to exercise (which may be in the form attached hereto as Exhibit B) to the Chief Financial Officer of the Company at its principal executive office, specifying the number of shares of Common Stock to be purchased and accompanied by payment in cash by certified check or cashier's check in the amount of the full exercise price for the Common Stock to be purchased. In addition to payment in cash by certified check or cashier's check, an Optionee or transferee of an Option may pay for all or any portion of the aggregate exercise price by complying with one or more of the following alternatives:

(a) by delivering to the Company shares of Common Stock previously held by such person, duly endorsed for transfer to the Company, or by the Company withholding shares of Common Stock otherwise deliverable pursuant to exercise of the Option, which shares of Common Stock received or withheld shall have a fair market value at the date of exercise (as determined by the Administrator) equal to the aggregate purchase price to be paid by the Optionee upon such exercise; or

(b) by complying with any other payment mechanism approved by the Administrator at the time of exercise.

It is a condition precedent to the issuance of shares of Common Stock that the Optionee execute and/or deliver to the Company all documents and withholding taxes required in accordance with Section 15 of the 2015 Plan.

9. Holding period for Incentive Stock Options. In order to obtain the tax treatment provided for Incentive Stock Options by Section 422 of the Code, the shares of Common Stock received upon exercising any Incentive Stock Options received pursuant to this Agreement must be sold, if at all, after a date which is later of two (2) years from the date of this Agreement is entered into or one (1) year from the date upon which the Options are exercised. The Optionee agrees to report sales of shares prior to the above determined date to the Company within one (1) business day after such sale is concluded. The Optionee also agrees to pay to the Company, within five (5) business days after such sale is concluded, the amount necessary for the Company to satisfy its withholding requirement required by the Code in the manner specified in Section 15(a) of the 2015 Plan. Nothing in this Section 9 is intended as a representation that Common Stock may be sold without registration under state and federal securities laws or an exemption therefrom or that such registration or exemption will be available at any specified time.

10. Resale restrictions may apply. Any resale of the shares of Common Stock received upon exercising any Options will be subject to resale restrictions contained in the securities legislation applicable to the Optionee. The Optionee acknowledges and agrees that the Optionee is solely responsible (and the Company is not in any way responsible) for compliance with applicable resale restrictions.

11. Subject to 2015 Plan. The terms of the Options are subject to the provisions of the 2015 Plan, as the same may from time to time be amended, and any inconsistencies between this Agreement and the 2015 Plan, as the same may be from time to time amended, shall be governed by the provisions of the 2015 Plan, a copy of which has been delivered to the Optionee, and which is available for inspection at the principal offices of the Company.

12. Professional Advice. The acceptance of the Options and the sale of Common Stock issued pursuant to the exercise of Options may have consequences under federal and state tax and securities laws which may vary depending upon the individual circumstances of the Optionee. Accordingly, the Optionee acknowledges that he or she has been advised to consult his or her personal legal and tax advisor in connection with this Agreement and his or her dealings with respect to Options. Without limiting other matters to be considered with the assistance of the Optionee's professional advisors, the Optionee should consider: (a) whether upon the exercise of Options, the Optionee will file an election with the Internal Revenue Service pursuant to Section 83(b) of the Code and the implications of alternative minimum tax pursuant to the Code; (b) the merits and risks of an investment in the underlying shares of Common Stock; and (c) any resale restrictions that might apply under applicable securities laws.

13. No Employment Commitment. The grant of the Options shall in no way constitute any form of agreement or understanding binding on the Company or any Related Company, express or implied, that the Company or any Related Company will employ or contract with the Optionee, for any length of time, nor shall it interfere in any way with the Company's or, where applicable, a Related Company's right to terminate Optionee's employment at any time, which right is hereby reserved.

14. Entire Agreement. This Agreement is the only agreement between the Optionee and the Company with respect to the Options, and this Agreement and the 2015 Plan supersede all prior and contemporaneous oral and written statements and representations and contain the entire agreement between the parties with respect to the Options.

15. Notices. Any notice required or permitted to be made or given hereunder shall be mailed or delivered personally to the addresses set forth below, or as changed from time to time by written notice to the other:

The Company:	Akoustis Technologies, Inc. 9805 Northcross Center Court, Suite H Huntersville, NC 28078 Attention: Chief Financial Officer
With a copy to:	CKR Law LLP 1330 Avenue of the Americas New York, NY 10019 Attention: Barrett S. DiPaolo, Esq.
The Optionee:	[name] [address]

AKOUSTIS TECHNOLOGIES, INC.

Per: _____
Authorized Signatory

_____
(Name of Optionee – Please type or print)

_____
(Signature and, if applicable, Office)

EXHIBIT A

TERMS OF THE OPTION

Name of the Optionee:		[_____]
Date of Grant:		[_____]
Designation:		[Incentive Stock Options][Nonstatutory Stock Options]
1.	Number of Options granted:	[_____] shares
2.	Purchase Price:	$[___] per share
3.	Vesting Dates:	[_____]
4.	Expiration Date:	[_____]

EXHIBIT B

To: Akoustis Technologies, Inc.
9805 Northcross Center Court, Suite H
Huntersville, NC 28078
Attention: Chief Financial Officer

Notice of Election to Exercise

This Notice of Election to Exercise shall constitute proper notice under the Akoustis Technologies, Inc.'s (the " Company") 2015 Equity Incentive Plan (the "2015 Plan") pursuant to Section 8 of that certain Stock Option Agreement (the "Agreement") dated as of the [___] day of [_____], 20__, between the Company and the undersigned.

The undersigned hereby elects to exercise Optionee's option to purchase _____ shares of the common stock of the Company at a price of US$[__] per share, for aggregate consideration of US$_____, on the terms and conditions set forth in the Agreement and the 2015 Plan. Such aggregate consideration, in the form specified in Section 8 of the Agreement, accompanies this notice.

The Optionee hereby directs the Company to issue, register and deliver the certificates representing the shares as follows:

Optionee Information:	Delivery Instructions:
Name to appear on certificates	Name
Address	Address
	Telephone Number

DATED at _____, the _____ day of _____, 20___.

_____
(Name of Optionee – Please type or print)

_____
(Signature and, if applicable, Office)

_____
(Address of Optionee)

_____
(City, State, and Zip Code of Optionee)

Exhibit 10.12

AKOUSTIS, INC.
2014 STOCK PLAN
RESTRICTED STOCK PURCHASE AGREEMENT

This Restricted Stock Purchase Agreement (this "Agreement") is made as of _____ by and between Akoustis, Inc., a Delaware corporation (the "Company"), and _____ ("Purchaser") pursuant to the Company's 2014 Stock Plan (the "Plan"). To the extent any capitalized terms used in this Agreement are not defined, they shall have the meaning ascribed to them in the Plan.

1) Sale of Stock. Subject to the terms and conditions of this Agreement, simultaneously with the execution and delivery of this Agreement by the parties or on such other date as the Company and Purchaser shall agree (the "Purchase Date"), the Company will issue and sell to Purchaser, and Purchaser agrees to purchase from the Company ___ shares of the Company's Common Stock (the "Shares") at a purchase price of ____ per share for a total purchase price of ___ (the "Aggregate Purchase Price"). On the Purchase Date, Purchaser will deliver the Aggregate Purchase Price to the Company and the Company will enter the Shares in Purchaser's name as of such date in the books and records of the Company or, if applicable, a duly authorized transfer agent of the Company. The Company will deliver to Purchaser a stock certificate representing the Shares as soon as practicable following such date. As used elsewhere herein, the term "Shares" refers to all of the Shares purchased hereunder and all securities received in connection with the Shares pursuant to stock dividends or splits, all securities received in replacement of the Shares in a recapitalization, merger, reorganization, exchange or the like, and all new, substituted or additional securities or other property to which Purchaser is entitled by reason of Purchaser's ownership of the Shares. By Purchaser's signature and the signature of the Company's representative below, Purchaser and the Company agree that this acquisition of Shares is governed by the terms and conditions of this Agreement and the Akoustis, Inc. 2014 Stock Plan which is attached to and made a part of this Agreement.

2) Consideration for Shares. Payment of the Aggregate Purchase Price shall be made by any method permitted by the Company and authorized under the Plan. In addition, Purchaser shall satisfy any applicable tax, withholding obligations, required deductions or other payments, all in accordance with the Plan.

3) Limitations on Transfer. In addition to any other limitation on transfer created by the transfer restrictions set forth in the Company's Bylaws, Section 12 of the Plan or by Applicable Laws, Purchaser shall not assign, encumber or dispose of any interest in the Shares except to the extent permitted by, and in compliance with the provisions below and Applicable Laws.

   a) Repurchase Option: Vesting.

      i) In the event of the voluntary or involuntary termination of Purchaser's Continuous Service Status for any reason (including death or Disability), with or without cause, the Company shall upon the date of such termination (the "Termination Date") have an irrevocable, exclusive option (the "Repurchase Option") for a period of 60 months from such date to repurchase all or any portion of the Unvested Shares (as defined below) held by Purchaser as of the Termination Date at the original purchase price per Share (adjusted for any stock splits, stock dividends and the like) specified in Section 1. As used in this Agreement, "Unvested Shares" means Shares that have not yet been released from the Repurchase Option.

ii) Unless the Company notifies Purchaser within 3 months from the Termination Date that it does not intend to exercise its Repurchase Option with respect to some or all of the Unvested Shares, the Repurchase Option shall be deemed automatically exercised by the Company as of the end of such 3-month period following such Termination Date, provided that the Company may notify Purchaser that it is exercising its Repurchase Option as of a date prior to the end of such 3-month period. Unless Purchaser is otherwise notified by the Company pursuant to the preceding sentence that the Company does not intend to exercise its Repurchase Option as to some or all of the Unvested Shares to which it applies at the time of termination, execution of this Agreement by Purchaser constitutes written notice to Purchaser of the Company's intention to exercise its Repurchase Option with respect to all Unvested Shares to which such Repurchase Option applies. The Company, at its choice, may satisfy its payment obligation to Purchaser with respect to exercise of the Repurchase Option by either (A) delivering a check to Purchaser in the amount of the purchase price for the Unvested Shares being repurchased, or (B) in the event Purchaser is indebted to the Company, canceling an amount of such indebtedness equal to the purchase price for the Unvested Shares being repurchased, or (C) by a combination of (A) and (B) so that the combined payment and cancellation of indebtedness equals such purchase price. In the event of any deemed automatic exercise of the Repurchase Option pursuant to this Section 3(a)(2) in which Purchaser is indebted to the Company, such indebtedness equal to the purchase price of the Unvested Shares being repurchased shall be deemed automatically canceled as of the end of the 3-month period following the Termination Date unless the Company otherwise satisfies its payment obligations. As a result of any repurchase of Unvested Shares pursuant to this Section 3(a), the Company shall become the legal and beneficial owner of the Unvested Shares being repurchased and shall have all rights and interest therein or related thereto, and the Company shall have the right to transfer to its own name the number of Unvested Shares being repurchased by the Company, without further action by Purchaser.

iii) 100% of the Shares shall initially be subject to the Repurchase Option (the "Vesting Shares"). 25% of the Vesting Shares shall be released from the Repurchase Option on June 16, 2015, and an additional 1/48 of the Vesting Shares shall be released from the Repurchase Option on the last day of each month thereafter, until all Vesting Shares are released from the Repurchase Option; provided, however, that such scheduled releases from the Repurchase Option shall immediately cease as of the Termination Date. Fractional shares shall be rounded to the nearest whole share.

b) Transfer Restrictions: Right of First Refusal. Before any Shares held by Purchaser or any transferee of Purchaser (either being sometimes referred to herein as the "Holder") may be sold or otherwise transferred (including transfer by gift or operation of law), the Holder must provide the Company or its assignee(s) with a right of first refusal to purchase the Shares on the terms and conditions set forth in this Section 3(b) (the "Right of First Refusals") and the Company shall have the right to approve such transfer, in its sole and absolute discretion. If the Holder would like to transfer any Shares the Company may either (1) exercise its Right of First Refusal and purchase the Shares as forth in this Section 3(b), (2) reject to exercise its Right of First Refusal and permit the transfer of the Shares to the Proposed Transferee (as defined below), or (3) reject to exercise its Right of First Refusal and reject any transfer of the Shares.

i) Notice of Proposed Transfer. The Holder of the Shares shall deliver to the Company a written notice (the "Notice") stating: (A) the Holder's intention to sell or otherwise transfer such Shares; (B) the name of each proposed purchaser or other transferee ("Proposed Transferee"): (C) the number of Shares to be transferred to each Proposed Transferee; (D) the terms and conditions of each proposed sale or transfer, including (without limitation) the purchase price for such Shares (the "Transfer Purchase Price"): and (E) the Holder's offer shall offer to the Company or its assignee(s) to purchase the Shares at the Transfer Purchase Price and upon the same terms (or terms as similar as reasonably possible).

ii) Exercise of Right of First Refusal. At any time within 30 days after receipt of the Notice, the Company and/or its assignee(s) may, by giving written notice to the Holder, elect to reject the proposed transfer, in full or in part, or elect to purchase any or all of the Shares proposed to be transferred to any one or more of the Proposed Transferees, at the Transfer Purchase Price, provided that if the Transfer Purchase Price consists of no legal consideration (as, for example, in the case of a transfer by gift), the purchase price will be the fair market value of the Shares as determined in good faith by the Company. If the Transfer Purchase Price includes consideration other than cash, the cash equivalent value of the non-cash consideration shall be determined by the Company in good faith.

iii) Payment. Payment of the Transfer Purchase Price shall be made, at the election of the Company or its assignee(s), in cash (by check), by cancellation of all or a portion of any outstanding indebtedness or by any combination thereof within 60 days after receipt of the Notice or in the manner and at the times mutually agreed to by the Company (or its assignee(s)) and the Holder.

iv) Holder's Right to Transfer. If any of the Shares proposed in the Notice to be transferred to a given Proposed Transferee are both (A) not purchased by the Company and/or its assignee(s) as provided in this Section 3(b) and (B) approved by the Company to be transferred, then the Holder may sell or otherwise transfer any unpurchased Shares to the Proposed Transferee at the Transfer Purchase Price or at a higher price, provided that such sale or other transfer is consummated within 120 days after the date of the Notice and provided further that any such sale or other transfer is effected in accordance with the transfer restrictions set forth in the Company's Bylaws, the Plan and any Applicable Laws and the Proposed Transferee agrees in writing that the provisions of this Section 3 and the waiver of statutory information rights in Section 10 shall continue to apply to the Shares in the hands of such Proposed Transferee. The Company, in consultation with its legal counsel, may require the Holder to provide an opinion of counsel evidencing compliance with Applicable Laws. If the Shares described in the Notice are not transferred to the Proposed Transferee within such period, or if the Holder proposes to change the price or other terms to make them more favorable to the Proposed Transferee, a new Notice shall be given to the Company, and the Company and/or its assignees shall again have the right to approve such transfer and be offered the Right of First Refusal.

v) Exception for Certain Family Transfers. Anything to the contrary contained in this Section 3(b) notwithstanding, the transfer of any or all of the Shares during Purchaser's lifetime or on Purchaser's death by will or intestacy to Purchaser's Immediate Family or to a trust for the benefit of Purchaser or Purchaser's Immediate Family shall be exempt from the provisions of this Section 3(b). "Immediate Family" as used in this Agreement shall mean lineal descendant or antecedent, spouse (or spouse's antecedents), father, mother, brother or sister (or their descendants), stepchild (or their antecedents or descendants), aunt or uncle (or their antecedents or descendants), brother-in-law or sister-in-law (or their antecedents or descendants) and shall include adoptive relationships. In such case, the transferee or other recipient shall receive and hold the Shares so transferred subject to the provisions of this Section 3, and there shall be no further transfer of such Shares except in accordance with the terms of this Section 3.

c) Company's Right to Purchase upon Involuntary Transfer. In the event, at any time after the date of this Agreement, of any transfer by operation of law or other involuntary transfer (including death or divorce, but excluding a transfer to Immediate Family as set forth in Section 3(b)(v) above) of all or a portion of the Shares by the record holder thereof, the Company shall have the right to purchase any or all of the Shares transferred at the Fair Market Value of the Shares on the date of transfer (as determined by the Company in its sole discretion). Upon such a transfer, the Holder shall promptly notify the Secretary of the Company of such transfer. The right to purchase such Shares shall be provided to the Company for a period of 30 days following receipt by the Company of written notice from the Holder.

d) Assignment. The right of the Company to purchase any part of the Shares may be assigned in whole or in part to any holder or holders of capital stock of the Company or other persons or organizations.

e) Restrictions Binding on Transferees. All transferees of Shares or any interest therein will receive and hold such Shares or interest subject to the provisions of this Agreement, including, insofar as applicable, the Repurchase Option. Any sale or transfer of the Shares shall be void unless the provisions of this Agreement are satisfied.

f) Termination of Rights. The transfer restrictions set forth in Section 3(b) above and Section 12 of the Plan, the Right of First Refusal granted the Company by Section 3(b) above and the right to repurchase the Shares in the event of an involuntary transfer granted the Company by Section 3(c) above shall terminate upon (i) the first sale of Common Stock of the Company to the general public pursuant to a registration statement filed with and declared effective by the Securities and Exchange Commission under the Securities Act (other than a registration statement relating solely to the issuance of Common Stock pursuant to a business combination or an employee incentive or benefit plan) or (ii) any transfer or conversion of Shares made pursuant to a statutory merger or statutory consolidation of the Company with or into another corporation or corporations if the common stock of the surviving corporation or any direct or indirect parent corporation thereof is registered under the Exchange Act. Upon termination of such transfer restrictions, the Company will remove any stop-transfer notices referred to in Section 7(b) below and related to the restriction in Sections 3(b) and 3(c) and a new stock certificate or, in the case of uncertificated securities, notice of issuance, for the Shares not repurchased shall be issued, on request, without the legend referred to in Section 7(a)(ii) below.

g) Lock-Up Agreement. If so requested by the Company or the underwriters in connection with the initial public offering of the Company's securities registered under the Securities Act of 1933, as amended, Purchaser shall not sell, make any short sale of, loan, grant any option for the purchase of, or otherwise dispose of any securities of the Company however or whenever acquired (except for those being registered) without the prior written consent of the Company or such underwriters, as the case may be, for 180 days from the effective date of the registration statement, plus such additional period, to the extent required by FINRA rules, up to a maximum of 216 days from the effective date of the registration statement, and Purchaser shall execute an agreement reflecting the foregoing as may be requested by the underwriters at the time of such offering.

4) Escrow of Unvested Shares. For purposes of facilitating the enforcement of the provisions of Section 3 above, Purchaser agrees, immediately upon receipt of the stock certificate(s) or, in the case of uncertificated securities, notice of issuance, for the Shares subject to the Repurchase Option, to deliver any such stock certificate(s) as well as a Stock Power in the form attached to this Agreement as Exhibit A executed by Purchaser and by Purchaser's spouse (if required for transfer), in blank, to the Secretary of the Company, or the Secretary's designee, to hold such Shares (and stock certificate(s), if any) and Stock Power in escrow and to take all such actions and to effectuate all such transfers and/or releases as are required in accordance with the terms of this Agreement. Purchaser hereby acknowledges that the Secretary of the Company, or the Secretary's designee, is so appointed as the escrow holder with the foregoing authorities as a material inducement to make this Agreement and that said appointment is coupled with an interest and is accordingly irrevocable. Purchaser agrees that said escrow holder shall not be liable to any party hereof (or to any other party). The escrow holder may rely upon any letter, notice or other document executed by any signature purported to be genuine and may resign at any time. Purchaser agrees that if the Secretary of the Company, or the Secretary's designee, resigns as escrow holder for any or no reason, the Board of Directors of the Company shall have the power to appoint a successor to serve as escrow holder pursuant to the terms of this Agreement.

5) Investment and Taxation Representations. In connection with the purchase of the Shares, Purchaser represents to the Company the following:

a) Purchaser is aware of the Company's business affairs and financial condition and has acquired sufficient information about the Company to reach an informed and knowledgeable decision to acquire the Shares. Purchaser is purchasing the Shares for investment for Purchaser's own account only and not with a view to, or for resale in connection with, any "distribution" thereof within the meaning of the Securities Act or under any applicable provision of state law. Purchaser does not have any present intention to transfer the Shares to any other person or entity.

b) Purchaser understands that the Shares have not been registered under the Securities Act by reason of a specific exemption therefrom, which exemption depends upon, among other things, the bona fide nature of Purchaser's investment intent as expressed herein.

c) Purchaser further acknowledges and understands that the securities must be held indefinitely unless they are subsequently registered under the Securities Act or an exemption from such registration is available. Purchaser further acknowledges and understands that the Company is under no obligation to register the securities.

d) Purchaser is familiar with the provisions of Rule 144, promulgated under the Securities Act, which, in substance, permits limited public resale of "restricted securities" acquired, directly or indirectly, from the issuer of the securities (or from an affiliate of such issuer), in a non-public offering subject to the satisfaction of certain conditions. Purchaser understands that the Company provides no assurances as to whether he or she will be able to resell any or all of the Shares pursuant to Rule 144, which rule requires, among other things, that the Company be subject to the reporting requirements of the Exchange Act, that resales of securities take place only after the holder of the Shares has held the Shares for certain specified time periods, and under certain circumstances, that resales of securities be limited in volume and take place only pursuant to brokered transactions. Notwithstanding this Section 5(d), Purchaser acknowledges and agrees to the restrictions set forth in Section 5(e) below.

e) Purchaser further understands that in the event all of the applicable requirements of Rule 144 are not satisfied, registration under the Securities Act, compliance with Regulation A, or some other registration exemption will be required; and that, notwithstanding the fact that Rule 144 is not exclusive, the Staff of the Securities and Exchange Commission has expressed its opinion that persons proposing to sell private placement securities other than in a registered offering and otherwise than pursuant to Rule 144 will have a substantial burden of proof in establishing that an exemption from registration is available for such offers or sales, and that such persons and their respective brokers who participate in such transactions do so at their own risk.

f) Purchaser understands that Purchaser may suffer adverse tax consequences as a result of Purchaser's purchase or disposition of the Shares. Purchaser represents that Purchaser has consulted any tax consultants Purchaser deems advisable in connection with the purchase or disposition of the Shares and that Purchaser is not relying on the Company for any tax advice.

6) Voting Provisions. As a condition precedent to entering into this Agreement, at the request of the Company, Purchaser shall become a party to any voting agreement to which the Company is a party at the time of Purchaser's execution and delivery of this Agreement, as such voting agreement may be thereafter amended from time to time (the "Voting Agreement"), by executing an adoption agreement or counterpart signature page agreeing to be bound by and subject to the terms of the Voting Agreement and to vote the Shares in the capacity of a "Common Holder" and a "Stockholder," as such terms may be defined in the Voting Agreement.

7) Restrictive Legends and Stop-Transfer Orders.

a) Legends. Any stock certificate or, in the case of uncertificated securities, notice of issuance, for the Shares, shall bear the following legends (as well as any legends required by applicable state and federal corporate and securities laws):

i) "THE SECURITIES REFERENCED HEREIN HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISTRIBUTION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL IN A FORM SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933."

ii) "THE TRANSFER OF SECURITIES REFERENCED HEREIN IS SUBJECT TO RESTRICTIONS REQUIRING APPROVAL OF THE COMPANY PURSUANT TO AND IN ACCORDANCE WITH THE COMPANY'S BYLAWS AND STOCK PLAN, COPIES OF WHICH MAY BE OBTAINED UPON WRITTEN REQUEST TO THE COMPANY AT ITS PRINCIPAL PLACE OF BUSINESS. THE COMPANY SHALL NOT REGISTER OR OTHERWISE RECOGNIZE OR GIVE EFFECT TO ANY PURPORTED TRANSFER OF SHARES OF STOCK THAT DOES NOT COMPLY WITH THE COMPANY'S BYLAWS AND STOCK PLAN."

iii) "THE SECURITIES REFERENCED HEREIN MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF AN AGREEMENT BETWEEN THE COMPANY AND THE STOCKHOLDER, A COPY OF WHICH IS ON FILE WITH AND MAY BE OBTAINED FROM THE SECRETARY OF THE COMPANY AT NO CHARGE."

iv) Any legend required by the Voting Agreement, as applicable.

b) Stop-Transfer Notices. Purchaser agrees that, in order to ensure compliance with the restrictions referred to herein, the Company may issue appropriate "stop transfer" instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

c) Refusal to Transfer. The Company shall not be required (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Agreement or the Plan or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred.

8) No Employment Rights. Nothing in this Agreement shall affect in any manner whatsoever the right or power of the Company, or a parent, subsidiary or affiliate of the Company, to terminate Purchaser's employment or consulting relationship, for any reason, with or without cause.

9) Section 83(b) Election. Purchaser understands that Section 83(a) of the Internal Revenue Code of 1986, as amended (the "Code"), taxes as ordinary income the difference between the amount paid for the Shares and the Fair Market Value of the Shares as of the date any restrictions on the Shares lapse. In this context, "restriction" means the right of the Company to buy back the Shares pursuant to the Repurchase Option set forth in Section 3(a) above. Purchaser understands that Purchaser may elect to be taxed at the time the Shares are purchased, rather than when and as the Repurchase Option expires, by filing an election under Section 83(b) (an "83(b) Election") of the Code with the Internal Revenue Service within 30 days from the date of purchase. Even if the Fair Market Value of the Shares at the time of the execution of this Agreement equals the amount paid for the Shares, the election must be made to avoid income under Section 83(a) in the future. Purchaser understands that failure to file such an election in a timely manner may result in adverse tax consequences for Purchaser. Purchaser further understands that an additional copy of such election form should be filed with Purchaser's federal income tax return for the calendar year in which the date of this Agreement falls. Purchaser acknowledges that the foregoing is only a summary of the effect of United States federal income taxation with respect to purchase of the Shares hereunder, does not purport to be complete, and is not intended or written to be used, and cannot be used, for the purposes of avoiding taxpayer penalties. Purchaser further acknowledges that the Company has directed Purchaser to seek independent advice regarding the applicable provisions of the Code, the income tax laws of any municipality, state or foreign country in which Purchaser may reside, and the tax consequences of Purchaser's death, and Purchaser has consulted, and has been fully advised by, Purchaser's own tax advisor regarding such tax laws and tax consequences or has knowingly chosen not to consult such a tax advisor. Purchaser further acknowledges that neither the Company nor any subsidiary or representative of the Company has made any warranty or representation to Purchaser with respect to the tax consequences of Purchaser's purchase of the Shares or of the making or failure to make an 83(b) Election. PURCHASER (AND NOT THE COMPANY, ITS AGENTS OR ANY OTHER PERSON) SHALL BE SOLELY RESPONSIBLE FOR APPROPRIATELY FILING SUCH FORM WITH THE IRS, EVEN IF PURCHASER REQUESTS THE COMPANY, ITS AGENTS OR ANY OTHER PERSON MAKE THIS FILING ON PURCHASER'S BEHALF.

10) Waiver of Statutory Information Rights. Purchaser acknowledges and understands that, but for the waiver made herein, Purchaser would be entitled, upon written demand under oath stating the purpose thereof, to inspect for any proper purpose, and to make copies and extracts from, the Company's stock ledger, a list of its stockholders, and its other books and records, and the books and records of subsidiaries of the Company, if any, under the circumstances and in the manner provided in Section 220 of the Delaware General Corporation Law (any and all such rights, and any and all such other rights of Purchaser as may be provided for in Section 220, the "Inspection Rights"). In light of the foregoing, until the first sale of Common Stock of the Company to the general public pursuant to a registration statement filed with and declared effective by the Securities and Exchange Commission under the Securities Act of 1933, as amended, Purchaser hereby unconditionally and irrevocably waives the Inspection Rights, whether such Inspection Rights would be exercised or pursued directly or indirectly pursuant to Section 220 or otherwise, and covenants and agrees never to directly or indirectly commence, voluntarily aid in any way, prosecute, assign, transfer, or cause to be commenced any claim, action, cause of action, or other proceeding to pursue or exercise the Inspection Rights. The foregoing waiver applies to the Inspection Rights of Purchaser in Purchaser's capacity as a stockholder and shall not affect any rights of a director, in his or her capacity as such, under Section 220. The foregoing waiver shall not apply to any contractual inspection rights of Purchaser under any written agreement with the Company.

11) Miscellaneous.

a) Governing Law. The validity, interpretation, construction and performance of this Agreement, and all acts and transactions pursuant hereto and the rights and obligations of the parties hereto shall be governed, construed and interpreted in accordance with the laws of the state of Delaware, without giving effect to principles of conflicts of law. For purposes of litigating any dispute that may arise directly or indirectly from this Agreement, the parties hereby submit and consent to the exclusive jurisdiction of the state of Delaware and agree that any such litigation shall be conducted only in the courts of Delaware or the federal courts of the United States located in Delaware and no other courts.

b) Entire Agreement. This Agreement sets forth the entire agreement and understanding of the parties relating to the subject matter herein and supersedes all prior or contemporaneous discussions, understandings and agreements, whether oral or written, between them relating to the subject matter hereof.

c) Amendments and Waivers. No modification of or amendment to this Agreement, nor any waiver of any rights under this Agreement, shall be effective unless in writing signed by the parties to this Agreement. No delay or failure to require performance of any provision of this Agreement shall constitute a waiver of that provision as to that or any other instance.

d) Successors and Assigns. Except as otherwise provided in this Agreement, this Agreement, and the rights and obligations of the parties hereunder, will be binding upon and inure to the benefit of their respective successors, assigns, heirs, executors, administrators and legal representatives. The Company may assign any of its rights and obligations under this Agreement. No other party to this Agreement may assign, whether voluntarily or by operation of law, any of its rights and obligations under this Agreement, except with the prior written consent of the Company.

e) Notices. Any notice, demand or request required or permitted to be given under this Agreement shall be in writing and shall be deemed sufficient when delivered personally or by overnight courier or sent by email, or 48 hours after being deposited in the U.S. mail as certified or registered mail with postage prepaid, addressed to the party to be notified at such party's address as set forth on the signature page, as subsequently modified by written notice, or if no address is specified on the signature page, at the most recent address set forth in the Company's books and records.

f) Severability. If one or more provisions of this Agreement are held to be unenforceable under applicable law, the parties agree to renegotiate such provision in good faith. In the event that the parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this Agreement, (ii) the balance of the Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of the Agreement shall be enforceable in accordance with its terms.

g) Construction. This Agreement is the result of negotiations between and has been reviewed by each of the parties hereto and their respective counsel, if any; accordingly, this Agreement shall be deemed to be the product of all of the parties hereto, and no ambiguity shall be construed in favor of or against any one of the parties hereto.

h) Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and all of which together shall constitute one and the same agreement.

i) Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to this Agreement or any notices required by applicable law or the Company's Certificate of Incorporation or Bylaws by email or any other electronic means. Purchaser hereby consents to receive such documents and notices by such electronic delivery and agrees to participate through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

j) Imposition of Other Requirements. The Company reserves the right to impose other requirements on Purchaser's participation in the Plan and on any Award or Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with Applicable Law or facilitate the administration of the Plan. Purchaser agrees to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing. Furthermore, Purchaser acknowledges that the laws of the country in which Purchaser is working at the time of grant of this Agreement, the purchase, vesting or sale of Shares received pursuant to this Agreement (including any rules or regulations governing securities, foreign exchange, tax, labor, or other matters) may subject Purchaser to additional procedural or regulatory requirements that Purchaser is and will be solely responsible for and must fulfill.

k) California Corporate Securities Law. THE SALE OF THE SECURITIES WHICH ARE THE SUBJECT OF THIS AGREEMENT HAS NOT BEEN QUALIFIED WITH THE COMMISSIONER OF CORPORATIONS OF THE STATE OF CALIFORNIA AND THE ISSUANCE OF THE SECURITIES OR THE PAYMENT OR RECEIPT OF ANY PART OF THE CONSIDERATION THEREFOR PRIOR TO THE QUALIFICATION IS UNLAWFUL, UNLESS THE SALE OF SECURITIES IS EXEMPT FROM QUALIFICATION BY SECTION 25100, 25102 OR 25105 OF THE CALIFORNIA CORPORATIONS CODE. THE RIGHTS OF A L L PARTIES TO THIS AGREEMENT ARE EXPRESSLY CONDITIONED UPON THE QUALIFICATION BEING OBTAINED, UNLESS THE SALE IS SO EXEMPT.

[Signature Page Follows]

The parties have executed this Agreement as of the date first set forth above.

THE COMPANY:
AKOUSTIS, INC.

By: _____
Name: _____
Title: _____

PURCHASER:

_____
Name:

EXHIBIT A

STOCK POWER

FOR VALUE RECEIVED, the undersigned ("Holder") hereby sells, assigns and transfers unto _____ ("Transferee") ___ shares of the Common Stock of Akoustis, Inc., a Delaware corporation (the "Company"), standing in Holder's name on the Company's books as Certificate No. CS-__ whether held in certificated or uncertificated form, and does hereby irrevocably constitute and appoint _____ to transfer said stock on the books of the Company with full power of substitution in the premises.

Date: _____

HOLDER:

By: _____
(Signature)

Name:

This Stock Power may only be used as authorized by the Restricted Stock Purchase Agreement between the Holder and the Company, dated June 13, 2014 and the exhibits thereto.

Instructions: Please do not fill in any blanks other than the signature line. The purpose of this assignment is to enable the Company to exercise its repurchase option set forth in the Agreement without requiring additional signatures on the part of the Holder.

Exhibit 10.13

JOINT DEVELOPMENT AGREEMENT (JDA)

This Joint Development Agreement (this "**Development Agreement**"), effective as of February 27, 2015 (the "**Effective Date**"), is made between the following parties:

AKOUSTIS, INC., a company duly incorporated under the laws of the State of Delaware, having its principal office located at 10602-C Bailey Road, Cornelius, NC 28031 ("**AKOUSTIS**"), and

Global Communication Semiconductors, LLC., a company duly incorporated under the laws of the State of California, having its principal office located at 23155 Kashiwa Court, Torrance, California 90505 ("**GCS**").

RECITALS

A. While AKOUSTIS is a leading developer of a certain communication product.

B. GCS is a leading foundry capable of manufacturing the communication product for AKOUSTIS.

The parties agree as follows:

1. DEFINITIONS

1.1 "**Advisory Committee**" means a committee of between 2 and 4 individuals involved in the day-to-day development activities under this Agreement, comprising equal representation from each party, formed to resolve identified and escalated issues, as further described in Section 3.2. The Advisory Committee is comprised initially of the individuals listed on Exhibit A, attached and incorporated by reference.

1.2 "**Affiliate**" means, with respect to a party, any person, partnership, firm, corporation, or other business entity that controls, is controlled by, or is under common control of that party, in each case for only so long as such control exists. For purposes of this definition, "**control**" means owning more than fifty percent of the controlled entity's ownership interest or securities or shares and possessing the power, directly or indirectly, to direct or cause direction of the controlled entity's management and policies.

1.3 "**Agreement**" means this Development Agreement and any and all SOWs, which can be updated from time to time by the parties.

1.4 "**Background Technology**" means all information (including without limitation designs, processes, methods, techniques, designs, structures, software, inventions, technology, and specifications) that is owned, controlled, licensed, developed, or acquired solely outside the performance of this Agreement by a party or on behalf of that party by an entity other than the other party, and that is disclosed to the other party under this Agreement during the Term to facilitate development activities under this Agreement.

1.5 "**Change of Control**" means, with respect to a party (a) any sale or exchange of the capital stock by the shareholders that party in one transaction or series of related transactions where more than 50% of the outstanding voting power of that party is acquired by a person or entity or group of related persons or entities; or (b) any reorganization, consolidation or merger of that party where the outstanding voting securities of that party immediately before the transaction represent or are converted into less than fifty percent 50% of the outstanding voting power of the surviving entity (or its parent entity) immediately after the transaction; or (c) the consummation of any transaction or series of related transactions that results in the sale of all or substantially all of the assets of that party, other than where the entity acquiring shares or assets, or the surviving entity with respect to clause (b) above, is an Affiliate of that party and for the purposes of this provision an Affiliate is an entity that, directly or indirectly, controls is controlled by or is under common control with that party. "Change of Control" includes reverse mergers whereby that party is the surviving entity, but does not include internal reorganizations or restructurings (e.g., for tax purposes).

1.6 "**Confidential Information**" means information provided by either party to the other prior to or during the term of this Agreement, for the purposes of this Agreement, including without limitation, technical, business, financial and marketing information, and descriptions of the existence or state of progress of that information. A party's Confidential Information includes, without limitation, any and all prototypes, copies, notes, analyses, compilations, studies, interpretations, and summaries of that information prepared by or for the other party.

1.7 "**Filing**" means the submission of any documentation, application, filing, registration or other actions required to perfect or enforce the parties' interest in any Joint Development Works under Intellectual Property Right protection mechanisms, including, without limitation, any correspondence or other communication with any patent or copyright office or other governmental authority with respect thereto.

1.8 "**Filing Party**" means the party that has the right to conduct a Filing.

1.9 "**Intellectual Property Rights**" means worldwide common law and statutory rights associated with (i) patents and patent applications, (ii) copyrights and all other literary property and author rights, including without limitation, copyright applications, copyright registrations, certificates of copyrights and copyrighted interests, and "moral" rights, (iii) all rights, title and interest in and to inventions (whether patentable or not in any country) and invention disclosures, (iv) trade secrets, know-how, or the protection of confidential information (v) other proprietary rights related to intangible intellectual property, (vi) analogous rights to the rights set forth in (i)-(v), and (vii) all divisions, continuations, renewals, reissuances, and extensions of the foregoing (as applicable) now existing or hereafter filed, issued or acquired. Notwithstanding the foregoing, Intellectual Property Rights shall not include any rights in trademarks, service marks, trade dress, logos, trade names and corporate names, whether registered or unregistered, or in the goodwill associated therewith, or in any registrations and applications for registration thereof (collectively, "**Trademarks**").

1.10 "**Joint Development Work(s)**" means (a) any and all inventions, discoveries, works of authorship, know-how, drawings, technical information, data, documentation, and other information, regardless of the state of completion, in each case that are conceived or reduced to practice by or on behalf of the parties acting jointly, in the course of their performance under this Agreement during the Term, which express excludes all Background Technology, and (b) any Products expressly designated as a Joint Development Work in the applicable SOW.

1.11 "**Product(s)**" means a project deliverable, contemplated by the parties as the intended result of development activities under an SOW.

1.12 "**Project Manager(s)**" means an employee from a party, appointed to manage the development activities under the applicable SOW.

1.13 "**Sole Development Work(s)**" means any and all inventions, discoveries, works of authorship, know-how, drawings, technical information, data, documentation, specifications, Products, and all other information, regardless of the state of completion, in each case that are conceived or reduced to practice in the course of either party's performance under this Agreement during the Term, expressly excluding all Background Technology and all Joint Development Works.

1.14 "**Statement of Work**" or "**SOW**" means a document signed by both parties that describes the terms and conditions particular to a specific project between AKOUSTIS and GCS and references this Development Agreement. An SOW may include one or more attachments, schedules, and other exhibits. An SOW will describe, without limitation, the scope of the project to be conducted by the parties under that SOW, the responsibilities of each party, and the requirements, specifications, manufacturing rights, prices, milestones, scheduling, ownership and license of Products, Intellectual Property Rights, whether the parties anticipate the inclusion of any third party's intellectual property, any period of exclusive marketing rights, and other information necessary for that project. Exhibit B lists an initial SOW.

2. AGREEMENT STRUCTURE

2.1 Development Agreement Governs. The terms and conditions of this Development Agreement apply to and govern all SOWs, except to the extent expressly made inapplicable to an individual SOW by the terms of that SOW.

2.2 Conflicts Between Terms. If there is a conflict or inconsistency between the terms of this Development Agreement and an SOW, the terms of the SOW prevail if such terms are explicitly indicated.

3. GOVERNANCE

3.1 Project Management; Escalation. Each party shall designate in each SOW one or more Project Managers. Each party may replace or substitute its designated Project Manager from time to time upon written notice to the other party. Should either party identify any issues requiring discussion or resolution under an SOW, the designated company representatives shall use reasonable efforts to resolve those issues. If the designated company representatives, after reasonable efforts, are unable to resolve any such issues, they may escalate those issues to the Advisory Committee.

3.2 Advisory Committee. Each party shall provide the other party with the name, title, address, email, phone numbers, fax numbers, and other relevant contact information for each of its Advisory Committee members. Each party may replace or substitute a designated Advisory Committee member from time to time upon written notice to the other party. At least one senior executive from each party must be a member of the Advisory Committee. The parties may raise to the Advisory Committee any issues under this Agreement for discussion or resolution. Should the parties raise any issues to the Advisory Committee, or should the Project Managers escalate any issues to the Advisory Committee, the Advisory Committee shall use reasonable efforts to resolve those issues. If the Advisory Committee, after reasonable efforts and thirty (30) days following referral, is unable to unanimously agree on a resolution for raised or escalated issues, then (without limiting either party's remedies at law or otherwise) either party may terminate this Development Agreement, the applicable SOW(s), or any combination of the preceding on thirty (30) days' notice (given within ten (10) days of the expiration of the referral period). In addition to resolving raised or escalated issues, the Advisory Committee shall establish a regular review process to review the overall progress of development activities under this Agreement. The Advisory Committee shall determine the format and timing of such meetings.

4. DEVELOPMENT ACTIVITIES

4.1 Development Activities. During the Term, for each SOW, the parties will collaborate to develop one or more Products in accordance with the requirements set forth in each SOW. Each party shall use reasonable efforts to perform its respective development responsibilities in accordance with each SOW. Each party will bear all direct and related costs associated with its development activities unless otherwise mutually agreed in writing.

4.2 Information Exchange and Quarterly Meetings. During the Term, the parties shall share Joint Development Works with each other to the extent necessary to allow continued enhancement of the development process in furtherance of the development activities described under each SOW and shall, on a schedule and in a format mutually determined by the parties, keep each other informed of development activities under each SOW. For clarity, ownership of any Intellectual Property Rights will be governed in accordance with Section 5. The parties shall have quarterly business review meetings concerning forecasts, technology, and other issues pertaining to the Agreement and/or SOW.

4.3 Qualification. For any aspect of the Product that fails to meet the specifications set forth in the corresponding SOW, the Project Managers will make reasonable efforts to mutually decide on a corrective action. If, after reasonable efforts, the Project Managers are unable to agree on a corrective action after 10 business days, the Project Managers shall escalate the issue according to the procedure set forth in Section3.1.

4.4 Change Requests. The Project Managers may mutually agree in writing to minor modifications to an SOW that will not impact full compliance with the parties' responsibilities under this Agreement. However, changes impacting full compliance with those responsibilities are only valid if escalated and approved during the escalation procedure set forth in Section 3.1.

4.5 Responsibility. Although the parties will use reasonable efforts in performing their development responsibilities in accordance with each SOW, the parties acknowledge that the results of the development work to be performed are uncertain and cannot be guaranteed by either party. The risk of success or failure of the development work under this Agreement is shared by the parties. If a party has exerted reasonable efforts in the performance of its responsibilities under an SOW, the failure to achieve performance objectives or schedules within an SOW does not create liability for that party or constitute a breach of this Agreement.

5. OWNERSHIP

5.1 Background Technology.

(a) Retention of Rights. Except as expressly set forth in this Agreement, each party retains all rights, title, and interest in and to its Background Technology and Intellectual Property Rights based on that Background Technology.

(b) License. Each party hereby grants the other party during the Term a worldwide, non-exclusive, non-sublicensable, non-assignable, paid up, royalty-free, revocable, license to make, have made and use any of its Background Technology, solely to the extent necessary to fulfill each party's obligations under an applicable SOW (and solely for such purpose).

5.2 Sole Development Works.

(a) Retention of Rights. Except as expressly set forth in this Agreement, each party retains all rights, title, and interest in and to its Sole Development Works and Intellectual Property Rights based on those Sole Development Works.

(b) License. Each party hereby grants the other party during the Term a worldwide, non-exclusive, non-sublicensable, non-assignable, paid up, royalty-free, revocable, license to make, have made and use any of its Sole Development Works, solely to the extent necessary to fulfill each party's obligations under an applicable SOW (and solely for such purpose).

5.3 Joint Development Works.

(a) Ownership. Unless otherwise provided in the SOW, AKOUSTIS and GCS jointly own in equal, undivided shares, and without rights of survivorship or accounting, all right, title and interest in and to any Joint Development Works and all Intellectual Property Rights embodied in those Joint Development Works (other than any Intellectual Property Rights based on a party's Background Technology), now existing or later acquired ("**Joint Intellectual Property Rights**"). Each party hereby assigns and agrees to assign to the other party an equal, undivided interest in the Joint Development Works to the extent necessary to effectuate the foregoing joint interest. Each party shall ensure that its personnel, and personnel working on its behalf, who work on development activities under this Agreement have agreed in writing to assign to that party all Intellectual Property Rights created by that personnel in connection with development activities under this Agreement.

(b) Right to Exploit. Subject to any limitations in the applicable SOW and to any Intellectual Property Rights based on a party's Background Technology, neither party has any obligations to account to the other for profits, or any other amounts, or to obtain the consent of the other party to license or exploit any Joint Development Works or Joint Intellectual Property Rights.

5.4 Filing Procedures.

(a) Each individual SOW may indicate which party has the first option to be the Filing Party ("**Initial Filing Party**") with respect to any and all Joint Development Work resulting from that SOW. If the SOW does not specify an Initial Filing Party, then the Parties shall mutually agree upon which Party is the Initial Filing Party. The parties shall mutually determine whether the appropriate action to take to ensure the protection of any Joint Development Work is to maintain the Joint Development Work as a trade secret, or to permit a Filing in relation to that Joint Development Work.

(b) The non-Filing Party shall reasonably cooperate with and assist the Filing Party and promptly reimburse the Filing Party for one-half of the Filing Party's expenses in connection with Filing activities as they are incurred, subject to the condition that if the non-Filing Party notifies the Filing Party in writing that it does not wish to reimburse the Filing Party for such expenses, then the non-Filing Party shall not be responsible for any further costs under this Section 5.3 related to the respective Filing. If the non-Filing Party notifies the Filing Party in writing that it does not wish to reimburse the Filing Party, all right, title, and interest in and to such documentation, application, filing, registration or other action required under that Filing, and any resulting Intellectual Property Rights, shall be solely owned by the Filing Party and the non-Filing Party hereby assigns all right, title, and interest in and to such documentation, application, filing, registration or other actions required under that Filing, and any resulting Intellectual Property Rights to the Filing Party.

(c) In the event that a party assigns any documentation, application, filing, registration or other action required under a Filing, and any resulting Intellectual Property Rights to the other party as set forth above, the assignor shall retain and is hereby granted a worldwide, non-exclusive, perpetual, paid up, royalty free, irrevocable license to make, have made, use, sell, offer for sale, import and sublicense (in each case, subject to any limitations in the applicable SOW) the Joint Development Works that are the subject of such documentation, application, filing, registration or other action required under that Filing. The Filing Party shall keep the non-Filing Party reasonably informed as to the status of such documentation, application, filing, registration or other action pertaining to the Joint Development Works under that Filing and shall provide reasonable advance notice to the non-Filing Party prior to discontinuing any Filing.

(d) The parties shall cooperate with each other in executing all necessary documents to give effect to the provisions of this Section 5.

6. LICENSES

6.1 Retaining Rights. Except for a party's limited right to use the other party's information, as set forth in this Agreement, and the express allocation of rights in Section 5, no license or rights, either express, implied, or established by operation of law, are granted under this Agreement, including without limitation, any Intellectual Property Rights based on a party's Background Technology, or any Intellectual Property Rights based on a party's technology that is owned, controlled, licensed, developed, or acquired by that party or on behalf of that party arising out of or related to activities that are separate and apart from any development activities under this Agreement or any SOW. The parties reserve all rights not expressly granted hereunder.

7. CONFIDENTIALITY

7.1 Purpose and Handling of Confidential Information. The party receiving Confidential Information under this Agreement (the "**Recipient**") must not make use of that Confidential Information other than for the purpose of fulfilling its obligations or exercising its rights in accordance with the terms of this Agreement. Additionally, Recipient shall keep the other party's Confidential Information in strict confidence. Recipient shall only disclose that Confidential Information to its Affiliates, independent contractors, representatives, and employees, including its temporary workers provided by a staffing agency that are under Recipient's direct supervision and control, having: (a) a need to know that information to accomplish the permitted purpose(s), and (b) agreed in writing to protect that information under terms at least as restrictive as those in this Section 7. Recipient shall protect the other party's Confidential Information with at least the same degree of care Recipient uses to protect its own confidential information of like importance, but never less than a reasonable standard of care. Except for any transfer of Intellectual Property Rights in accordance with Section 5.3, the party disclosing the confidential information (the "**Discloser**") retains full ownership of the disclosed information.

7.2 Confidential Information Identification and Exceptions. Confidential Information entitled to protection under this Agreement must be disclosed in a tangible format marked as "confidential" or with a similar legend, or if information is disclosed solely by oral or visual means, it must be identified as confidential at the time of disclosure or within a reasonable time thereafter. Confidential Information does not include any information that: (a) was already known through lawful means by Recipient without an obligation of confidentiality before disclosure by the other party under this Agreement as evidenced by written records predating the disclosure; (b) is readily accessible to the public on or after the date of disclosure other than through Recipient's breach of this Agreement (except that this exception applies only after the information becomes so readily accessible); (c) was rightfully received by Recipient without restriction on disclosure from a third party entitled to make such a disclosure (except that this exception applies only after Recipient receives the information from the third party); (d) was independently developed by Recipient without using any of the other party's Confidential Information as directly evidenced by Recipient's written records created concomitantly with that development; or (e) is approved for release or disclosure by written authorization of Discloser. Recipient may comply with an order from a court or other governmental body of competent jurisdiction and disclose the other party's Confidential Information in compliance with that order only if Recipient: (i) gives the other party prior notice to such disclosure if the time between that order and such disclosure reasonably permits or, if time does not permit, gives the other party notice of such disclosure promptly after complying with that order and (ii) fully cooperates with the other party in seeking a protective order, confidential treatment, or taking other measures to oppose or limit such disclosure. Recipient must not release any more of the other party's Confidential Information than necessary to comply with that order.

7.3 Publicity. Neither party shall disclose the terms and conditions of this Agreement to any third party, except as may be required (i) to implement or enforce the terms of this Agreement, or (ii) by an existing or potential investor, acquiring company, bank, or other financial institution, under terms at least as restrictive in this Section 7 in connection with a merger, acquisition, financing, loan agreement or similar corporate transaction, or except as may be permitted under Section 7.2(e) if such disclosure is treated as a disclosure of the other party's Confidential Information. Neither party shall issue any press or news release, make any public disclosure with respect to the substance of this Agreement or the relationship of the parties, or make any such general disclosure to either party's customers, without the other party's prior written approval, which shall not be unreasonably withheld.

8. REPRESENTATION AND WARRANTIES

8.1 Warranties. Each party represents, warrants, and covenants to the other party that (i) it has the full right, power, and authority to enter into this Agreement and to grant the rights granted herein, (ii) it will not knowingly grant any rights in conflict with the rights granted herein, (iii) it has obtained all necessary approvals, if any, for entering into this Agreement, and (iv) it will not knowingly incorporate information of any third party into any Joint Development Works under this Agreement or use that information to perform development activities under this Agreement without express written authorization of the other party hereto.

8.2 Warranty Disclaimer. ALL INFORMATION IS FURNISHED "AS IS". EXCEPT AS SET FORTH IN THIS SECTION 8 AND TO THE FULLEST EXTENT PERMITTED BY LAW, BOTH PARTIES EXPRESSLY DISCLAIM ANY AND ALL TYPE OF WARRANTIES, EXPRESS, IMPLIED, OR STATUTORY, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTY OF MERCHANTABILITY, NONINFRINGEMENT, AND FITNESS FOR A PARTICULAR PURPOSE, ARISING OUT OF OR RELATED TO DEVELOPMENT ACTIVITIES UNDER THIS AGREEMENT AND WITH REGARD TO INFORMATION PROVIDED UNDER THIS AGREEMENT.

9. INDEMNIFICATION

9.1 GCS's Indemnification Obligation. GCS shall defend or settle, at GCS's option and expense, any claim, suit, or proceeding brought by an unaffiliated third party against AKOUSTIS for infringement by AKOUSTIS's use, as permitted by GCS, of GCS's Background Technology of any valid Intellectual Property Right or Trademark of that third party (each a "**GCS Claim**"). GCS shall indemnify AKOUSTIS and hold AKOUSTIS harmless from all liabilities, costs, and fees (including without limitation legal fees and expenses), and shall pay any settlement amounts or damages finally awarded by a court of competent jurisdiction in such GCS Claim incurred by AKOUSTIS arising out of a GCS Claim, on the condition AKOUSTIS: (i) promptly notifies GCS in writing of the GCS Claim, (ii) gives GCS sole control over the defense or settlement of the GCS Claim, and (iii) reasonably cooperates and provides available information, assistance, and authority to defend or settle the GCS Claim.

9.2 AKOUSTIS's Indemnification Obligation. AKOUSTIS shall defend or settle, at AKOUSTIS's option and expense, any claim, suit, or proceeding brought by an unaffiliated third party against GCS for infringement by GCS's use, as permitted by AKOUSTIS, of AKOUSTIS's Background Technology of any valid Intellectual Property Right or Trademark of that third party (each a "**AKOUSTIS Claim**"). AKOUSTIS shall indemnify GCS and hold GCS harmless from all liabilities, costs, and fees (including without limitation legal fees and expenses), and shall pay any settlement amounts or damages finally awarded by a court of competent jurisdiction in such AKOUSTIS Claim incurred by GCS arising out of an AKOUSTIS Claim, on the condition GCS: (i) promptly notifies AKOUSTIS in writing of the AKOUSTIS Claim, (ii) gives AKOUSTIS sole control over the defense or settlement of the AKOUSTIS Claim, and (iii) reasonably cooperates and provides available information, assistance, and authority to defend or settle the AKOUSTIS Claim.

9.3 Joint Development Works. Each party shall at its own expense cooperate with the other party in the event that an unaffiliated third party alleges that the use of Joint Development Works results in the infringement, violation, or misappropriation of that third party's Intellectual Property Rights (each an "Allegation"). Such cooperation will include without limitation, working together to analyze the Allegation, evaluating possible solutions, meeting to determine which party will take the lead in defending the Allegation if the parties decide to defend the Allegation, and sharing the burdens associated with resolving the Allegation. In making such determinations, the parties will take into consideration the source of the Intellectual Property Rights that is the subject of the Allegation.

10. LIMITATION OF LIABILITY

10.1 Disclaimer of Damages. EXCEPT FOR DAMAGES ARISING UNDER SECTIONS 7, 8, OR 9, AND TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW, IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES (INCLUDING WITHOUT LIMITATION, LOSS OF PROFITS, REVENUE, GOODWILL, USE, DATA, OR OTHER ECONOMIC ADVANTAGE) RESULTING FROM, ARISING OUT OF, OR IN CONNECTION WITH EITHER PARTY'S PERFORMANCE OR FAILURE TO PERFORM UNDER THIS AGREEMENT, WHETHER IN BREACH OF CONTRACT, BREACH OF WARRANTY, IN TORT (INCLUDING NEGLIGENCE), OR OTHER LEGAL OR EQUITABLE THEORY. The limitations set forth in this Section 10 apply even if the party has been advised of the possibility of such damages. Further, liability for damages is limited and excluded as set forth in this Section 10 even if any exclusive remedy provided in this Agreement fails of its essential purpose.

10.2 Limitation. Except for damages arising under Sections 7, 8, or 9, and damages for any claim arising out of either party's unauthorized use of the other party's Intellectual Property Rights or Trademarks or otherwise provided under a SOW, and unless otherwise required by law, a party's total aggregate liability (including in respect of all losses, damages, costs, expenses and interests suffered or incurred) for any claim or claims arising out of or relating to this Agreement shall be limited to USD $1,000.

11. TERM AND TERMINATION

11.1 Development Agreement Term. Unless otherwise terminated as described in this Development Agreement, this Development Agreement shall commence on the Effective Date and be in full force for five (5) years from that date. This period is the "**Term**". Notwithstanding the foregoing, unless otherwise agreed to by the parties prior to expiration, this Development Agreement terminates immediately, without further notice or action, when all SOWs governed by this Development Agreement terminate or expire.

11.2 SOW Term. Each SOW will specify the date on which it begins and continue until the earliest of the date that (a) the development work described in that SOW is fully completed, (b) the parties mutually agree that the project under that SOW is no longer worth pursuing, or (c) a party terminates that SOW according to that SOW's termination provisions.

11.3 Termination Without Cause. Unless otherwise provided under a SOW, either party may terminate this Development Agreement, one or more SOWs, or any combination of the preceding, with or without cause, by giving the other party ninety (90) days' prior written notice.

11.4 Termination for Breach. If either party fails to comply with any material term of this Development Agreement, the other party may terminate this Development Agreement with thirty (30) days' written notice to the breaching party specifying any such breach, unless the breaching party remedies all the specified breaches within that thirty-day period. If either party fails to materially comply with an SOW, the other party may terminate that SOW with thirty (30) days' written notice to the breaching party specifying any such breach, unless the breaching party remedies all the specified breaches within that thirty-day period. "Material term" includes without limitation, the obligations described in Section 7.

11.5 Insolvency. Either party may immediately terminate this Development Agreement, one or more SOWs, or any combination of the preceding with written notice to the other party if: (i) the other party becomes the subject of a voluntary or involuntary petition in bankruptcy or any proceedings relating to insolvency, receivership, liquidation, or composition for the benefit of creditors that are not dismissed with prejudice within sixty (60) days of the initial filing associated with such petition or proceeding, (ii) the other party makes an assignment for the benefit of creditors, or (iii) the other party is insolvent or unable to pay its debts as they mature in the ordinary course of business.

11.6 Change of Control. Despite any other term in this Agreement, each party reserves the right to terminate this Development Agreement, one or more SOWs, or any combination of the preceding in writing if:

(a) the other party undergoes a Change of Control;

(b) the other party acquires or merges with a third party who is engaged in either the semiconductor integrated circuit business (in the case where the other party is AKOUSTIS) (in the case of a termination by GCS) or acoustic resonator business (in the case where the other party is GCS) (in the case of a termination by AKOUSTIS);

(c) provided that under this Section, the terminating party provides a thirty (30) day written notification to the other party that must consent to such termination, which cannot be unreasonably withheld.

11.7 Effect of Termination.

(a) Upon termination or expiration of an SOW, the parties will promptly: (i) provide to each other any Joint Development Works resulting from development activities under that SOW not previously provided to each other, to the extent necessary to comply with Section 4.2, and (ii) return to each other, according to Section 7, all of the other party's Background Technology provided for the purposes of that SOW.

(b) Upon termination or expiration of this Development Agreement and the termination or expiration of all SOWs, the parties will promptly: (i) provide to each other any Joint Development Works resulting from development activities under this Agreement not previously provided to each other, to the extent necessary to comply with Section 4.2, and (ii) return to each other, according to Section 7, all of the other party's Background Technology provided for the purposes of this Agreement.

(c) Mere termination or expiration of this Development Agreement does not cause any SOW to terminate. However, termination or expiration of this Development Agreement means that no additional SOW may be executed.

(d) Mere termination or expiration of any SOW does not cause any other SOW or this Development Agreement to expire or terminate.

11.8 Survival. Along with all definitions established in this Agreement, the following Sections survive any termination or expiration of this Agreement: Sections: 1, 2, 3.1, 4.5, 5, 6, 7, 8, 9, 10, 11.7, 11.8, and 12.

12. MISCELLANEOUS

12.1 Controlling Law and Jurisdiction. The laws of the state of California, U.S.A.

12.2 Assignability. Neither party may assign or otherwise transfer any of its rights or obligations under this Agreement, whether by operation of law or otherwise, without prior written notice to the other party, which shall not be unreasonably denied. Any attempt to make an assignment or transfer in violation of this Section 12.2 will be void. This Agreement will inure to the benefit of and be binding upon any permitted successor or assign.

12.3 Severability and Waiver. If any part of this Agreement is found to be invalid or unenforceable, the remainder of this Agreement continues in effect and will be construed in all respects as if such invalid or unenforceable part were omitted. A party does not create a continuing waiver or any expectation of nonenforcement or delay by providing an express waiver to any default or breach of this Agreement or failing to promptly exercise any right under this Agreement.

12.4 Entire Agreement. This Agreement constitutes the entire understanding and agreement between the parties with respect to its subject matter and supersedes and replaces all prior or contemporaneous understandings, agreements, discussions and negotiations, whether oral or written, regarding the same subject matter. No addition, modification or alteration of this Agreement is effective unless reduced to writing and signed by both parties.

12.5 Non-solicitation. During the Term and for one (1) year following any termination or expiration of this Agreement, neither party shall, either directly or have done on their behalf, recruit for purposes of hiring or engaging in business or solicit any employee of the other party who is working or has worked on activities covered by this Agreement, to leave the other party or to work for any other employer. However, neither party is in breach of this Section 12.5 with respect to any action taken toward an employee of the other party that (i) occurs after that employee approached the party under their own initiative without engagement by or on behalf of the party and (ii) takes place outside of the premises and without using the facilities of the other party.

12.6 Export Laws. Each party agrees to take all appropriate measures to comply with all applicable export control regulations, including without limitation, obtaining necessary export or re-export licenses, such as U.S. export laws, the U.S. International Traffic in Arms Regulations, embargoed countries and other laws and treaties which may be relevant through direct and indirect transfers of technology. To facilitate both GCS's and AKOUSTIS's compliance with applicable export control regulations, if any of the products, technology, data or information provided by either party are classified or listed as subject to export or re-export restrictions in the context of applicable export regulations, such party shall immediately inform the other party in writing of such export control classification identification, and if requested, will provide other relevant exportation information and documentation (e.g., copy of export licenses). Neither party shall use any product, technology, data or information furnished to it by the other party in any nuclear weapons-related activities, chemical or biological weapon activities, or missile activities.

12.7 Notice. All notices, requests, consents and other communications, which are required or permitted under this Agreement, shall be in writing ("**Notices**"). All Notices will be effective (i) upon delivery if delivered in person, mail, or other recognized national or international express courier and confirmed by receipt of delivery or (ii) when sent by email as confirmed by the receiving party's electronic records. To be effective, a party must provide the other party with Notice by a recognized national or international express courier with respect to all Notices under Sections 9 and 11. Notices will be addressed as set forth below or to such other address that is designated in a written Notice conforming to this Section 12.7 by the party to receive Notice.

To AKOUSTIS, INC.:
10602-C Bailey Road
Cornelius, NC 28031

Attn: Jeffrey Shealy

cc: Richard T. Ogawa
OGAWA p.c.
313 Bryant Court
Palo Alto, CA 94301

To Global Communication
Semiconductors, LLC.:
23155 Kashiwa Court,
Torrance, California 90505

Attn: Wing Yau

12.8 Equitable Relief. Any material breach of this Agreement (including without limitation any breach of Sections 5.3 or 7 or 9) could cause irreparable harm and significant injury that monetary damages may be inadequate to remedy. Accordingly, the parties agrees that upon their material breach, the other party may be entitled to injunctive or equitable relief in any court of competent jurisdiction in addition to all other rights and remedies available at law or in equity.

12.9 Relationship of Parties. The parties are independent contractors under this Agreement and no other relationship is intended. Nothing contained herein shall be construed to imply any partnership, franchise, joint venture, agency, employer/employee, fiduciary, master/servant relationship, or other special relationship. Neither party shall have any right, power or authority to create any obligation, express or implied, on behalf of the other in connection with the performance hereunder, and neither party shall act in a manner which expresses or implies a relationship other than that of independent contractor, nor bind the other party. This Agreement does not obligate either party to enter into any further agreement or business transaction with the other party or any other entity.

12.10 Independent Development. Nothing in this Agreement prevents either party from independently pursuing or engaging others to pursue the same or similar business opportunities or technology development as long as such activities do not violate this Agreement.

12.11 Force Majeure. Neither party shall be liable for its failure to perform its obligations under this Agreement or for delay in such performance, to the extent that such failure or delay is due to events beyond its reasonable control including, but not limited to, strikes, riots, wars, fire, acts of God, acts of terror, and acts in compliance with any applicable law, regulation, or order of any governmental body.

12.12 Foundry Agreement. Upon successful completion of SOW 1, the parties shall fulfill the obligations under a definitive foundry agreement, which has been attached in Exhibit C. For avoidance of doubt, the parties can negotiate the terms of the agreement before its execution.

12.13 Miscellaneous. The captions and headings appearing in this Agreement are for reference only and will not be considered in construing this Agreement. This Agreement may be executed in counterparts, each of which is considered an original as against any party who has signed the counterpart, and all of which constitute one agreement. Any and all rights and remedies of a party conferred under this Agreement upon the other party's breach of, or default under, this Agreement are cumulative with and not exclusive of any other right or remedy at law, in equity, or conferred by this Agreement. A party's exercise of any one right or remedy does not preclude the exercise of any other. This Agreement represents a negotiated Agreement between the parties, with the advice and assistance of counsel, and shall not be construed against either party as the drafter of the Agreement.

Signed:

AKOUSTIS, INC.		Global Communication Semiconductors, LLC	
By:	/s/ Jeffrey B. Shealy	By:	Brian Ann
Name:	Jeffrey B. Shealy	Name:	Brian Ann
Title:	President & CEO	Title:	President & CEO
Date:	February 27, 2015	Date:	February 27, 2015

Exhibit 10.14

FOUNDRY AGREEMENT

This Foundry (Manufacturing) Agreement (this "Agreement") is made this 27th day of February, 2015 between AKOUSTIS, INC., a Delaware corporation, and its affiliates ("AKOUSTIS") and Global Communication Semiconductors, LLC, a California limited liability company ("GCS") and is effective upon the Effective Date, collectively as "Parties" or singly as "Party."

RECITALS

GCS is a leading company having a certain foundry capability for manufacturing communication devices;

AKOUSTIS is a leading development and product company having a proprietary communication product, related technology, and intellectual property rights;

GCS and AKOUSTIS has entered into a certain Joint Development Agreement to development a certain communication product to be manufactured under this Agreement where GCS will provide foundry services to manufacture a certain communication product for ACOUSTIS.

AGREEMENT

In consideration of the foregoing and the agreements contained herein, the Parties agree as follows:

1. Definitions. For purposes of this Agreement, including exhibits hereto, the following terms shall have the following meanings:

"Background Intellectual Property" means all information (including without limitation, processes, methods, techniques, designs, structures, applications, software, and specifications) that is owned, controlled, licensed, developed, or acquired solely outside the performance of this Agreement by a Party or on behalf of that Party by an entity other than the other Party, and that is disclosed to the other Party under this Agreement during the Term as of the Effective Date to facilitate activities under this Agreement.

"Development Support" shall mean services that may be provided by GCS within the scope of this Agreement.

"Effective Date" shall mean a mutually agreed upon date listed in Exhibit A no later than the successful completion of a "Production Qualified Process" in the initial statement of Work under the Joint Development Agreement.

"Foreground Intellectual Property" means any and all inventions, discoveries, works of authorship, know-how, drawings, technical information, data, documentation, specifications, and all other information, regardless of the state of completion, that are conceived or reduced to practice by or on behalf of the Parties, acting independently or jointly, during the course of their performance under this Agreement during the Term as of the Effective Date, expressly excluding all Background Intellectual Property. Notwithstanding the above, any and all Foreground Intellectual Property related to Single-Crystal BAW Filter Products or Technology, as defined below, shall be exclusively owned by AKOUSTIS.

"Inventory" shall mean raw materials and supplies necessary for the manufacture of Products pursuant to this Agreement.

"Intellectual Property" shall mean all rights held by either Party in the Products and in its Confidential Information, including, but not limited to, all Intellectual Property Rights therein and thereto as of the Effective Date.

"Intellectual Property Rights" shall mean any and all rights, title and interest in any patents, patent rights, copyrights, mask work rights, moral rights, rights of publicity, goodwill, trade secret rights and other intellectual property rights (whether patentable or not in any country), as may now exist or hereafter come into existence, and all applications therefor and registrations, renewals and extensions thereof, under the laws of any state, country, territory or other jurisdiction.

a. "AKOUSTIS Design" shall mean a certain proprietary communication product design, integration, and process exclusively owned by AKOUSTIS, and includes, but is not limited to, all technology, process and product improvements, and Intellectual Property that relates to the development and manufacturing of the Product, and/or Single-Crystal BAW Filter Products or Technology. "Single-Crystal BAW Filter Products or Technology" shall mean acoustic wave piezoelectric raw materials, wafers, resonators or BAW filters where a piezoelectric material is characterized by X-ray diffraction with clear peak at a detector angle (2-θ) associated with single crystal film and whose Full Width Half Maximum (FWHM) is measured to be less than 1.0°, or where a piezoelectric material is produced using any and all techniques, excluding a thin film piezoelectric material deposited directly on the resonator metal electrode without use of any single crystal seed layer or wafer material.

b. "GCS Process" shall mean a certain proprietary process owned by GCS for manufacturing the Products for AKOUSTIS.

"Products" shall mean certain wafer manufactured by GCS using the GCS Process with the AKOUSTIS Design pursuant to this Agreement, as set forth on Exhibit B attached hereto.

"Purchase Orders" shall mean written documents that may specify: (1) Product part number or description; (2) requested delivery dates; (3) applicable price; (4) quantity; (5) location to which the Product is to be shipped; and (6) location to which invoices will be sent for payment. All Purchase Orders for Development Support or Products shall be governed exclusively by the terms and conditions set forth in this Foundry Agreement; no additional or conflicting terms on Purchase Orders will apply unless specifically agreed to in writing by the Parties.

2. Development Support.

2.1 Proposal Activities. AKOUSTIS may request proposals for Development Support under this Agreement. All proposal activities undertaken within the scope of this Agreement are voluntary and determined independently by each Party to be in its own best interest and this Agreement is not intended by the Parties to constitute or create a contractual obligation to perform work for which either Party recovers costs indirectly, such as through bid and proposal (B&P) funding.

2.2 Purchase Orders. AKOUSTIS may issue Purchase Orders for any Development Support to be performed under this Agreement in accordance with a proposal.

3. Manufacture and Supply of Products.

3.1 Agreement to Manufacture. GCS shall manufacture, test, and deliver Products pursuant to Purchase Orders or change to Purchase Orders issued by AKOUSTIS. This Agreement shall not constitute a requirements contract and AKOUSTIS shall not be obligated to order Products from GCS. GCS will not place its name or any other marking not approved by AKOUSTIS anywhere on the Products or their respective packaging material, except to designate the origin of the Products, if any, which are required by law.

3.2 Forecasts. GCS shall supply Products on the delivery dates requested by AKOUSTIS provided the delivery dates conform to the agreed Product lead times and AKOUSTIS forecasts set forth herein. On the tenth (10th) day of each month, AKOUSTIS shall provide GCS with a rolling forecast in writing (the "Forecast") of AKOUSTIS's estimated aggregate purchase requirements of Product for the subsequent twelve-month period. Such Forecast shall not be legally binding on AKOUSTIS, but shall be prepared in good faith and shall represent AKOUSTIS's reasonable expectation of its aggregate purchase requirements of Product from GCS for such period. GCS shall use its best efforts to supply the number of Products set forth in the Forecast plus an additional amount equal to fifteen percent (15%) of the Forecast amount. If the Forecast exceeds GCS's manufacturing capacity, GCS reserves the right to reject the Forecast and notify AKOUSTIS in writing of the available capacity within seven business days.

3.3 Purchase Orders. GCS shall accept or reject all Purchase Orders from AKOUSTIS and provide written acknowledgement of the same to AKOUSTIS within seven business days of receipt thereof. Any Purchase Order not rejected by GCS within seven business days of receipt thereof shall be deemed accepted. GCS shall use its best efforts to comply with any shorter delivery times requested by AKOUSTIS from time to time in any Purchase Order.

3.4 Engineering Changes. AKOUSTIS may request at any time, in writing, that GCS incorporate an engineering change into the Product within the scope of the Agreement. Such request will include a description of the proposed change sufficient to permit GCS to evaluate its feasibility. GCS's evaluation shall be in writing and shall state the impact on delivery schedule and expected cost. GCS will not be obligated to proceed with the engineering change until the Parties have agreed in good faith on the changes to the Specifications, Delivery Dates and pricing and upon the costs to be paid by AKOUSTIS, including reassembly, retooling or cost of Inventory on-hand and on-order that becomes obsolete, and the change is documented in the Purchase Order signed by authorized representatives of both Parties.

3.5 Delivery. Delivery terms are FCA (Incoterms 2000) GCS's facility or other mutually agreed upon location and terms. All Products shall be packed for shipment in accordance with AKOUSTIS's specifications, marked for shipment to AKOUSTIS's destination specified in the applicable Purchase Order and delivered to a carrier or forwarding agent by the Delivery Date. Title will pass to AKOUSTIS when Seller places Product at the disposal of AKOUSTIS at GCS's facility or other mutually agreed upon geographic location.

3.6 Cancellation and Rescheduling. AKOUSTIS may reschedule any Purchase Order, without penalty, at least fifteen (15) days before the scheduled Delivery Date. AKOUSTIS may cancel any Purchase Order at any time. However if AKOUSTIS cancels a Purchase Order before the Delivery Date, AKOUSTIS shall pay GCS for the Products in the Purchase Order, unless such Products have not been manufactured in whole or part.

3.7 Inspection and Acceptance. The Products delivered by GCS will be inspected and tested as required by AKOUSTIS within thirty (30) calendar days after delivery (the "Acceptance Period"). AKOUSTIS may notify GCS, in writing whether or not such delivery is accepted or rejected. If Products are rejected, AKOUSTIS will provide GCS with written notice of rejection explaining the basis for rejection within the Acceptance Period. If no written notice is received by GCS within the Acceptance Period, such delivery shall be deemed accepted. If Products are found to be defective in material or workmanship and/or fail to meet the Specifications at the customer test site, AKOUSTIS may reject such Products during the Acceptance Period. AKOUSTIS may return rejected Products. Rejected Products will be repaired, replaced, or credited at GCS's option, and returned freight pre-paid within thirty (30) days of GCS's receipt thereof. Following initial delivery, the Party initiating the shipment will bear the risk of loss or damage to Product in transit. If GCS determines that rejection was improper, AKOUSTIS will be responsible for all expenses caused by the improper rejection.

3.8 Price. The price for Products shall be as set forth on Exhibit C hereto.

3.9 Expediting Charges. AKOUSTIS shall be responsible for any expediting charges reasonably necessary because of a change in AKOUSTIS's requirements. GCS shall obtain approval from AKOUSTIS for expediting charges prior to incurring any such charge.

3.10 Price Changes. AKOUSTIS and GCS will meet periodically to review pricing and determine whether to amend Product prices for future Purchase Orders based on cost reductions achieved and market conditions.

3.11 Change of Control by GCS and Last Purchase: In the event that GCS sells off, transfers, or causes a change of control of GCS that leads to the termination of this Agreement, AKOUSTIS shall have the right to purchase the Products under this Agreement for a period to at least twenty four (24) months prior to the change of control and GCS and/or any of any its succeeding entities shall be obligated to fulfill the sale of the Products to AKOUSTIS. AKOUSTIS's right to purchase the Products may exceed the Forecast to satisfy AKOUSTIS's requirements. GCS and/or any of its succeeding entities shall use best efforts to fulfill AKOUSTIS's requirements within a vicinity of time of the termination and after the termination of the Agreement. This Section 3.12 shall survive the termination of the Agreement.

3.12 Third Party Manufacturing Rights: In the event of a "Triggering Event" as defined below, GCS shall work with AKOUSTIS to transfer and license the GCS Process, including any and all Intellectual Property Rights therein, to a designated third party and to qualify (collectively "Process Transfer") the designated third party or other manufacturing site, whether owned by a third party or under the control of AKOUSTIS ("Qualified Third Party"), as determined by AKOUSTIS. Each of GCS and AKOUSTIS agree that the Triggering Event shall include the following events: (a) GCS cannot provide sufficient manufacturing capacity to fill AKOUSTIS' customer forecast or rejects a Purchase Order evidencing the same; (b) GCS's delivery lead time is non-competitive with industry standards;(c) an AKOUSTIS customer requires a second manufacturing source; (d) GCS undergoes a Change of Control as provided in Section 3.12; (e) AKOUSTIS undergoes a Change of Control; (f) GCS decides to discontinue production of the Product in its Torrance facility; or (g) GCS's prices for the manufacture of the Product is uncompetitive. Upon mutual agreement, GCS grants any and all rights to the GCS Process and related Intellectual Property Rights to AKOUSTIS to sublicense the Qualified Third Party to make and have made, use, sell, offer to sell, import or export, make improvements or derivative works thereof or otherwise exploit the Product for AKOUSTIS. AKOUSTIS shall notify GCS in writing ("Process Notification") of its plan to transfer the GCS Process to the Qualified Third Party. Upon receiving the Process Notification, GCS shall provide any and all useful and necessary information, documents, trade secrets, travelers, tracking software, statistical information, and materials (collectively "Process Know-How") to enable successful technology transfer, license, qualification, and manufacturing of the Product using the GCS Process. As sole consideration for the Process Transfer, AKOUSTIS, with the consent from GCS, which shall not be unreasonably denied, shall compensate GCS with only one of the following: (a) a royalty rate of 2.5% of AKOUSTIS cost for the Product or $125 per yielded wafer for Product, which ever is less, which has a five year royalty period, and thereafter becomes a fully paid up perpetual and irrevocable license right; (b) a one-time equity award of 4.5% of AKOUSTIS' total outstanding common stock on date of Process Notification, (c) or a one-time payment of $1,500,000.00 U.S. GCS's license rights granted to AKOUSTIS under the GCS Process and related Intellectual property shall be an irrevocable, perpetual, right for the same to AKOUSTIS to sublicense the Qualified Third Party on behalf of AKOUSTIS. AKOUSTIS shall reimburse GCS any reasonable out-of-pocket expenses associated with the Process Transfer. In addition, upon the Triggering Event for only (a),(c) (d) and (f) above, GCS shall be provided with production from AKOUSTIS for a period of three years with up to about 45% the first year, up to about 30% the second year and up to about 20% the third year, respectively, of AKOUSTIS production requirement following the Process Transfer provided that GCS is capable of achieving the production requirement for AKOUSTIS. This Section 3.12 shall survive the termination of the Agreement.

4. Intellectual Property.

4.1 Ownership.

(a) Background Intellectual Property. AKOUSTIS and GCS agree that each Party will retain ownership of all Intellectual Property Rights to its Background Intellectual Property conceived and/or developed by that Party outside the Agreement.

(b) Foreground Intellectual Property. Each Party will retain ownership of all Intellectual Property Rights related to its Foreground Intellectual Property developed exclusively by that Party in performance of this Foundry Agreement. GCS agrees that AKOUSTIS will own and retain ownership of all its Foreground Property related to the AKOUSTIS Design and AKOUSTIS agrees that GCS will own and retain ownership of all Foreground Intellectual Property related to the GCS Process.

(c) Other Property. AKOUSTIS and GCS agree that each Party will work together in determining the ownership interest that are not Background Intellectual Property or Foreground Intellectual Property.

4.2 Licenses.

(a) Development. During the term of and subject to the terms and condition of this Agreement and for purposes of this Agreement, AKOUSTIS grants GCS a non-exclusive, nontransferable, royalty-free license, without right to sublicense or to have made, to use AKOUSTIS's Intellectual Property as necessary to perform the Development Support pursuant to the terms and conditions of this Agreement.

(b) Manufacture AKOUSTIS. During the term of and subject to the terms and condition of this Agreement, AKOUSTIS grants GCS a non-exclusive, nontransferable, royalty-free license, without right to sublicense or to have made, to use AKOUSTIS's Intellectual Property as necessary to manufacture the Product for AKOUSTIS pursuant to the terms and conditions of this Agreement.

4.3 Reservation of Rights. AKOUSTIS reserves all rights not expressly granted in this Agreement, and no licenses are granted by AKOUSTIS to GCS under this Agreement, whether by implication, estoppel or otherwise, except as expressly set forth herein. GCS reserves all rights not expressly granted in this Agreement, and no licenses are granted by GCS to AKOUSTIS under this Agreement, whether by implication, estoppel or otherwise, except as expressly set forth herein.

5. Confidentiality.

5.1 "Confidential Information" shall mean any information that is not generally known and is disclosed by either AKOUSTIS or GCS pursuant to this Agreement, whether in oral, written, or other tangible or intangible form, that is identified as proprietary or confidential. Confidential Information also includes information disclosed orally or visually if the disclosing Party: (i) identifies it as Confidential Information before disclosure; and (ii) reduces it to written summary form and marks it as being proprietary or confidential. For 30 days from disclosure, oral or visual information will be provided the same protections as provided Confidential Information under this Agreement. Notwithstanding the above, Confidential Information shall not include information which the receiving Party can demonstrate by contemporaneous written records: (a) has become publicly known and made generally available other than through any act or omission of the receiving Party; (b) was already or becomes known by the receiving Party without restriction as to use or disclosure; (c) was obtained without restriction by the receiving Party from a third party who had a legal right to make the disclosure; (d) was released without restriction from the disclosing Party to a third party; (d) was independently developed solely by employees of the receiving Party independently of the disclosing Party's Confidential Information; or (e) is disclosed pursuant to the order or requirement of a court, administrative agency, or other governmental body; provided, however, that the receiving Party shall provide prompt notice thereof to the disclosing Party to enable the disclosing Party to seek a protective order or otherwise prevent or restrict such disclosure and, if the disclosing Party requests, the receiving Party will cooperate in all reasonable respects to contest the disclosure, or obtain a protective order or other remedy.

5.2 Confidentiality. Both Parties will protect all Confidential Information using the same degree of care it uses to protect its own Confidential Information, but in no event less than a reasonable degree of care, for ten (10) years from the expiration or termination date of this Agreement, unless the Confidential Information is a trade secret in which case the obligation for confidentiality is perpetual. Neither Party shall use or disclose such Confidential Information except as necessary to exercise its rights or perform its obligations under this Agreement. A Party may disclose Confidential Information only to its employees and contract employees who are instructed of the foregoing, who are required to have such information in order for that Party to carry out the transactions contemplated by this Agreement and who have signed agreements with confidentiality terms at least as restrictive as the obligations under this Section 7. Both AKOUSTIS and GCS shall use the same degree of care it uses to protect its own Confidential Information, but no less than a reasonable degree of care, to prevent any unauthorized use or disclosure of the Confidential Information and shall notify the other Party of any such unauthorized use or disclosure, whether actual or suspected. Neither Party shall be liable for inadvertent disclosure or use, provided that upon discovery of any inadvertent disclosure or use, the receiving Party notifies the original disclosing Party promptly, and endeavors to prevent any further inadvertent disclosure or use.

5.3 Impermissible Uses. Except as authorized in this Agreement, the receiving Party will not use or disclose the disclosing Party's Proprietary Information, in whole or in part, for any purpose, including but not limited to: (A) to manufacture itself or to enable the manufacture by any third party of the disclosing Party's products, products similar thereto, or products derived therefrom, without the prior express written consent of the disclosing Party; (B) decompile, disassemble, decode, reproduce, redesign, reverse engineer any products or equipment of the disclosing Party or any part thereof; (C) perform any services, including services relating to the products or equipment of the disclosing Party; or (D) deliver under a contract or make subject to a "rights in data" clause or equivalent clause.

5.4 Equitable Remedy. Both Parties acknowledges that due to the unique nature of the Confidential Information, the other Party may not have an adequate remedy in money or damages in the event of any unauthorized use or disclosure of its Confidential Information. In addition to any other remedies that may be available in law, in equity or otherwise, the disclosing Party may be entitled to obtain injunctive relief to prevent such unauthorized use or disclosure.

5.5 Return. Within 180 days after termination or expiration of this Agreement and upon request of the disclosing Party, the receiving Party shall promptly return to the disclosing Party, or destroy, all tangible items and intangible items including electronic data files, e-mail messages, simulations, etc. containing or consisting of Confidential Information or certify in writing by an authorized officer of the receiving Party the destruction of all Confidential Information.

5.6 Confidentiality of Agreement. Neither GCS nor AKOUSTIS shall be entitled to disclose the existence of this Agreement and agrees that the terms and conditions of this Agreement shall be treated as Confidential Information, unless otherwise agreed to by both Parties.

6. Representations, Warranties and Covenants.

6.1 Full Power and Authority. Each Party represents, warrants and covenants that it has full power and authority to execute this Agreement and to take all actions required by, and to perform the agreements contained in, this Agreement, and that each Party's obligations under this Agreement do not conflict with its obligations under any other agreement to which AKOUSTIS or GCS is a party.

6.2 Compliance with Laws. Each Party represents, warrants and covenants that the performance of its obligations under this Agreement complies and will comply with all applicable federal, state, local and foreign laws and regulations.

6.3 Development Support. GCS warrants that Development Support will comply with the requirements stated in the Agreement. This warranty is valid for twelve (12) months from the date the Development Support is performed. GCS's obligation and AKOUSTIS's sole remedy under this warranty is correct or re-perform defective Development Support, at GCS's election, if AKOUSTIS notifies GCS in writing of defective Development Support within the warranty period. All Development Services corrected or re-performed are warranted for the remainder of the warranty period. THESE WARRANTIES ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, WHETHER WRITTEN, EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR PARTICULAR PURPOSE. IN NO EVENT WILL GCS BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL, SPECIAL, OR INDIRECT DAMAGES, EVEN IF INFORMED OF THE POSSIBILITY OF SUCH DAMAGES AND NOTWITHSTANDING THE FAILURE OF THE ESSENTIAL PURPOSE OF ANY LIMITED REMEDY. NO EXTENSION OF THIS WARRANTY WILL BE BINDING UPON GCS UNLESS SET FORTH IN WRITING AND SIGNED BY GCS'S AUTHORIZED REPRESENTATIVE.

6.4 Manufacturing. GCS warrants that at time of shipment to AKOUSTIS its Products will comply with applicable GCS drawings and will be free from defects in workmanship and material. These warranties run to the AKOUSTIS, its successors, assigns, and customers. This warranty is valid for one (1) year after shipment of the Products unless otherwise agreed by the Parties.

AKOUSTIS must notify GCS in writing of any Nonconformance within 30 days after discovery and return the Product to GCS's designated facility within 10 days after receipt of GCS's issued Return Material Authorization number.

GCS's obligation and AKOUSTIS's sole remedy under this warranty is repair, replacement, or credit at GCS's election, of any Nonconforming Product. All Products repaired or replaced will be warranted only for the unexpired portion of the original warranty period.

GCS assumes round trip shipping costs for Nonconforming Products in an amount not to exceed normal surface shipping charges to and from GCS's nearest warranty repair facility for such Products. The Party initiating transportation will bear the risk of loss or damage to Products in transit. If GCS reasonably determines, after analysis of the returned Product, that a Nonconformance does not exist, then AKOUSTIS will pay all expenses related to the improper return including, but not limited to, analysis and shipping charges.

GCS will not be liable under this warranty if the Product has been exposed or subjected to any: a) maintenance, repair, installation, handling, packaging, transportation, storage, operation or use which is improper or otherwise not in compliance with GCS's instruction; b) alteration, modification or repair by anyone other than GCS or those specifically authorized by GCS; c) accident, contamination, foreign object damage, abuse, neglect or negligence after shipment to AKOUSTIS; d) damage caused by failure of a GCS supplied product not under warranty or by any hardware or software not supplied by GCS; e) use of counterfeit or replacement parts that are neither manufactured nor approved by GCS for use in GCS's manufactured Products; f) Products which are normally consumed in operation or which have a normal life inherently shorter than the foregoing warranty period including, but not limited to, consumables (e.g. flashtubes, lamps, batteries, storage capacitors); or g) is a Product that is a prototype (non-production) product including PODs, EMs, Evaluation Kits, etc.

THESE WARRANTIES ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, WHETHER WRITTEN, EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR PARTICULAR PURPOSE. IN NO EVENT WILL GCS BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL, SPECIAL, OR INDIRECT DAMAGES, EVEN IF INFORMED OF THE POSSIBILITY OF SUCH DAMAGES AND NOTWITHSTANDING THE FAILURE OF THE ESSENTIAL PURPOSE OF ANY LIMITED REMEDY. NO EXTENSION OF THESE WARRANTIES WILL BE BINDING UPON GCS UNLESS SET FORTH IN WRITING AND SIGNED BY GCS'S AUTHORIZED REPRESENTATIVE.

7 . Indemnification. GCS will defend AKOUSTIS against any claim, cause of action, assertion, or suit (collectively "Claim") arising out of any actual or alleged patent or copyright infringement of a patent, trademark, trade secret, copyright, or other third party obligation to the extent based on the GCS Process provided for the Product as manufactured by GCS, and indemnify for any judgment assessed against AKOUSTIS resulting from such suit provided that AKOUSTIS notifies GCS at such time as it is apprised of the third-party claim, and agrees to give sole and complete authority, information and assistance (at GCS's expense) for the defense and disposition of the claim, subject to approval by AKOUSTIS. Notwithstanding the above, GCS shall not be responsible for any settlement made on behalf of GCS by AKOUSTIS without GCS's consent, which shall not be unreasonably denied.

GCS will have no obligation or liability with respect to: (a) Products provided pursuant to AKOUSTIS's designs, drawings or manufacturing specifications (collectively the AKOUSTIS Design); (b) Products used other than for their ordinary purpose that leads to the Claim; (c) claims of infringement resulting from combining any Product furnished hereunder with any article not furnished by GCS that leads to the Claim; or (d) any modification of the Product other than a modification by GCS that leads to the Claim.

Further, AKOUSTIS agrees to indemnify and defend GCS for infringement claims based on the AKOUSTIS Design to the same extent and subject to the same restrictions set forth in GCS's obligations to AKOUSTIS as set forth in this "Indemnification" section for any suit against GCS based upon a claim of infringement resulting from (a), (b), (c), or (d) of the preceding paragraph.

Each of GCS and AKOUSTIS shall be responsible for its own attorney fees or legal costs for each of the Claims.

If a claim is made or if GCS believes that a claim is likely based on GCS's manufacturing of the Product or performance under this Agreement, GCS may, upon the express written approval by AKOUSTIS, and at GCS's sole expense, (i) procure for AKOUSTIS the right to continue using the manufacturing process for the Product; (ii) replace or modify its manufacturing process so that it becomes non-infringing; or (iii) accept return of the Product so manufactured or terminate AKOUSTIS's license to use the infringing Product and grant AKOUSTIS a credit for the purchase price or license fee paid for such Product.

Any liability of GCS or AKOUSTIS under this "Indemnification" is subject to the provisions of the "Limitation of Liability" section of this Agreement.

This "Indemnification" section states the Parties' entire liability, sole recourse and their exclusive remedies with respect to infringement. All other warranties against infringement of any intellectual property rights, statutory, express or implied are hereby disclaimed.

8. Term and Termination.

8.1 Term. This Agreement shall become effective on the date of this Agreement and shall continue for a period of five (5) years; this Agreement shall be extended automatically for one additional year, unless within one hundred and eighty (180) days prior to the end of the initial term a Party gives written notice to the other Party of its intention to terminate the Agreement.

8.2 Termination for Cause. Either Party may cancel this Agreement at any time if the other Party materially breaches any term hereof and fails to cure such breach within ninety (90) days after notice of such breach, the other Party fails to make any payment required to be made under a purchase order when due, and fails to remedy the breach within thirty (30) calendar days after receipt of written notice or non-payment, or if the other Party shall be or becomes insolvent, or if either Party makes an assignment for the benefit of creditors, or if there are instituted by or against either Party proceedings in bankruptcy or under any insolvency or similar law or for reorganization, receivership or dissolution, which proceedings if involuntary are not dismissed within sixty (60) days of filing thereof.

8.3 Survival. All provisions of this Agreement which by nature should apply beyond the term of this Agreement including, but not limited to the "Duties and Taxes", "Intellectual Property", "Confidentiality", "Indemnification", "Limitation of Liability", "Governing Law; Jurisdiction", "Disputes, Dispute Resolution" clauses and other expressly indicated clauses shall survive any termination or expiration of this Agreement. All other rights, licenses and obligations of the Parties shall cease upon termination or expiration of this Agreement, unless extended by written agreement of the Parties.

8.4 Termination Liability. Termination does not affect any debt, claim, or cause of action accruing to any Party against the other before the termination. The rights of termination provided in Section 8.2 are not exclusive of other remedies that either Party may be entitled to under this Agreement or in law or equity.

9. LIMITATION OF LIABILITY. IN NO EVENT WILL EITHER PARTY BE LIABLE FOR ANY INCIDENTAL DAMAGES, CONSEQUENTIAL DAMAGES, SPECIAL DAMAGES, INDIRECT DAMAGES, LOSS OF PROFITS, LOSS OF REVENUES, OR LOSS OF USE, EVEN IF INFORMED OF THE POSSIBILITY OF SUCH DAMAGES. A PARTY'S LIABILITY FOR DAMAGES ARISING OUT OF OR RELATED TO THIS AGREEMENT IS LIMITED TO THE CONTRACT PRICE FOR THE SPECIFIC PRODUCT OR SERVICE THAT GIVES RISE TO THE CLAIM. TO THE EXTENT PERMITTED BY APPLICABLE LAW, THESE LIMITATIONS AND EXCLUSIONS WILL APPLY REGARDLESS OF WHETHER LIABILITY ARISES FROM BREACH OF CONTRACT, WARRANTY, TORT (INCLUDING BUT NOT LIMITED TO NEGLIGENCE), BY OPERATION OF LAW, OR OTHERWISE.

10. Miscellaneous.

10.1 Payment Terms. Payment terms are pay in advance. All payments will be in lawful U.S. currency.

10.2 Duties and Taxes. All prices are exclusive of all taxes, including, but not limited to federal, state and local excise, sales, use, value-added and other similar duties and taxes, and AKOUSTIS shall be responsible for all such items. If GCS is required to impose, levy, collect, withhold or assess any such taxes, duties or charges on any transaction, then in addition to the purchase price, GCS will invoice AKOUSTIS for such taxes, duties, and charges unless at the time of order placement AKOUSTIS furnishes GCS with a valid and complete exemption certificate or other documentation sufficient to verify exemption from such taxes, duties or charges.

10.3 Amendments and Waivers. Any term of this Agreement may be amended or waived only with the written consent of the Parties or their respective successors and assigns. The failure of either Party to enforce at any time any of the provisions of this Agreement will not be construed to be a continuing waiver of any provisions of this Agreement without such written consent. Any amendment or waiver effected in accordance with this Section shall be binding upon the Parties and their respective successors and assigns.

10.4 Assignment. Neither Party will assign any rights or obligations under this Agreement without the advance written consent of the other Party, which consent will not be unreasonably withheld. Either AKOUSTIS or GCS may assign or transfer this Agreement to any successor by way of merger, acquisition or sale of all or substantially all of the assets relating to this Agreement. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their successors and permitted assigns. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the Parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement. Any attempt to assign or delegate in violation of this clause will be void.

10.5 Governing Law; Jurisdiction. This Agreement and all acts and transactions pursuant hereto and the rights and obligations of the Parties hereto shall be governed, construed and interpreted in accordance with the laws of the State of California, U.S.A.

10.6 Notices. Any notice required or permitted by this Agreement shall be in writing and shall be deemed sufficient upon receipt, when delivered personally or by courier, overnight delivery service or confirmed facsimile, or forty-eight (48) hours after being deposited in the regular mail as certified or registered mail (airmail if sent internationally) with postage prepaid, if such notice is addressed to the Party to be notified at such Party's address or facsimile number as set forth below, or as subsequently modified by written notice.

FOR AKOUSTIS:
Akoustis, Inc.
10602-C Bailey Road, Cornelius, NC 28031
Attn: Jeffrey Shealy

cc: Richard T. Ogawa
OGAWA p.c.
313 Bryant Court
Palo Alto, CA 94301

FOR GCS:
Global Communication Semiconductors, LLC.
23155 Kashiwa Court, Torrance, California 90505
Attn: Wing Yau

10.7 Severability. If one or more provisions of this Agreement are held to be unenforceable under applicable law, the Parties agree to renegotiate such provision in good faith, in order to maintain the economic position enjoyed by each Party as close as possible to that under the provision rendered unenforceable. In the event that the Parties cannot reach a mutually agreeable and enforceable replacement for such provision, then (i) such provision shall be excluded from this Agreement, (ii) the balance of the Agreement shall be interpreted as if such provision were so excluded and (iii) the balance of the Agreement shall be enforceable in accordance with its terms.

10.8 Export. AKOUSTIS is responsible for compliance with all import and export control laws and regulations. AKOUSTIS must obtain at its sole cost and expense all import, export, and re-export approvals and licenses required for Products, transfers, services and technical data delivered and will retain documentation evidencing compliance with those laws and regulations.

GCS will not be liable to AKOUSTIS for any failure to provide Products, services, transfers or technical data as a result of government actions that impact GCS's ability to perform, including:

(1) The failure to provide or the cancellation of export or re-export licenses;

(2) Any subsequent interpretation of applicable import, transfer, export or re-export law or regulation after the date of any order or commitment that has a material adverse effect on GCS's performance; or

(3) Delays due to AKOUSTIS’s failure to follow applicable import, export, transfer, or re-export laws and regulations.

If AKOUSTIS designates the freight forwarder for export shipments from the United States, then AKOUSTIS's freight forwarder will export on AKOUSTIS's behalf and AKOUSTIS will be responsible for any failure of AKOUSTIS's freight forwarder to comply with all applicable export requirements. GCS will provide AKOUSTIS's designated freight forwarder with required commodity information.

10.9 Entire Agreement. This Agreement and all exhibits hereto are the product of both of the Parties hereto, and constitutes the entire agreement between such Parties pertaining to the subject matter hereof, and merges all prior negotiations and drafts of the Parties with regard to the transactions contemplated herein. Any and all other written or oral agreements existing between the Parties hereto regarding such transactions are expressly canceled.

10.10 Independent Contractors. The relationship of GCS and AKOUSTIS established by this Agreement is that of independent contractors, and nothing contained in this Agreement will be construed (i) to give either Party the power to direct and control the day-to-day activities of the other, (ii) to constitute the Parties as partners, joint venturers, co-owners or otherwise as participants in a joint or common undertaking, or (iii) to allow either Party to create or assume any obligation on behalf of the other for any purpose whatsoever.

10.11 Set-off. AKOUSTIS will not set off or recoup invoiced amounts or any portion thereof against sums that are due or may become due from GCS, its parents, affiliates, subsidiaries or other division or units.

10.12 Force Majeure. If the performance of this Agreement or any obligations hereunder is prevented, restricted or interfered with by reason of fire or other casualty or accident, strikes or labor disputes, war or other violence, any law, order, proclamation, regulation, ordinance, terrorism, demand or requirement of any government agency, or any other act or condition beyond the reasonable control of the Parties hereto, the Party so affected upon giving prompt notice to the other Parties shall be excused from such performance during such prevention, restriction or interference.

The Parties have executed this Agreement as of the date first set forth above.

AKOUSTIS:	MANUFACTURER:
AKOUSTIS, Inc.	**GLOBAL COMMUNICATION SEMICONDUCTORS, LLC**
By: /s/ Jeffrey B. Shealy	By: /s/ Brian Ann
Name: Jeffrey B. Shealy (print)	Name: Brian Ann (print)
Title: President & CEO	Title: President and CEO
Address:	Address:
Fax Number:	Fax Number:

Exhibit A

The Effective Date is defined by a date that is no later than 3/1/16, which is the Production Qualified Process under the Joint Development Agreement.

Exhibit B
Products

Each of the Parties shall agree on the following Products, which can be updated from time to time by mutual agreement of the Parties.

	Category	Description
1.	150-mm Processed Single Crystal Acoustic Resonator/Filter Wafer	Fully-processed resonator filter circuits containing a single crystal piezoelectric material.

Exhibit C

Product Leadtimes and Pricing

Each of the Parties shall agree on the following Product Leadtimes and Pricing, which can be updated from time to time by mutual agreement of the Parties.

Category	Leadtime	Pricing
150-mm Processed Single Crystal Acoustic Resonator/Filter Wafer	To be determined.	AKOUSTIS and GCS will negotiate production wafer level pricing which is commercially competitive versus incumbent FBAR/BAW suppliers.