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): June 30, 2010

BACTERIN INTERNATIONAL HOLDINGS, INC.

(Exact Name of Registrant as Specified in Charter)

Delaware	333-158426	20-5313323
(State or other jurisdiction of incorporation)	(Commission File Number) Identification No.)	(IRS Employer)

600 Cruiser Lane Belgrade, Montana	59714
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (406) 388-0480

K-Kitz, Incorporated
1630 Integrity Drive East, Columbus, Ohio 43209
(Former Name or Former Address, if Changed Since Last Report)

Copies to:
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The Tabor Center
1200 Seventeenth Street, Suite 2600
Denver, Colorado 80123
Tel.: (303) 572-6586
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Attn: C. Ben Huber, Esq.

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:

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

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

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

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

CURRENT REPORT ON FORM 8-K

BACTERIN INTERNATIONAL HOLDINGS, INC.

June 30, 2010

Items 1.01, 5.01, 5.02, and 5.03. Entry into a Material Definitive Agreement / Changes in Control of Registrant / Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers / Amendments to Articles of Incorporation or Bylaws;

Summary

On June 30, 2010, we completed a reverse merger transaction (the "Reverse Merger"), in which we caused Bacterin International, Inc., a Nevada corporation ("Bacterin" or the "Company"), to be merged with and into KB Merger Sub, Inc., a Nevada corporation and our newly-created, wholly-owned subsidiary ("Merger Sub"). The reverse merger was consummated under Nevada corporate law and pursuant to an Agreement and Plan of Merger, dated as of June 30, 2010 (the "Merger Agreement"), as discussed below. Concurrently with the closing of the Reverse Merger, we also completed a private placement of common stock and warrants to purchase common stock to accredited investors, and received gross proceeds of approximately $7,508,000 at the closing of the private placement.

As a result of the Reverse Merger, we are now engaged, through Bacterin, in the business of biomaterials research, development, and commercialization. Bacterin is expanding its intellectual property base and has successfully leveraged its technical expertise and knowledge of biofilms into multiple product areas. Bacterin is well positioned for future growth through established partnerships with major medical device manufacturers and provider networks, as well as through its own in-house sales force and its ongoing Bacterin product development of innovative tissue constructs and bioactive coated devices. Revenues for Bacterin come from product manufacturing, sales, distribution, licensing agreements and grants.

Before the Reverse Merger, our corporate name was K-Kitz, Inc., and our trading symbol was KKTZ.OB. On June 29, 2010, the Company changed its corporate name to "Bacterin International Holdings, Inc." which name change will become effective for trading purposes on July 1, 2010. The Company intends to request a trading symbol change to correspond with its name change at the appropriate time and in accordance with current FINRA regulations that went into effect June 1, 2010. Accordingly, the trading symbol for the Company will remain KKTZ.OB until such time as the Company moves to another market or otherwise can effect a trading symbol change through FINRA. As a result of the Reverse Merger, consummated pursuant to the Merger Agreement, Bacterin became our wholly-owned subsidiary, with the former shareholders of Bacterin acquiring 28,237,543 shares of our common stock, representing approximately 96% of our outstanding common stock prior to taking into account the issuance of any shares pursuant to the private placement.

Concurrently with the closing of the Reverse Merger, we completed an initial closing of a private placement to selected qualified investors of shares of our common stock at a purchase price of $1.60 per share and detachable warrants to purchase one-quarter share of our common stock (at an exercise price of $2.50 per share). In total, we sold 4,934,534 shares of our common stock and warrants to purchase 1,233,634 shares of common stock as part of this initial closing, and may sell up to an additional 6,268,472 shares of our common stock and warrants to purchase 1,567,118 shares of common stock to investors that participated in the initial closing, management and certain note holders until July 30, 2010, when the offering period expires. We received gross proceeds of $7,508,329 in consideration for the sale of the shares of common stock and warrants, which consisted of (i) $4,026,000 from investors in the private placement and (ii) $3,482,329 from note holders in an earlier Bacterin bridge financing who converted into the private placement at a discount to the purchase price and received warrants with a discounted exercise price, as described below.

In order to fund Bacterin's working capital and capital expenditures during the months prior to the Reverse Merger and during the offering period, Bacterin and certain placement agents conducted two bridge financings of approximately $5,250,000 in aggregate principal amount of convertible notes and warrants, of which $3,400,000 plus $82,329 in interest accrued thereon was converted into the private placement (at a discount to the per share purchase price).

Concurrently with the closing of the Reverse Merger and the private placement, we repurchased 4,319,404 shares of our common stock from one of our shareholders for aggregate consideration of $100, as well as certain other good and valuable consideration, and immediately thereafter cancelled those shares.

We are filing this current report on Form 8-K for the purpose of providing summary information regarding the Reverse Merger and the private placement. We expect to file a more complete Form 8-K setting forth the information required by Items 1.01, 2.01, 3.02, 4.01, 5.01, 5.02, 5.03, 5.06 and 9.01 of that form within the time periods permitted.

The Reverse Merger

General

At the closing of the Reverse Merger, the former shareholders of Bacterin received shares of our common stock for all of the outstanding shares of common stock of Bacterin held by them. As a result, at the closing of the Reverse Merger, we issued an aggregate of 28,237,543 shares of our common stock to the former shareholders of Bacterin. The shares issued to Bacterin's former shareholders represent approximately 96% of our outstanding shares of common stock, exclusive of 4,934,534 shares of common stock issued in the initial closing of the private placement, or approximately 82% of our outstanding shares of common stock, inclusive of such shares issued in the initial closing of the private placement. The consideration issued in the Reverse Merger was determined as a result of arm's-length negotiations between us and Bacterin.

Immediately prior to the closing of the Reverse Merger, the former shareholders of Bacterin and the note holders who participated in an earlier bridge financing conducted by Bacterin also held outstanding stock options and warrants to purchase shares of common stock of Bacterin. Pursuant to the Merger Agreement, we have agreed to issue shares of our common stock upon the exercise of these stock options and warrants in lieu of shares of Bacterin's common stock previously issuable thereunder, and, based upon the ratio used to determine the number of shares issuable to Bacterin stockholders in connection with the Reverse Merger, we are obligated upon the exercise of those stock options and warrants to issue 4,213,196 shares and 4,879,075 shares of our common stock, respectively.

To the extent any of Bacterin's former stockholders elect to exercise any dissenters rights in connection with the Reverse Merger, we will be obligated to purchase any such dissenter's shares of Bacterin common stock for "fair value" as determined immediately prior to the Reverse Merger, all in accordance with Nevada law. In addition, we will also be obligated to issue additional shares of our common stock to the non-dissenting Bacterin stockholders such that the non-dissenting stockholders would have held approximately 96% of our outstanding shares of common stock immediately upon consummation of the Reverse Merger, exclusive of any shares of our common stock issued in the private placement. Certain of Bacterin's former stockholders, who held approximately 743,940 shares of Bacterin common stock in the aggregate, provided proper notice to perfect their ability to exercise dissenters rights (or 371,970 shares of our common stock that they will receive in the Reverse Merger if they ultimately elect not to exercise such rights).

Changes Resulting from the Reverse Merger

We intend to carry on Bacterin's biomaterials business as our sole line of business. We have relocated our executive offices to those of Bacterin at 600 Cruiser Lane, Belgrade, Montana 59714. Our new telephone number is (406) 388-0480, fax number is (406) 388-1354, and corporate website is www.bacterin.com. The contents of our website are not part of this current report.

Our pre-Reverse Merger stockholders will not be required to exchange their existing K-Kitz, Inc., stock certificates for new certificates of Bacterin Holdings International, Inc. since the OTC Bulletin Board will consider our existing stock certificates as constituting "good delivery" in securities transactions subsequent to the Reverse Merger. The Nasdaq Capital Market, where we intend to apply to list our common stock for trading as soon as reasonably practicable, will also consider the submission of existing stock certificates as "good delivery." We cannot be certain that we will receive approval to list our common stock on the Nasdaq Capital Market.

Change of Board Composition and Executive Officers

Prior to the closing of the Reverse Merger and private placement, our board of directors was composed only of Jennifer Jarvis and Michael Funtjar. On June 30, 2010, concurrently with such transactions, Ms. Jarvis and Mr. Funtjar expanded the size of the board of directors to five members, and appointed Guy S. Cook, Mitchell Godfrey, and Kent Swanson to fill the vacancies created thereby. The new directors then accepted the resignations of Ms. Jarvis and Mr. Funtjar and appointed Ken Calligar and Daniel Frank to fill the two vacancies created by their resignations. Upon their appointment, the new directors further expanded the size of the board of directors to six members, and appointed Gary Simon to fill the vacancy created thereby.

Mr. Cook, Mr. Godfrey and Mr. Swanson are all former Bacterin directors. Mr. Swanson, Mr. Calligar, Mr. Frank and Mr. Simon are independent of management. All directors will hold office until the next annual meeting of stockholders and the election and qualification of their successors.

Prior to the closing of the Reverse Merger and private placement, Ms. Jarvis was our President, Chief Executive Officer, and Chief Financial Officer and Mr. Funtjar was our Secretary and Chief Operating Officer. Ms. Jarvis and Mr. Funtjar resigned from all of those offices effective on June 30, 2010.

On June 30, 2010, our board of directors named the following persons as our new executive officers: Guy S. Cook - Chairman of the Board, Chief Executive Officer and President; Mitchell Godfrey - Secretary and Treasurer; and John P. Gandolfo - - Interim Chief Financial Officer. These individuals held those same positions with Bacterin, our wholly-owned subsidiary through which we conduct our business, prior to the Reverse Merger and will continue to carry on in the same capacities with Bacterin as will Darrell Holmes - Executive Vice President of Medical Devices and Jesus Hernandez - Executive Vice President of Sales. Officers are elected annually by our board of directors and serve at the discretion of our board.

We have assumed all of such officers' current employment agreements (including intellectual property ownership provisions and restrictive covenants relating to confidential information) and they have agreed to such assumption.

Change of Stockholder Control

Except as described above under "Change of Board Composition and Executive Officers," no arrangements or understandings exist among our present or former controlling stockholders with respect to the election of persons to our board of directors and, to our knowledge, no other arrangements exist that might result in a change of control of our company. Further, as a result of our repurchase of shares from an existing stockholder and the issuance of 28,237,543 shares of common stock to the former stockholders of Bacterin, a change of stockholder control has occurred. Prior to the repurchase and the closing of the Reverse Merger, Jennifer Jarvis beneficially owned 82% of our outstanding shares of common stock. After these transactions, the former shareholders of Bacterin own approximately 96% of our outstanding shares of common stock, exclusive of shares of common stock acquired in the private placement through purchase or conversion or approximately 82% of our outstanding shares of common stock, inclusive of such shares of common stock acquired in the private placement through purchase or conversion. We are continuing as a "smaller reporting company," as defined under the Securities Exchange Act of 1934, following the exchange transaction.

Accounting Treatment

In accordance with Statement of Financial Accounting Standards No. 141, "Business Combinations," and the assumptions and adjustments described in the accompanying notes to the unaudited pro forma combined condensed financial statements, Bacterin is considered the accounting acquiror in the Reverse Merger. Because Bacterin's former shareholders as a group retained or received the larger portion of the voting rights in the combined entity and Bacterin's senior management represents all of the senior management of the combined entity, Bacterin was considered the acquiror for accounting purposes and will account for the exchange transaction as a reverse acquisition. The acquisition will be accounted for as the recapitalization of Bacterin since, at the time of the acquisition, we were a company with minimal assets and liabilities. Consequently, the assets and liabilities and the historical operations that will be reflected in the consolidated financial statements will be those of Bacterin and will be recorded at the historical cost basis of Bacterin.

Amendments to Articles of Incorporation and Bylaws

In connection with the Reverse Merger, our board of directors and stockholders have approved and we filed on June 29, 2010, an amendment to our certificate of incorporation with the Secretary of State of the State of Delaware to change our name to Bacterin International Holdings, Inc.

Prior to the Reverse Merger, we amended our by-laws to permit us to set the size of our board of directors from between one and nine directors.

Bacterin International Equity Incentive Plan

We recently adopted the Bacterin International Equity Incentive Plan, which became effective just prior to the Reverse Merger, under which 6,000,000 shares of our common stock are reserved for issuance as equity awards. The purpose of this plan is two fold. First, in connection with the Reverse Merger, we are substituting each equity award granted under the Bacterin International, Inc. 2004 Stock Incentive Plan, as most recently amended effective April 1, 2009, with a substantially similar equity award granted under our new plan (subject to proportionate adjustments to reflect the ratios used in consummating the Reverse Merger). Accordingly, of the 6,000,000 shares of our common stock that are reserved for issuance as awards under this plan, 4,213,196 have been or will be issued as substitute awards, leaving an additional 1,786,804 shares for issuance thereunder, representing approximately 13.3%,9.3% and 4%, respectively, of the fully-diluted shares of our common stock immediately following the Reverse Merger and the private placement. Second, the shares of stock remaining available for issuance under this plan will be used for attracting and retaining employees, management, directors and outside consultants, who will be granted awards at fair market value from time to time under the guidance and approval of our compensation committee or such other group as is vested by our board with the power to administer the plan, and in accordance with the terms of such equity incentive plan.

The Private Placement

Concurrently with the closing of the Reverse Merger, we completed the sale of 4,934,534 shares of our common stock and warrants to purchase an additional 1,233,634 shares of our common stock in a private placement to accredited investors in reliance upon the exemption from registration provided by Section 4(2) of the Securities Act of 1933 and Regulation D promulgated thereunder. We sold each share and warrant for an aggregate price of $1.60 per share pursuant to the terms of a subscription agreement executed and delivered by each investor on or before the closing of the private placement. Each warrant entitles the holder to purchase one-quarter share of our common stock at an exercise price of $2.50 per share for a period of five years from the date of the closing on their subscription. The form of private placement subscription agreement is filed as Exhibit 10.1 to this report. Certain Bacterin note holders also participated in the private placement by converting certain debt into shares of our common stock and warrants; however, the conversion of their debt was effected at a 10% discount to the price per share at which investors purchased securities in such private placement, being $1.44 per share, and the exercise price of the warrants they received also carried a 10% discount to the exercise price of the warrants received by new investors in such private placement, being $2.25 per share.

We received gross proceeds from the private placement of $7,508,329 from both purchases of our common stock and warrants and conversions by existing convertible note holders into such securities. Placement agents received an aggregate of $322,080 in cash fees in connection with the private placement (including the prior bridge financings) and reimbursements of their out-of-pocket expenses. In addition, the placement agents received 67,686 shares of our common stock and warrants to purchase 251,625 shares of our common stock at an exercise price of $1.60 per share.

After the closing of the Reverse Merger and the private placement, we had outstanding 34,420,359 shares of common stock. In addition, we are obligated to issue 4,213,196 shares of common stock upon the exercise of stock options held by former holders of Bacterin options, 4,879,075 shares of common stock upon the exercise of warrants held by former holders of Bacterin warrants, and 1,485,259 shares of common stock upon the exercise of warrants received by investors, including converting note holders, and placement agents in our private placement.

Following the initial closing, the private placement will remain open until July 30, 2010, subject to the earlier termination at the election of us and the placement agent. During this time period, we may close on additional subscriptions and bridge note conversions under the private placement; provided, however, that the only persons who may participate in the private placement pursuant to any subsequent closings after the initial closing are (i) investors or note holders who participate in the initial closing, (ii) members of our management, and (iii) holders of our convertible bridge notes, regardless if they participated in the initial closing, so long as the amount raised in the private placement then meets the conditions for it to constitute a “Qualified Offering” under the terms of such notes.

Lock-Up Agreements

All shares of common stock issued in the Reverse Merger to the former holders of shares in Bacterin will be considered "restricted securities" under U.S. federal securities laws and may not be resold for a period of one year after the closing date. Each of the former Bacterin shareholders who served as directors or executive officers of Bacterin as of the closing of the Reverse Merger or who have joined as members of our Board of Directors of concurrently with the consummation of the Reverse Merger (collectively, "Management"), have executed one-year a lock-up agreement with us which provide that their shares, including any shares that are now owned or are subsequently acquired by them, will not be, directly or indirectly, publicly sold, subject to a contract for sale or otherwise transferred for a period of 12 months following the Reverse Merger and the private placement; provided, however, that (a) the restrictions set forth in such lock-up agreement will not to any securities acquired by Management in the private placement and (b) Guy Cook is permitted to hypothecate, pledge and grant a security interest in up to 5,000,000 of his existing shares received from us in connection with the Reverse Merger as collateral for borrowed funds used to acquire securities in the private placement and, if such collateral is executed against, shall be permitted to assign and transfer such shares to the secured party free of any restrictions set forth therein.

Registration Rights

We have agreed to use our best efforts to file a shelf registration statement on Form S-1 with the U.S. Securities and Exchange Commission (SEC) covering the resale of all shares of common stock and all shares of common stock underlying the warrants issued in connection with the private placement (as well as up to 1,177,196 shares of our common stock held by certain of our shareholders at the time of the closing of the Reverse Merger and the shares underlying the placement agents' warrants) on or before the date which is 90 days after the closing date and use our best efforts to have such shelf registration statement declared effective by the SEC as soon as practicable thereafter, but in any event not later than 150 days after the closing date (or 180 days after the closing date in the event of a full review of the registration statement by the SEC). We are also obligated to respond to any SEC comments within a stipulated period of time after receiving any such comments and to maintain the effectiveness of the shelf registration statement from the effective date through the earlier of (a) the date on which all the investors in the private placement have completed the sales or distribution described in the registration statement relating thereto or, if earlier, until all securities covered by the registration rights agreement may be sold by the investors in the private placement under Rule 144(b)(1), and (b) the date that is 18 months following the private placement closing date. In the event the shelf registration statement is not filed with, or declared effective by, the SEC on or prior to the dates set forth above, or we fail to timely satisfy our reporting requirements, each investor in the private placement will receive cash liquidated damages equal to 1% of the purchase price for the shares of common stock and warrants acquired in the private placement for each month (or portion thereof) that the registration statement is not so filed or effective, or has failed to timely file required reports, provided that the aggregate payment as a result of the registration default will in no event exceed 12% of the purchase price for the shares of common stock and warrants.

Item 7.01. Regulation FD Disclosure.

A copy of the press release announcing the matters described in Items 1.01, 5.01, 5.02 and 5.03 above is attached as Exhibit 99.1 and incorporated herein. The information in this Item 7.01 and the document attached as Exhibit 99.1 are being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), nor incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

The exhibits listed in the following Exhibit Index are filed as part of this current report.

Exhibit No	Description
2.1	Agreement and Plan of Merger, dated as of June 30, 2010, by and among K-Kitz, Inc., KB Merger Sub, Inc. and Bacterin International, Inc.
3.1	Certificate of Incorporation, including all amendments to date
4.1	Form of Warrant to Purchase Common Stock
10.1	Form of Private Placement Subscription Agreement to purchase Shares and Warrants.
99.1	Press Release

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 thereunto duly authorized.

Date: June 30, 2010

BACTERIN INTERNATIONAL HOLDINGS, INC.

By: /s/ Guy S. Cook
Guy S. Cook
President and Chief Executive Officer

EXHIBIT 2.1

AGREEMENT AND PLAN OF MERGER

among

BACTERIN INTERNATIONAL HOLDINGS, INC., f/k/a K-KITZ, INC.

KB MERGER SUB, INC. and

BACTERIN INTERNATIONAL, INC.

June 30, 2010

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LIST OF EXHIBITS AND SCHEDULES

Exhibits

Company Disclosure Schedules

AGREEMENT AND PLAN OF MERGER

THIS AGREEMENT AND PLAN OF MERGER (this "Agreement") is made and entered into on June 30, 2010, by and among BACTERIN INTERNATIONAL HOLDINGS, INC., f/k/a K-KITZ, INC., a Delaware corporation ("Parent"), KB MERGER SUB, INC., a Nevada corporation ("Merger Sub"), which is a wholly-owned subsidiary of Parent, and BACTERIN INTERNATIONAL, INC., a Nevada corporation (the "Company").

WHEREAS, the Board of Directors of each of Parent, Merger Sub and the Company have each determined that it is fair to and in the best interests of their respective corporations and stockholders for the Company to be merged with and into the Merger Sub (the "Merger") upon the terms and subject to the conditions set forth herein;

WHEREAS, the Board of Directors of each of Merger Sub and the Company have approved the Merger in accordance with applicable Nevada law, specifically including Chapters 78 and 92A of the Nevada Revised Statutes ("Nevada Law" or "NRS"), and upon the terms and subject to the conditions set forth herein and in the Articles of Merger (the "Articles of Merger") attached as Exhibit A hereto; and the Board of Directors of Parent also has approved this Agreement and the Articles of Merger;

WHEREAS, the Company Stockholders (as such term is defined in Section 1.5(a)(ii)) of the Company have approved, in accordance with Nevada Law, the transactions contemplated and described in this Agreement and the Articles of Merger, including, without limitation, the Merger, and Parent, as the sole stockholder of Merger Sub, has approved this Agreement, the Articles of Merger and the transactions contemplated and described hereby and thereby, including, without limitation, the Merger; and

WHEREAS, simultaneously with the Closing (as such term is defined herein), (a) Parent (as it will exist as of the closing of the Merger) is selling shares of its Common Stock, par value $.000001 per share, and warrants to purchase shares of Common Stock, in a private placement (the "Private Placement") to accredited investors, pursuant to the terms of a Confidential Private Placement Memorandum, dated June __, 2010, as it may be supplemented from time to time (the "Memorandum"), for the purpose of financing the ongoing business and operations of the Surviving Corporation (as defined below) following the Merger, and (b) certain investors who purchased secured convertible promissory notes of the Company and warrants to purchase shares of capital stock (the "Bridge Notes") and certain investors who have purchased unsecured convertible promissory notes of the Company and warrants to purchase shares of capital stock (the "Mandatory Bridge Notes") are converting certain of the principal and interest outstanding under such notes into shares of Common Stock of the Parent, all in accordance with the terms of the Bridge Notes and this Agreement.

NOW, THEREFORE, in consideration of the mutual agreements and covenants hereinafter set forth, the parties hereto agree as follows:

1. The Merger.

1.1 Merger. Subject to the terms and conditions of this Agreement and the Articles of Merger, the Merger Sub shall be merged with and into the Company in accordance with Chapter 92A of the NRS. At the Effective Time (as hereinafter defined), the separate legal existence of Merger Sub shall cease, and the Company shall be the surviving corporation in the Merger (sometimes hereinafter referred to as the "Surviving Corporation") and shall continue its corporate existence under the laws of the State of Nevada under the name "Bacterin International, Inc."

1.2 Effective Time. The Merger shall become effective at the date and time of the filing of the Articles of Merger with the Secretary of State of the State of Nevada in accordance with Nevada Law. The time at which the Merger shall become effective as aforesaid is referred to hereinafter as the "Effective Time."

1.3 Articles of Incorporation, Bylaws, Directors and Executive Officers.

(a) The Articles of Incorporation of the Company, as in effect immediately prior to the Effective Time, attached as Exhibit B hereto, shall be the Articles of Incorporation of the Surviving Corporation from and after the Effective Time until further amended in accordance with applicable law.

(b) The Bylaws of the Company, as in effect immediately prior to the Effective Time, attached as Exhibit C hereto, shall be the Bylaws of the Surviving Corporation from and after the Effective Time until amended in accordance with applicable law, the Articles of Incorporation and such Bylaws.

(c) The directors and executive officers listed in Exhibit D hereto shall be the directors and executive officers of the Surviving Corporation, and each shall hold his or her respective office or offices from and after the Effective Time until his or her successor shall have been elected and qualified in accordance with applicable law, or as otherwise provided in the Articles of Incorporation or Bylaws of the Surviving Corporation.

1.4 Assets and Liabilities. At the Effective Time, the Surviving Corporation shall possess all the rights, privileges, powers and franchises of a public as well as of a private nature, and be subject to all the restrictions, disabilities and duties of each of Merger Sub and the Company (collectively, the "Constituent Corporations"); and all the rights, privileges, powers and franchises of each of the Constituent Corporations, and all property, real, personal and mixed, and all debts due to any of the constituent corporations on whatever account, as well for stock subscriptions as all other things in action or belonging to each of the Constituent Corporations, shall be vested in the Surviving Corporation; and all property, rights, privileges, powers and franchises, and all and every other interest shall be thereafter as effectively the property of the Surviving Corporation as they were of the several and respective constituent corporations, and the title to any real estate vested by deed or otherwise in either of the Constituent Corporations shall not revert or be in any way impaired by the Merger; but all rights of creditors and all liens upon any property of any of the Constituent Corporations shall be preserved unimpaired, and all debts, liabilities and duties of the Constituent Corporations shall thenceforth attach to the Surviving Corporation, and may be enforced against it to the same extent as if said debts, liabilities and duties had been incurred or contracted by it.

1.5 Manner and Basis of Converting Shares.

(a) At the Effective Time:

(i) each share of Common Stock, par value $.0001 per share, of Merger Sub that is outstanding immediately prior to the Effective Time by the sole stockholder of the Merger Sub shall, by virtue of the Merger and without any action on the part of the holder thereof, be converted into the right to receive one (1) share of Common Stock, par value $.00001 per share, of the Surviving Corporation, so that at the Effective Time, Parent shall be the holder of all of the issued and outstanding shares of the Surviving Corporation;

(ii) each share of Common Stock, par value $0.00001 per share, of the Company (the "Company Common Stock") that is outstanding immediately prior to the Effective Time by the stockholders of the Company (the "Company Stockholders"), shall, by virtue of the Merger and without any action on the part of the holders thereof, be converted into the right to receive that number of shares of Common Stock, par value $0.000001 per share, of the Parent as is determined by multiplying each share of outstanding Company Common Stock (other than any shares of Company Common Stock held in the treasury of the Company) by fifty percent (50%), all subject to the rights of holders of the shares of Company Common Stock to seek appraisal of the "fair value" thereof by following the procedures required by Nevada Law, specifically NRS §§ 92A.300 to 92A.500. No interest will be paid on any cash held pending surrender of certificates representing such shares of Company Common Stock, unless otherwise required by Nevada Law. Company Stockholders who shall have properly demanded in writing appraisal for their shares of Company Common Stock in accordance with NRS §§ 92A.300 to 92A.500 (collectively, the "Dissenting Shares") shall be entitled to receive payment of the "fair value" of such Dissenting Shares in accordance with NRS §§ 92A.300 to 92A.500, except that any Dissenting Shares held by a Company Stockholder who shall have failed to perfect or shall have effectively withdrawn or lost their rights to appraisal of such Dissenting Shares under NRS §§ 92A.300 to 92A.500 shall be deemed to have been converted, as of the Effective Time, into the right to receive the shares of Parent Common Stock that they would have received had they not attempted to exercise their dissenters rights.

(iii) each share of Company Common Stock held in the treasury of the Company immediately prior to the Effective Time shall be cancelled in the Merger and cease to exist.

(b) After the Effective Time, there shall be no further registration of transfers on the stock transfer books of the Surviving Corporation of the shares of Company Common Stock that were outstanding immediately prior to the Effective Time.

1.6 Surrender and Exchange of Certificates. Promptly after the Effective Time and upon (i) surrender of a certificate or certificates representing shares of Company Common Stock that were outstanding immediately prior to the Effective Time or delivery of an affidavit and indemnification in form reasonably acceptable to counsel for the Parent stating that such Stockholder has lost their certificate or certificates representing such Company Common Stock ("Lost Stock Certificate Affidavit") or that such certificate or certificates has or have been destroyed and (ii) delivery of a Letter of Transmittal (as described in Section 4 hereof), Parent shall issue to each record holder of the Company Common Stock surrendering such certificate or certificates (or delivering a Lost Stock Certificate Affidavit) and delivering such Letter of Transmittal, a certificate or certificates registered in the name of such Stockholder representing the number of shares of Parent Common Stock that such Stockholder shall be entitled to receive as set forth in Section 1.5(a)(ii) hereof (i.e., one-half of that number of shares of Company Common Stock represented by the certificate or certificates or Lost Stock Certificate Affidavit, as applicable). Until the certificate, certificates or affidavit is or are surrendered together with the Letter of Transmittal as contemplated by this Section 1.6 and Section 4 hereof, each certificate or Lost Stock Certificate Affidavit that immediately prior to the Effective Time represented any outstanding shares of Company Common Stock shall be deemed at and after the Effective Time to represent only the right to receive upon surrender as aforesaid the Parent Common Stock specified in Section 1.5(a)(ii) hereof for the holder thereof or to perfect any rights of appraisal which such holder may have pursuant to the applicable provisions of Nevada Law.

1.7 Parent Common Stock. Parent agrees that it will cause the Parent Common Stock into which the Company Common Stock is converted at the Effective Time pursuant to Section 1.5(a)(ii) to be available for such purpose. Parent further covenants that immediately prior to the Effective Time there will be no more than 1,180,596 shares of Parent Common Stock issued and outstanding, not including shares of Parent Common Stock that may be issued in the Private Placement or upon conversion of any Bridge Notes, and that no other common or preferred stock or equity securities or any options, warrants, rights or other agreements or instruments convertible, exchangeable or exercisable into common or preferred stock or other equity securities shall be issued or outstanding, except as described herein.

1.8 Post-Closing Adjustment. If any Company Stockholder exercises such stockholder's dissenter's rights under Nevada Law (a "Dissenting Stockholder") such that the Company is obligated to pay such stockholder the "fair value" for such Dissenting Stockholder's Dissenting Shares, Parent shall issue to the Company Stockholders (excluding all Dissenting Stockholders), on a pro rata basis, immediately after the time has expired for Company Stockholders to exercise dissenters rights, that number of shares of Parent Common Stock such that the total number of shares issued to all Company Stockholders (excluding all Dissenting Stockholders) would have equaled 96% of the total number of shares of Parent Common Stock outstanding immediately after the Merger (excluding all Dissenting Shares) but prior to any issuances of securities in the Private Placement or any conversions of Bridge Notes.

1.9 Employee Stock Options. Effective as of the Effective Time, the Parent and Company shall take all necessary action, including obtaining the consent of the individual holders of options issued under the Company's 2004 Stock Incentive Plan, as amended through the date of this Agreement (the "Company Stock Option Plan"), if necessary, to (a) issue new options under the Parent's Equity Incentive Plan (the "Substitute Options") in substitution of each outstanding option issued under the Company Stock Option Plan (the "Company Options") with such adjustments to (i) the number of shares of Parent Common Stock purchasable under such Substitute Options as is necessary for such Substitute Options to reflect the right to purchase that number of shares of Parent Common Stock that the holder thereof would have been entitled to receive if the Company Option had been exercised immediately prior to the Merger and (ii) the exercise price of such Substitute Option to reflect, on a proportionate basis, the change in the number of shares of Parent Common Stock for which the Substitute Option may be exercised, (b) cancel each Company Option, and (c) terminate the Company Stock Option Plan. Notwithstanding the foregoing, the exchange of Company Options for Substitute Options and the terms of all Substitute Options, including those reflecting any adjustments required hereby, shall comply with Section 409A of the Code.

1.10 Convertible Notes and Warrants. Effective as of the Effective Time, the Parent and Company shall take all necessary action, including obtaining the consent of the individual holders of convertible promissory notes and warrants issued by the Company prior to the Merger ("Company Notes" and "Company Warrants", respectively), if necessary, to (a) issue new convertible promissory notes and warrants of the Parent (the "Substitute Notes" and "Substitute Warrants", respectively) in substitution of the outstanding Company Notes and Company Warrants, respectively (the "Note or Warrant Exchange"), with such adjustments to (i) the number of shares of Parent Common Stock into which the Substitute Notes are convertible or that are purchasable under the Substitute Warrants as is necessary for such Substitute Notes and Substitute Warrants to reflect the right to convert into or purchase, as applicable, that number of shares of Parent Common Stock that the holder thereof would have been entitled to receive if the Company Note or Company Warrant had been converted into, or exercised for, shares of Parent Common Stock immediately prior to the Merger, and (ii) the exercise price of each Substitute Warrant to reflect, on a proportionate basis, the change in the number of shares of Parent Common Stock for which the Substitute Warrant may be exercised, and (b) cancel each Company Note and Company Warrant. To the extent that the Parent and the Company cannot effectuate the Note or Warrant Exchange described above, Parent agrees to affirmatively assume the obligations of the Company under the Company Notes and Company Warrants.

1.11 Tax Matters. The Merger is intended to qualify as a reorganization within the meaning of Sections 368(a)(1)(A) and 368(a)(2)(E) of the Code and this Agreement is intended to be a "plan of reorganization" within the meaning of the Treasury Regulations promulgated under Section 368 of the Code. Each party hereto shall treat this Agreement as a reorganization within the meaning of Section 368(a) of the Code for all U.S. federal income tax purposes, and shall treat this Agreement as a "plan of reorganization" within the meaning of the Treasury Regulations promulgated under Section 368 of the Code, and will not take any position on any Tax Return or otherwise take any Tax reporting position inconsistent with such treatment, unless otherwise required by a "determination" within the meaning of Section 1313 of the Code that such treatment is not correct. Each party hereto shall act in a manner that is consistent with the parties' intention that the arrangement be treated as a reorganization within the meaning of Section 368(a) of the Code for all U.S. federal income tax purposes. However, neither the Company, Parent, nor Merger Sub makes any representation or warranty to any shareholder or security holder of the Company regarding the U.S. Federal income tax consequences of the Agreement.

2. Representations and Warranties of the Company. The Company hereby represents and warrants to Parent and Merger Sub as follows:

2.1 Organization, Standing, Subsidiaries, Etc.

(a) The Company is a corporation duly organized and existing in good standing under the laws of the State of Nevada, and has all requisite power and authority (corporate and other) to carry on its business, to own or lease its properties and assets, to enter into this Agreement and the Articles of Merger and to carry out the terms hereof and thereof. Copies of the Articles of Incorporation and Bylaws of the Company that have been delivered to Parent and Merger Sub prior to the execution of this Agreement are true and complete and have not since been amended or repealed.

(b) The Company has no subsidiaries or direct or indirect interest (by way of stock ownership or otherwise) in any firm, corporation, limited liability company, partnership, association or other business.

2.2 Qualification. The Company is duly qualified to conduct business as a foreign corporation and is in good standing in each jurisdiction wherein the nature of its activities or its properties owned or leased makes such qualification necessary, except where the failure to be so qualified could not reasonably be expected to have a material adverse effect on the condition (financial or otherwise), properties, assets, liabilities, business operations or results of operations of the Company taken as a whole (the "Condition of the Company").

2.3 Capitalization of the Company. The authorized capital stock of the Company consists of 135,000,000 million shares of common stock, par value $0.00001 per share, and (ii) 15,000,000 shares of Preferred Stock, par value $0.0001 per share. A capitalization table illustrating the outstanding capital stock and other Equity Securities of the Company as of the date hereof is attached as Schedule 2.3. All of such outstanding shares have been, or upon issuance will be, validly issued, fully paid and nonassessable. As of the date hereof, except as disclosed in Schedule 2.3, the Company has no outstanding options, rights or commitments to issue Company Common Stock or other Equity Securities of the Company, and there are no outstanding securities convertible or exercisable into or exchangeable for Company Common Stock or other Equity Securities of the Company.

2.4 Indebtedness. The Company has no Indebtedness for Borrowed Money, except as disclosed on the Balance Sheet and Schedule 2.4.

2.5 Voting Agreements. To the knowledge of the Company, there is no voting trust, agreement or arrangement among any of the beneficial holders of Company Stock affecting the nomination or election of directors or the exercise of the voting rights of Company Common Stock.

2.6 Corporate Acts and Proceedings. The execution, delivery and performance of this Agreement and the Articles of Merger (together, the "Merger Documents") have been duly authorized by the Board of Directors of the Company and the transactions contemplated thereby have been approved by the Stockholders in accordance with Nevada Law, and all of the corporate acts and other proceedings required for the due and valid authorization, execution, delivery and performance of the Merger Documents and the consummation of the Merger have been validly and appropriately taken, except for the filing referred to in Section 1.2.

2.7 Compliance with Laws and Instruments. The business and operations of the Company have been and are being conducted in compliance in all material respects with all applicable laws, rules and regulations, except for such violations thereof for which the penalties, in the aggregate, would not have a material adverse effect on the Condition of the Company. The execution, delivery and performance by the Company of the Merger Documents and the consummation by the Company of the transactions contemplated by this Agreement: (a) will not require any authorization, consent or approval of, or filing or registration with, any court or governmental agency or instrumentality, except for such approvals and other authorizations, consents, approvals, filings and registrations as shall have been obtained prior to the Closing, (b) will not cause the Company to violate or contravene (i) any provision of law, (ii) any rule or regulation of any agency or government, (iii) any order, judgment or decree of any court, or (iv) any provision of the Articles of Incorporation or Bylaws of the Company, (c) will not violate or be in conflict with, result in a breach of or constitute (with or without notice or lapse of time, or both) a default under, any indenture, loan or credit agreement, deed of trust, mortgage, security agreement or other contract, agreement or instrument to which the Company is a party or by which the Company or any of its properties is bound or affected, except as would not have a material adverse effect on the Condition of the Company, and (d) will not result in the creation or imposition of any Lien upon any property or asset of the Company. The Company is not in violation of, or (with or without notice or lapse of time, or both) in default under, any term or provision of its Articles of Incorporation or Bylaws or of any indenture, loan or credit agreement, deed of trust, mortgage, security agreement or any other material agreement or instrument to which the Company is a party or by which the Company or any of its properties is bound or affected, in each case, except as would not materially and adversely affect the Condition of the Company.

2.8 Binding Obligations. The Merger Documents constitute the legal, valid and binding obligations of the Company and are enforceable against the Company in accordance with their respective terms, except as such enforcement is limited by bankruptcy, insolvency and other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity.

2.9 Broker's and Finder's Fees. Except for commissions payable to Middlebury Securities, LLC in connection with the Private Placement, no Person has, or as a result of the transactions contemplated or described herein will have, any right or valid claim against the Company, Parent, Merger Sub or any Stockholder for any commission, fee or other compensation as a finder or broker, or in any similar capacity.

2.10 Financial Statements. Attached hereto as Schedule 2.10 are (a) the Company's audited balance sheet (the "Balance Sheet") as of December 31, 2009 (the "Balance Sheet Date") and 2008, and the audited statements of operations, stockholders' (deficiency) equity and cash flows for the years ended December 31, 2009 and 2008, and (b) the Company's unaudited balance sheet as of March 31, 2010 and the unaudited statements of operations, stockholders' (deficiency) equity and cash flows for the three months ended March 31, 2010 and March 31, 2009 (the "Financial Statements"). Such Financial Statements (i) are in accordance with the books and records of the Company, (ii) present fairly in all material respects the financial condition of the Company at the dates therein specified and the results of its operations and changes in financial position for the periods therein specified, and (iii) have been prepared in all material respects in accordance with generally accepted accounting principles ("GAAP") applied on a basis consistent with prior accounting periods.

2.11 Absence of Undisclosed Liabilities. The Company has no material obligation or liability (whether accrued, absolute, contingent, liquidated or otherwise, whether due or to become due), arising out of any transaction entered into at or prior to the Closing, except (a) as disclosed in Schedule 2.4 hereto, (b) to the extent set forth on or reserved against in the Balance Sheet or the notes to the Financial Statements, (c) current liabilities incurred and obligations for agreements entered into and obligations under agreements entered into in the usual and ordinary course of business since the Balance Sheet Date, none of which (individually or in the aggregate) has had or will have a material adverse effect on the Condition of the Company, and (d) by the specific terms of any written agreement, document or arrangement identified in the Schedules.

2.12 Employees. The Company has complied in all material respects with all laws relating to the employment of labor, and the Company has encountered no material labor union difficulties. Other than pursuant to ordinary arrangements of employment compensation, the Company is not under any obligation or liability to any officer, director or employee of the Company.

2.13 Tax Returns and Audits. All required material federal, state and local Tax Returns of the Company have been accurately prepared and duly and timely filed, and all federal, state and local Taxes required to be paid with respect to the periods covered by such returns have been paid. The Company is not and has not been delinquent in the payment of any Tax. The Company has not had a Tax deficiency proposed or assessed against it and has not executed a waiver of any statute of limitations on the assessment or collection of any Tax. None of the Company's federal income tax returns nor any state or local income or franchise tax returns has been audited by governmental authorities. The reserves for Taxes reflected on the Balance Sheet are and will be sufficient for the payment of all unpaid Taxes payable by the Company as of the Balance Sheet Date. Since the Balance Sheet Date, the Company has made adequate provisions on its books of account for all Taxes with respect to its business, properties and operations for such period. There are no federal, state, local or foreign audits, actions, suits, proceedings, investigations, claims or administrative proceedings relating to Taxes or any Tax Returns of the Parent now pending, and the Parent has not received any notice of any proposed audits, investigations, claims or administrative proceedings relating to Taxes or any Tax Returns.

2.14 Employee Benefit Plans; ERISA. (a) Except as disclosed in Schedule 2.14 hereto, there are no "employee benefit plans" (within the meaning of Section 3(3) of the ERISA) nor any other employee benefit or fringe benefit arrangements, practices, contracts, policies or programs of every type other than programs merely involving the regular payment of wages, commissions, or bonuses established, maintained or contributed to by the Company, whether written or unwritten and whether or not funded. The plans listed in Schedule 2.14 hereto are hereinafter referred to as the "Employee Benefit Plans."

(b) All current and prior material documents, including all amendments thereto, with respect to each Employee Benefit Plan have been given to Parent and Merger Sub or their advisors.

(c) To the knowledge of the Company, all Employee Benefit Plans are in material compliance with the applicable requirements of ERISA, the Internal Revenue Code of 1986, as amended (the "Code") and any other applicable state, federal or foreign law.

(d) There are no pending claims or lawsuits which have been asserted or instituted against any Employee Benefit Plan, the assets of any of the trusts or funds under the Employee Benefit Plans, the plan sponsor or the plan administrator of any of the Employee Benefit Plans or against any fiduciary of an Employee Benefit Plan with respect to the operation of such plan, nor does the Company have any knowledge of any incident, transaction, occurrence or circumstance which might reasonably be expected to form the basis of any such claim or lawsuit.

(e) There is no pending or, to the knowledge of the Company, contemplated investigation, or pending or possible enforcement action by the Pension Benefit Guaranty Corporation, the Department of Labor, the Internal Revenue Service or any other government agency with respect to any Employee Benefit Plan and the Company has no knowledge of any incident, transaction, occurrence or circumstance which might reasonably be expected to trigger such an investigation or enforcement action.

(f) No actual or, to the knowledge of the Company, contingent liability exists with respect to the funding of any Employee Benefit Plan or for any other expense or obligation of any Employee Benefit Plan, except as disclosed on the financial statements of the Company or the Schedules to this Agreement, and no contingent liability exists under ERISA with respect to any "multi-employer plan," as defined in Section 3(37) or Section 4001(a)(3) of ERISA.

2.15 Title to Property and Encumbrances. The Company has good, valid and indefeasible marketable title to all properties and assets used in the conduct of its business (except for property held under valid and subsisting leases which are in full force and effect and which are not in default) free of all Liens and other encumbrances, except Permitted Liens and such ordinary and customary imperfections of title, restrictions and encumbrances as could not reasonably be expected to, individually or in the aggregate, materially detract from the value of the property or assets or materially impair the use made thereof by the Company in its business. Without limiting the generality of the foregoing, the Company has good and indefeasible title to all of its properties and assets reflected in the Balance Sheet, except for property disposed of in the usual and ordinary course of business since the Balance Sheet Date and for property held under valid and subsisting leases which are in full force and effect and which are not in default.

2.16 Condition of Properties. All facilities, office equipment, fixtures and other properties owned, leased or used by the Company are in operating condition and repair, subject to ordinary wear and tear, and are adequate and sufficient for the Company's business as presently conducted.

2.17 Insurance Coverage. There is in full force and effect one or more policies of insurance issued by insurers of recognized responsibility, insuring the Company and its properties and business against such losses and risks, and in such amounts, as are customary for corporations of established reputation engaged in the same or similar business and similarly situated.

2.18 Litigation. Except as disclosed in Schedule 2.18 hereto, there is no legal action, suit, arbitration or other legal, administrative or other governmental proceeding pending or, to the best knowledge of the Company, threatened against or affecting the Company or its properties, assets or business that might reasonably be expected to materially and adversely affect the Condition of the Company. The Company is not in default with respect to any order, writ, judgment, injunction, decree, determination or award of any court or any governmental agency or instrumentality or arbitration authority.

2.19 Licenses. The Company possesses from all appropriate governmental authorities all licenses, permits, authorizations, approvals, franchises and rights necessary for the Company to engage in the business currently conducted by it, except for those the absence of which could reasonably be expected to materially and adversely affect the Condition of the Company, all of which are in full force and effect.

2.20 Interested Party Transactions. No officer, director or stockholder of the Company or any Affiliate or "associate" (as such term is defined in Rule 405 under the Securities Act) of any such Person or the Company has or has had, either directly or indirectly, (a) an interest in any Person that purchases from or sells to the Company any goods or services, or (b) a beneficial interest in any contract or agreement to which the Company is a party or by which it may be bound or affected.

2.21 Questionable Payments. Neither the Company nor any director, officer or, to the best knowledge of the Company, agent, employee or other Person associated with or acting on behalf of the Company, has used any corporate funds for unlawful contributions, gifts, entertainment or other unlawful expenses relating to political activity; made any direct or indirect unlawful payments to government officials or employees from corporate funds; established or maintained any unlawful or unrecorded fund of corporate monies or other assets; made any false or fictitious entries on the books of record of any such corporations; or made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment.

2.22 Obligations to or by Stockholders. Except as disclosed in Schedule 2.22, the Company has no liability or obligation or commitment to any Stockholder or any Affiliate or "associate" (as such term is defined in Rule 405 under the Securities Act) of any Stockholder, nor does any Stockholder or any such Affiliate or associate have any liability, obligation or commitment to the Company.

2.23 Disclosure. There is no fact relating to the Company that the Company has not disclosed to Parent and Merger Sub in writing which has had or is currently having a material and adverse effect nor, insofar as the Company can now foresee, will materially and adversely affect, the Condition of the Company. No representation or warranty by the Company herein and no information disclosed in the schedules or exhibits hereto by the Company contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained herein or therein not misleading.

3. Representations and Warranties of Parent and Merger Sub. Parent and Merger Sub represent and warrant to the Company as follows:

3.1 Organization and Standing. Parent is a corporation duly organized and existing in good standing under the laws of the State of Delaware. Merger Sub is a corporation duly organized and existing in good standing under the laws of the State of Nevada. Parent and Merger Sub have heretofore delivered to the Company complete and correct copies of their respective Certificates of Incorporation or Articles of Incorporation, as applicable, and Bylaws as now in effect. Neither Parent nor Merger Sub is qualified to conduct business as a foreign corporation in any other state. Parent and Merger Sub have full corporate power and authority to carry on their respective businesses as they are now being conducted and as now proposed to be conducted and to own or lease their respective properties and assets. Neither Parent nor Merger Sub has any subsidiaries (except Parent's ownership of Merger Sub) or direct or indirect interest (by way of stock ownership or otherwise) in any firm, corporation, limited liability company, partnership, association or business. Parent owns all of the issued and outstanding capital stock of Merger Sub free and clear of all Liens, and Merger Sub has no outstanding options, warrants or rights to purchase capital stock or other equity securities of Merger Sub, other than the capital stock owned by Parent. Unless the content otherwise requires, all references in this Section 3 to the "Parent" shall be treated as being a reference to the Parent and Merger Sub taken together as one enterprise.

3.2 Corporate Authority. Each of Parent and/or Merger Sub (as the case may be) has full corporate power and authority to enter into the Merger Documents and the other agreements to be made pursuant to the Merger Documents, and to carry out the transactions contemplated hereby and thereby. All corporate acts and proceedings required for the authorization, execution, delivery and performance of the Merger Documents and such other agreements and documents by Parent and/or Merger Sub (as the case may be) have been duly and validly taken or will have been so taken prior to the Closing. Each of the Merger Documents constitutes a legal, valid and binding obligation of Parent and/or Merger Sub (as the case may be), each enforceable against them in accordance with their respective terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and by general principles of equity.

3.3 Broker's and Finder's Fees. No person, firm, corporation or other entity is entitled by reason of any act or omission of Parent or Merger Sub to any broker's or finder's fees, commission or other similar compensation with respect to the execution and delivery of this Agreement or the Articles of Merger, or with respect to the consummation of the transactions contemplated hereby or thereby. Parent and Merger Sub jointly and severally indemnify and hold Company harmless from and against any and all loss, claim or liability arising out of any such claim from any other Person who claim they introduced Parent or Merger Sub to, or assisted them with the transactions contemplated by or described herein.

3.4 Capitalization of Parent. The authorized capital stock of Parent consists of (a) 95,000,000 shares of Common Stock, par value $0.000001 per share (the "Parent Common Stock"), of which not more than 1,177,106 shares will be, prior to the Effective Time, issued and outstanding, after taking into consideration the cancellation of Parent Common Stock as indicated in Section 5.2(e)(7)(iii) hereof, and (b) 5,000,000 shares of "blank check" Preferred Stock, par value $0.000001 per share, of which no shares are issued and outstanding on the date hereof. Parent has no outstanding options, rights or commitments to issue shares of Parent Common Stock or any other Equity Security of Parent or Merger Sub, and there are no outstanding securities convertible or exercisable into or exchangeable for shares of Parent Common Stock or any other Equity Security of Parent or Merger Sub. There is no voting trust, agreement or arrangement among any of the beneficial holders of Parent Common Stock affecting the nomination or election of directors or the exercise of the voting rights of Parent Common Stock.

3.5 Merger Sub. Merger Sub was formed specifically for the purpose of the Merger and has not conducted any business, and will not conduct any business prior to the Closing Date, except as approved by the Company in preparation for and otherwise in connection with the transactions contemplated by this Agreement, the Articles of Merger, the Private Placement and the other agreements to be made pursuant to or in connection with this Agreement and the Articles of Merger.

3.6 Validity of Shares. The shares of Parent Common Stock to be issued at the Closing pursuant to Section 1.5(a)(ii) hereof, when issued and delivered in accordance with the terms hereof and of the Articles of Merger, shall be duly and validly issued, fully paid and non-assessable. Based in part on the representations and warranties of the Company Stockholders as contemplated by Section 4 hereof and assuming that, to the extent that any Company Stockholders are not accredited investors, there are no more than 35 of such unaccredited investors, each of whom is a "sophisticated purchaser," the issuance of the Parent Common Stock upon the Merger pursuant to Section 1.5(a)(ii) will be exempt from the registration and prospectus delivery requirements of the Securities Act and from the qualification or registration requirements of any applicable state blue sky or securities laws.

3.7 SEC Reporting and Compliance. (a) Parent filed a registration statement on Form S-1 (No. 333-158426) under the Securities Act which became effective on September 25, 2009. Since that date, Parent has filed with the Commission all registration statements, periodic reports and other forms and reports required to be filed pursuant to the Exchange Act. Parent has not filed with the Commission a certificate on Form 15 pursuant to Rule 12h-3 of the Exchange Act.

(b) Parent has delivered to the Company true and complete copies of the registration statements and other forms and reports (collectively, the "Parent SEC Documents") filed by the Parent with the Commission. The Parent SEC Documents, as of their respective dates, complied in all material respects with the requirements of the Securities Act or Exchange Act and the rules and regulations of the Commission promulgated thereunder and did not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not misleading.

(c) Parent has not filed, and nothing has occurred with respect to which Parent would be required to file, any report on Form 8-K since the last filing of a Parent SEC Document.

(d) Parent is not an investment company within the meaning of Section 3 of the Investment Company Act.

(e) The shares of Parent Common Stock are quoted on the Over-the-Counter (OTC) Bulletin Board under the symbol "KKITZ.OB," and Parent is in compliance in all material respects with all rules and regulations of the OTC Bulletin Board applicable to it and the Parent Common Stock.

(f) Between the date hereof and the Closing Date, Parent shall continue to satisfy the filing requirements of the Exchange Act and all other requirements of applicable securities laws and rules and the OTC Bulletin Board.

(g) The Parent SEC Documents include all certifications and statements required of it, if any, by (i) Rule 13a-14 or 15d-14 under the Exchange Act, and (ii) 18 U.S.C. Section 1350 (Section 906 of the Sarbanes-Oxley Act of 2002), and each of such certifications and statements contain no qualifications or exceptions to the matters certified therein other than a knowledge qualification, permitted under such provision, and have not been modified or withdrawn and neither the Company nor any of its officers has received any notice from the SEC or any other governmental entity questioning or challenging the accuracy, completeness, form or manner of filing or submission of such certifications or statements.

(h) Parent has otherwise complied with the Securities Act, Exchange Act and all other applicable federal and state securities laws.

3.8 Financial Statements. The balance sheets, and statements of income, changes in financial position and stockholders' equity contained in the Parent SEC Documents (the "Parent Financial Statements") (i) have been prepared in accordance with GAAP applied on a basis consistent with prior periods (and, in the case of unaudited financial information, on a basis consistent with year-end audits), (ii) are in accordance with the books and records of the Parent, and (iii) present fairly in all material respects the financial condition of the Parent at the dates therein specified and the results of its operations and changes in financial position for the periods therein specified.

3.9 Governmental Consents. All material consents, approvals, orders, or authorizations of, or registrations, qualifications, designations, declarations, or filings with any federal or state governmental authority on the part of Parent or Merger Sub required in connection with the consummation of the Merger and the Private Placement shall have been obtained prior to, and be effective as of, the Closing.

3.10 Compliance with Laws and Other Instruments. The execution, delivery and performance by Parent and/or Merger Sub of this Agreement, the Articles of Merger and the other agreements to be made by Parent or Merger Sub pursuant to or in connection with this Agreement or the Articles of Merger and the consummation by Parent and/or Merger Sub of the transactions contemplated by the Merger Documents will not cause Parent and/or Merger Sub to violate or contravene (i) any provision of law, (ii) any rule or regulation of any agency or government, (iii) any order, judgment or decree of any court, or (iv) any provision of their respective certificates of incorporation or by-laws as amended and in effect on and as of the Closing Date and will not violate or be in conflict with, result in a breach of or constitute (with or without notice or lapse of time, or both) a default under any material indenture, loan or credit agreement, deed of trust, mortgage, security agreement or other agreement or contract to which Parent or Merger Sub is a party or by which Parent and/or Merger Sub or any of their respective properties are bound or affected, except where any such violation, conflict, breach or default could not reasonably be expected to have a material and adverse effect on the Condition of Parent (as defined in Section 3.12), and (v) will not result in the creation or imposition of any material Lien upon any property or asset of Parent or Merger Sub

3.11 Binding Obligations. The Merger Documents constitute the legal, valid and binding obligations of the Parent and Merger Sub, and are enforceable against the Parent and Merger Sub, in accordance with their respective terms, except as such enforcement is limited by bankruptcy, insolvency and other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity.

3.12 Absence of Undisclosed Liabilities. Neither Parent nor Merger Sub has any material obligation or liability (whether accrued, absolute, contingent, liquidated or otherwise, whether due or to become due), arising out of any transaction entered into at or prior to the Closing, except (a) as disclosed in the Parent SEC Documents, (b) to the extent set forth on or reserved against in the balance sheet of Parent as of December 31, 2008 (the "Parent Balance Sheet") or the notes to the Parent Financial Statements, (c) current liabilities incurred and obligations under agreements entered into in the usual and ordinary course of business since March 31, 2010 (the "Parent Balance Sheet Date"), none of which (individually or in the aggregate) materially and adversely affects the condition (financial or otherwise), properties, assets, liabilities, business operations, results of operations or prospects of the Parent or Merger Sub, taken as a whole (the "Condition of the Parent"), and (d) by the specific terms of any written agreement, document or arrangement attached as an exhibit to the Parent SEC Documents. Without limiting the foregoing, Parent has no Indebtedness for Borrowed Money. There is no real property owned or leased by Parent.

3.13 Parent Contracts. The Parent SEC Reports contain true and accurate copies of all agreements required to be filed as material contracts under Item 601(b)(10) of Regulation S-K under the Securities Act and the Exchange Act (the "Parent Material Contracts"). To the knowledge of Parent, no party to any Parent Material Contract has a claim against Parent in respect of any breach or default thereunder. Prior to the Effective Time, each of the Parent Material Contracts shall be terminated and of no further force and effect.

3.14 Tax Returns and Audits. All required federal, state and local Tax Returns of the Parent have been accurately prepared in all material respects and duly and timely filed, and all federal, state and local Taxes required to be paid with respect to the periods covered by such returns have been paid to the extent that the same are material and have become due, except where the failure so to file or pay could not reasonably be expected to have a material adverse effect upon the Condition of the Parent. The Parent is not and has not been delinquent in the payment of any Tax. The Parent has not had a Tax deficiency assessed against it. None of the Parent's federal income tax returns nor any state or local income or franchise tax returns has been audited by governmental authorities. The reserves for Taxes reflected on the Parent Balance Sheet are sufficient for the payment of all unpaid Taxes payable by the Parent with respect to the period ended on the Parent Balance Sheet Date. Since the Parent Balance Sheet Date, the Parent has made adequate provisions on its books of account for all Taxes with respect to its business, properties and operations for such period. There are no federal, state, local or foreign audits, actions, suits, proceedings, investigations, claims or administrative proceedings relating to Taxes or any Tax Returns of the Parent now pending, and the Parent has not received any notice of any proposed audits, investigations, claims or administrative proceedings relating to Taxes or any Tax Returns.

3.15 Employee Benefit Plans; ERISA. (a) Except as disclosed in the Parent SEC Documents, there are no "employee benefit plans" (within the meaning of Section 3(3) of ERISA) nor any other employee benefit or fringe benefit arrangements, practices, contracts, policies or programs other than programs merely involving the regular payment of wages, commissions, or bonuses established, maintained or contributed to by the Parent. Any plans listed in the Parent SEC Documents are hereinafter referred to as the "Parent Employee Benefit Plans."

(b) Any current and prior material documents, including all amendments thereto, with respect to each Parent Employee Benefit Plan have been given to the Company or its advisors.

(c) All Parent Employee Benefit Plans are in material compliance with the applicable requirements of ERISA, the Code and any other applicable state, federal or foreign law.

(d) There are no pending, or to the knowledge of the Parent, threatened, claims or lawsuits which have been asserted or instituted against any Parent Employee Benefit Plan, the assets of any of the trusts or funds under the Parent Employee Benefit Plans, the plan sponsor or the plan administrator of any of the Parent Employee Benefit Plans or against any fiduciary of a Parent Employee Benefit Plan with respect to the operation of such plan.

(e) There is no pending, or to the knowledge of the Parent, threatened, investigation or pending or possible enforcement action by the Pension Benefit Guaranty Corporation, the Department of Labor, the Internal Revenue Service or any other government agency with respect to any Parent Employee Benefit Plan.

(f) No actual or, to the knowledge of Parent, contingent liability exists with respect to the funding of any Parent Employee Benefit Plan or for any other expense or obligation of any Parent Employee Benefit Plan, except as disclosed on the financial statements of the Parent or the Parent SEC Documents, and to the knowledge of Parent, no contingent liability exists under ERISA with respect to any "multi-employer plan," as defined in Section 3(37) or Section 4001(a)(3) of ERISA.

3.16 Litigation. Except as disclosed in the Parent SEC Documents, there is no legal action, suit, arbitration or other legal, administrative or other governmental proceeding pending or, to the knowledge of Parent, threatened against or affecting the Parent or Merger Sub or their properties, assets or business. Neither Parent nor Merger Sub is in default with respect to any order, writ, judgment, injunction, decree, determination or award of any court or any governmental agency or instrumentality or arbitration authority.

3.17 Interested Party Transactions. Except as disclosed in the Parent SEC Documents, no officer, director or stockholder of the Parent or any Affiliate or "associate" (as such term is defined in Rule 405 under the Securities Act) of any such Person or Parent 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 (ii) purchases from or sells or furnishes to Parent any goods or services, or (b) a beneficial interest in any contract or agreement to which Parent is a party or by which it may be bound or affected.

3.18 Questionable Payments. Neither Parent, Merger Sub nor, to the knowledge of Parent, any director, officer, agent, employee or other Person associated with or acting on behalf of Parent or Merger Sub, has used any corporate funds for unlawful contributions, gifts, entertainment or other unlawful expenses relating to political activity; made any direct or indirect unlawful payments to government officials or employees from corporate funds; established or maintained any unlawful or unrecorded fund of corporate monies or other assets; made any false or fictitious entries on the books of record of any such corporations; or made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment.

3.19 Obligations to or by Stockholders. Except as disclosed in the Parent SEC Documents, Parent has no liability or obligation or commitment to any stockholder of Parent or any Affiliate or "associate" (as such term is defined in Rule 405 under the Securities Act) of any stockholder of Parent, nor does any stockholder of Parent or any such Affiliate or associate have any liability, obligation or commitment to Parent.

3.20 Employees. Other than pursuant to ordinary arrangements of employment compensation, Parent is not under any obligation or liability to any officer, director, employee or Affiliate of Parent.

3.21 No General Solicitation. In issuing Parent Common Stock in the Merger hereunder, neither Parent nor anyone acting on its behalf has offered to sell the Parent Common Stock by any form of general solicitation or advertising.

3.22 Disclosure. There is no fact relating to Parent or Merger Sub that Parent and/or Merger Sub has not disclosed to the Company in writing that materially and adversely affects nor, insofar as Parent can now foresee, will materially and adversely affect, the condition (financial or otherwise), properties, assets, liabilities, business operations, results of operations or prospects of Parent. No representation or warranty by Parent herein and no information disclosed in the schedules or exhibits hereto by Parent contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained herein or therein misleading.

4. Representations, Warranties and Covenants of the Stockholders. Promptly after the Effective Time, Parent shall cause to be mailed to each holder of record of Company Common Stock that was converted pursuant to Section 1.5 hereof into the right to receive Parent Common Stock a letter of transmittal ("Letter of Transmittal") in substantially the form attached hereto as Exhibit E which shall contain additional representations, warranties and covenants of such Stockholder, including without limitation, that (i) such Stockholder has full right, power and authority to deliver such Company Common Stock and Letter of Transmittal, (ii) the delivery of such Company Common Stock will not violate or be in conflict with, result in a breach of or constitute a default under, any indenture, loan or credit agreement, deed of trust, mortgage, security agreement or other agreement or instrument to which such Stockholder is bound or affected, (iii) such Stockholder has good, valid and marketable title to all shares of Company Common Stock indicated in such Letter of Transmittal and that such Stockholder is not affected by any voting trust, agreement or arrangement affecting the voting rights of such Company Common Stock, (iv) such Stockholder is an "accredited investor" or a "sophisticated purchaser" as such term is defined in Regulation D under the Securities Act and that such Stockholder is acquiring Parent Common Stock for investment purposes, and not with a view to selling or otherwise distributing such Parent Common Stock in violation of the Securities Act or the securities laws of any state, and (v) such Stockholder has had an opportunity to ask and receive answers to any questions such Stockholder may have had concerning the terms and conditions of the Merger and the Parent Common Stock and has obtained any additional information that such Stockholder has requested. Delivery shall be effected, and risk of loss and title to the Parent Common Stock shall pass, only upon delivery to the Parent (or an agent of the Parent) of (x) certificates evidencing ownership thereof as contemplated by Section 1.6 hereof (or affidavit of lost certificate), and (y) the Letter of Transmittal containing the representations, warranties and covenants contemplated by this Section 4.

5. Deliveries of Parties.

5.1 Company Deliveries. At Closing, the Company shall deliver to Parent and Merger Sub the following documents and instruments and take the following actions, any of which may be waived in whole or in part by Parent:

(a) A certificate of a duly authorized officer certifying that, except for filing the Articles of Merger, all conditions and actions required to consummate the Merger that are within the control of the Company have occurred or been taken;

(b) A certificate of incumbency executed by the Secretary of the Company certifying the names, titles and signatures of the officers authorized to execute on behalf of the Company any documents referred to in this Agreement;

(c) A certificate of the Secretary of the Company or other duly authorized officer, certifying that (i) the Articles of Incorporation and Bylaws of the Company delivered to Parent and Merger Sub prior to, or at the time of, the execution of this Agreement have been validly adopted and have not been amended or modified and (ii) that copies of resolutions of the Board of Directors and the Company Stockholders authorizing and approving the Merger, including the execution, delivery and performance of the Merger Documents and all other documents and instruments to be delivered pursuant hereto and thereto, and delivered to Parent and Merger Sub prior to, or at the time of, the execution of this Agreement have been validly adopted and have not been amended or modified;

(d) Evidence as of a recent date of the good standing and corporate existence of the Company issued by the Secretary of State of the State of Nevada; and

(e) Such additional supporting documentation and other information with respect to the transactions contemplated hereby as Parent and Merger Sub may reasonably request.

5.2 Parent and Merger Sub Deliveries. At Closing, the Parent and Merger Sub shall deliver to the Company following documents and instruments and take the following actions, any of which may be waived in whole or in part by the Company:

(a) A certificate of a duly authorized officer certifying that, except for filing the Articles of Merger, all conditions and actions required to consummate the Merger that are within the control of Parent or Merger Sub have occurred or been taken;

(b) A certificate of incumbency executed by the Secretary of the Parent and Merger Sub certifying the names, titles and signatures of the officers authorized to execute on behalf of Parent and Merger Sub any documents referred to in this Agreement;

(c) A certificate of the Secretary of the Parent and Merger Sub or other duly authorized officer, certifying that (i) the Certificate of Incorporation and Articles of Incorporation, as applicable, and Bylaws of each of Parent and Merger Sub delivered to the Company prior to, or at the time of, the execution of this Agreement have been validly adopted and have not been amended or modified and (ii) that copies of resolutions of the Boards of Directors of each Parent and Merger Sub and the sole stockholder of Merger Sub authorizing and approving the Merger, including the execution, delivery and performance of the Merger Documents and all other documents and instruments to be delivered pursuant hereto and thereto, and delivered to the Company prior to, or at the time of, the execution of this Agreement have been validly adopted and have not been amended or modified;

(d) Evidence as of a recent date of the good standing and corporate existence of each of Parent and Merger Sub issued by the Secretary of State of the State of Delaware and the Secretary of State of the State of Nevada, respectively;

(e) A certificate of Globex Transfer, LLC, Parent's transfer agent and registrar, certifying as of the business day prior to the date any shares of Parent Common Stock are first issued in the Private Placement, and before taking into consideration the cancellation of Parent Common Stock as indicated in Section 5.2(e)(7)(iii) hereof, a true and complete list of the names and addresses of the record owners of all of the outstanding shares of Parent Common Stock, together with the number of shares of Parent Common Stock held by each record owner;

(f) A letter from Globex Transfer, LLC, Parent's transfer agent and registrar, setting forth that the number of shares of Parent Common Stock that would be issued and outstanding as of the Closing Date after taking into consideration the cancellation of Parent Common Stock as indicated in Section 5.2(e)(7)(iii) hereof, but prior to the closing of the Private Placement and the Merger, is no more than 1,180,596 shares of Parent Common Stock;

(g) An agreement in writing from W.T. Uniack & Co. CPA's P.C., in form and substance reasonably satisfactory to the Company, to deliver copies of the audit opinions with respect to any and all financial statements of Parent that had been audited by such firm;

(h) The executed resignations of Jennifer Jarvis and Michael J. Funtjar as directors and officers of Parent, with the director resignations to take effect at the Effective Time, (ii) executed releases from each of Jennifer Jarvis and Michael J. Funtjar in the form attached hereto as Exhibit F, (iii) evidence of expansion of the Board of Directors to five directors and appointment of Guy Cook, Mitchell Godfrey, and Kent Swanson to the vacancies created thereby, (iv) executed indemnification agreements with each of Guy Cook, Mitchell Godfrey, and Kent Swanson in the form attached hereto as Exhibit G, and (v) an executed transfer and repurchase letter agreement executed by Jennifer Jarvis, together with a stock power executed in blank by her, to effect the repurchase and cancellation of that number of shares of Parent Common Stock owned by Jennifer Jarvis necessary to reduce the total outstanding number of shares of Parent Common Stock to 1,180,596 shares, being 4,319,404 shares of Parent Common Stock, in consideration for $100.00;

(i) Evidence of the delivery of irrevocable instructions to Globex Transfer, LLC authorizing the issuance of stock certificates representing the Parent Common Stock issuable to the Company Stockholders upon surrender of their certificates representing Company Common Stock (or affidavit of lost or destroyed certificate and indemnity); and

(j) Such additional supporting documentation and other information with respect to the transactions contemplated hereby as Parent and Merger Sub may reasonably request.

5.3 Proceedings and Documents. All corporate and other proceedings and actions taken in connection with the transactions contemplated hereby and all certificates, agreements, instruments and documents mentioned herein or incident to any such transactions shall be satisfactory in form and substance to the Company, Parent and Merger Sub.

5.4 Condition Precedent. Notwithstanding anything to the contrary set forth herein, the parties agree and acknowledge that it is a condition precedent to the consummation of the Merger that all funds and executed documents required to close under the Private Placement shall be in escrow and available for release to the Parent conditioned only upon the closing of the Merger contemplated by this Agreement and the Articles of Merger.

6. Survival of Representations and Warranties. The representations and warranties of the parties made in Sections 2 and 3 of this Agreement (including the Schedules to the Agreement which are hereby incorporated by reference) shall survive for six (6) months beyond the Effective Time. This Section 6 shall not limit any claim for fraud or any covenant or agreement of the parties which by its terms contemplates performance after the Effective Time.

7. Amendment of Agreement. This Agreement and the Articles of Merger may be amended or modified at any time in all respects by an instrument in writing executed (i) in the case of this Agreement by the parties hereto and (ii) in the case of the Articles of Merger by the parties thereto.

8. Definitions. Unless the context otherwise requires, the terms defined in this Section 8 shall have the meanings herein specified for all purposes of this Agreement, applicable to both the singular and plural forms of any of the terms herein defined.

"Merger Sub" shall have the meaning assigned to it in the introductory paragraph of this Agreement.

"Affiliate" shall mean any Person that directly or indirectly controls, is controlled by, or is under common control with, the indicated Person.

"Agreement" shall have the meaning assigned to it in the introductory paragraph of this Agreement.

"Articles of Merger" shall have the meaning assigned to it in the second recital of this Agreement.

"Balance Sheet" and "Balance Sheet Date" shall have the meanings assigned to such terms in Section 2.10 hereof.

"Bridge Notes" shall have the meaning assigned to it in the fourth recital hereof.

"Closing" and "Closing Date" shall have the meanings assigned to such terms in Section 9 hereof.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Commission" shall mean the U.S. Securities and Exchange Commission.

"Company" shall have the meaning assigned to it in the introductory paragraph of this Agreement.

"Company Common Stock" shall have the meaning assigned to it in Section 1.5(a)(ii) hereof.

"Company Notes" shall have the meaning assigned to it in Section 1.10 hereof.

"Company Options" shall have the meaning assigned to it in Section 1.9 hereof.

"Company Stockholders" shall have the meaning assigned to it in Section 1.5(a)(ii) hereof.

"Company Stock Option Plan" shall have the meaning assigned to it in Section 1.9 hereof.

"Company Warrants" shall have the meaning assigned to it in Section 1.10 hereof.

"Condition of the Company" shall have the meaning assigned to it in Section 2.2 hereof.

"Condition of the Parent" shall have the meaning assigned to it in Section 3.12 hereof.

"Constituent Companies" shall have the meaning assigned to it in Section 1.4 hereof.

"Default" shall mean a default or failure in the due observance or performance of any covenant, condition or agreement on the part of the Company to be observed or performed under the terms of this Agreement or the Articles of Merger, if such default or failure in performance shall remain unremedied for five (5) days.

"Dissenting Shares" shall have the meaning assigned to it in Section 1.5(a)(ii) hereof.

"Dissenting Stockholders" shall have the meaning assigned to it in Section 1.5(a)(ii) hereof.

"Effective Time" shall have the meaning assigned to it in Section 1.2 hereof.

"Employee Benefit Plans" shall have the meaning assigned to it in Section 2.16 hereof.

"Equity Security" shall mean any stock or similar security of an issuer or any security (whether stock or Indebtedness for Borrowed Money) convertible, with or without consideration, into any stock or similar equity security, or any security (whether stock or Indebtedness for Borrowed Money) carrying any warrant or right to subscribe to or purchase any stock or similar security, or any such warrant or right.

"ERISA" shall mean the Employee Retirement Income Securities Act of 1974, as amended.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended.

"Event of Default" shall mean (a) the failure of the Company to pay any Indebtedness for Borrowed Money, or any interest or premium thereon, within five (5) days after the same shall become due, whether such Indebtedness shall become due by scheduled maturity, by required prepayment, by acceleration, by demand or otherwise, (b) an event of default under any agreement or instrument evidencing or securing or relating to any such Indebtedness, or (c) the failure of the Company to perform or observe any material term, covenant, agreement or condition on its part to be performed or observed under any agreement or instrument evidencing or securing or relating to any such Indebtedness when such term, covenant or agreement is required to be performed or observed.

"Financial Statements" shall have the meaning assigned to it in Section 2.10 hereof.

"GAAP" shall mean generally accepted accounting principles in the United States, as in effect from time to time.

"Indebtedness" shall mean any obligation of a Person which under generally accepted accounting principles is required to be shown on the balance sheet of such Person as a liability. Any obligation secured by a Lien on, or payable out of the proceeds of production from, property of a Person shall be deemed to be Indebtedness.

"Indebtedness for Borrowed Money" shall mean (a) all Indebtedness in respect of money borrowed including, without limitation, Indebtedness which represents the unpaid amount of the purchase price of any property and is incurred in lieu of borrowing money or using available funds to pay such amounts and not constituting an account payable or expense accrual incurred or assumed in the ordinary course of business of a Person, (b) all Indebtedness evidenced by a promissory note, bond or similar written obligation to pay money, or (c) all such Indebtedness guaranteed by a Person or for which a Person is otherwise contingently liable.

"Investment Company Act" shall mean the Investment Company Act of 1940, as amended.

"Knowledge" and "know" means, when referring to any person or entity, the actual knowledge of such person or entity of a particular matter or fact, and what that person or entity would have reasonably known after due inquiry. An entity will be deemed to have "knowledge" of a particular fact or other matter if any individual who is serving, or who has served, as an executive officer of such entity has actual "knowledge" of such fact or other matter, or had actual "knowledge" during the time of such service of such fact or other matter, or would have had "knowledge" of such particular fact or matter after due inquiry.

"Letter of Transmittal" shall have the meaning assigned to it in Section 4 hereof.

"Lien" shall mean any mortgage, pledge, security interest, encumbrance, lien or charge of any kind, including, without limitation, any conditional sale or other title retention agreement, any lease in the nature thereof and the filing of or agreement to give any financing statement under the Uniform Commercial Code of any jurisdiction and including any lien or charge arising by statute or other law.

"Lost Stock Certificate Affidavit" shall have the meaning assigned to it in Section 1.6 hereof.

"Memorandum" shall have the meaning assigned to it in the fourth recital hereof.

"Merger" shall have the meaning assigned to it in the first recital hereof.

"Merger Documents" shall have the meaning assigned to it in Section 2.6 hereof.

"Nevada Law" or "NRS" shall have the meanings assigned to them in the second recital of this Agreement.

"Parent" shall have the meaning assigned to it in the introductory paragraph of this Agreement.

"Parent Balance Sheet" shall have the meaning assigned to it in Section 3.12 hereof.

"Parent Balance Sheet Date" shall have the meaning assigned to it in Section 3.12 hereof.

"Parent Common Stock" shall have the meaning assigned to it in Section 3.4 hereof.

"Parent Employee Benefit Plans" shall have the meaning assigned to it in Section 3.16 hereof.

"Parent Financial Statements" shall have the meaning assigned to it in Section 3.8 hereof.

"Parent Material Contracts" shall have the meaning assigned to it in Section 3.8 hereof.

"Parent SEC Documents" shall have the meaning assigned to it in Section 3.7 hereof.

"Permitted Liens" shall mean (a) Liens for taxes and assessments or governmental charges or levies not at the time due or in respect of which the validity thereof shall currently be contested in good faith by appropriate proceedings; (b) Liens in respect of pledges or deposits under workmen's compensation laws or similar legislation, carriers', warehousemen's, mechanics', laborers' and materialmens' and similar Liens, if the obligations secured by such Liens are not then delinquent or are being contested in good faith by appropriate proceedings; and (c) Liens incidental to the conduct of the business of a Person that were not incurred in connection with the borrowing of money or the obtaining of advances or credits and which do not in the aggregate materially detract from the value of its property or materially impair the use made thereof by a Person in its business.

"Person" shall include all natural persons, corporations, business trusts, associations, limited liability companies, partnerships, joint ventures and other entities and governments and agencies and political subdivisions.

"Private Placement" shall have the meaning assigned to it in the fourth recital hereof.

"Securities Act" shall mean the Securities Act of 1933, as amended.

"Substitute Notes" shall have the meaning assigned to it in Section 1.10 hereof.

"Substitute Options" shall have the meaning assigned to it in Section 1.9 hereof.

"Substitute Warrants" shall have the meaning assigned to it in Section 1.10 hereof.

"Surviving Corporation" shall have the meaning assigned to it in Section 1.1 hereof.

"Tax" or "Taxes" shall mean (a) any and all taxes, assessments, customs, duties, levies, fees, tariffs, imposts, deficiencies and other governmental charges of any kind whatsoever (including, but not limited to, taxes on or with respect to net or gross income, franchise, profits, gross receipts, capital, sales, use, ad valorem, value added, transfer, real property transfer, transfer gains, transfer taxes, inventory, capital stock, license, payroll, employment, social security, unemployment, severance, occupation, real or personal property, estimated taxes, rent, excise, occupancy, recordation, bulk transfer, intangibles, alternative minimum, doing business, withholding and stamp), together with any interest thereon, penalties, fines, damages costs, fees, additions to tax or additional amounts with respect thereto, imposed by the United States (federal, state or local) or other applicable jurisdiction; (b) any liability for the payment of any amounts described in clause (a) as a result of being a member of an affiliated, consolidated, combined, unitary or similar group or as a result of transferor or successor liability, including, without limitation, by reason of Regulation section 1.1502-6; and (c) any liability for the payments of any amounts as a result of being a party to any Tax Sharing Agreement or as a result of any express or implied obligation to indemnify any other Person with respect to the payment of any amounts of the type described in clause (a) or (b).

"Tax Return" shall include all returns and reports (including elections, declarations, disclosures, schedules, estimates and information returns (including Form 1099 and partnership returns filed on Form 1065) required to be supplied to a Tax authority relating to Taxes.

9. Closing. The closing of the Merger (the "Closing") shall occur concurrently with the Effective Time (the "Closing Date"). The Closing shall occur at the offices of Greenberg Traurig, LLP's office in the Metlife Building, 200 Park Avenue, New York, New York. At the Closing, the parties shall cause the Articles of Merger to be filed with the Secretary of State for the State of Nevada and all of the other documents and certificates and agreements referenced in Section 5 will be executed and delivered as described therein. At the Effective Time, all actions to be taken at the Closing shall be deemed to be taken simultaneously.

10. Miscellaneous.

10.1 Notices. Any notice, request or other communication hereunder shall be given in writing and shall be served either personally by overnight delivery or delivered by mail, certified return receipt and addressed to the following addresses:

If to Parent or Merger Sub:	Bacterin International Holdings, Inc. f/k/a K-Kitz, Inc. 1630 Integrity Drive East Columbus, Ohio 43209 Attn: Jennifer Jarvis
If to the Company:	Bacterin International, Inc. 600 Cruiser Lane Belgrade, Montana 59714 Attn: Guy S. Cook

With a copy to: Greenberg Traurig, LLP
1200 17th Street, Suite 2400
Denver, Colorado 80123
Attn: Marc J. Musyl

Notices shall be deemed received at the earlier of actual receipt or three (3) business days following mailing. Counsel for a party (or any authorized representative) shall have authority to accept delivery of any notice on behalf of such party.

10.2 Entire Agreement. This Agreement, including the schedules and exhibits attached hereto and other documents referred to herein, contains the entire understanding of the parties hereto with respect to the subject matter hereof. This Agreement supersedes all prior agreements and undertakings between the parties with respect to such subject matter.

10.3 Expenses. Each party shall bear and pay all of the legal, accounting and other expenses incurred by it in connection with the transactions contemplated by this Agreement.

10.4 Time. Time is of the essence in the performance of the parties' respective obligations herein contained.

10.5 Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

10.6 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns and heirs; provided, however, that neither party shall directly or indirectly transfer or assign any of its rights hereunder in whole or in part without the written consent of the others, which may be withheld in its sole discretion, and any such transfer or assignment without said consent shall be void.

10.7 No Third Parties Benefited. This Agreement is made and entered into for the sole protection and benefit of the parties hereto, their successors, assigns and heirs, and no other Person shall have any right or action under this Agreement.

10.8 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 together shall constitute a single agreement.

10.9 Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of New York. This Agreement and the transactions contemplated hereby shall be subject to the exclusive jurisdiction of the courts of New York, New York. The parties to this Agreement agree that any breach of any term or condition of this Agreement or the transactions contemplated hereby shall be deemed to be a breach occurring in the State of New York by virtue of a failure to perform an act required to be performed in the State of New York. The parties to this Agreement irrevocably and expressly agree to submit to the jurisdiction of the courts of the State of New York for the purpose of resolving any disputes among the parties relating to this Agreement or the transactions contemplated hereby. The parties irrevocably waive, to the fullest extent permitted by law, any objection which they may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement and the transactions contemplated hereby, or any judgment entered by any court in respect hereof brought in New York, New York, and further irrevocably waive any claim that any suit, action or proceeding brought in New York, New York has been brought in an inconvenient forum. With respect to any action before the above courts, the parties hereto agree to service of process by certified or registered United States mail, postage prepaid, addressed to the party in question.

[Signature page to follow]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to be binding and effective as of the day and year first above written.

PARENT:

BACTERIN INTERNATIONAL HOLDINGS, INC., f/k/a K-KITZ, INC.

By: /s/ Jennifer Jarvis
Jennifer Jarvis
President, CEO and CFO

MERGER SUB:

KB MERGER SUB, INC.

By: /s/ Jennifer Jarvis
Jennifer Jarvis
President, Secretary and Treasurer

THE COMPANY:

BACTERIN INTERNATIONAL, INC.

By: /s/ Guy S. Cook
Guy S. Cook
President and Chief Executive Officer

STATE OF DELAWARE
CERTIFICATE OF INCORPORATION
A STOCK CORPORATION

The name of this Corporation is K-KITZ, INCORPORATED.

Its registered office in the State of Delaware is to be located at:

37046 Teal Ct
Selbyville, DE 19975
Sussex County

The registered agent in charge thereof is Ms. Jennifer Hill.

The purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

The amount of the total stock of this corporation is authorized to issue is:

Common Stock:	One Billion Shares (1,000,000,000) with a par value of $0.000001 US.
Preferred Stock:	Twenty Million Shares (20,000,000) with a par value of $0.000001 US.

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

Mr. Kevin Lynch
1982 Heatheliff Drive 1B
Columbus, OH 43209

I, The Undersigned, for the purpose of forming a corporation under the laws of the State of Delaware, do make, file and record this Certificate, and do certify that the facts herein stated are true, and I have accordingly hereunto set my hand this 3rd day of August, A.D. 2006.

BY: _____
(Incorporator)

Name: Kevin A. Lynch

State of Delaware
Secretary of State
Division of Corporations
Delivered 04:16 PM 08/08/2006
FILED 04:16 PM 08/08/2006
SRV 060742832 - 4202199 FILE

STATE OF DELAWARE
CERTIFICATE OF AMENDMENT
TO ARTICLES OF INCORPORATION

The corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware does hereby certify:

FIRST: That in a meeting of Incorporators of K-Kitz, Incorporated, resolutions were unanimously adopted by the Incorporators setting forth an amendment of the Certificate of Incorporation of said corporation, declaring said amendment to be advisable.

The resolution setting forth the amendment is as follows:

RESOLVED, that the Certificate of Incorporation of this corporation be amended by changing the Article thereof numbered "Fourth" so that, as amended, said Article shall be and read as follows:

The total number of shares of all classes of stock which the Corporation shall have authority to issue:

COMMON STOCK:	Ninety Five Million (95,000,000) with a par value of $0.000001 (USD)
PREFERRED STOCK:	Five Million (5,000,000) with a par value of $0.000001 (USD)

SECOND: K-Kitz, Incorporated certifies that the corporation has not received any payment for any of its stock and that the amendment has been duly adopted in accordance with Section 241 of the General Corporation Law of the State of Delaware, and shall be executed, acknowledged and filed in accordance with Section 103 of this title.

IN WITNESS WHEREOF, the facts herein stated are true and I have accordingly hereunto set my hand this 19th day of December, 2008.

By: _____
Name: Kevin A. Lynch, Incorporator

State of Delaware
Secretary of State
Division of Corporations
Delivered 02:53 PM 01/12/2009
FILED 02:53 PM 01/12/2009
SRV 090025594 - 4202199 FILE

State of Delaware
Secretary of State
Division of Corporations
Delivered 02:51 PM 04/08/2009
FILED 02:51 PM 04/08/2009
SRV 090346628 - 4202199 FILE

CERTIFICATE OF AMENDMENT

OF THE

CERTIFICATE OF INCORPORATION

OF

K-KITZ, INCORPORATED
(a Delaware Corporation)

The undersigned, Jennifer H. Jarvis, hereby certifies that:

1. She is the President, Chief Executive Officer and Chief Financial Officer of K-Kitz, Incorporated (the "Corporation"), a Delaware corporation, and is duly authorized by the unanimous written consent of the Board of Directors of the Corporation to execute this instrument.

2. The name of the Corporation is "K-Kitz, Incorporated." The Corporation filed its Certificate of Incorporation with the Secretary of State of the State of Delaware on August 8, 2006.

3. This Certificate of Amendment of the Certificate of Incorporation was duly approved by the Corporation's Board of Directors and duly adopted by written consent of the stockholders of the Corporation in accordance with the applicable provisions of Sections 228 and 242 of the General Corporation Law of the State of Delaware.

4. The fifth paragraph of the Certificate of Incorporation of the Corporation is hereby amended to read in its entirety as follows:

The total number of shares of all classes of stock which the Corporation shall have authority to issue:

COMMON STOCK:	Ninety Five Million (95,000,000) with a par value of $0.000001 (USD)
PREFERRED STOCK:	Five Million (5,000,000) with a par value of $0.000001 (USD)

The Preferred Stock may be issued from time to time in one or more series. The Board of Directors is authorized to fix the number of shares of any series of Preferred Stock and to determine the designation of any such series. The Board of Directors is also authorized to determine or alter the rights, preferences, privileges and restrictions granted to or imposed upon any privileges and restrictions granted to or imposed upon any wholly unissued series of Preferred Stock and, within the limits and restrictions stated in any resolution or resolutions of the Board of Directors originally fixing the number of shares constituting any series, to increase or decrease (but not below the number of shares of any such series then outstanding) the number of shares of any series subsequent to the issue of shares of that series.

5. The following additional paragraphs are hereby added to the Certificate of Incorporation of the Corporation, to read as follows:

The Board of Directors is expressly authorized to adopt, amend or repeal the by-laws of the Corporation.

Elections of directors need not be by written ballot unless the by-laws of the Corporation shall otherwise provide.

A director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director; provided, however, that the foregoing shall not eliminate or limit the liability of a director (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the General Corporation Law of the State of Delaware, or (iv) for any transaction from which the director derived an improper personal benefit. If the General Corporation Law of Delaware is hereafter amended to permit further elimination or limitation of the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law of Delaware as so amended. Any repeal or modification of this paragraph by the stockholders of the Corporation or otherwise shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification.

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment of the Certificate of Incorporation to be executed as of the 19th day of December 2008.

By: /s/Jennifer H. Jarvis
Jennifer H. Jarvis
President, Chief Executive Officer and Chief Financial Officer

State of Delaware
Secretary of State
Division of Corporations
Delivered 03:30 PM 06/29/2010
FILED 03:30 PM 06/29/2010
SRV 100701013 - 4202199 FILE

CERTIFICATE OF AMENDMENT
TO THE
CERTIFICATE OF INCORPORATION
OF
K-KITZ, INCORPORATED

The undersigned, Jennifer Jarvis, does hereby certify as follows:

1. She is the President, Chief Executive Officer and Chief Financial Officer of K-Kitz, Incorporated, a Delaware corporation (the "Corporation"), and is duly authorized by the written consent of the Board of Directors of the Corporation to execute this instrument.

2. This Certificate of Amendment to the Certificate of Incorporation was duly approved by the Corporation's Board of Directors, in accordance with the applicable provisions of Section 141 and 242 of the General Corporation Law of the State of Delaware, and duly adopted by written consent of the holder of a majority of the outstanding shares of common stock of the corporation, in accordance with the applicable provisions of Sections 228 and 242 of the General Corporation Law of the State of Delaware.

3. The first paragraph of the Certificate of Incorporation is hereby amended to read in its entirety as follows:

"The name of this Corporation is BACTERIN INTERNATIONAL HOLDINGS, INC."

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Amendment to the Certificate of Incorporation as of the 24th day of May, 2010.

/s/ Jennifer Jarvis
Name: Jennifer Jarvis
Title: President and Chief Executive Officer and Chief Financial Officer

EXHIBIT 4.1

THESE SECURITIES HAVE NOT BEEN REGISTERED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER REGULATION D PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"). THIS WARRANT SHALL NOT CONSTITUTE AN OFFER TO SELL NOR A SOLICITATION OF AN OFFER TO BUY THE SECURITIES IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION WOULD BE UNLAWFUL. THE SECURITIES ARE "RESTRICTED" AND MAY NOT BE RESOLD OR TRANSFERRED EXCEPT AS PERMITTED UNDER THE ACT PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM.

COMMON STOCK PURCHASE WARRANT

To Purchase Shares of $.000001 Par Value Common Stock ("Common Stock") of [Pubco]

No. [__] to purchase _____ Shares of Common Stock of

[PUBCO]

THIS CERTIFIES that, for value received, _____(the "Purchaser" or "Holder") is entitled, upon the terms and subject to the conditions hereinafter set forth, at any time on or after the date hereof and on or prior to 8:00 p.m. New York City Time on the date that is five (5) years after the date hereof (the "Termination Date"), but not thereafter, to subscribe for and purchase from [Pubco], a Delaware corporation (the "Company"), _____ shares of Common Stock (such shares, the "Warrant Shares") at an Exercise Price equal to $1.25 per share (as adjusted from time to time pursuant to the terms hereof, the "Exercise Price"). The Exercise Price and the number of shares for which the Warrant is exercisable shall be subject to adjustment as provided herein. This Warrant is being issued in connection with the Subscription Agreement dated on or about June 2010 (the "Subscription Agreement"), entered into between the Company and the Purchaser in connection with the Company's offering of between $7,000,000 and $12,000,000 in Common Stock (the "Common Stock" or the "Shares", and such offering, the "Offering"). Capitalized terms used herein and not otherwise defined shall have the meaning ascribed thereto in the Subscription Agreement.

1. Title of Warrant. Prior to the expiration hereof and subject to compliance with applicable laws, this Warrant and all rights hereunder are transferable, in whole or in part, at the office or agency of the Company by the Holder hereof in person or by duly authorized attorney, upon surrender of this Warrant together with (a) the Assignment Form annexed hereto properly endorsed, and (b) any other documentation reasonably necessary to satisfy the Company that such transfer is in compliance with all applicable securities laws. The term "Holder" shall refer to the Purchaser or any subsequent transferee of this Warrant.

2. Authorization of Shares. The Company covenants that all shares of Common Stock which may be issued upon the exercise of rights represented by this Warrant will, upon exercise of the rights represented by this Warrant and payment of the Exercise Price as set forth herein, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges in respect of the issue thereof (other than taxes in respect of any transfer occurring contemporaneously with such issue or otherwise specified herein).

3. Exercise of Warrant.

(a) The Holder may exercise this Warrant, in whole or in part, at any time and from time to time by delivering (which may be by facsimile) to the offices of the Company or any transfer agent for the Common Stock this Warrant, together with a Notice of Exercise in the form annexed hereto specifying the number of Warrant Shares with respect to which this Warrant is being exercised, together with payment in cash to the Company of the Exercise Price therefore.

(b) In the event that this Warrant is not exercised in full, the number of Warrant Shares shall be reduced by the number of such Warrant Shares for which this Warrant is exercised and/or surrendered, and the Company, if requested by Holder and at its expense, shall within three (3) Trading Days (as defined below) issue and deliver to the Holder a new Warrant of like tenor in the name of the Holder or as the Holder (upon payment by Holder of any applicable transfer taxes) may request, reflecting such adjusted Warrant Shares. Notwithstanding anything to the contrary set forth herein, upon exercise of any portion of this Warrant in accordance with the terms hereof, the Holder shall not be required to physically surrender this Warrant to the Company unless such Holder is purchasing the full amount of Warrant Shares represented by this Warrant. The Holder and the Company shall maintain records showing the number of Warrant Shares so purchased hereunder and the dates of such purchases or shall use such other method, reasonably satisfactory to the Holder and the Company, so as not to require physical surrender of this Warrant upon each such exercise. **The Holder and any assignee, by acceptance of this Warrant or a new Warrant, acknowledge and agree that, by reason of the provisions of this Section, following exercise of any portion of this Warrant, the number of Warrant Shares which may be purchased upon exercise of this Warrant may be less than the number of Warrant Shares set forth on the face hereof.** Certificates for shares of Common Stock purchased hereunder shall be delivered to the Holder hereof within three (3) Trading Days after the date on which this Warrant shall have been exercised as aforesaid. The Holder may withdraw its Notice of Exercise at any time if the Company fails to timely deliver the relevant certificates to the Holder as provided in this Agreement. A Notice of Exercise shall be deemed sent on the date of delivery if delivered before 8:00 p.m. New York Time on such date, or the day following such date if delivered after 8:00 p.m. New York Time; provided that the Company is only obligated to deliver Warrant Shares against delivery of the Exercise Price from the holder hereof and, if the Holder is purchasing the full amount of Warrant Shares represented by this Warrant, surrender of this Warrant (or appropriate affidavit and/or indemnity in lieu thereof). In lieu of delivering physical certificates representing the Warrant Shares issuable upon conversion of this Warrant, provided the Company's transfer agent is participating in the Depository Trust Company ("DTC") Fast Automated Securities Transfer program, upon request of the Holder, the Company shall use its best efforts to cause its transfer agent to electronically transmit the Warrant Shares issuable upon exercise to the Holder, by crediting the account of the Holder's prime broker with DTC through its Deposit Withdrawal At Custodian ("DWAC") system. The time periods for delivery described above shall apply to the electronic transmittals through the DWAC system. The Company agrees to coordinate with DTC to accomplish this objective.

(c) The term "Trading Day" means (i) if the Common Stock is not listed on the New York or American Stock Exchange but sale prices of the Common Stock are reported on NASDAQ National Market or another automated quotation system, including the OTC Bulletin Board, a day on which trading is reported on the principal automated quotation system on which sales of the Common Stock are reported, (ii) if the Common Stock is listed on the New York Stock Exchange or the American Stock Exchange, a day on which there is trading on such stock exchange, or (iii) if the foregoing provisions are inapplicable, a day on which quotations are reported by National Quotation Bureau Incorporated.

(d) If at any time this Warrant is exercised following the six month anniversary of the final closing of the Offering, but before the Termination Date and on the Trading Day immediately preceding the Holder's delivery of an Exercise Notice in respect of such exercise, a Registration Statement (as defined in the Subscription Agreement) covering the Warrant Shares that are the subject of the Exercise Notice (the "Unavailable Warrant Shares") is not available for the resale of such Unavailable Warrant Shares, the Holder of this Warrant also may exercise this Warrant as to any or all of such Unavailable Warrant Shares and, in lieu of making the cash payment otherwise contemplated to be made to the Company upon such exercise in payment of the aggregate Exercise Price, elect instead to receive upon such exercise a reduced number of shares of Common Stock (the "Net Number") determined according to the following formula (a "Cashless Exercise"):

$$\text{Net Number} = \frac{(A \times B) - (A \times C)}{B}$$

For purposes of the foregoing formula:

A= the total number of shares with respect to which this Warrant is then being exercised in a Cashless Exercise.

B= the Market Price on the Trading Day immediately preceding the date of the Exercise Notice.

C= the Exercise Price then in effect for the applicable Warrant Shares at the time of such exercise.

There cannot be a Cashless Exercise unless "B" exceeds "C".

The term "Market Price" means the last sale price of the Common Stock on the Principal Market for the date of determination or, if the Common Stock is not listed or admitted to trading on any Principal Market, and the last sale price cannot be determined as contemplated above, the Market Price of the Common Stock shall be as reasonably determined in good faith by the Company's Board of Directors and the Holder. The term "Principal Market" means the exchange or other market upon which the Company's Common Stock is listed or its price reported. If the Fair Market Value of the Common Stock cannot be determined by the Company's Board of Directors and the Holder after five (5) business days, such determination shall be made by a third party appraisal firm mutually agreeable by the Board of Directors and the Holder, whose expense shall be borne equally by the Company and the Holder (the "Independent Appraiser").

4. No Fractional Shares or Scrip. No fractional shares or scrip representing fractional shares shall be issued upon the exercise of this Warrant. In lieu of issuance of a fractional share upon any exercise hereunder, the Company will either round up to nearest whole number of shares or pay the cash value of that fractional share, which cash value shall be calculated on the basis of the average closing price of the Common Stock during the five (5) Trading Days immediately preceding the date of exercise.

5. Charges, Taxes and Expenses. Issuance of certificates for shares of Common Stock upon the exercise of this Warrant shall be made without charge to the Holder hereof for any issue or transfer tax or other incidental expense in respect of the issuance of such certificate, all of which taxes and expenses shall be paid by the Company, and such certificates shall be issued in the name of the Holder of this Warrant or in such name or names as may be directed by the Holder of this Warrant; provided, however, that in the event certificates for shares of Common Stock are to be issued in a name other than the name of the Holder of this Warrant, this Warrant when surrendered for exercise shall be accompanied by the Assignment Form attached hereto duly executed by the Holder hereof; and provided further, that the Company shall not be required to pay any tax or taxes which may be payable in respect of any transfer involved in the issuance of any Warrant certificates or any certificates for the Warrant Shares other than the issuance of a Warrant Certificate to the Holder in connection with the Holder's surrender of a Warrant Certificate upon the exercise of all or less than all of the Warrants evidenced thereby.

6. Closing of Books. The Company will at no time close its shareholder books or records in any manner which interferes with the timely exercise of this Warrant.

7. No Rights as Shareholder until Exercise. Subject to Section 12 of this Warrant and the provisions of any other written agreement between the Company and the Purchaser, the Purchaser shall not be entitled to vote or receive dividends or be deemed the holder of Warrant Shares or any other securities of the Company that may at any time be issuable on the exercise hereof for any purpose, nor shall anything contained herein be construed to confer upon the Purchaser, as such, any of the rights of a stockholder of the Company or any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action (whether upon any recapitalization, issuance of stock, reclassification of stock, change of par value, or change of stock to no par value, consolidation, merger, conveyance or otherwise) or to receive notice of meetings, or to receive dividends or subscription rights or otherwise until the Warrant shall have been exercised as provided herein. However, at the time of the exercise of this Warrant pursuant to Section 3 hereof, the Warrant Shares so purchased hereunder shall be deemed to be issued to such Holder as the record owner of such shares as of the close of business on the date on which this Warrant shall have been exercised.

8. Assignment and Transfer of Warrant. This Warrant may be assigned by the surrender of this Warrant and the Assignment Form annexed hereto duly executed at the office of the Company (or such other office or agency of the Company or its transfer agent as the Company may designate by notice in writing to the registered Holder hereof at the address of such Holder appearing on the books of the Company); provided, however, that this Warrant may not be resold or otherwise transferred except (i) in a transaction registered under the Securities Act of 1933, as amended (the "Act"), or (ii) in a transaction pursuant to an exemption, if available, from registration under the Act and whereby, if reasonably requested by the Company, an opinion of counsel reasonably satisfactory to the Company is obtained by the Holder of this Warrant to the effect that the transaction is so exempt.

9. Loss, Theft, Destruction or Mutilation of Warrant; Exchange. The Company represents, warrants and covenants that (a) upon receipt by the Company of evidence and/or indemnity reasonably satisfactory to it of the loss, theft, destruction or mutilation of any Warrant or stock certificate representing the Warrant Shares, and in case of loss, theft or destruction, of indemnity reasonably satisfactory to it, and (b) upon surrender and cancellation of such Warrant or stock certificate, if mutilated, the Company will make and deliver a new Warrant or stock certificate of like tenor and dated as of such cancellation, in lieu of this Warrant or stock certificate, without any charge therefor. This Warrant is exchangeable at any time for an equal aggregate number of Warrants of different denominations, as requested by the holder surrendering the same, or in such denominations as may be requested by the Holder following determination of the Exercise Price. No service charge will be made for such registration or transfer, exchange or reissuance.

10. Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall be a Saturday, Sunday or a legal holiday, then such action may be taken or such right may be exercised on the next succeeding day not a legal holiday.

11. Effect of Certain Events. If at any time while this Warrant or any portion thereof is outstanding and unexpired there shall be a transaction (by merger or otherwise) in which more than 50% of the voting power of the Company is disposed of, the Holder of this Warrant shall have the right thereafter to purchase, by exercise of this Warrant and payment of the aggregate Exercise Price in effect immediately prior to such action, the kind and amount of shares and other securities and property which it would have owned or have been entitled to receive after the happening of such transaction had this Warrant been exercised immediately prior thereto, subject to further adjustment as provided in Section 12.

12. Adjustments of Exercise Price and Number of Warrant Shares. The number of and kind of securities purchasable upon exercise of this Warrant and the Exercise Price shall be subject to adjustment from time to time as set forth in this Section 12.

(a) Subdivisions, Combinations, Stock Dividends and other Issuances. If the Company shall, at any time while this Warrant is outstanding, (i) pay a stock dividend or otherwise make a distribution or distributions on any equity securities (including instruments or securities convertible into or exchangeable for such equity securities) in shares of Common Stock, (ii) subdivide outstanding shares of Common Stock into a larger number of shares, or (iii) combine outstanding Common Stock into a smaller number of shares, then the Exercise Price shall be multiplied by a fraction, the numerator of which shall be the number of shares of Common Stock outstanding before such event and the denominator of which shall be the number of shares of Common Stock outstanding after such event. Any adjustment made pursuant to this Section 12(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision or combination. The number of shares which may be purchased hereunder shall be increased or decreased proportionately to any reduction or increase in Exercise Price pursuant to this Section 12(a), so that after such adjustments the aggregate Exercise Price payable hereunder for the increased or decreased number of shares shall be the same as the aggregate Exercise Price in effect just prior to such adjustments.

(b) Other Distributions. If at any time after the date hereof the Company distributes to holders of its Common Stock, other than as part of its dissolution, liquidation or the winding up of its affairs, any shares of its capital stock, any evidence of indebtedness or any of its assets (other than Common Stock), then the number of Warrant Shares for which this Warrant is exercisable shall be increased to equal: (i) the number of Warrant Shares for which this Warrant is exercisable immediately prior to such event, (ii) multiplied by a fraction, (A) the numerator of which shall be the Fair Market Value (as defined below) per share of Common Stock on the record date for the dividend or distribution, and (B) the denominator of which shall be the Fair Market Value price per share of Common Stock on the record date for the dividend or distribution minus the amount allocable to one share of Common Stock of the value (as jointly determined in good faith by the Board of Directors of the Company and the Holder) of any and all such evidences of indebtedness, shares of capital stock, other securities or property, so distributed. For purposes of this Warrant, "Fair Market Value" shall equal the average closing trading price of the Common Stock on the Principal Market for the five (5) Trading Days preceding the date of determination or, if the Common Stock is not listed or admitted to trading on any Principal Market, and the average price cannot be determined as contemplated above, the Fair Market Value of the Common Stock shall be as reasonably determined in good faith by the Company's Board of Directors and the Holder. If the Fair Market Value of the Common Stock cannot be determined by the Company's Board of Directors and the Holder after five (5) business days, such determination shall be made by an Independent Appraiser. The fair market value as determined by the Independent Appraiser shall be final. The Exercise Price shall be reduced to equal: (i) the Exercise Price in effect immediately before the occurrence of any event (ii) multiplied by a fraction, (A) the numerator of which is the number of Warrant Shares for which this Warrant is exercisable immediately before the adjustment, and (B) the denominator of which is the number of Warrant Shares for which this Warrant is exercisable immediately after the adjustment.

(c) Merger, etc. If at any time after the date hereof there shall be a merger or consolidation of the Company with or into or a transfer of all or substantially all of the assets of the Company to another entity, then the Holder shall be entitled to receive upon or after such transfer, merger or consolidation becoming effective, and upon payment of the Exercise Price then in effect, the number of shares or other securities or property of the Company or of the successor corporation resulting from such merger or consolidation, which would have been received by the Holder for the shares of stock subject to this Warrant had this Warrant been exercised just prior to such transfer, merger or consolidation becoming effective or to the applicable record date thereof, as the case may be. The Company will not merge or consolidate with or into any other corporation, or sell or otherwise transfer its property, assets and business substantially as an entirety to another corporation, unless the corporation resulting from such merger or consolidation (if not the Company), or such transferee corporation, as the case may be, shall expressly assume in writing the due and punctual performance and observance of each and every covenant and condition of this Warrant to be performed and observed by the Company.

(d) Reclassification, etc. If at any time after the date hereof there shall be a reorganization or reclassification of the securities as to which purchase rights under this Warrant exist into the same or a different number of securities of any other class or classes, then the Holder shall thereafter be entitled to receive upon exercise of this Warrant, during the period specified herein and upon payment of the Exercise Price then in effect, the number of shares or other securities or property resulting from such reorganization or reclassification, which would have been received by the Holder for the shares of stock subject to this Warrant had this Warrant at such time been exercised.

13. Notice of Adjustment. Whenever the number of Warrant Shares or number or kind of securities or other property purchasable upon the exercise of this Warrant or the Exercise Price is adjusted, the Company shall promptly mail to the Holder of this Warrant a notice setting forth the number of Warrant Shares (and other securities or property) purchasable upon the exercise of this Warrant and the Exercise Price of such Warrant Shares after such adjustment and setting forth the computation of such adjustment and a brief statement of the facts requiring such adjustment.

14. Authorized Shares. The Company covenants that during the period the Warrant is outstanding and exercisable, it will reserve from its authorized and unissued Common Stock a sufficient number of shares to provide for the issuance of the Warrant Shares upon the exercise of any and all purchase rights under this Warrant. The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of executing stock certificates to execute and issue the necessary certificates for the Warrant Shares upon the exercise of the purchase rights under this Warrant. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares may be issued as provided herein without violation of any applicable law, regulation, or rule of any applicable market or exchange.

15. Compliance with Securities Laws. The Holder hereof acknowledges that the Warrant Shares acquired upon the exercise of this Warrant, if not registered (or if no exemption from registration exists), will have restrictions upon resale imposed by state and federal securities laws. Each certificate representing the Warrant Shares issued to the Holder upon exercise (if not registered, for resale or otherwise, or if no exemption from registration exists) will bear substantially the following legend: THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE ACT, AND, ACCORDINGLY, MAY NOT BE OFFERED, TRANSFERRED, SOLD OR OTHERWISE DISPOSED OF EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS.

16. Intent of Purchase. Without limiting the Purchaser's right to transfer, assign or otherwise convey the Warrant or Warrant Shares in compliance with all applicable securities laws, the Holder of this Warrant, by acceptance hereof, acknowledges that this Warrant and the Warrant Shares to be issued upon exercise hereof are being acquired solely for the Purchaser's own account and not as a nominee for any other party, and that the Purchaser will not offer, sell or otherwise dispose of this Warrant or any Warrant Shares to be issued upon exercise hereof except under circumstances that will not result in a violation of applicable federal and state securities laws.

17. Miscellaneous.

(a) Issue Date; Choice of Law; Venue; Jurisdiction. The provisions of this Warrant shall be construed and shall be given effect in all respects as if it had been issued and delivered by the Company on the date hereof. This Warrant shall be binding upon any successors or assigns of the Company. This Warrant will be construed and enforced in accordance with and governed by the laws of the State of New York, except for matters arising under the Act, without reference to principles of conflicts of law. Each of the parties consents to the exclusive jurisdiction of the Federal and State Courts sitting in the County of New York in the State of New York in connection with any dispute arising under this Warrant and hereby waives, to the maximum extent permitted by law, any objection, including any objection based on forum non conveniens or venue, to the bringing of any such proceeding in such jurisdiction.

(b) Modification and Waiver. This Warrant and any provisions hereof may be changed, waived, discharged or terminated only by an instrument in writing signed by the party against which enforcement of the same is sought. Any amendment effected in accordance with this paragraph shall be binding upon the Purchaser, each future holder of this Warrant and the Company. No waivers of, or exceptions to, any term, condition or provision of this Warrant, in any one or more instances, shall be deemed to be, or construed as, a further or continuing waiver of any such term, condition or provision.

(c) Notices. Any notice or other communication required or permitted to be given hereunder shall be in writing by facsimile, mail or personal delivery and shall be effective upon actual receipt of such notice. The addresses for such communications shall be to the addresses as shown on the books of the Company or to the Company at the address set forth in the Offering Documents. A party may from time to time change the address to which notices to it are to be delivered or mailed hereunder by notice in accordance with the provisions of this Section 17(c).

(d) Severability. Whenever possible, each provision of this Warrant shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Warrant is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect the validity, legality or enforceability of any other provision of this Warrant in such jurisdiction or affect the validity, legality or enforceability of any provision in any other jurisdiction, but this Warrant shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

(e) Specific Enforcement. The Company and the Holder acknowledge and agree that irreparable damage would occur in the event that any of the provisions of this Warrant were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent or cure breaches of the provisions of this Warrant and to enforce specifically the terms and provisions hereof, this being in addition to any other remedy to which either of them may be entitled by law or equity.

(f) Counterparts/Execution. This Warrant may be executed by facsimile and in any number of counterparts, and each such counterpart hereof shall be deemed to be an original instrument, but all such counterparts together shall constitute one agreement. Execution and delivery of this Warrant by facsimile transmission (including delivery of documents in Adobe PDF format) shall constitute execution and delivery of this Warrant for all purposes, with the same force and effect as execution and delivery of an original manually signed copy hereof.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officers thereunto duly authorized.

Dated: June __, 2010

[Pubco]

By: _____
Name: _____
Title: _____

[SIGNATURE PAGE TO THE COMMON STOCK PURCHASE WARRANT]

NOTICE OF EXERCISE

To: [Pubco]

(1) The undersigned hereby elects to exercise the attached Warrant for and to purchase thereunder, _____ shares of Common Stock, and herewith makes payment therefor of $_____.

(2) Please issue a certificate or certificates representing said shares of Common Stock in the name of the undersigned or in such other name as is specified below:

(Name)

(Address)

(3) Please issue a new Warrant for the unexercised portion of the attached Warrant in the name of the undersigned or in such other name as is specified below:

(Name)

(Date)

(Signature)

(Address)

Dated:

Signature

ASSIGNMENT FORM

(To assign the foregoing warrant, execute
this form and supply required information.
Do not use this form to exercise the warrant.)

FOR VALUE RECEIVED, the foregoing Warrant and all rights evidenced thereby are hereby assigned to

_____ whose address is

_____.

_____

Dated: _____,

Holder's Signature: _____

Holder's Address: _____

_____

Signature Guaranteed: _____

NOTE: The signature to this Assignment Form must correspond with the name as it appears on the face of the Warrant, without alteration or enlargement or any change whatsoever, and must be guaranteed by a bank or trust company. Officers of corporations and those acting in a fiduciary or other representative capacity should file proper evidence of authority to assign the foregoing Warrant.

EXHIBIT 10.1

COMMON STOCK OFFERING

SUBSCRIPTION AGREEMENT

As of June 4, 2010

Mr. Guy S. Cook
Chief Executive Officer and President
Bacterin International, Inc.
600 Cruiser Lane
Belgrade, MT 59714

Investors:

1. Subscription; Escrow Arrangement.

(a) The undersigned subscriber (the "Subscriber") hereby irrevocably subscribes for and agrees to purchase that number of shares of common stock (the "Common Stock", or the "Shares") set forth on the signature page hereto of a publicly-traded company ("Pubco") which, as a condition to the closing of the subscription hereunder, will acquire by reverse triangular merger (the "Merger") all of the outstanding shares of capital stock of Bacterin International, Inc., a Nevada corporation (the "Company"), and change its name to "Bacterin International Holdings, Inc." (the "Name Change"), along with warrants to purchase additional Shares (the "Warrants") in the form of Exhibit A hereto (each a "Warrant" and together with the Shares, the "Securities"), in connection with the offering of a minimum of $7,000,000 ("Minimum Offering Amount") in Securities for cash, all subject to the Company's right to sell up to an additional $5,000,000 of Shares (the "Offering"). This Subscription Agreement (this "Subscription Agreement") together with the Exhibits and the Company's Confidential Private Placement Memorandum dated June 2010 constitute the "Offering Documents".

This subscription is based upon the information provided in the Offering Documents, audited financial statements for the period ended December 31, 2009, unaudited financial statements for the period ended March 31, 2010, and upon the Subscriber's own investigation as to the merits and risks of this investment. The Subscriber shall deliver herewith duly executed copies of the signature pages to the following documents: (i) the Subscription Agreement, (ii) the Accredited Investor Questionnaire & Form W-9 (and W-8BEN, if applicable), and (iii) the Registration Rights Agreement.

The closing of the purchase of the Securities shall occur upon the earlier of the consummation of the Merger or June 16, 2010, which date may be extended by the Company and the Placement Agent (as defined in Section 3(h)) for up to an additional 30 days (the "Closing" and such date the "Closing Date").

Pubco shall deliver PDF copies of all Common Stock share certificates and Warrants to the Subscribers on the Closing Date or, if later, immediately following the effectiveness of the Name Change. Pubco will deliver originally executed instruments representing the Subscriber's Securities promptly following the Closing Date or, if later, the effectiveness of the Name Change.

(b) Subject to the terms and conditions hereinafter set forth, the Subscriber hereby subscribes for and agrees to purchase the number of Shares set forth on the signature page hereto at a price per share of $0.80 (the "Purchase Price"), and when this Agreement is accepted and executed by the Company, the Company agrees to issue such Securities to the Subscriber. The subscription price is payable by wire transfer to "TD Bank, Wilmington Delaware, as Escrow Agent for Bacterin Middlebury Escrow Account." pursuant to the following wire instructions.

WIRING INSTRUCTIONS

Bank's Name and Address:	TD Bank, Wilmington Delaware
Name of Account:	Bacterin Middlebury Escrow Account
Account #:	4245010973
ABA Routing #:	031101266
International Swift Code:	NRTHUS33

Provided that (i) the Subscriber has satisfied all conditions set forth herein, (ii) Pubco has accepted and executed this Subscription Agreement, and (iii) the Merger has been consummated, the Securities purchased by the Subscriber will be delivered by Pubco promptly following the Closing Date or, if later, the Name Change. In the event that a closing does not occur, Subscriber's funds will be returned by Escrow Agent to the Subscriber.

2.. Subscriber Representations, Warranties and Agreements. The Subscriber hereby acknowledges, represents and warrants as follows (with the understanding that the Company will rely on such representations and warranties in determining, among other matters, the suitability of this investment for the Subscriber in order to comply with federal and state securities laws):

(a) In connection with this subscription, the Subscriber has read the Offering Materials, the Company's audited financial statements for the period ended December 31, 2009, and the Company's unaudited financial statements for the period ended March 31, 2010. The Subscriber acknowledges that these are not intended to set forth all of the information which might be deemed pertinent by an investor who is considering an investment in the Securities. It is the responsibility of the Subscriber (i) to determine what additional information he desires to obtain in evaluating this investment and (ii) to obtain such information from the Company.

(b) This Offering is limited to persons who are "accredited investors," as that term is defined in Regulation D under the Securities Act of 1933, as amended (the "Act"), and who have the financial means and the business, financial and investment experience and acumen to conduct an investigation as to, and to evaluate, the merits and risks of this investment. The Subscriber hereby represents that he has read, is familiar with and understands Rule 501 of Regulation D under the Act. The Subscriber is an "accredited investor" as defined in Rule 501(a) of Regulation D.

(c) The Subscriber has had full access to all the information which the Subscriber (or the Subscriber's advisor) considers necessary or appropriate to make an informed decision with respect to the Subscriber's investment in the Securities. The Subscriber acknowledges that the Company has made available to the Subscriber and the Subscriber's advisors the opportunity to examine and copy any contract, matter or information which the Subscriber considers relevant or appropriate in connection with this investment and to ask questions and receive answers relating to any such matters including, without limitation, the financial condition, management, employees, business, obligation, corporate books and records, budgets, business plans of and other matters relevant to the Company. To the extent the Subscriber has not sought information regarding any particular matter, the Subscriber represents that he or she had and has no interest in doing so and that such matters are not material to the Subscriber in connection with this investment. The Subscriber has accepted the responsibility for conducting the Subscriber's own investigation and obtaining for itself such information as to the foregoing and all other subjects as the Subscriber deems relevant or appropriate in connection with this investment. The Subscriber is not relying on any representation other than that contained herein. The Subscriber acknowledges that no representation regarding projected revenues or a projected rate of return has been made to it by any party.

(d) The Subscriber understands that the Offering of the Securities has not been registered under the Act, in reliance on an exemption for private offerings provided pursuant to Section 4(2) of the Act and that, as a result, the Securities will be "restricted securities" as that term is defined in Rule 144 under the Act and, accordingly, under Rule 144 as currently in effect, that the Securities must be held for at least twelve months after the investment has been made (or indefinitely if the Subscriber is deemed an "affiliate" within the meaning of such rule) unless the Securities are subsequently registered under the Act and qualified under any other applicable securities law or exemptions from such registration and qualification are available. Except as set forth herein, the Subscriber understands that Pubco is under no obligation to register the Securities under the Act or to register or qualify the Securities under any other applicable securities law, or to comply with any other exemption under the Act or any other securities law, and that the Subscriber has no right to require such registration. The Subscriber further understands that the Offering of the Securities has not been qualified or registered under any foreign or state securities laws in reliance upon the representations made and information furnished by the Subscriber herein and any other documents delivered by the Subscriber in connection with this subscription; that the Offering has not been reviewed by the SEC or by any foreign or state securities authorities; that the Subscriber's rights to transfer the Securities will be restricted, which includes restrictions against transfers unless the transfer is not in violation of the Act and applicable state securities laws (including investor suitability standards); and that Pubco may in its sole discretion require the Subscriber to provide at the Subscriber's own expense an opinion of its counsel to the effect that any proposed transfer is not in violation of the Act or any state securities laws.

(e) The Subscriber is empowered and duly authorized to enter into this Subscription Agreement which constitutes a valid and binding agreement of the Subscriber enforceable against the Subscriber in accordance with its terms; and the person signing this Subscription Agreement on behalf of the Subscriber is empowered and duly authorized to do so.

(f) The Subscriber acknowledges that there will be no market for the Securities and that the Subscriber may not be able to sell or dispose of them; the Subscriber has liquid assets sufficient to assure that the purchase price of the Securities will cause no undue financial difficulties and that, after purchasing the Securities the Subscriber will be able to provide for any foreseeable current needs and possible personal contingencies; the Subscriber is able to bear the risk of illiquidity and the risk of a complete loss of this investment.

(g) The information in any documents delivered by the Subscriber in connection with this subscription, including, but not limited to the Investor Questionnaire attached as Exhibit B hereto, is true, correct and complete in all respects as of the date hereof. The Subscriber agrees promptly to notify the Company in writing of any change in such information after the date hereof.

(h) The offering and sale of the Securities to the Subscriber were not made through any advertisement in printed media of general and regular paid circulation, radio or television or any other form of advertisement, or as part of a general solicitation.

(i) The Subscriber recognizes that an investment in the Securities involves significant risks, which risks could give rise to the loss of the Subscriber's entire investment in such Securities.

(j) The Subscriber is acquiring the Securities, as principal, for the Subscriber's own account for investment purposes only, and not with a present intention toward or for the resale, distribution or fractionalization thereof, and no other person has a beneficial interest in the Securities. The Subscriber has no present intention of selling or otherwise distributing or disposing of the Securities, and understands that an investment in the Securities must be considered a long-term illiquid investment.

3. Representations and Warrants of the Company. As a material inducement of the Subscribers to enter into this Subscription Agreement and subscribe for the Securities, the Company represents and warrants to the Subscriber, as of the date hereof, as follows:

(a) Organization and Standing. The Company is a duly organized corporation, validly existing and in good standing under the laws of the State of Nevada, has full power to carry on its business as and where such business is now being conducted and to own, lease and operate the properties and assets now owned or operated by it and is duly qualified to do business and is in good standing in each jurisdiction where the conduct of its business or the ownership of its properties requires such qualification except where the failure to be so qualified would not have a Material Adverse Effect on the Company. "Material Adverse Effect" means any circumstance, change in, or effect on the Company that, individually or in the aggregate with any other similar circumstances, changes in, or effects on, the Company taken as a whole: (i) is, or is reasonably expected to be, materially adverse to the business, operations, assets, liabilities, employee relationships, customer or supplier relationships, prospects, results of operations or the condition (financial or otherwise) of the Company taken as a whole, or (ii) is reasonably expected to adversely affect the ability of the Company to operate or conduct the Company's business in the manner in which it is currently operated or conducted or proposed to be operated or conducted by the Company.

(b) Authority. The execution, delivery and performance of this Subscription Agreement and the Offering Documents by the Company and the consummation of the transactions contemplated hereby have been duly authorized by the Board of Directors of the Company.

(c) No Conflict. The execution, delivery and performance of this Subscription Agreement and the consummation of the transactions contemplated hereby do not (i) violate or conflict with the Company's Articles of Incorporation, as amended and as in effect as of the date hereof (the "Articles of Incorporation"), the Company's By-laws, as in effect as of the date hereof (the "By-laws") or other organizational documents, (ii) conflict with or result (with the lapse of time or giving of notice or both) in a material breach or default under any material agreement or instrument to which the Company is a party or by which the Company is otherwise bound, or (iii) violate any order, judgment, law, statute, rule or regulation applicable to the Company, except where such violation, conflict or breach would not have a Material Adverse Effect on the Company. This Subscription Agreement when executed by the Company will be a legal, valid and binding obligation of the Company enforceable in accordance with its terms (except as may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws and equitable principles relating to or limiting creditors' rights generally).

(d) Authorization. Issuance of the Securities to Subscriber has been duly authorized by all appropriate corporate actions of the Company.

(e) Litigation and Other Proceedings. Except as disclosed on Schedule 3(e) hereto, there are no actions, suits, proceedings or investigations pending or, to the knowledge of the Company, threatened against the Company at law or in equity before or by any court or Federal, state, municipal or their governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign which could materially adversely affect the Company. The Company is not subject to any continuing order, writ, injunction or decree of any court or agency against it which would have a material adverse effect on the Company.

(f) Use of Proceeds. The proceeds of this Offering and sale of the Securities, net of payment of placement expenses, will be used by the Company for working capital and other general corporate purposes pursuant to the restrictions set forth in the Securities and on Schedule 3(f) hereto.

(g) Consents/Approvals. No consents, filings (other than Federal and state securities filings relating to the issuance of the Securities pursuant to applicable exemptions from registration, which the Company hereby undertakes to make in a timely fashion), authorizations or other actions of any governmental authority are required to be obtained or made by the Company for the Company's execution, delivery and performance of this Subscription Agreement which have not already been obtained or made or will be made in a timely manner following the Closing.

(h) No Commissions. The Company has not incurred any obligation for any finder's, broker's or agent's fees or commissions in connection with the transaction contemplated hereby other than the placement agent fees payable to Middlebury Securities, LLC, as placement agent (the "Placement Agent") in connection with the Offering.

(i) Capitalization. A capitalization table illustrating the issued capital stock of the Company immediately prior to the Merger and of Pubco immediately following the Merger and the Closing of this Offering is attached as Schedule 3(i). All of such outstanding shares have been, or upon issuance will be, validly issued, fully paid and nonassessable. As of the date hereof, except as disclosed in Schedule 3(i) or Schedule 3(n), (i) no shares of the Company's capital stock are subject to preemptive rights or any other similar rights or any liens or encumbrances suffered or permitted by the Company, there are no outstanding debt securities, there are 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 or 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, (ii) there are 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 of 1933, as amended ("Securities Act" or "1933 Act"), (iii) there are no outstanding securities of the Company or any of its subsidiaries which contain any redemption or similar provisions, and there are no contracts, commitments, understandings or arrangements by which the Company or any of its subsidiaries is or may become bound to redeem a security of the Company or any of its subsidiaries, and (iv) there are no securities or instruments containing anti-dilution or similar provisions that will be triggered by the issuance or exercise of the Shares or Warrants as described in this Subscription Agreement. The Company has furnished to the Subscriber true and correct copies of the Articles of Incorporation, the By-laws, and the terms of all securities convertible or exchangeable into or exercisable for Common Stock and the material rights of the holders thereof in respect thereto. Schedule 3(i) and Schedule 3(n) also list all outstanding debt of the Company with sufficient detail acceptable to Subscriber.

(j) Employee Relations. Neither the Company nor any of its subsidiaries is involved in any labor dispute nor, to the knowledge of the Company or any of its subsidiaries, is any such dispute threatened, the effect of which would be reasonably likely to result in a Material Adverse Effect. Neither the Company nor any of its subsidiaries is a party to a collective bargaining agreement.

(k) Intellectual Property Rights. The Company and its subsidiaries own or possess adequate rights or licenses to use all trademarks, trade names, service marks, service mark registrations, service names, patents, patent rights, copyrights, inventions, licenses, approvals, governmental authorizations, trade secrets and rights necessary to conduct their respective businesses as now conducted. The Company and its subsidiaries do not have any knowledge of any infringement by the Company or its subsidiaries of trademark, trade name rights, patents, patent rights, copyrights, inventions, licenses, service names, service marks, service mark registrations, trade secret or other similar rights of others, or of any such development of similar or identical trade secrets or technical information by others and, except as set forth on Schedule 3(k), there is no claim, action or proceeding being made or brought against, or to the Company's knowledge, being threatened against, the Company or its subsidiaries regarding trademarks, trade name rights, patents, patent rights, inventions, copyrights, licenses, service names, service marks, service mark registrations, trade secrets or other infringement.

(l) Environmental Laws. The Company and its subsidiaries (i) are to the Company's knowledge in compliance with any and all applicable foreign, federal, state and local laws and regulations relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants ("Environmental Laws"), (ii) have received all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct their respective businesses, and (iii) are in compliance with all terms and conditions of any such permit, license or approval where such noncompliance or failure to receive permits, licenses or approvals referred to in clauses (i), (ii) or (iii) above could have, individually or in the aggregate, a Material Adverse Effect.

(m) Disclosure. To the Knowledge (as defined below) of the Company and its subsidiaries at the time of the execution of this Subscription Agreement, no representation or warranty by the Company in this Subscription Agreement, the Offering Documents, nor in any certificate, Schedule or Exhibit delivered or to be delivered pursuant to this Subscription Agreement or the Offering Documents contains or will contain any untrue statement of material fact or omits or will omit to state a material fact necessary to make the statements contained herein or therein not misleading. To the knowledge of the Company and its subsidiaries at the time of the execution of this Subscription Agreement, there is no information concerning the Company and its subsidiaries or their respective businesses which has not heretofore been disclosed to the Subscribers that would have a Material Adverse Effect. For purposes of this paragraph (m), "Knowledge" shall mean the actual knowledge of the Company's Chief Executive Officer, Chief Financial Officer or General Counsel.

(n) Title. The Company and its subsidiaries have good and marketable title in fee simple to all real property and good and marketable title to all personal property owned by them which is material to the business of the Company and its subsidiaries, in each case free and clear of all liens, encumbrances and defects except such as are described in Schedule 3(n) or such as do not materially and adversely affect the value of such property and do not interfere with the use made and proposed to be made of such property by the Company or any of its subsidiaries. Any real property and facilities held under lease by the Company or any of its subsidiaries are held by them under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere with the use made and proposed to be made of such property and buildings by the Company and its subsidiaries.

(o) Insurance. The Company and each of its subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as management of the Company believes to be prudent and customary in the businesses in which the Company and its subsidiaries are engaged.

(p) Regulatory Permits. To the Company's knowledge, the Company and its subsidiaries possess all material certificates, authorizations and permits issued by the appropriate federal, state or foreign regulatory authorities, necessary to conduct their respective businesses, and neither the Company nor any such subsidiary has received any notice of proceedings relating to the revocation or modification of any such certificate, authorization or permit.

(q) Foreign Corrupt Practices Act. To the Company's knowledge, neither the Company, nor any director, officer, agent, employee or other person acting on behalf of the Company or any subsidiary has, in the course of acting for, or on behalf of, the Company, directly or indirectly used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity; directly or indirectly made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; violated or is in violation of any provision of the U.S. Foreign Corrupt Practices Act of 1977, as amended, or any similar treaties of the United States; or directly or indirectly made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any foreign or domestic government or party official or employee.

(r) Tax Status. The Company and each of its subsidiaries has made or filed all United States federal and state income and all other tax returns, reports and declarations required by any jurisdiction to which it is subject and all such returns, reports and declarations are true, correct and accurate in all material respects. The Company has paid all taxes and other governmental assessments and charges, shown or determined to be due on such returns, reports and declarations, except those being contested in good faith, for which adequate reserves have been established, in accordance with generally accepted accounting principles.

(s) Compliance with Laws. The business of the Company and its subsidiaries has been and is presently being conducted so as to comply with all applicable material federal, state and local governmental laws, rules, regulations and ordinances.

(t) Employee Benefit Plans; ERISA. Schedule 3(t) sets forth a true, correct and complete list of all employee benefit plans, programs, policies and arrangements, whether written or unwritten (the "Company Plans"), that the Company, any subsidiary or any other corporation or business which is now or at the relevant time was a member of a controlled group of companies or trades or businesses including the Company or any subsidiary, within the meaning of section 414 of the Internal Revenue Code of 1986, as amended (the "Code"), maintain or have maintained on behalf of current or former members, partners, principals, directors, officers, managers, employees, consultants or other personnel. There has been no prohibited transaction within the meaning of Section 406 of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or Section 4975 of the Code, with respect to any of the Company Plans; none of the Company Plans is or was subject to Section 412 of the Code or Section 302 or Title IV of ERISA; and each of the Company Plans has been operated and administered in all material respects in accordance with all applicable laws, including ERISA. There are no actions, suits or claims pending or threatened (other than routine claims for benefits), whether by participants, the Internal Revenue Service, the Department of Labor or otherwise, with respect to any Company Plan and no facts exist under which any such actions, suits or claims are likely to be brought or under which the Company or any subsidiary could incur any liability with respect to a Company Plan other than in the ordinary course. None of the Company Plans is or was a multiemployer plan within the meaning of Section 3(37) of ERISA. Neither the Company nor any subsidiary has announced, proposed or agreed to any change in benefits under any Company Plan or the establishment of any new Company Plan. There have been no changes in the operation or interpretation of any Company Plan since the most recent annual report, which would have any material effect on the cost of operating, maintaining or providing benefits under such Company Plan. Neither the Company nor any subsidiary has incurred any liability for the misclassification of employees as leased employees or independent contractors. Except as provided for in this Subscription Agreement and in the Offering Documents, the consummation of the transactions contemplated by this Subscription Agreement, either alone or in combination with another event, will not (i) result in any individual becoming entitled to any increase in the amount of compensation or benefits or any additional payment from the Company or any subsidiary (including, without limitation, severance, golden parachute or bonus payments or otherwise), or (ii) accelerate the vesting or timing of payment of any benefits or compensation payable in respect of any individual.

(u) Restrictions on Business Activities. There is no judgment, order, decree, writ or injunction binding upon the Company or any subsidiary or, to the knowledge of the Company or any subsidiary, threatened that has or could prohibit or impair the conduct of their respective businesses as currently conducted or any business practice of the Company or any subsidiary, including the acquisition of property, the provision of services, the hiring of employees or the solicitation of clients, in each case either individually or in the aggregate.

(v) Issuance of Shares and/or Warrant Shares. The Shares and Warrant Shares are duly authorized and reserved for issuance and, upon delivery of the Shares and/or exercise of the Warrants, as applicable, in accordance with the terms thereof, such Shares and/or Warrant Shares will be validly issued, fully paid and non-assessable, free and clear of any and all liens, claims and encumbrances and the holders of such Shares and/or Warrant Shares (as defined in the Warrant) shall be entitled to all rights and preferences accorded to a holder of Common Stock.

4. Registration Rights. Subscriber will have certain demand and "piggyback" registration rights as set forth in the Registration Rights Agreement attached as Exhibit C hereto.

5. Legends. The Subscriber understands and agrees that Pubco will cause any necessary legends to be placed upon any instruments(s) evidencing ownership of the Securities, together with any other legend that may be required by federal or state securities laws or deemed necessary or desirable by Pubco.

6. General Provisions.

(a) Confidentiality. The Subscriber covenants and agrees that it will keep confidential and will not disclose or divulge any confidential or proprietary information that such Subscriber may obtain from Pubco or the Company pursuant to financial statements, reports, and other materials submitted by Pubco or the Company to such Subscriber in connection with this offering or as a result of discussions with or inquiry made to Pubco or the Company, unless such information is known, or until such information becomes known, to the public through no action by the Subscriber; provided, however, that the Subscriber may disclose such information to its attorneys, accountants, consultants, and other professionals to the extent necessary in connection with his or her investment in Pubco or the Company so long as any such professional to whom such information is disclosed is made aware of the Subscriber's obligations hereunder and such professional agrees to be likewise bound as though such professional were a party hereto.

(b) Successors. The covenants, representations and warranties contained in this Subscription Agreement shall be binding on the Subscriber's, Pubco's and the Company's heirs and legal representatives and shall inure to the benefit of the respective successors and assigns of the parties. The rights and obligations of this Subscription Agreement may not be assigned by any party without the prior written consent of the other parties.

(c) Counterparts. This Subscription Agreement may be executed in counterparts, each of which shall be deemed an original agreement, but all of which together shall constitute one and the same instrument.

(d) Execution by Facsimile. Execution and delivery of this Subscription Agreement by facsimile transmission (including the delivery of documents in Adobe PDF format) shall constitute execution and delivery of this Subscription Agreement for all purposes, with the same force and effect as execution and delivery of an original manually signed copy hereof.

(e) Governing Law and Jurisdiction. This Subscription Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts to be wholly performed within such state and without regard to conflicts of laws provisions. Any legal action or proceeding arising out of or relating to this Subscription Agreement and/or the Offering Documents may be instituted in the courts of the State of New York sitting in New York County or in the United States of America for the Southern District of New York, and the parties hereto irrevocably submit to the jurisdiction of each such court in any action or proceeding. The Subscriber hereby irrevocably waives and agrees not to assert, by way of motion, as a defense, or otherwise, in every suit, action or other proceeding arising out of or based on this Subscription Agreement and/or the Offering Documents and brought in any such court, any claim that Subscriber is not subject personally to the jurisdiction of the above named courts, that Subscriber's property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum or that the venue of the suit, action or proceeding is improper.

(f) (i) Indemnification Generally. Pubco, on the one hand, and the Subscriber, on the other hand (each an "Indemnifying Party"), shall indemnify the other from and against any and all losses, damages, liabilities, claims, charges, actions, proceedings, demands, judgments, settlement costs and expenses of any nature whatsoever (including, without limitation, reasonable attorneys' fees and expenses) resulting from any breach of a representation and warranty, covenant or agreement by the Indemnifying Party and all claims, charges, actions or proceedings incident to or arising out of the foregoing.

(ii) Indemnification Procedures. Each person entitled to indemnification under this Section 6(f) (an "Indemnified Party") shall give notice as promptly as reasonably practicable to each party required to provide indemnification under this Section 6(f) of any action commenced against or by it in respect of which indemnity may be sought hereunder, but failure to so notify an Indemnifying Party shall not release such Indemnifying Party from any liability that it may have, so long as such failure shall not have materially prejudiced the position of the Indemnifying Party. Upon such notification, the Indemnifying Party shall assume the defense of such action if it is a claim brought by a third party, and, if and after such assumption, the Indemnifying Party shall not be entitled to reimbursement of any expenses incurred by it in connection with such action except as described below. In any such action, any Indemnified Party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless (i) the Indemnifying Party and the Indemnified Party shall have mutually agreed to the contrary or (ii) the named parties in any such action (including any impleaded parties) include both the Indemnifying Party and the Indemnified Party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing or conflicting interests between them. The Indemnifying Party shall not be liable for any settlement of any proceeding effected without its written consent (which shall not be unreasonably withheld or delayed by such Indemnifying Party), but if settled with such consent or if there be final judgment for the plaintiff, the Indemnifying Party shall indemnify the Indemnified Party from and against any loss, damage or liability by reason of such settlement or judgment.

g. Notices. All notices, requests, demands, claims and other communications hereunder shall be in writing and shall be delivered by certified or registered mail (first class postage pre-paid), guaranteed overnight delivery, or facsimile transmission if such transmission is confirmed by delivery by certified or registered mail (first class postage pre-paid) or guaranteed overnight delivery, to the following addresses and facsimile numbers (or to such other addresses or facsimile numbers which such party shall subsequently designate in writing to the other party):

(i) if to Pubco or the Company:

Mr. Guy S. Cook
CEO and President
Bacterin International, Inc.
600 Cruiser Lane
Belgrade, MT 59714

(ii) if to the Subscriber to the address set forth next to its name on the signature page hereto.

h. Entire Agreement. This Subscription Agreement (including the Exhibits attached hereto) and the Offering Documents delivered at the Closing pursuant hereto, contain the entire understanding of the parties in respect of its subject matter and supersedes all prior agreements and understandings between or among the parties with respect to such subject matter. The Exhibits constitute a part hereof as though set forth in full above.

i. Amendment; Waiver. This Subscription Agreement may not be modified, amended, supplemented, canceled or discharged, except by written instrument executed by both parties. No failure to exercise, and no delay in exercising, any right, power or privilege under this Subscription Agreement shall operate as a waiver, nor shall any single or partial exercise of any right, power or privilege hereunder preclude the exercise of any other right, power or privilege. No waiver of any breach of any provision shall be deemed to be a waiver of any proceeding or succeeding breach of the same or any other provision, nor shall any waiver be implied from any course of dealing between the parties. No extension of time for performance of any obligations or other acts hereunder or under any other agreement shall be deemed to be an extension of the time for performance of any other obligations or any other acts. The rights and remedies of the parties under this Subscription Agreement are in addition to all other rights and remedies, at law or equity, that they may have against each other.

[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE TO COMMON STOCK SUBSCRIPTION AGREEMENT

INFORMATION IN RESPONSE TO THIS SECTION WILL BE KEPT STRICTLY CONFIDENTIAL

DOLLAR AMOUNT INVESTED $_____

NUMBER OF SHARES PURCHAED (@ $0.80 PER SHARE) _____

NAME IN WHICH SHARES AND WARRANTS SHOULD BE ISSUED: _____

AMOUNT INVESTED TO BE SENT VIA: o Check (enclosed) o Wire

Address Information

For individual subscribers this address should be the Subscriber's primary legal residence. For entities other than individual subscribers, please provide address information for the entities primary place of business. Information regarding a joint subscriber should be included in the column at right.

Legal Address	Legal Address
City, State, and Zip Code	City, State, and Zip Code

Alternate Address Information

Subscribers who wish to receive correspondence at an address other than the address listed above should complete the Alternate Address section below.

Alternate Address for Correspondence	Alternate Address for Correspondence
City, State and Zip Code	City, State and Zip Code
Telephone	Telephone
Facsimile	Facsimile
Tax ID # or Social Security #	Tax ID # or Social Security #

AGREED AND SUBSCRIBED

This __ day of June, 2010

By: _____
Name:
Title (if any):

_____
Subscriber Name (Typed or Printed)

AGREED AND SUBSCRIBED
SIGNATURE OF JOINT SUBSCRIBER (if any)

This __ day of June, 2010

By: _____
Name:
Title (if any):

_____
Additional Subscriber Name (Typed or Printed)

CERTIFICATE OF SIGNATORY

(To be completed if the Shares and Warrants are
being subscribed for by an entity)

I,_____, am the_____ of _____ (the "Entity").

I certify that I am empowered and duly authorized by the Entity to execute and carry out the terms of the Subscription Agreement and to purchase and hold the Shares and Warrants, and certify further that the Subscription Agreement has been duly and validly executed on behalf of the Entity and constitutes a legal and binding obligation of the Entity.

IN WITNESS WHEREOF, I have set my hand this ____ day of June, 2010.

_____

(Signature)

Bacterin International Holdings, Inc. Completes Merger and $7.5 Million Raise

Belgrade MT – June 30, 2010 – Bacterin International, Inc. "(Bacterin"), a Nevada company, today announced that it has completed a reverse merger transaction with Bacterin International Holdings, Inc. f/k/a K-Kitz (the "Company"), in which the Company caused its wholly-owned subsidiary to be merged with and into Bacterin, with Bacterin as the surviving company. Concurrently with the closing of the merger, the Company also completed a private placement of common stock and warrants to purchase common stock to accredited investors, and received gross proceeds of approximately $7,508,000 at the closing of the private placement.

As a result of, the merger, the Company has terminated its prior business and is now engaged, through Bacterin, solely in the business of biomaterials research, development, and commercialization. Bacterin is in the process of expanding its intellectual property base and has successfully leveraged its technical expertise and knowledge of biofilms into multiple product areas. Bacterin markets its products through its in-house sales force and select distributors. To further its growth opportunities, Bacterin has established partnerships with major medical device manufacturers and provider networks, in addition to the vast universe of private and unaffiliated hospital and surgical practices to which it markets. Bacterin also maintains an ongoing product development of innovative tissue constructs and bioactive coated devices. Revenues for Bacterin come from product manufacturing, sales, distribution, licensing agreements and grants.

Before the merger, the Company's corporate name was K-Kitz, Inc., and its trading symbol was KKTZ.OB. On June 29, 2010, the Company changed its corporate name to "Bacterin International Holdings, Inc." which name change will become effective for trading purposes on July 1, 2010. The Company intends to request a trading symbol change to correspond with its name change at the appropriate time and in accordance with current FINRA regulations that went into effect June 1, 2010. Accordingly, the trading symbol for the Company will remain KKTZ.OB until such time as the Company moves to another market or otherwise can effect a trading symbol change through FINRA.

In connection with the merger, the Company also completed an initial closing of a private placement to selected qualified investors of shares of its common stock at a purchase price of $1.60 per share and detachable warrants to purchase one-quarter of a share of its common stock (at an exercise price of $2.50 per share) for each share purchased. In total, the Company sold 4,934,534 shares of its common stock and warrants to purchase 1,233,634 shares of its common stock in the initial closing (excluding shares and warrants issued to the placement agent). The Company may sell up to an additional 6,268,472 shares of common stock and warrants to purchase 1,567,118 shares of common stock to investors that participated in the initial closing, management and certain note holders until July 30, 2010, when the offering period expires. The Company received gross proceeds of $7,508,329 in consideration for the sale of the shares of common stock and warrants, which consisted of (i) $4,026,000 from investors in the private placement, which included directors and executive officers of the Company, and (ii) $3,482,329 from note holders in an earlier Bacterin bridge financing who converted certain principal and interest outstanding under their notes into the private placement at a 10 percent discount to the purchase price therein, being $1.44 per share, and received warrants with a 10% discounted exercise price of $2.25. The Company intends to use the cash proceeds of approximately $4,000,000 from the capital raise to pay expenses associated with the merger and private placement and for working capital, including the expansion of its sales force.

Following the completion of the merger and the initial closing under the private placement, the Company now has approximately 34.4 million shares outstanding and 44.9 million fully diluted shares.

Middlebury Securities, LLC, a wholly owned subsidiary of Middlebury Group, LLC acted as sole placement agent in connection with the private placement.

"Today launches a new era for our company. The funds raised will be utilized to expand our sales force and increase our marketing activities," commented Guy Cook, president and founder of Bacterin and the president and CEO of the newly merged Company. "Our scientifically advanced biologic products, which we believe provide superior surgical outcomes in a more cost effective manner, are FDA approved and reimbursed by all insurance providers, and as of May 2010, available in over 6,000 medical institutions. With the cash infusion from this raise, we will be able to accelerate the build-out of our biologics direct sales force to address the growing demand for our revolutionary bone graft material allowing us to remain confident in achieving our forecasted revenue and profit goals. The increase in our planned sales efforts will effectively support the achievement of the company's revenue goal of $20.6 million for 2010, and should enhance its growth pace for the foreseeable future."

About the Company and Bacterin

The Company's sole business is now to hold and operate Bacterin. Bacterin processes and markets innovative, biologic allografts for transplantation. The Company's products, OsteoSpongeÒ, OsteoSpongeÒ SC and OsteoWrapÒ, are made from demineralized bone that is malleable and flexible, which enables more efficient and precise handling. It also markets BacFastÒ and OsteoLockÒ, which are used in spine surgery, designed to minimize graft back-out, and increase osteoinductivity. Bacterin's latest allograft, OsteoSelectÒ DBM Putty has excellent handling characteristics and is distributed as a sterile product, with osteoinductivity testing completed on every lot after terminal sterilization. Headquartered in Belgrade, Montana, Bacterin operates a 32,000 sq. ft., state-of-the-art, fully compliant and FDA registered facility, equipped with five "Class 100" clean rooms.

This news release contains disclosures that are forward-looking statements. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "continue," "efforts," "expects," "anticipates," "intends," "plans," "believes," "estimates," "projects," "forecasts," "strategy," "will," "goal," "target," "prospects," "potential," "optimistic," "confident," "likely," "probable" or similar expressions. These forward-looking statements are based on current expectations or beliefs and include, but are not limited to, statements about maximizing gross profit dollars and the Company's potential to achieve top and bottom line growth. Statements of historical fact also may be deemed to be forward-looking statements. We caution that these statements by their nature involve risks and uncertainties, and actual results may differ materially depending on a variety of important factors, including, among others: the company's ability to meet its obligations under existing and anticipated contractual obligations; the company's ability to develop, market, sell and distribute desirable applications, products and services and to protect its intellectual property; the ability and willingness of third-party manufacturers to timely and cost-effectively fulfill orders from the company; the ability of the company's customers to pay and the timeliness of such payments, particularly during recessionary periods; the company's ability to obtain financing as and when needed; changes in consumer demands and preferences; the company's ability to attract and retain management and employees with appropriate skills and expertise; the impact of changes in market, legal and regulatory conditions and in the applicable business environment, including actions of competitors; and other factors. The company undertakes no obligation to release publicly any revisions to any forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

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