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Due Diligence Request List

prepared for
Due North Clients

DUE DILIGENCE DOCUMENTS

A. ACTIONS AND MINUTES.

- All Board and stockholder actions, meeting minutes, and all written consents of directors and shareholders from inception to the present.

B. CHARTER DOCUMENTS; SUBSIDIARIES.

- The Company's current governing documents, including any amendments thereto.
- Qualification to do business in Oregon (and any other jurisdiction, if applicable).
- List of directors, officers and founders of the Company.
- List of all direct or indirect subsidiaries, joint ventures, partnerships or other entities in which the company has an interest or the right to acquire an interest

C. CAPITAL STOCK

- Complete capitalization table showing individual/entity, common, preferred and warrant shares owned, price per share, options owned, exercise price and all unallocated options.
- Copies of the Company's stock option, redemption and similar plans and stock appreciation rights and phantom stock plans and a list of persons to whom outstanding options or other rights have been issued under the plans together with issuance dates, original issuance price and vesting date, vesting terms, and expiration dates of such rights.
- Agreements relating to the purchase, repurchase, sale or issuance of all securities, including copies of all warrant agreements, option agreements, founders' stock agreements, convertible notes and other agreements, letters or communications containing provisions relating to the purchase or acquisition of any of the Company's securities (including preemptive provisions).
- Agreements relating to (i) voting of securities and restrictive share transfers, (ii) preemptive or other preferential rights to acquire securities, including rights of first refusal and (iii) registration rights, including Stockholder Agreements not involving the Company.
- Evidence of qualification or exemption under applicable foreign, federal and state blue sky laws for issuance or transfer of the Company's securities.

D. LEGAL AND REGULATORY

- Any correspondence or documents relating to any pending or threatened action, suit or proceeding or investigation, or disputes which could potentially lead to litigation including, without limitation, those involving the Company, its executive officers or its directors, or

Company's proprietary rights or those involving the Company's employees in connection with their prior or present employment or use of technology.

- Any consent decrees, injunctions, judgments, other decrees or orders, settlement agreements or similar matters.

E. INTELLECTUAL PROPERTY

- A list of patents, copyrights and trademarks, and any searches relevant to such items that have been done.
- Agreements and files relating to the Company's proprietary rights (patents, trademarks, service marks, trade names, corporate names, copyrights, etc.), including registrations and royalty agreements and licenses held or granted with respect thereto.
- Form of Proprietary Information and Invention Agreements signed by past or present employees and consultants. Include copies of any agreements where the employee or consultant has noted any exceptions.
- Copies of the Proprietary Information and Invention Agreements signed by key employees, including signed exhibits thereto.
- Documents relating to any transactions with any director, officer or major shareholder (including their affiliates and relatives) of the Company.
- Any correspondence or documents relating to allegations of the Company's infringement of the proprietary rights of others, or allegations by the Company of infringement of the proprietary rights of the Company.
- Any licenses or agreements of any kind with respect to the Company's or others' patent, copyright, trade secret or other proprietary rights, proprietary information or technology, other than licenses or agreements pertaining to "off-the-shelf" or standard products.
- Any binding policies of any kind with respect to the Company's or others' patent, copyright, trade secret or other proprietary rights, proprietary information or technology.

F. MANAGEMENT, EMPLOYEES AND CONSULTANTS

- Any agreements, understandings or proposed transactions between the Company and any of its employees, officers, directors, consultants, affiliates, or any affiliate thereof, including without limitation, employment agreements, consulting agreements, indemnification agreements, non-disclosure agreements, non-compete agreements and any loans or guarantees.
- Salary schedule showing title, current base salary and bonus for all employees.
- Management agreements, severance arrangements and employee handbooks and pamphlets.

- Employee benefit and profit-sharing plans, including stock option, stock purchase, bonus, pension, retirement and other forms of deferred compensation plans or arrangements together with all actuarial reports and trust agreements, evidence of any qualification under the Internal Revenue Code and ERISA or other applicable foreign laws, rules or regulations, correspondence with respect to such qualification and the last three annual reports on Form 5500 or comparable foreign government filings.
- A list of officers and directors. If any officers are not currently devoting 100% of their business time to the Company, please note them on this list.
- Consent for background checks on key senior management.
- List of jurisdictions in which the Company conducts business and/or is qualified as a foreign corporation to conduct business.

G. FINANCIAL/DEBT FINANCING.

- All debt instruments, credit agreements, security agreements, and guarantees entered into by the Company, including lease financing, which are currently in effect, including but not limited to:
 - Agreements and indentures relating to the borrowing of money or to mortgaging, pledging or otherwise placing a lien on any of the Company's assets and letter of credit arrangements;
 - Guaranties of any obligation for borrowed money or otherwise, other than endorsements made for collection, and any other similar or related type of agreement;
 - Any agreement under which the Company is lessee of or holds or operates any real property (together with copies of any leasehold title policies) or any personal property;
 - Any agreement under which the company is lessor of or permits any third party to hold or operate any property, real or personal;
 - Any agreement or group of related agreements with the same party for the sale or purchase of products or services under which the undelivered balance of such products and services has a price in excess of \$5,000;
 - Any other agreement or group of related agreements with the same party continuing over a period of more than six months from the date of dates thereof, not terminable by it on 30 days' or less notice without penalty or involving more than \$5,000;
- The Company's unaudited financial statements since the company's inception, current budgets and projections.
- The Company's monthly income statement, balance sheet, and cash flow statement by month from inception to the present, and projected monthly statements from the present to December 31, 2009.

H. OTHER AGREEMENTS

- Standard forms of agreements used by the Company.
- Any agreements, understandings, instruments, contracts or proposed transactions to which the Company is a party or by which it is bound which involve obligations of, or payments to, the Company in excess of \$5,000;
- Confidentiality and nondisclosure agreements.
- Agreements relating to the ownership and control of the Company (if any), including all shareholder agreements, voting trusts and agreements, irrevocable proxies, transfer restriction agreements, registration agreements, stock purchase rights and warrants.
- Agreements to which the Company is a party relating to any completed or proposed business acquisitions, mergers, sales or purchases of substantial assets, equity financings, reorganizations and other material transactions outside of the ordinary course of business within the last 5 years.
- Agreements requiring consents or approvals in connection with the financing.
- Any other agreements material to the business of the Company, or outside the ordinary course of business.

I. MISCELLANEOUS

- The Company's most recent business plan as well as any offering memorandum prepared in connection with this financing or a prior financing.
- Copies of all agendas and presentations from the Board of Directors meeting for the last 2 years.
- Any reports and studies prepared by the Company or outside consultants on the Company or its subsidiaries' or affiliates' business or financial condition.
- Brief description of any contract restricting the ability of the Company to compete in any line of business with any person or entity, or committing the Company or any subsidiary to continue in any line of business.
- Any agreements that will be listed on any disclosure schedule or schedule of exceptions.
- The Company's income tax returns for the latest closed year and all open years (all applicable filings), the most recent tax audit reports and any other tax audit reports received within the last 5 years and any settlement documents entered into within the last 5 years.
- List of any governmental approvals, permits, certificates, registrations, concessions, exemptions, etc., required in order for the Company to conduct its business in every jurisdiction which it does business.
- A description of all Securities and Exchange Commission registrations and filings regarding issuances of stock, if applicable, together with copies of any registration statements, prospectuses, and offering circulars, including those filed by predecessor corporations.
- All other information and agreements material to the Company's financial condition, properties, employee relations, customer relations, supplier relations or business prospects.