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) **January 6, 2014**

Heatwurx, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware	**333-184948**	**45-1539785**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

6041 South Syracuse Way, Suite 315, **Greenwood Village, CO** **80111**
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: **(303) 532-1641**

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

[ ] Written communications pursuant to Rule 425 under the Securities Act

[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act

[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act

[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act

Item 1.01 Entry into a Material Definitive Agreement.

Loan Agreement

On January 6, 2014, Heatwurx, Inc. (the "**Company**") entered into a Loan Agreement dated January 6, 2014 (the "**Loan Agreement**"), initially with Gus Blass II, and ultimately with other parties agreeing to loan up to $1,000,000 to the Company under the terms of the Loan Agreement. On January 6, 2014, Mr. Blass, the father of Gus Blass III, one of the directors of the Company, loaned $250,000 to the Company under the terms of the Loan Agreement. Each loan is evidenced by an unsecured promissory note (each a "**Note**") bearing interest at the rate of 12% per annum and maturing on January 6, 2016. Interest will be paid in equal monthly installments on the first day of each month, commencing on the first day of the month for the quarter following the date upon which the Note is issued and ending on the maturity date of the Note. The Company has the right to prepay the Note in whole or in part, at any time or from time to time, without premium, penalty or prior written notice to the holder thereof. Upon an event of default under the Note, all outstanding amounts under the Note (including the outstanding principal amount plus any accrued and unpaid interest) would become immediately due and payable. Assignment of the Note is subject to prior authorization of the Company or the Note may be assigned by the holder to an affiliate following prior notice to the Company, except that the Note may not be assigned to a competitor of the Company. As additional consideration for a lender to enter into the Loan Agreement, the Company has agreed to issue to each lender 1/3 of a common stock purchase warrant for each $1.00 loaned to the Company, with each whole warrant exercisable at $3.00 per share (the "**Warrants**"). Each whole Warrant entitles the holder to purchase one share of common stock at the designated exercise price. The Warrants expire one year following the date of issuance and may not be offered for sale, sold, transferred or assigned without the consent of the Company.

Dr. Pave Acquisition Agreement

On January 7, 2014, the Company entered into an Agreement and Plan of Reorganization dated January 8, 2014 (the "**Acquisition Agreement**"), with Dr. Pave, LLC, a California limited liability company ("**Dr. Pave**") controlled by David Dworsky, the Chief Executive Officer of the Company, whereby the Company acquired all of the outstanding membership interests in Dr. Pave for 58,333 shares of common stock of the Company distributed pro rata to the members of Dr. Pave. The distribution included the issuance of 41,668 shares to Dworsky Partners, LLC, an entity in which David Dworsky owns 80% of the ownership interest, and 3,333 shares to Reg Greenslade, one of the Company's directors. As a result of the acquisition, which closed on January 8, 2014, Dr. Pave became a wholly owned subsidiary of the Company. Dr. Pave is managed by David Dworsky and Justin Yorke, a shareholder of the Company. The parties to the Acquisition Agreement established the effective date of the closing of the transaction for tax and accounting purposes as 8:00 a.m. on January 1, 2014. Under the terms of the Acquisition Agreement, effective immediately preceding the closing, Dr. Pave forgave a $30,000 promissory note from Dworsky Partners.

Management has determined that the purchase of Dr. Pave did not constitute the acquisition of a significant amount of assets under Item 2.01 of this form.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

Management has determined that the Loan Agreement and corresponding Notes disclosed in Item 1.01 above would be direct financial obligations of the Company and hereby incorporates the disclosure made in Item 1.01 in regard to the debt transaction into this item. The current financial obligation of the Company is currently $250,000 represented by the Note payable to Mr. Blass and may increase to a maximum of $1,000,000 if the Loan Agreement is fully funded.

Item 3.02 Unregistered Sales of Equity Securities.

Debt Financing

In connection with the Company's $1,000,000 debt financing through the sale of the Notes and Warrants (collectively the "**Securities**") under the Loan Agreement disclosed in Item 1.01 above, on January 6, 2014, the Company issued a Note in the principal amount of $250,000 and issued 83,334 Warrant to Gus Blass II, in return for loaned funds of $250,000 received by the Company on January 6, 2014. The Securities were sold without registration under the Securities Act by reason of the exemption from registration afforded by the provisions of Section 4(a)(5) and Section 4(a)(2) thereof, and Rule 506(b) promulgated thereunder, as a transaction by an issuer not involving any public offering. Mr. Blass was an "accredited investor" as defined in Rule 501(a) of Regulation D promulgated by the Securities and Exchange Commission (the "**SEC**"). Mr. Blass delivered appropriate investment representations with respect to the transaction and consented to the imposition of restrictive legends upon the Share and Warrant certificates representing the Securities. Mr. Blass was afforded the opportunity to ask questions of the Company's management and to receive answers concerning the terms and conditions of the transaction. No selling commissions or other remuneration was paid in connection with the sale of the Securities.

Dr. Pave Stock Issuance

In connection with the closing of the Acquisition Agreement disclosed in Item 1.01 above, the Company issued 58,333 shares of common stock (the '**Shares**") pro rata to the owners of Dr. Pave in exchange for all of the outstanding ownership interests of Dr. Pave held by such parties. The Shares were issued without registration under the Securities Act by reason of the exemption from registration afforded by the provisions of Section 4(a)(2) thereof, and Rule 506(b) promulgated thereunder, as a transaction by an issuer not involving any public offering. The Shares were issued only to persons who were either "accredited investors" as defined in Rule 501(a) of Regulation D promulgated by the SEC or sophisticated investors as defined in Rule 506(b). Of the total owners of Dr. Pave, five were accredited investors and one was a sophisticated non-accredited investor. The non-accredited investor was provided the information required pursuant to Rule 502(b) of Regulation D a reasonable time prior to closing of the transaction. Each investor delivered appropriate investment representations with respect to the transaction and consented to the imposition of restrictive legends upon the stock certificates representing the Shares. Each investor was afforded the opportunity to ask questions of the Company's management and to receive answers concerning the terms and conditions of the transaction. No selling commissions or other remuneration was paid in connection with the transaction.

The securities offered and sold in the above transactions have not been and will not be registered under the Securities Act and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Loan Agreement dated January 6, 2014, including the form of the Promissory Note and the Warrant Agreement
99.2	Agreement and Plan of Reorganization dated January 8, 2014 with Dr. Pave, LLC

SIGNATURES

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

Heatwurx, Inc.

Date: January 9, 2014

By /s/ Allen Dodge
Allen Dodge, Chief Financial Officer

LOAN AGREEMENT

This Loan Agreement (the "**Agreement**") dated January 6, 2014, is by and between the lenders executing the Signature Page of this Agreement (collectively, the "**Lenders**") on the one hand, and **Heatwurx Inc.**, a Delaware corporation ("**Borrower**"), on the other hand.

Recitals

WHEREAS, Borrower is in the business of Asphalt Preservation and Repair Equipment; and

WHEREAS, the Lenders are investors in Borrower or otherwise affiliated with the Company and want to provide Borrower with a loan to meet its capital needs; and

WHEREAS, Borrower has indicated that it would like to borrow up to $1,000,000 on an unsecured basis; and

WHEREAS, the parties desire that the Lenders will loan Borrower money to be used to meet its capital needs, subject to certain terms.

THEREFORE, in consideration of the foregoing recitals, mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as set forth below.

1. Principal. FOR VALUE RECEIVED, Borrower promises to unconditionally pay to the order of Lenders, their successors or assigns the principal amount of ONE MILLION DOLLARS ($1,000,000.00 USD), or such lesser amount received from the Lenders (the "**Loan Amount**"), together with interest pursuant to this Loan Agreement and the corresponding promissory notes documenting the Loan Amount. The Borrower shall issue one or more promissory notes representing the Loan Amount upon receipt of each portion thereof within two business days following receipt of such funds (each a "**Closing**"). No Closing shall occur after February 28, 2014, and this Agreement shall be for the total Loan Amount received as of such date.

2. Interest Rate. The rate of interest for the Loan Amount shall be TWELVE PERCENT (12%) per annum and promissory notes similar to the sample attached hereto as Exhibit 1 ("**Note**") shall be issued by the Borrower to each Lender in the pro rata amount of the loan. Each Note will be due on January 6, 2016 (the "**Maturity Date**"). Interest shall be calculated on the basis of a year of 365 days applied to the actual days on which there exists an unpaid balance under each Note.

3. Principal and Interest Repayments. Interest on each Note shall be payable monthly on the first day of each calendar month. In addition, Borrower shall repay the entire principal of the Loan Amount as well as all accrued interest according to the terms of this Agreement and the individual Notes on the Maturity Date.

4. Warrant. As additional consideration for Lender to enter into this Loan Agreement, Borrower will grant Lenders warrants on a pro rata basis to purchase 333,340 shares of Heatwurx common stock, each whole warrant exercisable at $3.00 per share, pursuant to this Loan Agreement and the corresponding warrant certificate documenting the warrants allocated to each Lender in the form as attached hereto as Exhibit 2 (the "**Warrants**"). Each whole warrant entitles the holder to purchase one share of common stock at the designated exercise price.

5. Default Notice. Upon the occurrence of a breach of this Agreement, the defaulting party is entitled to receive written notice specifying the breach. Such notice shall be sent immediately upon discovery of the breach. The defaulting party shall then be entitled to fifteen (15) days in which to cure the problem. Events of Default are defined in the Note Agreement, which is incorporated herein by this reference.

6. Rights and Remedies upon Default. Upon the occurrence of an Event of Default, and without demand or notice of any kind: (i) all outstanding amounts under this Note (including the outstanding Principal Amount plus any accrued and unpaid interest less any principal payments previously made) shall become immediately due and payable; and (ii) the Holder may exercise any and all rights and remedies available to it at law, in equity or otherwise.

7. Non-Waiver. No course of dealing between the parties hereto, or any failure or delay on the part of a party in exercising any rights or remedies hereunder, shall operate as a waiver of any rights or remedies of that party under this or any other applicable instrument. No single or partial exercise of any rights or remedies hereunder shall operate as a waiver or preclude the exercise of any other rights or remedies hereunder.

8. Securities Law Compliance. In connection with the issuance of the Notes and Warrants by the Borrower to the Lenders, each of the Lenders, severally and not jointly, hereby represents and warrants to the Borrower as follows:

   a. *Accredited Investor Status*. The Lender is an "accredited investor" as defined in Rule 501(a) of Regulation D promulgated by the Securities and Exchange Commission (the "**SEC**") under the Securities Act of 1933, as amended (the "**Securities Act**") in that the Lender was not formed for the specific purpose of acquiring the Note and has total assets in excess of $5,000,000, or each equity owner of the Lender is an accredited investor.

   b. *Restricted Securities*. The Lender understands that the Note, the Warrant, or the shares of common stock issuable upon exercise of the Warrants (the "**Warrant Shares**") has not been registered pursuant to the Securities Act, or any state securities act, and thus is a "restricted security" as defined in Rule 144 promulgated by the SEC. Accordingly, the Lender hereby acknowledges that it is prepared to hold the Note, the Warrants and the Warrant Shares for an indefinite period.

   c. *Investment Purpose.* The Lender acknowledges that the Note and Warrants are being purchased for its own account, for investment, and not with the present view towards the distribution, assignment, or resale to others or fractionalization in whole or in part. The Lender further acknowledges that no other person has or will have a direct or indirect beneficial or pecuniary interest in the Note, the Warrants, or the Warrant Shares.

   d. *Limitations on Resale; Restrictive Legend.* The Lender acknowledges that it will not sell, assign, hypothecate, or otherwise transfer any rights to, or any interest in, the Note, the Warrants or the Warrant Shares except (i) pursuant to an effective registration statement under the Securities Act, or (ii) in any other transaction which, in the opinion of counsel acceptable to the Borrower, is exempt from registration under the Securities Act, or the rules and regulations of the SEC thereunder. The Lender also acknowledges that an appropriate legend will be placed upon the Notes, the Warrants and the Warrant Shares stating that the securities have not been registered under the Securities Act and setting forth or referring to the restrictions on transferability and sale thereof.

e. *Information*. The Lender's Representative has been furnished (i) with all requested materials relating to the business, finances, and operations of the Borrower; (ii) with information deemed material to making an informed investment decision; and (iii) with additional requested information necessary to verify the accuracy of any documents furnished to the Lender's Representative by the Borrower. Such person has been afforded the opportunity to ask questions of the Borrower and its management and to receive answers concerning the terms and conditions of the purchase of the Note, the Warrant and the Warrant Shares.

f. *Documents*. The Lender's Representative has received copies of following documents filed with the SEC: (i) the Borrower's registration statement on Form S-1, (ii) each quarterly report on Form 10-Q, (iii) each report on Form 8-K, and (iii) each other document filed by the Borrower with the SEC since the effective date of the registration statement. The Lender's Representative has relied upon the information contained therein and has not been furnished any other documents, literature, memorandum, or prospectus.

g. *Knowledge and Experience in Business and Financial Matters*. The Lender's Representative has such knowledge and experience in business and financial matters that he is capable of evaluating the risks of the prospective investment, and the financial capacity of the Lender is of such proportion that the total cost of such person's commitment in the Note, Warrants or the Warrant Shares would not be material when compared with its total financial capacity.

9. Notices. All notices or communications under this Agreement shall be mailed, postage prepaid, or delivered to the following addresses (or to such other address as shall at any time be designated by any party in writing to the other party). All notices required to be given hereunder shall be delivered to the other in writing by hand or by US mail to the following parties at the following addresses:

If to Borrower:

Allen Dodge, Chief Financial Officer
Heatwurx Inc.
6041 Syracuse Way, Suite 315
Englewood, CO 80112

If to Lenders:

See Signature Page

Rejection or other refusal to accept, or the inability to deliver because of a changed address of which no notice was given, shall not affect the effectiveness or the date of delivery for any notice sent in accordance with the foregoing provisions.

10. Binding Agreement; Survival. This Agreement shall bind and inure to the benefit of both parties, and except as otherwise expressly provided to the contrary herein, each of their respective heirs, successors and assigns.

11. Entire Agreement; Integration Clause. This Agreement sets forth the entire agreement and understandings of the parties hereto with respect to this transaction, and this Agreement supersedes and nullifies all other agreements made between the parties hereto. Each of the exhibits referenced in this Agreement is annexed hereto and is incorporated herein by this reference and expressly made a part hereof.

12. No Oral Modification or Waivers. The terms herein may not be modified or waived orally, but only by an instrument in writing signed by the party against which enforcement of the modification or waiver is sought.

13. Governing Law; Jurisdiction; Venue. This Agreement, and all matters arising directly and indirectly herefrom (the "***Covered Matters***"), shall be governed in all respects by the laws of the State of Delaware as such laws are applied to agreements between parties in Delaware. The Borrower irrevocably submits to the personal jurisdiction of the courts of the State of Delaware and the United States District Court for the District of Delaware for the purpose of any suit, action, proceeding or judgment relating to or arising out of the Covered Matters. Service of process on the Borrower in connection with any such suit, action or proceeding may be served on the Borrower anywhere in the world by the same methods as are specified for the giving of notices under this Note. The Borrower irrevocably consents to the jurisdiction of any such court in any such suit, action or proceeding and to the laying of venue in such court. The Borrower irrevocably waives any objection to the laying of venue of any such suit, action or proceeding brought in such courts and irrevocably waives any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

14. Successors and Assigns. This Agreement shall be binding upon the successors or assigns of the Borrower and shall inure to the benefit of the successors and assigns of the Lenders.

15. Attorneys' Fees. In the event of any suit or action to enforce or interpret any provision of this Agreement or otherwise arising out of this Agreement, the prevailing party is entitled to recover, in addition to other direct incremental costs, reasonable attorney fees in connection with the suit, action, or arbitration, and in any appeals. The determination of who are the prevailing party and the amount of reasonable attorney fees to be paid to the prevailing party will be decided by the arbitrator, before which the matter is tried, heard, or decided subject to this Section.

16. Severability. To the extent any provision herein violates any applicable law, that provision shall be considered void and the balance of this Agreement shall remain unchanged and in full force and effect.

17. Counterparts. This Agreement may be executed in as many counterpart copies as may be required. All counterparts shall collectively constitute a single agreement.

[Signature page follows]

SIGNATURE PAGE

IN WITNESS WHEREOF, each of the parties has executed this Loan Agreement the respective day and year set forth below:

BORROWER: Heatwurx, Inc.

Date: January 6, 2014 By /s/ Allen Dodge
Allen Dodge, Chief Financial Officer

LENDER: /s/ Gus Blass II
Signature

Date: January 6, 2014 /s/ Gus Blass II
Please Print Name

Entity Name (if applicable)

Title (if applicable)

Address

Amount of Loan: $250,000

Exhibits:

Exhibit 1 Sample Promissory Note
Exhibit 2 Sample Warrant Certificate

Exhibit 1 - Sample Note

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR REGISTERED OR QUALIFIED UNDER ANY APPLICABLE STATE SECURITIES LAWS. IT MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND REGISTRATION OR QUALIFICATION UNDER ANY APPLICABLE STATE SECURITIES LAWS OR (B) AN OPINION OF COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE BORROWER THAT SUCH REGISTRATION AND QUALIFICATION ARE NOT REQUIRED PURSUANT TO AN EXEMPTION UNDER SUCH ACT AND SECURITIES LAWS.

PROMISSORY NOTE

$_____000,000 January ___, 2014
Greenwood Village, Colorado

FOR VALUE RECEIVED, HEATWURX, INC. (the "**Borrower**"), hereby unconditionally promises to pay to the order [NAME OF HOLDER] (the "**Holder**"), the principal sum of [AMOUNT OF LOAN] Thousand U.S. Dollars (the "**Principal Amount**"), together with accrued and unpaid interest thereon (as provided below).

This Promissory Note (the "**Note**") is made by the Borrower in favor of Lender for purposes of providing ongoing working capital funding to Borrower.

This Note is one of a series of notes in the aggregate principal amount of $1,000,000, each of like tenor and ranking without priority over one another (collectively, the "**Notes**"), made by the Borrower in favor of certain lenders (the "**Lenders**"), issued by the Borrower pursuant to the terms of a Loan Agreement between the Borrower and the Lenders dated January 2, 2014 (the "**Loan Agreement**"). Any payments made by the Borrower with respect to this Note or any of the other Notes shall be made to each of the Lenders on a ***pro rata*** basis in accordance with the aggregate principal and interest owing under each of the Notes then outstanding. To the extent any Lender of a Note receives any payment in excess of its ***pro rata*** share of such payment, such amount shall be held in trust and delivered over to the Purchasers then entitled to receive such amounts.

In no event shall any interest charged, collected or reserved under this Note exceed the maximum rate then permitted by applicable law and if any such payment is paid by the Borrower, then such excess sum shall be credited by the Holder as a payment of principal.

1. **Interest Rate and Repayment of Principal Amount.** The Principal Amount outstanding under this Note shall accrue interest at the rate of TWELVE PERCENT (12%) per annum beginning on January 2, 2014 ("**Issuance Date**"). Interest will be payable in equal monthly installments on the first day of each month, commencing on the first day of the month for the quarter following the Issuance Date and ending on the Maturity Date (as defined in the Loan Agreement). Interest shall be calculated on the basis of a year of 365 days applied to the actual days on which there exists an unpaid balance under this Note. The Principal Amount and all then-accrued and unpaid interest shall be payable on the Maturity Date.

2. **Repayment Extension.** If any payment of principal or interest shall be due on a Saturday, Sunday or any other day on which banking institutions in the State of Delaware are required or permitted to be closed, such payment shall be made on the next succeeding business day and such extension of time shall be included in computing interest under this Note.

3. **Manner and Application of Payments.** All payments due hereunder shall be paid in lawful money of the United States of America which shall be legal tender in payment of all debts and dues, public and private, in immediately available funds, without offset, deduction or recoupment. Any payment by check or draft shall be subject to the condition that any receipt issued therefore shall be ineffective unless the amount due is actually received by the Holder. Each payment shall be applied first to the payment of any and all costs, fees and expenses incurred by or payable to the Holder in connection with the collection or enforcement of this Note, second to the payment of all unpaid late charges (if any), third, to the payment of all accrued and unpaid interest hereunder and fourth, to the payment of the unpaid Principal Amount, or in any other manner which the Holder may, in its sole discretion, elect from time to time.

4. **Prepayment.** The Borrower shall have the right to prepay this Note in whole or in part, at any time or from time to time, without premium, penalty or prior written notice to the Holder.

5. **Events of Default; Remedies.**

(a) **Events of Default.** Each of the following events shall constitute an "**Event of Default**" under this Note if such event has not been cured within 15 days of written notice of such event to the Borrower: (i) failure of the Borrower to pay any principal or other amount due hereunder when due, or failure of the Borrower to comply with the other terms, covenants or conditions contained in this Note;; (ii) the commencement, whether voluntary or involuntary, of a case under the laws of the United States, or any other proceeding or action seeking reorganization, liquidation, dissolution or other relief under bankruptcy or insolvency statutes or similar laws, or the appointment of a receiver, trustee or custodian for the Borrower or all or a material portion of the Borrower's assets or property; or (iii) the dissolution, liquidation, or winding-up of the Borrower. Notwithstanding the foregoing, a merger or consolidation approved in advance in writing by the Holder with a company that assumes responsibility for all obligations of the Borrower under this Note, and is approved in writing in advance of such event by the Holder, shall not constitute an Event of Default.

(b) **Remedies.** Upon the occurrence of an Event of Default, and without demand or notice of any kind: (i) all outstanding amounts under this Note (including the outstanding Principal Amount plus any accrued and unpaid interest less any principal payments previously made) shall become immediately due and payable; and (ii) the Holder may exercise any and all rights and remedies available to it at law, in equity or otherwise.

(c) **Remedies Cumulative.** Each right, power and remedy of the Holder hereunder shall be cumulative and concurrent, and the exercise or beginning of the exercise of any one or more of them shall not preclude the simultaneous or later exercise by the Holder of any or all such other rights, powers or remedies. No failure or delay by the Holder to insist upon the strict performance of any one or more provisions of this Note or to exercise any right, power or remedy consequent upon a breach thereof or default hereunder shall constitute a waiver thereof or preclude the Holder from exercising any such right, power or remedy. By accepting full or partial payment after the due date of any amount of principal of or interest on this Note, or other amounts payable on demand, the Holder shall not be deemed to have waived the right either to require prompt payment when due and payable of all other amounts of principal of or interest on this Note or other amounts payable on demand, or to exercise any rights and remedies available to it in order to collect all such other amounts due and payable under this Note.

(d) **Costs of Collection.** If this Note is placed in the hands of an attorney for collection following the occurrence of an Event of Default hereunder, the Borrower agrees to pay to the Holder upon demand all reasonable costs and expenses, including, without limitation, all reasonable attorneys' fees and court costs incurred by the Holder in connection with the enforcement or collection of this Note (whether or not any action has been commenced by the Holder to enforce or collect this Note) or in successfully defending any counterclaim or other legal proceeding brought by the Borrower contesting the Holder's right to collect the outstanding Principal Amount and/or interest thereon. The obligation of the Borrower to pay all such costs and expenses shall not be merged into any judgment by confession against the Borrower. All of such costs and expenses shall bear interest at the higher of the rate of interest provided herein from the date of payment by the Holder until repaid in full.

6. **Miscellaneous.**

(a) **Jurisdiction and Venue.** THE BORROWER AND HOLDER HEREBY AGREE THAT ANY FEDERAL COURT IN THE STATE OF DELAWARE OR ANY STATE COURT LOCATED IN NEW CASTLE COUNTY, DELAWARE SHALL HAVE EXCLUSIVE JURISDICTION TO HEAR AND DETERMINE ANY CLAIMS OR DISPUTES BETWEEN THE BORROWER AND HOLDER PERTAINING DIRECTLY OR INDIRECTLY TO THIS NOTE. THE BORROWER EXPRESSLY SUBMITS AND CONSENTS IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR PROCEEDING COMMENCED IN SUCH COURTS. FURTHER, THE BORROWER HEREBY WAIVES THE RIGHT TO ASSERT THE DEFENSE OF FORUM NON CONVENIENS AND THE RIGHT TO CHALLENGE THE VENUE OF ANY COURT PROCEEDING COMMENCED PURSUANT TO THIS SECTION 6(a).

(b) **Amendment and Waivers.** No delay or failure on the part of Holder in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by Holder of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy. No modification, amendment or waiver of any provision of this Note or consent to departure therefrom shall be effective unless in writing and signed by the Borrower and the Holder. The Borrower hereby waives presentment and demand for payment, notice of dishonor, protest and notice of protest of this Note.

(c) **Assignment.** This Note is not assignable by either party unless such assignment is consented to in writing by the other party, except that the Holder may assign its rights hereunder to any of its Affiliates (as defined in the Securities Exchange Act of 1934) after giving the Borrower written notice at the time of such assignment stating the name and address of the assignee, and provided that such assignee expressly agrees in writing with the Borrower to be bound by and to comply with all of the terms and conditions of this Note. Anything contained herein to the contrary notwithstanding, the Holder (and its permitted assignees) shall not, without the consent of the Borrower, be permitted to assign any rights and/or benefits hereunder to a person that is then actively engaged in a business that is directly competitive with the business then primarily and actively conducted or engaged in by the Borrower. Subject to the foregoing, this Note and all the provisions hereof shall be binding upon and shall inure to the benefit of the parties hereto and their respective permitted successors or permitted assigns.

(d) **Governing Law.** This Note shall be governed by, and construed in accordance with, the laws of the State of Delaware, without regard to the conflicts of law principles thereof.

(e) **Titles and Subtitles.** The titles and subtitles used in this Note are used for convenience only and are not to be considered in construing or interpreting this Note.

(f) **Notices.** Any notice to be given hereunder shall be in writing, and shall be sent to Holder or the Borrower, as the case may be, at the addresses set forth below each party's signature hereto and shall be deemed received (i) on the earlier of the date of receipt or the date that is five business days after deposit of such notice in the United States mail, if sent postage prepaid, certified mail, return receipt requested, (ii) one business day after dispatch if sent for overnight delivery by a nationally recognized overnight courier, (iii) on the day of transmission if sent by facsimile with electronic receipt of transmission; or (iv) when actually received, if personally delivered.

(g) **Maximum Rate of Interest.** All payment obligations arising under this Note are subject to the express condition that at no time shall the Borrower be obligated or required to pay interest at a rate which could subject the Holder to either civil or criminal liability as a result of being in excess of the maximum rate which the Borrower is permitted by law to contract or agree to pay. If by the terms of this Note, the Borrower is at any time required or obligated to pay interest at a rate in excess of such maximum rate, the applicable rate of interest shall be deemed to be immediately reduced to such maximum rate, and interest thus payable shall be computed at such maximum rate, and the portion of all prior interest payments in excess of such maximum rate shall be applied and shall be deemed to have been payments in reduction of principal.

(h) **Subsequent Holders.** This Note is not transferrable by its holder, except with the written consent of the Borrower, which consent shall not be unreasonably withheld. In the event that any holder of this Note transfers this Note for value, the Borrower agrees that except with respect to subsequent holders with actual knowledge of a claim or defense, no subsequent holder of this Note shall be subject to any claims or defenses which Borrower may have against a prior holder (which claims or defenses are not waived as to prior holders), all of which are waived as to the subsequent holder, and that all such subsequent holders shall have all of the rights of a holder in due course with respect to the Borrower even though the subsequent holder may not qualify, under applicable law, absent this paragraph, as a holder in due course.

(i) **Failure or Indulgence Not Waiver.** No failure or delay on the part of the Holder hereof in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privilege. All rights and remedies existing hereunder are cumulative to, and not exclusive of, any rights or remedies otherwise available.

(j) **Severability.** It is the desire and intent of the parties that the provisions of this Note be enforced to the fullest extent permissible under the law and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, in the event that any provision of this Note would be held in any jurisdiction to be invalid, prohibited or unenforceable for any reason, such provision, as to such jurisdiction, shall be ineffective, without invalidating the remaining provisions of this Note. Notwithstanding the foregoing, if such provision could be more narrowly drawn so as not to be invalid, prohibited or unenforceable in such jurisdiction, it shall, as to such jurisdiction, be so narrowly drawn, without invalidating the remaining provisions of this Note. In addition, the parties understand and agree that notwithstanding any of the above provisions of this Section 7(j), no such severability shall be effective if it materially changes the economic benefit of this Note to any party.

(k) **Entire Agreement.** This Note constitutes the full and entire understanding and agreement between the parties with regard to the subject hereof and thereof.

[*Signature page follows*]

SIGNATURE PAGE TO NOTE

IN WITNESS WHEREOF, the undersigned have executed this Note as of the date first written above.

BORROWER:

HEATWURX, INC.

By: _____
Allen Dodge, Executive VP/CFO

Notice address:
Allen Dodge, Executive VP/CFO
Heatwurx, Inc.
6041 South Syracuse Way, Suite 315
Greenwood Village, CO 80111

HOLDER:

[NAME OF HOLDER]

By: _____
Notice address: _____
_____

Telephone: _____
E-mail: _____

Exhibit 2 - Sample Warrant

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND MAY NOT BE SOLD, TRANSFERRED, ASSIGNED, PLEDGED OR HYPOTHECATED EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF REGULATION S PROMULGATED UNDER THE SECURITIES ACT, PURSUANT TO REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM REGISTRATION. HEDGING TRANSACTIONS INVOLVING THE SECURITIES REPRESENTED HEREBY MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE SECURITIES ACT. THIS CERTIFICATE MUST BE SURRENDERED TO THE COMPANY OR ITS TRANSFER AGENT AS A CONDITION PRECEDENT TO THE SALE, PLEDGE, HYPOTHECATION OR ANY OTHER TRANSFER OF ANY INTEREST IN ANY OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE.

HEATWURX, INC.

WARRANT TO PURCHASE COMMON STOCK

Warrant No.: W- _____
Number of Shares: _____
Date of Issuance: _____, 2014 (the "**Issuance Date**")

Heatwurx, Inc., a Delaware corporation (the "Company"), hereby certifies that, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, _____, the registered holder hereof or its permitted assigns (the "Holder"), is entitled, subject to the terms set forth below, to purchase from the Company, at the Exercise Price (as defined below) then in effect, upon surrender of this Warrant to Purchase Common Stock (including all Warrants to Purchase Common Stock issued in exchange, transfer or replacement hereof, the "Warrant"), at any time or times on or after the date hereof, but not after 11:59 P.M., New York Time, on the Expiration.

Date (as defined below), ( ) fully paid nonassessable shares of Common Stock (as defined below) (the "Warrant Shares"). Except as otherwise defined herein, capitalized terms in this Warrant shall have the meanings set forth in Section 13.

1. EXERCISE OF WARRANT.

(a) Mechanics of Exercise. Subject to the terms and conditions hereof, this Warrant may be exercised by the Holder on any day, in whole or in part, by (i) delivery of a written notice, in the form attached hereto as Exhibit A (the "**Exercise Notice**"), of the Holder's election to exercise this Warrant and (ii) payment to the Company of an amount equal to the applicable Exercise Price multiplied by the number of Warrant Shares as to which this Warrant is being exercised (the "**Aggregate Exercise Price**") in cash or wire transfer of immediately available funds. The Holder shall not be required to deliver the original Warrant in order to effect an exercise hereunder; provided, however, that the Holder shall covenant in the Exercise Notice, that it will

deliver the original Warrant to the Company within five (5) Business Days of such exercise. Execution and delivery of the Exercise Notice with respect to less than all of the Warrant Shares shall have the same effect as cancellation of the original Warrant and issuance of a new Warrant evidencing the right to purchase the remaining number of Warrant Shares. On or before the first Business Day following the date on which the Company has received each of the Exercise Notice and the Aggregate Exercise Price (the "**Exercise Delivery Documents**"), the Company shall transmit by facsimile an acknowledgment of confirmation of receipt of the Exercise Delivery Documents to the Holder and the Company's transfer agent (the "**Transfer Agent**"). On or before the third Business Day following the date on which the Company has received all of the Exercise Delivery Documents (the "**Share Delivery Date**"), the Company shall cause the transfer agent to issue and dispatch by overnight courier to the address as specified in the Exercise Notice, a certificate, registered in the name of the Holder or its designee, for the number of shares of Common Stock to which the Holder is entitled pursuant to such exercise. Upon delivery of the Exercise Notice and Aggregate Exercise Price, the Holder shall be deemed for all corporate purposes to have become the holder of record of the Warrant Shares with respect to which this Warrant has been exercised, irrespective of the date of delivery of the certificates evidencing such Warrant Shares. If this Warrant is submitted in connection with any exercise pursuant to this Section 1(a) and the number of Warrant Shares represented by this Warrant submitted for exercise is greater than the number of Warrant Shares being acquired upon an exercise, then the Company shall as soon as practicable and in no event later than three (3) Business Days after any exercise and at its own expense, issue a new Warrant (in accordance with Section 5(d)) representing the right to purchase the number of Warrant Shares purchasable immediately prior to such exercise under this Warrant, less the number of Warrant Shares with respect to which this Warrant is exercised. The Holder shall be required to pay any and all taxes, including without limitation, all documentary stamp, or transfer or similar taxes that may be payable with respect to the issuance and delivery of Warrant Shares upon exercise of this Warrant.

(b) Exercise Price. For purposes of this Warrant, "**Exercise Price**" means $3.00 per share, subject to adjustment as provided herein. The Company reserves the right in its sole discretion to reduce the Exercise Price one or more times and to establish one or more periods prior to the Expiration Date during which this Warrant may be exercised at the reduced Exercise Price.

(c) Disputes. In the case of a dispute as to the determination of the Exercise Price or the arithmetic calculation of the Warrant Shares, the Company shall promptly issue to the Holder the number of Warrant Shares that are not disputed and resolve such dispute in accordance with Section 10.

(d) 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 any fractional share to which the Holder would otherwise be entitled, the Company shall pay to the Holder the cash value of the fractional share based upon the current market value of Common Stock as determined in the sole discretion of the Company.

(e) Compliance with Securities Laws.

(i) The Holder of this Warrant, by acceptance hereof, acknowledges that this Warrant and the Common Stock to be issued upon exercise hereof are being acquired solely for the Holder's own account and not as a nominee for any other party; and for investment, and that the Holder will not offer, sell or otherwise dispose of this Warrant or any Common Stock to be issued upon exercise hereof except under circumstances that will not result in a violation of the Securities Act or any state securities laws. Upon exercise of this Warrant, the Holder shall, if requested by the Company, confirm in writing, in a form satisfactory to the Company, that the Common Stock so purchased are being acquired solely for the Holder's own account and not as a nominee for any other party, for investment, and not with a view toward distribution or resale.

(ii) This Warrant and all Common Stock issued upon exercise hereof unless registered under the Securities Act shall be stamped or imprinted with a legend in substantially the following form (in addition to any legend required by state securities laws):

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND MAY NOT BE SOLD, TRANSFERRED, ASSIGNED, PLEDGED OR HYPOTHECATED EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF REGULATION S PROMULGATED UNDER THE SECURITIES ACT, PURSUANT TO REGISTRATION UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM REGISTRATION. HEDGING TRANSACTIONS INVOLVING THE SECURITIES REPRESENTED HEREBY MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE SECURITIES ACT. THIS CERTIFICATE MUST BE SURRENDERED TO THE COMPANY OR ITS TRANSFER AGENT AS A CONDITION PRECEDENT TO THE SALE, PLEDGE, HYPOTHECATION OR ANY OTHER TRANSFER OF ANY INTEREST IN ANY OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE.

(f) Reservation of Common Stock. So long as this Warrant is outstanding, the Company shall reserve from its authorized but unissued shares of Common Stock sufficient shares of Common Stock to issue to the Holder the Warrant Shares upon exercise of this Warrant.

2. ORGANIC CHANGE.

(a) Any recapitalization, reorganization, reclassification, consolidation, merger, sale of all or substantially all of the Company's assets to another Person or other transaction, in each case which is effected in such a way that holders of Common Stock are entitled to receive securities or assets with respect to or in exchange for Common Stock is referred to herein as an "**Organic Change**." Prior to the consummation of any (i) sale of all or substantially all of the Company's assets to an acquiring Person or (ii) other Organic Change following which the

Company is not a surviving entity, the Company will secure from the Person purchasing such assets or the Person issuing the securities or providing the assets in such Organic Change (in each case, the "**Acquiring Entity**") a written agreement to deliver to the Holder in exchange for this Warrant, a security of the Acquiring Entity evidenced by a written instrument substantially similar in form and substance to this Warrant and reasonably satisfactory to the Holder of this Warrant (including an adjusted exercise price equal to the value for the Common Stock reflected by the terms of such Organic Change and exercisable for a corresponding number of shares of Common Stock acquirable and receivable upon exercise of this Warrant (without regard to any limitations on the exercise of this Warrant), if the value so reflected is less than the Exercise Price in effect immediately prior to such consolidation, merger or sale). In the event that an Acquiring Entity is directly or indirectly controlled by a company or entity whose common stock or similar equity interest is listed, designated or quoted on a securities exchange or trading market, the Holder may elect to treat such Person as the Acquiring Entity for purposes of this Section 2. Notwithstanding the foregoing, at the Holder's option and request, the Acquiring Entity shall purchase the Warrant from such Holder for a purchase price, payable in cash within five (5) Business Days after such request (or, if later, on the effective date of the Organic Change), equal to the value of the remaining unexercised portion of this Warrant on the date of such request, which value shall be computed using the Black-Scholes option pricing model with such assumptions and inputs as are reasonably satisfactory to the Company. The terms of any agreement pursuant to which an Organic Change is effected shall include terms requiring any such successor or surviving entity to comply with the provisions of this Section 2 and insuring that the Warrants (or any such replacement security) will be similarly adjusted upon any subsequent transaction analogous to an Organic Change. Prior to the consummation of any other Organic Change, the Company shall make appropriate provision to insure that the Holder thereafter will have the right to acquire and receive in lieu of or in addition to (as the case may be) the shares of Common Stock immediately theretofore acquirable and receivable upon the exercise of this Warrant (without regard to any limitations on the exercise of this Warrant), such shares of stock, securities or assets that would have been issued or payable in such Organic Change with respect to or in exchange for the number of shares of Common Stock which would have been acquirable and receivable upon the exercise of this Warrant as of the date of such Organic Change (without regard to any limitations on the exercise of this Warrant).

(b) If, prior to the exercise of this Warrant, the Company shall have effected one or more stock split-ups or stock dividends, any subdivision, consolidation or reclassification, or any other increases or reductions of the number of shares of its Common Stock outstanding without receiving reasonable compensation therefor in money, services, or property, the number of shares of Common Stock subject to this Warrant shall, (i) if a net increase shall have been effected in the number of outstanding shares of Common Stock, be proportionately increased, and the cash consideration payable per share shall be proportionately reduced, and, (ii) if a net reduction shall have been effected in the number of outstanding shares of Common Stock, be proportionately reduced and the cash consideration payable per share be proportionately increased.

3 . NONCIRCUMVENTION. The Company hereby covenants and agrees that it will not, by amendment of its Certificate of Incorporation or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant,

and will at all times in good faith carry out all the provisions of this Warrant and take all action as may be required to protect the rights of the Holder.

4. WARRANT HOLDER NOT DEEMED A STOCKHOLDER. Except as otherwise specifically provided herein, the Holder, solely in such Person's capacity as a holder of this Warrant, shall not be entitled to vote or receive dividends or be deemed the holder of shares of the Company for any purpose, nor shall anything contained in this Warrant be construed to confer upon the Holder, solely in such Person's capacity as the holder of this Warrant, any of the rights of a shareholder of the Company or any right to vote, give or withhold consent to any corporate action (whether any reorganization, issue of stock, reclassification of stock, consolidation, merger, conveyance or otherwise), receive notice of meetings, receive dividends or subscription rights, or otherwise, prior to the issuance to the Holder of the Warrant Shares which such Person is then entitled to receive upon the due exercise of this Warrant. In addition, nothing contained in this Warrant shall be construed as imposing any liabilities on the Holder to purchase any securities (upon exercise of this Warrant or otherwise) or as a stockholder of the Company, whether such liabilities are asserted by the Company or by creditors of the Company. Notwithstanding this Section 4, the Company will provide the Holder with copies of the same notices and other information given to the stockholders of the Company generally, contemporaneously with the giving thereof to the stockholders.

5. REISSUANCE OF WARRANTS.

(a) Transfer of Warrant. Subject to Section 11 hereof, if this Warrant is to be transferred, the Holder shall surrender this Warrant to the Company, whereupon the Company will forthwith issue and deliver upon the order of the Holder a new Warrant (in accordance with Section 5(d)), registered as the Holder may request, representing the right to purchase the number of Warrant Shares being transferred by the Holder and, if less then the total number of Warrant Shares then underlying this Warrant is being transferred, a new Warrant (in accordance with Section 5(d)) to the Holder representing the right to purchase the number of Warrant Shares not being transferred.

(b) Lost, Stolen or Mutilated Warrant. Upon receipt by the Company of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant, and, in the case of loss, theft or destruction, the receipt of any indemnification undertaking by the Holder to the Company in customary form and, in the case of mutilation, upon surrender and cancellation of this Warrant, the Company shall execute and deliver to the Holder a new Warrant (in accordance with Section 5(d)) representing the right to purchase the Warrant Shares then underlying this Warrant.

(c) Warrant Exchangeable for Multiple Warrants. This Warrant is exchangeable, upon the surrender hereof by the Holder at the principal office of the Company, for a new Warrant or Warrants (in accordance with Section 5(d)) representing in the aggregate the right to purchase the number of Warrant Shares then underlying this Warrant, and each such new Warrant will represent the right to purchase such portion of such Warrant Shares as is designated by the Holder at the time of such surrender; provided, however, that no Warrants for fractional shares of Common Stock shall be given.

(d) Issuance of New Warrants. Whenever the Company is required to issue a new Warrant pursuant to the terms of this Warrant, such new Warrant (i) shall be of like tenor with this Warrant, (ii) shall represent, as indicated on the face of such new Warrant, the right to purchase the Warrant Shares then underlying this Warrant (or in the case of a new Warrant being issued pursuant to Section 5(a) or Section 5(c), the Warrant Shares designated by the Holder which, when added to the number of shares of Common Stock underlying the other new Warrants issued in connection with such issuance, does not exceed the number of Warrant Shares then underlying this Warrant), (iii) except for new warrants issued pursuant to section 5(a), shall have an issuance date, as indicated on the face of such new Warrant, which is the same as the Issuance Date, and (iv) shall have the same rights and conditions as this Warrant.

6 . NOTICES. Any notice, demand, request, waiver or other communication required or permitted to be given hereunder shall be in writing (including electronic format) and shall be effective (i) upon delivery in person (including by reputable express courier service); (ii) upon delivery by facsimile (as verified by a printout showing satisfactory transmission) if sent on a business day during normal business hours where such notice is to be received and if not, on the first business day following such delivery where such notice is to be received; (iii) by electronic mail (as verified by a printout showing satisfactory transmission) at the electronic mail address set forth below if sent on a business day during normal business hours where such notice is to be received and if not, on the first business day following such delivery where such notice is to be received; or (iv) upon three (3) business days after mailing with the United States Postal Service if mailed from and to a location within the continental United States by registered or certified mail, return receipt requested. Such notices, demands, and other communications shall be sent to the Holder at the address, facsimile number or email address, as applicable, indicated on the records of the Company and to the principal executive offices, facsimile number, or email address of the Company posted on its website. Any party hereto may from time to time change its physical or electronic address or facsimile number for notices by giving notice of such changed address or number to the other party hereto in accordance herewith.

7. AMENDMENT AND WAIVER. Except as otherwise provided herein, the provisions of this Warrant may be amended and the Company may take any action herein prohibited, or omit to perform any act herein required to be performed by it, only if the Company has obtained the written consent of the holders of the Unit Warrants representing at least a majority of the shares of Common Stock obtainable upon exercise of the Unit Warrants then outstanding.

8 . GOVERNING LAW. This Warrant shall be construed and enforced in accordance with, and all questions concerning the construction, validity, interpretation and performance of this Warrant shall be governed by, the internal laws of the State of Delaware, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Delaware or any other jurisdictions) that would cause the application of the laws of any jurisdictions other than the State of Delaware.

9. JURISDICTIONAL MATTERS. The parties hereto irrevocably submit to the jurisdiction of the Courts of the State of Colorado located in Arapahoe County and the United States District Court for the District of Colorado in any action arising out of or relating to this Warrant, and hereby irrevocably agree that all claims in respect of such action may be heard and determined in such state or federal court. The parties hereto irrevocably waive, to the fullest extent they may effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding. The parties further agree, to the extent permitted by law, that final and unappealable judgment against any of them in any action or proceeding contemplated above shall be conclusive and may be enforced in any other jurisdiction within or outside the United States by suit on the judgment, a certified copy of which shall be conclusive evidence of the fact and amount of such judgment. If any legal action or other proceeding is brought for the enforcement of this Warrant, or because of an alleged dispute, breach, default, or misrepresentation in connection with any of the provisions of this Warrant, the successful or prevailing party or parties will be entitled to recover reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which it or they may be entitled.

10. CONSTRUCTION; HEADINGS. This Warrant shall be deemed to be jointly drafted by the Company and the Holder and shall not be construed against any person as the drafter hereof. The headings of this Warrant are for convenience of reference and shall not form part of, or affect the interpretation of, this Warrant.

11. TRANSFER. This Warrant may not be offered for sale, sold, transferred or assigned without the consent of the Company.

12. CERTAIN DEFINITIONS. For purposes of this Warrant, the following terms shall have the following meanings:

(a) "**Business Day**" means any day other than Saturday, Sunday or other day on which commercial banks in the City of New York are authorized or required by law to remain closed.

(b) "**Common Stock**" means (i) the Company's common stock, par value $0.0001 per share, and (ii) any capital stock into which such Common Stock shall have been changed or any capital stock resulting from a reclassification of such Common Stock.

(c) "**Expiration Date**" means one year from the Issuance Date, or, if such date falls on a day other than a Business Day (a "**Holiday**"), the next date that is not a Holiday; provided that the Company retains the right in its sole discretion to extend the Expiration Date one or more times.

(d) "**Person**" means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization, any other entity and a government or any department or agency thereof.

IN WITNESS WHEREOF, the Company has caused this Warrant to Purchase Common Stock to be duly executed as of the Issuance Date set out above.

HEATWURX, INC.

By:_____
Name: _____
Title: _____

EXHIBIT A
EXERCISE NOTICE

TO BE EXECUTED BY THE REGISTERED HOLDER TO EXERCISE THIS WARRANT TO PURCHASE COMMON STOCK

HEATWURX, INC.

The undersigned holder hereby exercises the right to purchase_____ of the shares of Common Stock ("Warrant Shares") of Heatwurx, Inc., a Delaware corporation (the "Company"), evidenced by the attached Warrant to Purchase Common Stock (the "Warrant"). Capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Warrant.

1. Payment of Exercise Price. The holder herewith tenders the Aggregate Exercise Price in the sum of $ _____ to the Company in accordance with the terms of the Warrant.

2. Representations and Warranties. Each of the representations and warranties made by the holder in the subscription agreement or representation form pertaining to the acquisition of the Warrant remain true and correct in all material respects as of the date of this notice.

3. Delivery of Warrant Shares. The Company shall deliver to the holder Shares in accordance with the terms of the Warrant.

4. Delivery of Warrant. The Holder shall deliver the original Warrant to the Company within five (5) Business Days from the date hereof.

Date: _____, _____

_____
Name of Registered Holder

By: _____
Name: _____
Title: _____

AGREEMENT AND PLAN OF REORGANIZATION

THIS AGREEMENT AND PLAN OF REORGANIZATION (the " **Agreement**") dated as of January 8, 2014, is by, between, and among Heatwurx, Inc., a Delaware corporation (the "**Heatwurx**"), Dr. Pave, LLC, a California limited liability company (" **Dr. Pave**"), and each of its members who has executed the Signature Page of this Agreement (collectively the "**Members**"). Certain capitalized terms used in this Agreement are defined in of this Agreement.

WITNESSETH:

WHEREAS, Heatwurx desires to acquire Dr. Pave, and Dr. Pave desires to be acquired by Heatwurx through the acquisition by Heatwurx of all of the outstanding membership interests of Dr. Pave, and pursuant to which the Members would receive shares of Heatwurx in exchange for all of the outstanding membership interests of Dr. Pave (the "**Acquisition**");

WHEREAS, the Board of Directors of Heatwurx and the managing member of Dr. Pave have approved and declared advisable the Acquisition upon the terms and subject to the conditions of this Agreement, and in accordance with the General Corporation Law of the State of Delaware (the "**Delaware Act**") in the case of Heatwurx and the California General Corporation Law (the " **California Act**") in the case of Dr. Pave;

WHEREAS, the Board of Directors of Heatwurx and the governing body of Dr. Pave have determined that the Acquisition is in furtherance of and consistent with their respective business strategies and is in the best interest of their respective shareholders and owners, as applicable; and

WHEREAS, the parties hereto each intends, for federal income tax purposes, that the Acquisition contemplated hereby constitute a reorganization pursuant to Section 368(a)(1)(B) of the Internal Revenue Code of 1986, as amended (the "**Code**").

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements hereinafter contained, the parties hereto, intending to be legally bound hereby, agree as follows:

ARTICLE I.
ADOPTION OF AGREEMENT

1.1 The Exchange. Upon the terms and subject to the satisfaction or waiver of the conditions set forth in this Agreement, at the Closing (as defined in Section herein), in accordance with the relevant provisions of the Delaware Act and the California Act, each of the Members shall exchange his, her, or its membership interests in Dr. Pave (the " **Membership Interests**") solely for the number of shares of common stock of Heatwurx as provided in Exhibit A (the "**Heatwurx Shares**").

1.2 Effect of Acquisition. At of the completion of the Closing, the effect of the Acquisition shall be that Heatwurx shall be the sole member of Dr. Pave and Dr. Pave shall be a wholly owned subsidiary of Heatwurx

1.3 Management of Dr. Pave. At the Closing the managers of Dr. Pave shall consist of the following persons: David Dworsky and Justin Yorke.

ARTICLE II.
PLAN OF EXCHANGE

2.1 Transfer of Membership Interests to Heatwurx. At Closing each Member shall transfer to Heatwurx all of his, her, or its Membership Interest as provided in the Representation and Transfer Form attached hereto as Exhibit B, which in the aggregate shall represent not less than 100% of the ownership interest in Dr. Pave at Closing.

2.2 Issuance of Shares to Members. Solely in exchange for the transfer of the Membership Interests pursuant to Section hereof, Heatwurx shall on the Closing Date and contemporaneously with such transfer of the Membership Interests to it by the Members, issue and deliver to the Members the number of Heatwurx Shares specified on Exhibit A.

2.3 Restricted Stock. The Heatwurx Shares to be issued pursuant to the Acquisition shall not have been registered and shall be characterized as "restricted securities" under the federal securities laws, and under such laws such shares may be resold without registration under the Securities Act only in certain limited circumstances. Each certificate evidencing Heatwurx Shares to be issued pursuant to the Acquisition shall bear an appropriate restrictive legend in accordance with Rule 144 under the Securities Act.

ARTICLE III.
CLOSING

3.1 Closing Date. The closing of the Acquisition and the consummation of the other transactions contemplated by this Agreement (the "**Closing**") shall take place at the offices of legal counsel for Heatwurx, at 1656 Reunion Avenue, Suite 250, South Jordan, Utah, the date, time and place as each of the parties hereto may otherwise agree, but not later than January 8, 2014 (the "**Closing Date**"). If a party hereto is not in attendance at the Closing, Closing may be held by conference call and delivery of the stock certificates representing the Heatwurx Shares and signed agreements shall be via Federal Express to the address set forth in this Agreement or such other address that the party has provided to counsel for Heatwurx.

3.2 Effective Time of Closing. Notwithstanding the actual Closing Date or the date on which Closing occurs, the parties hereto hereby agree that the effective date of the Closing for tax and accounting purposes shall be 8:00 a.m. on January 1, 2014 (the "**Effective Closing Date**")

ARTICLE IV.
REPRESENTATIONS AND WARRANTIES OF DR. PAVE AND THE MEMBERS

Each of Dr. Pave and the Members, severally and not jointly, represents and warrants to Heatwurx that all of the statements contained in this are true as of the date of this Agreement (or, if made as of a specified date, as of such date) except as otherwise provided in this Agreement.

4.1 Due Organization; Foreign Qualification. Dr. Pave is a limited liability company duly organized, validly existing and in good standing under the laws of the State of California, with all requisite power and authority to own, lease and operate its properties and to carry on its business as it is now being owned, leased, operated and conducted. True, correct and complete copies of the articles of organization and operating agreement of Dr. Pave have been delivered to Heatwurx. Dr. Pave does not have any wholly or partially owned subsidiaries and does not own any economic, voting or management interests in any other Person. The Members are, and will be at Closing, the sole members of Dr. Pave. Dr. Pave is duly qualified to conduct business and is in good standing as a foreign entity in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where

the failure to be so qualified or in good standing, as the case may be, could not have or reasonably be expected to result in or cause a Dr. Pave Material Adverse Effect.

4.2 Due Authorization. Each of Dr. Pave and the Members has full power and authority to enter into this Agreement and to consummate the transactions contemplated hereby. The execution, delivery and performance by Dr. Pave of this Agreement have been duly and validly approved and authorized by the managers of Dr. Pave, and, other than the Member Approval, no other actions or proceedings on the part of Dr. Pave are necessary to authorize this Agreement and the transactions contemplated hereby. Dr. Pave and the Members have duly and validly executed and delivered this Agreement. This Agreement constitutes the legal, valid and binding obligation of Dr. Pave and the Members, enforceable in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, fraudulent transfer, moratorium, reorganization or other laws from time to time in effect which affect creditors' rights generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

4.3 Consents; Non-Contravention.

(a) No Permit, consent, authorization or approval of, or filing or registration with, any Governmental Authority or any other Person not a party to this Agreement, is necessary in connection with the execution, delivery and performance by Dr. Pave and the Members of this Agreement, or the consummation of the transactions contemplated hereby, or for the lawful continued operation the Closing Date of the business currently conducted by Dr. Pave.

(b) Except as would not result in or cause a Dr. Pave Material Adverse Effect, the execution, delivery and performance by Dr. Pave of this Agreement do not and will not (i) violate any Law; (ii) violate or conflict with, result in a breach or termination of, or constitute a default (or a circumstance which, with or without notice or lapse of time or both, would constitute a default) under any material Contract or Permit; (iii) give any third party any additional right (including a termination right) under, permit cancellation of, or result in the creation of any Lien (except for any Lien for taxes not yet due and payable) upon any of the assets or properties of Dr. Pave under any material Contract to which Dr. Pave is a party or by which Dr. Pave or any of its assets or properties are bound; (iv) permit the acceleration of the maturity of any indebtedness of Dr. Pave or indebtedness secured by Dr. Pave's assets or properties; (v) violate or conflict with any provision of the governing documents of Dr. Pave; or (vi) result in the activation of any anti-dilution rights or a reset or repricing of any debt or security instrument of any creditor or equity holder of Dr. Pave, except as provided for in this Agreement.

4.4 Ownership Interests. All of the outstanding Membership Interests of Dr. Pave are held beneficially and of record by the Members. The Membership Interests are not subject to any Liens or encumbrances suffered or permitted by Dr. Pave or the Members. 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 ownership interest in Dr. Pave, or contracts, commitments, understandings or arrangements by which Dr. Pave is or may become bound to issue additional ownership interests in Dr. Pave or options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, any ownership interest in Dr. Pave.

4.5 Financial Records. Copies of the financial books and records of Dr. Pave through November 30, 2013, have been furnished to representatives of Heatwurx (the "**Dr. Pave Financial Records**"). To the best of Dr. Pave's and the Members' knowledge, the Dr. Pave Financial Records fairly present in all material respects the financial position of Dr. Pave as of and for the dates thereof and the results of operations and cash flows for the period then ended.

4.6 Liabilities. Except as set forth in Schedule , there are no material liabilities of Dr. Pave, whether accrued, absolute, contingent or otherwise, which arose or relate to any transaction of Dr. Pave, its agents or servants occurring since inception which are not disclosed by or reflected in the Dr. Pave Financial Records. To the Knowledge of Dr. Pave and the Members, there are no circumstances,

conditions, happenings, events or arrangements, contractual or otherwise, which may hereafter give rise to liabilities, except in the normal course of business of Dr. Pave.

4.7 Material Changes; Undisclosed Events, Liabilities or Developments. Since the period covered by the Dr. Pave Financial Records, except as specifically disclosed in Schedule, (i) there has been no event, occurrence or development that has had or that could reasonably be expected, individually or in the aggregate, to result in or cause a Dr. Pave Material Adverse Effect, (ii) Dr. Pave has not incurred any liabilities (contingent or otherwise) other than trade payables and accrued expenses incurred in the ordinary course of business consistent with past practice, and (iii) Dr. Pave has not altered its method of accounting. Except for the transactions contemplated by this Agreement or as set forth on Schedule, no event, liability, fact, circumstance, occurrence or development has occurred or exists or is reasonably expected to occur or exist with respect to Dr. Pave or its business, prospects, properties, operations, assets or financial condition that would result in or cause a Dr. Pave Material Adverse Effect. Dr. Pave has not taken any steps, and does not currently expect to take any steps, to seek protection pursuant to any bankruptcy or similar law nor does Dr. Pave or the Members have any knowledge or reason to believe that its creditors intend to initiate involuntary bankruptcy or similar proceedings.

4.8 Taxes. All federal, state, foreign, county, and local income, withholding, profits, franchise, occupation, property, sales, use, gross receipts and other taxes (including any interest or penalties relating thereto) and assessments which are due and payable have been duly reported, fully paid and discharged as reported by Dr. Pave, and there are no unpaid taxes which are, or could become a Lien on the properties and assets of Dr. Pave, except as provided for in the Dr. Pave Financial Records, or have been incurred in the normal course of business of Dr. Pave since that date. All tax returns of any kind required to be filed have been filed and the taxes paid. There are no disputes as to taxes of any nature payable by Dr. Pave.

4.9 Environmental Laws. Dr. Pave (i) is 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) has received all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct its business; and (iii) is in compliance with all terms and conditions of any such permit, license or approval where, in each of the three foregoing cases, the failure to so comply would have or cause, individually or in the aggregate, a Dr. Pave Material Adverse Effect.

4.10 Compliance. Neither Dr. Pave nor the Members to the best of their knowledge: (i) is in default under or in violation of (and no event has occurred that has not been waived that, with notice or lapse of time or both, would result in a default by Dr. Pave or the Members under), nor has Dr. Pave or the Members received notice of a claim that it is in default under or that it is in violation of, any indenture, loan or credit agreement or any other agreement or instrument to which it or he is a party or by which it or he or any of their properties is bound (whether or not such default or violation has been waived), (ii) is in violation of any judgment, decree or order of any court, arbitrator or governmental body or (iii) is or has been in violation of any statute, rule, ordinance or regulation of any governmental authority, including without limitation all foreign, federal, state and local laws applicable to its business and all such laws that affect the mortgage industry, except in each case as could not have or reasonably be expected to result in or cause a Dr. Pave Material Adverse Effect.

4.11 Regulatory Permits. To the best of Dr. Pave's and the Members' knowledge, Dr. Pave possess all certificates, authorizations and Permits issued by the appropriate federal, state, local or foreign regulatory authorities necessary to conduct its business as currently being conducted, except where the failure to possess such Permits could not reasonably be expected to result in or cause a Dr. Pave Material Adverse Effect ("**Dr. Pave Material Permits**"), and neither Dr. Pave nor the Members has received any notice of proceedings relating to the revocation or modification of any Dr. Pave Material Permit. Schedule sets forth a complete list of each Dr. Pave Material Permit.

4.12 Title to Assets. Except as set forth on Schedule 4.12, Dr. Pave has good and marketable title in fee simple to all real property owned by it, if any, and good and marketable title in all personal property owned by it, if any, that is material to the business of Dr. Pave, in each case free and clear of all Liens, except for Liens as do not materially affect the value of such property and do not materially interfere with the use made and proposed to be made of such property by Dr. Pave and Liens for the payment of federal, state or other taxes, the payment of which is neither delinquent nor subject to penalties. Any real property, facilities, furniture, and equipment held under lease or rental agreement by Dr. Pave are held by it under valid, subsisting and enforceable leases or rental agreements with which Dr. Pave is in compliance. Set forth in Schedule is a list of all material real and personal properties owned, leased, or rented by Dr. Pave.

4.13 Patents and Trademarks. Dr. Pave has, or has rights to use, all patents, patent applications, trademarks, trademark applications, service marks, trade names, trade secrets, inventions, copyrights, licenses and other intellectual property rights and similar rights necessary or material for use in connection with its business and which the failure to so have could have or cause a Dr. Pave Material Adverse Effect (collectively, the "**Dr. Pave Intellectual Property Rights**"). Dr. Pave has not received a notice (written or otherwise) that any of the Dr. Pave Intellectual Property Rights used by Dr. Pave violates or infringes upon the rights of any Person. To the knowledge of Dr. Pave and the Members, all such Dr. Pave Intellectual Property Rights are enforceable and there is no existing infringement by another Person of any of the Dr. Pave Intellectual Property Rights. Dr. Pave has taken reasonable security measures to protect the secrecy, confidentiality and value of all of its intellectual properties, except where failure to do so could not, individually or in the aggregate, reasonably be expected to have or cause a Dr. Pave Material Adverse Effect.

4.14 Insurance. Dr. Pave is insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which Dr. Pave is engaged. Dr. Pave has no reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business without a significant increase in cost.

4.15 Litigation. There are no actions, suits, arbitrations, regulatory proceedings or other litigation, proceedings or governmental investigations pending or, to the Knowledge of Dr. Pave and the Members, threatened against Dr. Pave or any of its officers or directors in their capacity as such, or any of its properties or businesses, and neither Dr. Pave nor the Members has any Knowledge of any facts or circumstances which may reasonably be likely to give rise to any of the foregoing. Neither Dr. Pave nor any of the Members is subject to any order, judgment, decree, injunction, stipulation or consent order of or with any court or other Governmental Authority. Neither Dr. Pave nor any of the Members has entered into any agreement to settle or compromise any proceeding pending or threatened in writing against it which has involved any obligation for which Dr. Pave or its properties or business has any continuing obligation. There are no claims, actions, suits, proceedings, or investigations pending or, to the Knowledge of Dr. Pave or the Members, threatened by or against Dr. Pave or the Members with respect to this Agreement or in connection with the transactions contemplated hereby, and Dr. Pave and the Members have no reason to believe there is a valid basis for any such claim, action, suit, proceeding or investigation.

4.16 Labor Relations. No material labor dispute exists or, to the knowledge of Dr. Pave, is imminent with respect to any of the employees of Dr. Pave, which could reasonably be expected to result in or cause a Dr. Pave Material Adverse Effect. None of Dr. Pave's employees is a member of a union that relates to such employee's relationship with Dr. Pave, and Dr. Pave is not a party to a collective bargaining agreement, and Dr. Pave reasonably believes that its relationship with its employees is good. No executive, to the Knowledge of Dr. Pave, is, or is now expected to be, in violation of any material term of any employment contract, confidentiality, disclosure or proprietary information agreement or non-competition agreement, or any other contract or agreement or any restrictive covenant in favor of any third party, and the continued employment of each such executive does not subject Dr. Pave to any liability with respect to any of the foregoing matters. Dr. Pave is in material compliance with all U.S. federal, state, local and foreign laws and regulations relating to employment and employment practices, terms and

conditions of employment and wages and hours, except where the failure to be in compliance could not, individually or in the aggregate, reasonably be expected to have or cause a Dr. Pave Material Adverse Effect.

4.17 Brokers. Neither Dr. Pave or the Members nor any of their agents or representatives has retained any finder, broker, agent, financial advisor or other intermediary in connection with the transactions contemplated by this Agreement.

4.18 Managing Members. The managing members of Dr. Pave, by unanimous written consent, duly adopted resolutions: (a) approving and declaring advisable this Agreement, the Acquisition and the transactions contemplated hereby; (b) determining that the terms of the Acquisition are fair to and in the best interests of Dr. Pave and its members; (c) recommending that the members of Dr. Pave approve and adopt this Agreement and the Acquisition; and (d) adopting this Agreement, which resolutions have not been modified, supplemented or rescinded and remain in full force and effect.

4.19 Disclosure. All of the disclosure furnished by or on behalf of Dr. Pave or the Members to either Heatwurx regarding Dr. Pave, its business and the transactions contemplated hereby, including the disclosure schedules to this Agreement, is, to the best of Dr. Pave's and the Members' knowledge, true and correct and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

ARTICLE V.
REPRESENTATIONS OF HEATWURX

Heatwurx represents and warrants to Dr. Pave and the Members that all of the statements contained in this are true as of the date of this Agreement (or, if made as of a specified date, as of such date) except as otherwise provided in this Agreement.

5.1 Due Incorporation; Foreign Qualification. Heatwurx is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, with all requisite power and authority to own, lease and operate its properties and to carry on its business as it is now being owned, leased, operated and conducted. True, correct and complete copies of the Articles of Incorporation and Bylaws of Heatwurx have been delivered to Dr. Pave and the Members. Heatwurx does not have any wholly or partially owned subsidiaries and does not own any economic, voting or management interests in any other Person. Heatwurx is duly qualified to conduct business and is in good standing as a foreign corporation or other entity in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, could not have or reasonably be expected to result in or cause a Heatwurx Material Adverse Effect.

5.2 Due Authorization. Heatwurx has full power and authority to enter into this Agreement and to consummate the transactions contemplated hereby. The execution, delivery and performance by Heatwurx of this Agreement have been duly and validly approved and authorized by the Board of Directors, and no other actions or proceedings on the part of Heatwurx are necessary to authorize this Agreement and the transactions contemplated hereby. Heatwurx has duly and validly executed and delivered this Agreement. This Agreement constitutes the legal, valid and binding obligation of Heatwurx, enforceable in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, fraudulent transfer, moratorium, reorganization or other laws from time to time in effect which affect creditors' rights generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

5.3 Consents; Non-Contravention.

(a) Except for filings required by applicable federal and state securities laws, no Permit, consent, authorization or approval of, or filing or registration with, any Governmental Authority or any other Person not a party to this Agreement, is necessary in connection with the execution, delivery and performance by Heatwurx of this Agreement or the consummation of the transactions contemplated hereby.

(b) Except as would not result in or cause a Heatwurx Material Adverse Effect, the execution, delivery and performance by Heatwurx of this Agreement do not and will not (i) violate any Law; (ii) violate or conflict with, result in a breach or termination of, or constitute a default (or a circumstance which, with or without notice or lapse of time or both, would constitute a default) under any material Contract or Permit; (iii) give any third party any additional right (including a termination right) under, permit cancellation of, or result in the creation of any Lien (except for any Lien for taxes not yet due and payable) upon any of the assets or properties of Heatwurx under any material Contract to which Heatwurx is a party or by which Heatwurx or any of its assets or properties are bound; (iv) permit the acceleration of the maturity of any indebtedness of Heatwurx or indebtedness secured by such entity's assets or properties; (v) violate or conflict with any provision of the Articles of Incorporation or Bylaws of Heatwurx; or (vi) result in the activation of any anti-dilution rights or a reset or repricing of any debt or security instrument of any creditor or equity holder of Heatwurx, except as provided for in this Agreement.

5.4 Capitalization. The authorized capital stock of Heatwurx consists of 20,000,000 shares of common stock, par value $0.01 per share (the "**Heatwurx Common Stock**") and 4,500,000 shares of preferred stock. As of the date of this Agreement, there are issued and outstanding 8,072,000 shares of Heatwurx Common Stock, no shares of Series A Preferred Stock, 187,000 shares of Series B Preferred Stock, 101,000 shares of Series C Preferred Stock, and 727,648 shares of Series D Preferred Stock. All of the issued and outstanding shares of Heatwurx Common Stock are validly issued, fully paid and non-assessable and the issuance thereof was not subject to preemptive rights or was issued in compliance therewith. Except as set forth in the SEC Reports, (i) no shares of capital stock of Heatwurx are subject to preemptive rights or any other similar rights or any Liens or encumbrances suffered or permitted by Heatwurx; (ii) there are no outstanding debt securities; (iii) except for the non-public offering of shares of Series D Preferred Stock and warrants, there are no outstanding shares of capital stock, 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 Heatwurx, or contracts, commitments, understandings or arrangements by which Heatwurx is or may become bound to issue additional shares of capital stock of Heatwurx 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 Heatwurx; (iv) there are no agreements or arrangements under which Heatwurx is obligated to register the sale of any of its securities under the Securities Act, except for the shares of Common Stock underlying the warrants in the current and prior Series D Preferred Stock unit offerings; (v) there are no outstanding securities of Heatwurx which contain any redemption or similar provisions, and there are no contracts, commitments, understandings or arrangements by which Heatwurx is or may become bound to redeem a security of Heatwurx; (vi) there are no securities or instruments containing anti-dilution or similar provisions that will be triggered by the issuance of the shares as described in this Agreement; (vii) Heatwurx does not have any stock appreciation rights plans or agreements or any similar plan or agreement; and (viii) there is no dispute as to the class of any shares of the capital stock of Heatwurx.

5.5 SEC Reports; Financial Statements. Heatwurx has filed all reports, schedules, forms, statements and other documents required to be filed by Heatwurx under the Securities Act and the Exchange Act, including pursuant to Section 13(a) or 15(d) thereof, since the effective date of the registration statement on Form S-1 of Heatwurx on June 5, 2013 (the foregoing materials, including the exhibits thereto and documents incorporated by reference therein, being collectively referred to herein as the "**SEC Reports**") on a timely basis or has received a valid extension of such time of filing and has filed any such SEC Reports prior to the expiration of any such extension. As of their respective dates, the SEC

Reports complied in all material respects with the requirements of the Securities Act and the Exchange Act, as applicable, and none of the SEC Reports, when filed, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The consolidated financial statements of Heatwurx included in the SEC Reports (the "**Heatwurx Financial Statements**") comply in all material respects with applicable accounting requirements and the rules and regulations of the SEC with respect thereto as in effect at the time of filing. Such financial statements have been prepared in accordance with U.S. GAAP (except (i) as may be otherwise indicated in the Dr. Pave Financial Statements or the notes thereto, or (ii) in the case of unaudited interim statements, to the extent they may exclude footnotes or may be condensed or summary statements) and fairly present in all material respects the financial position of the Heatwurx on a consolidated basis as of and for the dates thereof and the results of operations and cash flows for the periods then ended, subject, in the case of unaudited statements, to normal, immaterial, year-end audit adjustments.

5.6 Liabilities. Except as set forth in Schedule , there are no material liabilities of Heatwurx, whether accrued, absolute, contingent or otherwise, which arose or relate to any transaction of Heatwurx, its agents or servants occurring prior to the period covered by the Heatwurx Financial Statements which are not disclosed by or reflected in the Heatwurx Financial Statements. To the Knowledge of Heatwurx, there are no circumstances, conditions, happenings, events or arrangements, contractual or otherwise, which may hereafter give rise to liabilities, except in the normal course of business of Heatwurx.

5.7 Material Changes; Undisclosed Events, Liabilities or Developments . Since the period covered by the Heatwurx Financial Statements, except as specifically disclosed in the SEC Reports or Schedule , (i) there has been no event, occurrence or development that has had or that could reasonably be expected, individually or in the aggregate, to result in or cause a Heatwurx Material Adverse Effect, (ii) Heatwurx has not incurred any liabilities (contingent or otherwise) other than trade payables and accrued expenses incurred in the ordinary course of business consistent with past practice, (iii) Heatwurx has not altered its method of accounting, (iv) Heatwurx has not declared or made any dividend or distribution of cash or other property to its stockholders or purchased, redeemed or made any agreements to purchase or redeem any shares of its capital stock, and (v) Heatwurx has not issued any equity securities to any officer, director or Affiliate. Except for the transactions contemplated by this Agreement or as set forth on Schedule , no event, liability, fact, circumstance, occurrence or development has occurred or exists or is reasonably expected to occur or exist with respect to Heatwurx or its business, prospects, properties, operations, assets or financial condition that would result in or cause a Heatwurx Material Adverse Effect. Heatwurx has not taken any steps, and does not currently expect to take any steps, to seek protection pursuant to any bankruptcy or similar law nor does Heatwurx have any knowledge or reason to believe that its creditors intend to initiate involuntary bankruptcy or similar proceedings.

5.8 Taxes. All federal, state, foreign, county, and local income, withholding, profits, franchise, occupation, property, sales, use, gross receipts and other taxes (including any interest or penalties relating thereto) and assessments which are due and payable have been duly reported, fully paid and discharged as reported by Heatwurx, and there are no unpaid taxes which are, or could become a Lien on the properties and assets of Heatwurx, except as provided for in the Heatwurx Financial Statements, or have been incurred in the normal course of business of Heatwurx since that date. All tax returns of any kind required to be filed have been filed and the taxes paid. There are no disputes as to taxes of any nature payable by Heatwurx.

5.9 Environmental Laws. Heatwurx (i) is in compliance with any and all Environmental Laws; (ii) has received all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct its business; and (iii) is in compliance with all terms and conditions of any such permit, license or approval where, in each of the three foregoing cases, the failure to so comply would have or cause, individually or in the aggregate, a Heatwurx Material Adverse Effect.

5.10 Compliance. Heatwurx: (i) is not in default under or in violation of (and no event has occurred that has not been waived that, with notice or lapse of time or both, would result in a default by Heatwurx under), nor has Heatwurx received notice of a claim that it is in default under or that it is in violation of, any indenture, loan or credit agreement or any other agreement or instrument to which it is a party or by which it or any of its properties is bound (whether or not such default or violation has been waived), (ii) is in violation of any judgment, decree or order of any court, arbitrator or governmental body or (iii) is not or has not been in violation of any statute, rule, ordinance or regulation of any governmental authority, including without limitation all foreign, federal, state and local laws applicable to its business and all such laws that affect the mortgage industry, except in each case as could not have or reasonably be expected to result in or cause a Heatwurx Material Adverse Effect.

5.11 Regulatory Permits. Heatwurx possess all certificates, authorizations and Permits issued by the appropriate federal, state, local or foreign regulatory authorities necessary to conduct its business as described in the SEC Reports, except where the failure to possess such Permits could not reasonably be expected to result in or cause a Heatwurx Material Adverse Effect ("**Heatwurx Material Permits**"), and Heatwurx has not received any notice of proceedings relating to the revocation or modification of any Heatwurx Material Permit.

5.12 Title to Assets. Heatwurx has good and marketable title in fee simple to all real property owned by it and good and marketable title in all personal property owned by it that is material to the business of Heatwurx, as applicable, in each case free and clear of all Liens, except for Liens as do not materially affect the value of such property and do not materially interfere with the use made and proposed to be made of such property by such entity and Liens for the payment of federal, state or other taxes, the payment of which is neither delinquent nor subject to penalties. Any real property and facilities held under lease by Heatwurx are held by it under valid, subsisting and enforceable leases with which such entity is in compliance.

5.13 Patents and Trademarks. Heatwurx has, or has rights to use, all patents, patent applications, trademarks, trademark applications, service marks, trade names, trade secrets, inventions, copyrights, licenses and other intellectual property rights and similar rights necessary or material for use in connection with its business and which the failure to so have could have or cause a Heatwurx Material Adverse Effect (collectively, the "**Heatwurx Intellectual Property Rights**"). Heatwurx has not received a notice (written or otherwise) that any of the Heatwurx Intellectual Property Rights used by Heatwurx violates or infringes upon the rights of any Person. To the knowledge of Heatwurx, all such Heatwurx Intellectual Property Rights are enforceable and there is no existing infringement by another Person of any of the Heatwurx Intellectual Property Rights. Heatwurx has taken reasonable security measures to protect the secrecy, confidentiality and value of all of its intellectual properties, except where failure to do so could not, individually or in the aggregate, reasonably be expected to have or cause a Heatwurx Material Adverse Effect.

5.14 Insurance. Heatwurx is insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which Heatwurx, as applicable, is engaged. Heatwurx has no reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business without a significant increase in cost.

5.15 Litigation. There are no actions, suits, arbitrations, regulatory proceedings or other litigation, proceedings or governmental investigations pending or, to the Knowledge of Heatwurx, threatened against Heatwurx or any of its officers or directors in their capacity as such, or any of their properties or businesses, and Heatwurx has no Knowledge of any facts or circumstances which may reasonably be likely to give rise to any of the foregoing. Heatwurx is not subject to any order, judgment, decree, injunction, stipulation or consent order of or with any court or other Governmental Authority. Heatwurx has not entered into any agreement to settle or compromise any proceeding pending or threatened in writing against it which has involved any obligation for which either Heatwurx or its properties or business has any continuing obligation. There are no claims, actions, suits, proceedings, or

investigations pending or, to the Knowledge of Heatwurx, threatened by or against Heatwurx with respect to this Agreement or in connection with the transactions contemplated hereby, and Heatwurx has no reason to believe there is a valid basis for any such claim, action, suit, proceeding or investigation.

5.16 Labor Relations. No material labor dispute exists or, to the knowledge of Heatwurx, is imminent with respect to any of the employees of Heatwurx, which could reasonably be expected to result in or cause a Heatwurx Material Adverse Effect. No employee of Heatwurx is a member of a union that relates to such employee's relationship with Heatwurx, Heatwurx is not a party to a collective bargaining agreement, and Heatwurx reasonably believes that its relationship with its employees is good. No executive officer, to the Knowledge of Heatwurx, is, or is now expected to be, in violation of any material term of any employment contract, confidentiality, disclosure or proprietary information agreement or non-competition agreement, or any other contract or agreement or any restrictive covenant in favor of any third party, and the continued employment of each such executive officer does not subject Heatwurx to any liability with respect to any of the foregoing matters. Heatwurx is in material compliance with all U.S. federal, state, local and foreign laws and regulations relating to employment and employment practices, terms and conditions of employment and wages and hours, except where the failure to be in compliance could not, individually or in the aggregate, reasonably be expected to have or cause a Heatwurx Material Adverse Effect.

5.17 Brokers. Neither Heatwurx nor any of its agents or representatives has retained any finder, broker, agent, financial advisor or other intermediary in connection with the transactions contemplated by this Agreement.

5.18 Board Approval. The Board of Directors of Heatwurx, by a special meeting duly called and held or by unanimous written consent, duly adopted resolutions: (a) approving and declaring advisable this Agreement and the transactions contemplated hereby; (b) determining that the terms of the Acquisition are fair to and in the best interests of Heatwurx and its shareholders; and (c) adopting this Agreement, which resolutions have not been modified, supplemented or rescinded and remain in full force and effect.

5.19 Disclosure. All of the disclosure furnished by or on behalf of Heatwurx to either Dr. Pave or the Members regarding Heatwurx, their businesses and the transactions contemplated hereby, including the disclosure schedules to this Agreement, is true and correct and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

ARTICLE VI.
COVENANTS

6.1 Implementing Agreement. Subject to the terms and conditions hereof, each party hereto shall use its or his commercially reasonable efforts to take, or cause to be taken, all appropriate action required of it to consummate and make effective the transactions contemplated by this Agreement.

6.2 Access to Information and Facilities; Confidentiality.

(a) From and after the date of this Agreement, Dr. Pave and the Members shall allow Heatwurx and its representatives access during normal business hours to all of the facilities, properties, books, Contracts, commitments and records of Dr. Pave and shall make the officers and employees of Dr. Pave available to Heatwurx and its representatives as either party or its representatives shall from time to time reasonably request. Heatwurx and its representatives shall be furnished with any and all information concerning Dr. Pave, which Heatwurx or its representatives reasonably request and can be obtained by Dr. Pave without unreasonable effort or expense.

(b) From and after the date of this Agreement, Heatwurx shall allow Dr. Pave and the Members, and their representatives access during normal business hours to all of the facilities,

properties, books, Contracts, commitments and records of Heatwurx and shall make the officers and employees of Heatwurx available to Dr. Pave, the Members and their representatives as Dr. Pave, the Members or their representatives shall from time to time reasonably request. Dr. Pave, the Members and their representatives shall be furnished with any and all information concerning Heatwurx which Dr. Pave, the Members or their representatives reasonably request and can be obtained by Heatwurx without unreasonable effort or expense.

(c) With respect to the information disclosed pursuant to this Section , the parties shall maintain the confidentiality of any material non-public information furnished by the other Party.

6.3 Preservation of Business. Subject to the terms of this Agreement, from the date of this Agreement until the Closing Date, each of Dr. Pave and Heatwurx, as the case may be, shall operate only in the ordinary and usual course of business consistent with past practice, and shall use reasonable commercial efforts to: (a) preserve intact its present business organization, as the case may be; (b) preserve the good and advantageous relationships, as the case may be, with employees and other Persons material to the operation of their respective businesses; and (c) not permit any action or omission within its control which would cause any of the representations or warranties of Dr. Pave, the Members, or, as the case may be, contained herein to become inaccurate in any material respect or any of the covenants of Dr. Pave, the Members, or Heatwurx, as the case may be, to be breached in any material respect.

6.4 Conduct of Business. Through the Closing Date, neither Heatwurx nor Dr. Pave shall engage in any extraordinary transactions affecting the transactions contemplated by this Agreement without the other party or parties' prior written consent, including, without limitation the following: (i) the Members shall not transfer or dispose of his, her, or its Membership Interest, grant any options or rights to such Membership Interests, or in any way encumber such interests; (ii) Dr. Pave shall not issue any membership interests or rights to purchase or instruments convertible into membership interests of Dr. Pave; (iii) neither Heatwurx nor Dr. Pave shall pay any dividends or redeem any securities, except in regard to the outstanding preferred shares of Heatwurx; (iv) neither Heatwurx nor Dr. Pave shall borrow any funds or incur any debt or other obligations; and (v) no party hereto shall take any action which would have a material negative effect on the proposed Acquisition.

6.5 Certain Notices. From and after the date of this Agreement until the Closing Date, each party hereto shall promptly notify the other party hereto of: (a) the occurrence, or non-occurrence, of any event that would be likely to cause any condition to the obligations of any party to effect the Acquisition and the other transactions contemplated by this Agreement not to be satisfied; or (b) the failure of Dr. Pave or Heatwurx, as the case may be, to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it pursuant to this Agreement which would reasonably be expected to result in any condition to the obligations of any party to effect the Acquisition and the other transactions contemplated by this Agreement not to be satisfied; *provided, however*, that the delivery of any notice pursuant to this Section shall not cure any breach of any representation or warranty requiring disclosure of such matter prior to the date of this Agreement or otherwise limit or affect the remedies available hereunder to the party receiving such notice.

6.6 Consents and Approvals.

(a) Each of Dr. Pave and the Members shall use commercially reasonable efforts to obtain all consents, approvals, certificates and other documents required in connection with the performance by it, him, or her of this Agreement and the consummation of the transactions contemplated hereby. Dr. Pave and the Members shall make all filings, applications, statements and reports to all Governmental Authorities and other Persons that are required to be made prior to the Closing Date by or on behalf of Dr. Pave or the Members, as applicable, pursuant to Applicable Law in connection with this Agreement and the transactions contemplated hereby.

(b) Heatwurx shall use commercially reasonable efforts to obtain all consents, approvals, certificates and other documents required in connection with the performance by it of this

Agreement and the consummation of the transactions contemplated hereby. Heatwurx shall make all filings, applications, statements and reports to all Governmental Authorities and other Persons that are required to be made prior to the Closing Date by or on behalf of Heatwurx pursuant to Applicable Law or otherwise in connection with this Agreement and the transactions contemplated hereby.

6.7 Member Approval. The Members shall provide Member Approval of the Acquisition and this Agreement, and the transactions contemplated thereby and hereby, as soon as practicable following the date of this Agreement. In addition, the Members shall approve in immediate transfer of the Membership Interests at Closing and waive any notice requirements for such transfers.

6.8 Supplemental Information. From time to time prior to the Closing, Dr. Pave and the Members, on the one hand, and Heatwurx on the other hand, shall promptly disclose in writing to the other any matter hereafter arising which, if existing, occurring or known at the date of this Agreement would have been required to be disclosed to the other parties hereto or which would render inaccurate any of the representations, warranties or statements set forth in and , respectively, hereof.

6.9 Access to Management of Heatwurx . From and after the date of this Agreement and through the Closing, each of the Members is hereby granted the reasonable opportunity to ask questions of the Chief Financial Officer or other executive officers of Heatwurx and to receive answers concerning the terms and conditions of the transactions contemplated by this Agreement, and to have reasonable access to the business and financial records of Heatwurx as are relevant to the Members due diligence evaluation of Heatwurx.

6.10 Exclusive Dealing. From the date of this Agreement until Closing or termination hereof pursuant to Section , neither Dr. Pave nor any of the Members shall, directly or indirectly, through any representative or otherwise, solicit, negotiate with or in any manner encourage, discuss or accept any proposal of any other person relating to the acquisition of Dr. Pave, ownership interest in the limited liability company purchased from Dr. Pave or any of the Members, or its assets or business, in whole or in part, whether through direct purchase, merger, consolidation, or other business combination.

6.11 Tax-Free Reorganization Treatment. Each of Heatwurx, Dr. Pave, and the Members intends to adopt this Agreement as a tax-free plan of reorganization and to consummate the Acquisition in accordance with the provisions of Section 368(a) of the Code. To effect this treatment, Dr. Pave shall affirmatively elect tax treatment as a corporation, under Treasury Regulation 301.7701-3, effective from the inception of the company. However, none of Heatwurx, its officers, directors, legal counsel, accounting advisors, or agents makes any representation or warranty to Dr. Pave or any Member regarding the tax treatment of the Acquisition or whether the Acquisition will qualify as a tax-free plan of reorganization under the Code. Each of Heatwurx, Dr. Pave, and the Members acknowledges that he, she, or it is relying on his, her, or its own tax advisors in connection with the Acquisition and the other transactions contemplated by this Agreement. Each of Heatwurx, Dr. Pave, and the Members agrees not to knowingly take any action on or prior to the Closing Date with the intent of causing the Acquisition not to qualify as a reorganization under Section 368(a) of the Code.

6.12 Debt Forgiveness. Upon the Closing, the $30,000 promissory note from Dworsky Partners in favor of Dr. Pave shall be forgiven effective immediately preceding the Effective Closing Date.

ARTICLE VII.
CONDITIONS PRECEDENT TO OBLIGATIONS OF Heatwurx

The obligations of Heatwurx under this Agreement are subject to the satisfaction (or waiver by Heatwurx) of the following conditions precedent on or before the Closing Date:

7.1 Representations and Warranties. Without supplementation after the date of this Agreement, the representations and warranties of Dr. Pave and the Members contained in this Agreement

shall be, with respect to those representations and warranties qualified by any materiality standard, true and correct in all respects, as of the Closing Date, and with respect to all other representations and warranties, true and correct in all material respects, as of the Closing Date, with the same force and effect as if made as of the Closing Date.

7.2 Compliance with Agreements and Covenants. Dr. Pave and the Members shall have performed and complied in all material respects with all of their covenants, obligations and agreements contained in this Agreement to be performed and complied with by them on or prior to the Closing Date.

7.3 Manager and Member's Certificate. If the Closing Date is subsequent to the date this Agreement, Heatwurx shall have been furnished with a certificate (dated as of the Closing Date and in form and substance reasonably satisfactory to Heatwurx), executed by the manager of Dr. Pave and by the Members, certifying to the fulfillment of the conditions specified in subsections and hereof.

7.4 Consents and Approvals. Dr. Pave and the Members shall have received written evidence satisfactory to Heatwurx that all consents and approvals required for the consummation of the transactions contemplated hereby have been obtained, and all required filings have been made.

7.5 No Material Adverse Change . At the Closing Date, there shall have been no material adverse change in the assets, liabilities, prospects, financial condition or business of Dr. Pave or the Members. Between the date of this Agreement and the Closing Date, there shall not have occurred an event that would reasonably be expected to constitute a Dr. Pave Material Adverse Effect.

7.6 Actions or Proceedings. No action or proceeding by any Governmental Authority or other Person shall have been instituted or threatened which: (a) is likely to constitute a Dr. Pave Material Adverse Effect; or (b) could enjoin, restrain or prohibit, or could result in substantial damages in respect of, any provision of this Agreement or the consummation of the transactions contemplated hereby.

7.7 Approval of Acquisition. The Members shall have approved this Agreement and the Acquisition.

7.8 Compliance with Securities Laws. Heatwurx shall be satisfied that the issuance of the Heatwurx Shares in connection with Acquisition shall be exempt from registration under Regulation D of the Securities Act and Section 4(a)(2) of the Securities Act and all applicable state securities laws, and that, unless expressly waived by Heatwurx in writing, each of the Members is an "accredited investor" as defined in Rule 501(a) of Regulation D promulgated by the SEC under the Securities Act.

ARTICLE VIII.
CONDITIONS PRECEDENT TO OBLIGATIONS OF Dr. Pave

The obligations of Dr. Pave and the Members under this Agreement are subject to the satisfaction (or waiver by Dr. Pave and the Members) of the following conditions precedent on or before the Closing Date:

8.1 Representations and Warranties . Without supplementation after the date of this Agreement, the representations and warranties of Heatwurx contained in this Agreement shall be, with respect to those representations and warranties qualified by any materiality standard, true and correct in all respects, as of the Closing Date, and with respect to all other representations and warranties, true and correct in all material respects, as of the Closing Date, with the same force and effect as if made as of the Closing Date.

8.2 Compliance with Agreements and Covenants. Heatwurx shall have performed and complied in all material respects with all of its covenants, obligations and agreements contained in this Agreement to be performed and complied with by it on or prior to the Closing Date.

8.3 Officers' Certificates. If the Closing Date is subsequent to the date this Agreement, Dr. Pave and the Members shall have been furnished with a certificate (dated as of the Closing Date and in form and substance reasonably satisfactory to Dr. Pave and the Members), executed by an executive officer of Heatwurx, certifying to the fulfillment of the conditions specified in subsections and hereof.

8.4 No Material Adverse Change. At the Closing Date, there shall have been no material adverse change in the assets, liabilities, financial condition or business of Heatwurx. Between the date of this Agreement and the Closing Date, there shall not have occurred an event that would reasonably be expected to constitute a Heatwurx Material Adverse Effect.

8.5 Actions or Proceedings. No action or proceeding by any Governmental Authority or other Person shall have been instituted or threatened which: (a) is likely to constitute a Heatwurx Material Adverse Effect; or (b) could enjoin, restrain or prohibit, or could result in substantial damages in respect of, any provision of this Agreement or the consummation of the transactions contemplated hereby.

ARTICLE IX.
DELIVERIES AT CLOSING

9.1 Dr. Pave and Members Closing Deliveries. At the Closing, in addition to any other documents or agreements required under this Agreement, Dr. Pave and the Members shall deliver to Heatwurx the following:

(a) Resolutions of the managers of Dr. Pave approving and authorizing the execution, delivery and performance of this Agreement, the consummation of the transactions contemplated hereby, including the Acquisition;

(b) If required, the certificate required pursuant to subsection hereof;

(c) A duly executed Representation and Transfer Form from each of the Members in form as set for in Exhibit B; and

(d) All other instruments and documents that Heatwurx or its counsel, in the reasonable exercise of their reasonable discretion, shall deem to be necessary: (i) to fulfill any obligation required to be fulfilled by Dr. Pave or the Members on the Closing Date; and (ii) to evidence satisfaction of any conditions to Closing.

9.2 Heatwurx Closing Deliveries. At the Closing, in addition to any other documents or agreements required under this Agreement, Heatwurx shall deliver to Dr. Pave and the Members the following:

(a) Resolutions of the Board of Directors of Heatwurx approving and authorizing the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, including the Acquisition;

(b) If required, the certificate required pursuant to subsection hereof;

(c) Irrevocable instructions to the transfer agent of Heatwurx to issue and deliver to the Members at Closing stock certificates representing the Heatwurx Shares; and

(d) All other instruments and documents that Dr. Pave or its counsel, in the reasonable exercise of their reasonable discretion, shall deem to be necessary: (i) to fulfill any obligation required to be fulfilled by Heatwurx on the Closing Date; and (ii) to evidence satisfaction of any conditions to Closing.

ARTICLE X.
MUTUAL INDEMNIFICATION

10.1 Indemnification.

(a) Dr. Pave and the Members, jointly and severally, covenant and agree to defend, indemnify and hold harmless Heatwurx, its officers, directors, legal counsel, and each person who controls Heatwurx within the meaning of the Securities Act from and against any damages (including reasonable attorneys', accountants', and experts' fees, disbursements of counsel, and other related costs and expenses) arising out of or resulting from: (A) any material inaccuracy in or breach of any representation or warranty made by Dr. Pave or the Members in this Agreement; or (B) the failure of Dr. Pave or the Members to perform or observe in all material respects any covenant, agreement or provision to be performed or observed by such party pursuant to this Agreement.

(b) Heatwurx covenants and agrees to defend, indemnify and hold harmless Dr. Pave and the Members, Dr. Pave's managers and each person who controls Dr. Pave within the meaning of the Securities Act from and against any damages (including reasonable attorneys', accountants', and experts' fees, disbursements of counsel, and other related costs and expenses) arising out of or resulting from: (A) any material inaccuracy in or breach of any representation or warranty made by Heatwurx in this Agreement; or (B) the failure by Heatwurx to perform or observe in all material respects any covenant, agreement or condition to be performed or observed by it pursuant to this Agreement.

10.2 Third Party Claims.

(a) If any party entitled to be indemnified pursuant to Section (an " **Indemnified Party**") receives notice of the assertion by any third party of any claim or of the commencement by any such third person of any actual or threatened claim, action, suit, arbitration, hearing, inquiry, proceeding, complaint, charge or investigation by or before any governmental entity or arbitrator and an appeal from any of the foregoing (any such claim or Action being referred to herein as an "**Indemnifiable Claim**") with respect to which another party hereto (an " **Indemnifying Party**") is or may be obligated to provide indemnification, the Indemnified Party shall promptly notify the Indemnifying Party in writing (the "**Claim Notice**") of the Indemnifiable Claim; provided, that the failure to provide such notice shall not relieve or otherwise affect the obligation of the Indemnifying Party to provide indemnification hereunder, except to the extent that any damages directly resulted or were caused by such failure.

(b) The Indemnifying Party shall have thirty (30) days after receipt of the Claim Notice to undertake, conduct and control, through counsel of its own choosing, and at its expense, the settlement or defense thereof, and the Indemnified Party shall cooperate with the Indemnifying Party in connection therewith; provided, that (A) the Indemnifying Party shall permit the Indemnified Party to participate in such settlement or defense through counsel chosen by the Indemnified Party (subject to the consent of the Indemnifying Party, which consent shall not be unreasonably withheld), provided that the fees and expenses of such counsel shall not be borne by the Indemnifying Party, and (Bi) the Indemnifying Party shall not settle any Indemnifiable Claim without the Indemnified Party's consent. So long as the Indemnifying Party is vigorously contesting any such Indemnifiable Claim in good faith, the Indemnified Party shall not pay or settle such claim without the Indemnifying Party's consent, which consent shall not be unreasonably withheld.

(c) If the Indemnifying Party does not notify the Indemnified Party within thirty (30) days after receipt of the Claim Notice that it elects to undertake the defense of the Indemnifiable Claim described therein, the Indemnified Party shall have the right to contest, settle, or compromise the Indemnifiable Claim in the exercise of its reasonable discretion; provided, that the Indemnified Party shall notify the Indemnifying Party of any compromise or settlement of any such Indemnifiable Claim.

10.3 Indemnification Non-Exclusive. The foregoing indemnification provisions are in addition to, and not in derogation of, any statutory, equitable, or common-law remedy any party may have for breach of representation, warranty, covenant or agreement.

10.4 Limitation of Liability. Notwithstanding anything to the contrary in this Article 10 or elsewhere in this Agreement, the liability of Dr. Pave and/or its members shall be limited to the value of the shares of Heatwurx at the time of the exchange contemplated hereunder; and no indemnity shall be required on the first $25,000 in Claims in the aggregate.

ARTICLE XI.
TERMINATION

11.1 Agreement Termination. Anything herein or elsewhere to the contrary notwithstanding, this Agreement may be terminated and the Acquisition contemplated hereby may be abandoned at any time prior to the Closing Date, only as follows:

(a) by mutual written agreement of Heatwurx and Dr. Pave;

(b) by Heatwurx (if Heatwurx is not then in material breach of its obligations under this Agreement) if: (i) a material default or breach shall be made by Dr. Pave or any Member with respect to the due and timely performance of any of its or his covenants and agreements contained herein and such default is not cured within five (5) days; (ii) Dr. Pave or any Member makes an amendment or supplement to any schedule hereto and such amendment or supplement reflects a Dr. Pave Material Adverse Effect after the date of this Agreement; (iii) a Dr. Pave Material Adverse Effect shall have occurred after the date of this Agreement; (iv) the governing body of Dr. Pave withdraws its recommendation of the Acquisition, if given, or recommends to holders of Dr. Pave Membership Interests the approval of any transaction other than the Acquisition; (v) the Members fail to approve this Agreement as provided in this Agreement; or (vi) Closing shall not have occurred on or before January 15, 2014;

(c) by Dr. Pave and the Members (if neither Dr. Pave nor any of the Members is then in material breach of their obligations under this Agreement) if: (i) a material default or breach shall be made by Heatwurx with respect to the due and timely performance of any of its covenants and agreements contained herein and such default is not cured within five (5) days; (ii) Heatwurx makes an amendment or supplement to any schedule hereto and such amendment or supplement reflects a Heatwurx Material Adverse Effect after the date of this Agreement; (iii) a Heatwurx Material Adverse Effect shall have occurred after the date of this Agreement; or (iv) the Board of Directors of Heatwurx withdraws its recommendation of the Acquisition, if given; or (v) Closing shall not have occurred on or before January 15, 2014.

11.2 Effect of Termination. In the event of termination of this Agreement authorized pursuant to Section hereof, written notice thereof shall be given to the other parties and all obligations of the parties shall terminate and, except as otherwise provided in this Section, no party shall have any right against any other party hereto for any loss, damage, expense (including out-of-pocket expenses) or liability, including, without limitation, reasonable attorneys' fees and disbursements arising out of the preparation and execution of this Agreement, fulfilling in whole in part its obligations under this Agreement or otherwise incurred by a party in any action or proceeding between such party and the other party hereto or between such party and a third party, which is determined to have been sustained, suffered or incurred by a party and to have arisen from or in connection with an event or state of facts which is subject to claim under this Agreement.

ARTICLE XII.
MISCELLANEOUS

12.1 Certain Definitions. As used herein, the following terms shall have the meanings set forth below:

"**Affiliate**" shall mean any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person as such terms are used in and construed under Rule 405 under the Securities Act.

"**Applicable Law**" shall mean all Laws, to the extent applicable to any Person.

"**Dr. Pave Material Adverse Effect**" shall mean any change or effect that is, or is reasonably likely to be, materially adverse to the business, assets and liabilities (taken together), financial condition or operations or results of operations of Dr. Pave; *provided, however*, that none of the following shall be deemed (either alone or in combination) to constitute such a change or effect: (a) (i) any adverse change attributable to the announcement or pendency of the transactions contemplated by this Agreement; or (ii) any adverse change attributable to or conditions generally affecting (A) the United States economy or financial markets in general, or (B) any foreign economy or financial markets in any location where Dr. Pave has material operations or sales; (b) any act or threat of terrorism or war anywhere in the world, any armed hostilities or terrorist activities anywhere in the world, any threat or escalation of armed hostilities or terrorist activities anywhere in the world or any governmental or other response or reaction to any of the foregoing; or (c) any action by Dr. Pave approved or consented to in writing by Heatwurx.

"**Contract**" shall mean any contract, lease, commitment or understanding, sales order, purchase order, agreement, indenture, mortgage, note, bond, instrument or license, whether written or verbal, which is intended or purports to be a binding and enforceable agreement.

"**Exchange Act**" shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"**Governmental Authority**" shall mean: (a) the government of the United States: (b) the government of any foreign country; (c) the government of any state or political subdivision of the government of the United States or the government of any foreign country; or (d) any entity, body or authority exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"**Knowledge**" shall mean, as it relates to Heatwurx, the actual knowledge of Stephen Garland and Allen Dodge, in each case upon reasonable inquiry, as it relates to Heatwurx; as it relates to Dr. Pave, the actual knowledge of David Dworsky, in each case upon reasonable inquiry; as it relates to each Member, the actual knowledge of the Member, without inquiry or investigation.

"**Law**" shall mean any law, statute, regulation, ordinance, rule, order, decree, judgment, consent decree, settlement agreement or governmental requirement enacted, promulgated, entered into, agreed or imposed by any Governmental Authority.

"**Lien**" shall mean any mortgage, lien, charge, restriction, pledge, security interest, option, lease or sublease, claim, right of any third party, easement, encroachment or encumbrance upon any of the assets or properties of any Person.

Member Approval" shall mean the approval of the Acquisition, this Agreement, and the transactions contemplated hereby by the Members in accordance with the Articles of Organization and operating agreement of Dr. Pave.

"**Permit**" shall mean a permit, license, registration, certificate of occupancy, approval or other authorization issued by any Governmental Authority.

"**Person**" shall mean any corporation, proprietorship, firm, partnership, limited partnership, trust, association, individual or other entity.

"**Heatwurx Material Adverse Effect**" shall mean any change or effect that is, or is reasonably likely to be, materially adverse to the business, assets and liabilities (taken together), financial condition or operations or results of operations of Heatwurx; *provided, however,* that none of the following shall be deemed (either alone or in combination) to constitute such a change or effect: (a)(i) any adverse change attributable to the announcement or pendency of the transactions contemplated by this Agreement; or (ii) any adverse change attributable to or conditions generally affecting the United States economy or financial markets in general; (b) any act or threat of terrorism or war anywhere in the world, any armed hostilities or terrorist activities anywhere in the world, any threat or escalation of armed hostilities or terrorist activities anywhere in the world or any governmental or other response or reaction to any of the foregoing; or (c) any action by Heatwurx approved or consented to in writing by Dr. Pave.

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

"**Securities Act**" shall mean the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

12.2 Other Definitions. In addition to the terms set forth in Section 11.1 and elsewhere in this Agreement, each of the following terms is defined in the section set forth opposite such term:

Defined Term	**Location**
Acquisition	Recitals
Agreement	Preamble
California Act	Recitals
Claim Notice	§
Closing	§
Closing Date	§
Code	Recitals
Delawre Act	Recitals
Dr. Pave	Preamble
Dr. Pave Financial Statements	§
Dr. Pave Intellectual Property Rights	§
Dr. Pave Material Permits	§
Effective Closing Date	§
Environmental Laws	§
Heatwurx	Preamble
Heatwurx Common Stock	§
Heatwurx Financial Statements	§
Heatwurx Intellectual Prperty Rights	§
Heatwurx Material Permits	§
Heatwurx Shares	§
Indemnifiable Claim	§
Indemnified Party	§
Indemnifying Party	§
Members	Preamble
Membership Interests	§
SEC Reports	§

12.3 Expenses. Except as otherwise expressly provided herein, each party hereto shall bear its own expenses with respect to this Agreement and the transactions contemplated hereby.

12.4 Amendment. This Agreement may only be amended, modified or supplemented pursuant to a written agreement signed by each of the parties hereto.

12.5 Survival of Representations and Warranties. All covenants, representations and warranties made herein shall survive the making of this Agreement and shall continue in full force and effect for a period of one year from the Closing Date, at the end of which period no claim may be made with respect to any such covenant, representation, or warranty unless such claim shall have been asserted in writing to the indemnifying party during such period.

12.6 Press Release; Public Announcements. The parties shall not make any other public announcements in respect of this Agreement or the transactions contemplated herein without prior consultation and written approval by the other party as to the form and content thereof, which approval shall not be unreasonably withheld. Notwithstanding the foregoing, any party may make any disclosure which its counsel advises is required by applicable law or regulation, in which case the other party shall be given such reasonable advance notice as is practicable in the circumstances and the parties shall use their best efforts to cause a mutually agreeable release or announcement to be issued.

12.7 Notices. Any notice, demand, request, waiver or other communication required or permitted to be given hereunder shall be in writing (including electronic format) and shall be effective (i) upon delivery in person (including by reputable express courier service) at the address set forth below; (ii) upon delivery by facsimile (as verified by a printout showing satisfactory transmission) at the facsimile number designated below (if sent on a business day during normal business hours where such notice is to be received and if not, on the first business day following such delivery where such notice is to be received); (iii) by electronic mail (as verified by a printout showing satisfactory transmission) at the electronic mail address set forth below (if sent on a business day during normal business hours where such notice is to be received and if not, on the first business day following such delivery where such notice is to be received); or (iv) upon three business days after mailing with the United States Postal Service if mailed from and to a location within the continental United States by registered or certified mail, return receipt requested, addressed to the address set forth below. Any party hereto may from time to time change its physical or electronic address or facsimile number for notices by giving notice of such changed address or number to the other party hereto in accordance herewith.

If to Heatwurx at:	Heatwurx, Inc. 6041 South Syracuse Way, Suite 315 Greenwood Village, CO 80111 Attention: Chief Financial Officer Facsimile No.: (303) 532-1642 Email Address: allen@heatwurx.com
With a copy (which shall not constitute notice) to:	Ronald N. Vance, Esq. The Law Office of Ronald N. Vance & Associates, P.C. 1656 Reunion Avenue Suite 250 South Jordan, UT 84095 Facsimile No. (801) 446-8803 Email Address: ron@vancelaw.us
If to Dr. Pave at:	Dr. Pave, LLC 18001 South Figueroa Suite G Gardena, CA 90248 Attention: David Dworsky, Manager Facsimile No.: Email Address: dave@dworskypartners.com

With a copy (which shall not constitute notice) to:

Martin Jannol, Esq.
Jannol Law Group
1901 Avenue of the Stars
Suite 1010
Los Angeles, CA 90067
Facsimile No.:
Email Address: mj@jannollawgroup.com

If to the Members, at the address as set forth in Exhibit A.

12.8 Waivers. The failure of a party hereto at any time or times to require performance of any provision hereof shall in no manner affect the right of such party at a later time to enforce the same. No waiver by a party of any condition or of any breach of any term, covenant, representation or warranty contained in this Agreement shall be effective unless in writing, and no waiver in any one or more instances shall be deemed to be a further or continuing waiver of any such condition or breach in other instances or a waiver of any other condition or breach of any other term, covenant, representation or warranty.

12.9 Interpretation. The headings preceding the text of Articles and Sections included in this Agreement are for convenience only and shall not be deemed part of this Agreement or be given any effect in interpreting this Agreement. The use of the masculine, feminine or neuter gender herein shall not limit any provision of this Agreement. The use of the terms "including" or "include" shall in all cases herein mean "including, without limitation" or "include, without limitation," respectively.

12.10 Applicable Law. This Agreement and the rights and duties of the parties hereto shall be construed and determined in accordance with the laws of the State of Delaware (without giving effect to any choice or conflict of law provisions).

12.11 Forum for Disputes. Each party hereto hereby irrevocably and unconditionally (a) consents and submits to the exclusive jurisdiction of any state court located in the State of Delaware (the "**Delaware Courts**"), including the Delaware Court of Chancery in and for New Castle County, for any actions, suits or proceedings arising out of or relating to this Agreement or the transactions contemplated by this Agreement (and agrees not to commence any litigation relating thereto except in such courts), (b) waives any objection to the laying of venue of any such litigation in the Delaware Courts and agrees not to plead or claim in any Delaware Court that such litigation brought therein has been brought in any inconvenient forum and (c) acknowledges and agrees that any controversy that may arise under this Agreement is likely to involve complicated and difficult issues, and therefore each such party hereby irrevocably and unconditionally waives any right such party may have to a trial by jury in respect of any litigation directly or indirectly arising or relating to this Agreement or the transactions contemplated by this Agreement. The parties acknowledge and agree that any action arising out of, or related to, this Agreement, the breach or threatened breach of the Agreement, or to enforce its terms shall not be subject to removal to federal court for any reason and each irrevocably waives any such right. Any party who removes or attempts to remove any action to federal court notwithstanding this Section, shall pay the other his, her, or its reasonable attorneys fees and costs incurred in obtaining a remand of the action to the Delaware Court of Chancery or other state courts of the State of Delaware.

12.12 Attorneys' Fees. If any legal action or any arbitration or other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default, or misrepresentation in connection with any of the provisions of this Agreement, the successful or prevailing party or parties will be entitled to recover reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which it or they may be entitled.

12.13 Assignment. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; *provided, however*, that no assignment of any rights or obligations shall be made by any party without the prior written consent of all the other parties hereto.

12.14 No Third Party Beneficiaries. This Agreement is solely for the benefit of the parties hereto and, to the extent provided herein, their respective directors, officers, employees, agents and representatives, and no provision of this Agreement shall be deemed to confer upon other third parties any remedy, claim, liability, reimbursement, cause of action or other right.

12.15 Further Assurances. Upon the reasonable request of the parties hereto, the other parties hereto shall, on and after the Closing Date, execute and deliver such other documents, releases, assignments and other instruments as may be required to effectuate completely the transactions contemplated by this Agreement.

12.16 Severability. If any provision of this Agreement shall be held invalid, illegal or unenforceable, the validity, legality or enforceability of the other provisions hereof shall remain in full force and shall not be affected thereby, and there shall be deemed substituted for such invalid, illegal or unenforceable provision a valid, legal and enforceable provision as similar as possible to the provision at issue.

12.17 Remedies Cumulative. The remedies provided in this Agreement shall be cumulative and shall not preclude the assertion or exercise of any other rights or remedies available by law, in equity or otherwise.

12.18 Entire Understanding. This Agreement sets forth the entire agreement and understanding of the parties hereto and supersedes all prior agreements, letters of intent, arrangements and understandings between the parties, including, but not limited to the letter of intent dated November 18, 2013, between the Parties.

12.19 Exhibits and Schedules. Each of the exhibits, schedules, or similar attachments referenced in this Agreement is annexed hereto and is incorporated herein by this reference and expressly made a part hereof.

12.20 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Facsimile transmissions of any signed original document, or transmission of any signed facsimile document, shall constitute delivery of an executed original. At the request of any of the parties, the parties shall confirm facsimile transmission signatures by signing and delivering an original document.

SIGNATURE PAGE FOLLOWS

SIGNATURE PAGE

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement and Plan of Reorganization to be executed and delivered on the respective day and year set forth below.

HEATWURX:	**Heatwurx, Inc.**
Date: January 6, 2014	By /s/ Allen Dodge Allen Dodge, Chief Financial Officer
DR. PAVE:	**Dr. Pave, LLC**
Date: January 6, 2014	By /s/ David Dworsky David Dworsky, Manager
MEMBERS:	**Dworsky Partners, LLC**
Date: January 7, 2014	By /s/ David Dworsky David Dworsky, Manager
JMW Fund, LLC	
Date: January 7, 2014	By /s/ Justin Yorke Justin Yorke, Manager
San Gabriel Fund, LLC	
Date: January 7, 2014	By /s/ Justin Yorke Justin Yorke, Manager
Richland Fund, LLC	
Date: January 7, 2014	By /s/ Justin Yorke Justin Yorke, Manager
The Riverbend Fund, LLC	
Date: January 7, 2014	By /s/ Amy Atkinson Amy Atkinson, Manager
Date: January 6, 2014	By /s/ Reg Greenslade **Reg Greenslade**

Schedule 4.6

Liabilities

The December 17, 2013 Financial Statements do not reflect all of the debt and mischaracterize $249,980 as “negative assets” when in fact that amount is a loan from the individuals listed. In addition, $160,000 in debt was incurred on December 12, 2013. The promissory notes mature on June 11, 2014, with interest payable monthly.

Schedule 4.7

Material Changes, Undisclosed Events, Liabilities or Developments

The December 17, 2013 Financial Statements do not reflect all of the debt and mischaracterize $249,980 as “negative assets” when in fact that amount is a loan from the individuals listed. In addition, $160,000 in debt was incurred on December 12, 2013. The promissory notes mature on June 11, 2014, with interest payable monthly.

Schedule 4.11

Regulatory Permits

Schedule 4.12

Title to Assets

Schedule 5.6

Liabilities

On December 12, 2013, Heatwurx borrowed $90,000 and issued 12% unsecured promissory notes to the lenders. The promissory notes mature on June 11, 2014, with interest payable monthly.

In addition, on January 6, 2014, Heatwurx borrowed $250,000 and issued 12% unsecured promissory notes to the lenders. The promissory notes mature on January 6, 2016.

Schedule 5.7

Material Changes, Undisclosed Events, Liabilities or Developments

On December 12, 2013, Heatwurx borrowed $90,000 and issued 12% unsecured promissory notes to the lenders. The promissory notes mature on June 11, 2014, with interest payable monthly.

In addition, on January 6, 2014, Heatwurx borrowed $250,000 and issued 12% unsecured promissory notes to the lenders. The promissory notes mature on January 6, 2016.

EXHIBIT A

TABLE OF MEMBERS

Name and Address of Member	**Membership Interests Owned**	**No. of Common Shares of Heatwurx to be Issued to the Member at Closing**
Dworsky Partners, LLC 18001 Figueroa Street Gardena, Ca 90248		41,668
JMW Fund, LLC 4 Richland Place Pasadena, CA 9110		3,333
San Gabriel Fund, LLC 4 Richland Place Pasadena, CA 91103		3,333
Richland Fund, LLC 4 Richland Place Pasadena, CA 91103		3,333
Reg Greenslade 56 UPLANDS WAY SW CALGARY ALBERTA T3Z 3N5 CANADA		3,333
The Riverbend Fund, LLC PO Box 3087 Greenwood Village, CO 80155		3,333
TOTALS	100%	58,333

EXHIBIT B

HEATWURX, INC.

Representation and Transfer Form

This Representation and Transfer Form is furnished in connection with the issuance of shares of common stock (the " **Shares**") of Heatwurx, Inc., a Delaware corporation (the "**Company**") in a non-public offering of the Shares (the "**Offering**") being made to the undersigned pursuant to the terms and conditions of the Agreement and Plan of Reorganization dated January 6, 2014, by and among the Company, Dr. Pave, LLC, a California corporation, and the undersigned (the "**Acquisition Agreement**"). This transaction is intended to comply with Section 4(a)(2) of the Securities Act of 1933, as amended (the "**Securities Act**"), Rule 506(b) of Regulation D promulgated by the Securities and Exchange Commission (the " **SEC**") under the Securities Act, and corresponding state exemptions or preemption provisions.

ALL INFORMATION CONTAINED IN THIS REPRESENTATION FORM WILL BE TREATED CONFIDENTIALLY BY THE COMPANY. However, the undersigned understands that the Company may present this Representation Form to such parties as it deems appropriate if called upon to establish that the proposed issuance of the Shares to the undersigned is exempt from registration under the Securities Act or similar state laws. Further, the undersigned understands that the Offering itself may be reported to the SEC or state securities regulators pursuant to the requirements of Regulation D or corresponding state regulations.

1. **Accredited Investor Status**. If applicable, the undersigned hereby represents that he, she or it is an "accredited investor" as that term is defined in Rule 501(a) of Regulation D promulgated by the SEC. The undersigned has initialed below each of the categories which apply to the undersigned.

_____ a natural person whose individual net worth (i.e., excess of total assets over total liabilities, but excluding the principal residence) at the time of the closing of the Acquisition Agreement exceeds $1,000,000;

_____ a natural person who had an individual income in excess of $200,000 in each of the two most recent calendar years or joint income with that person's spouse in excess of $300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year. Individual income is defined for this purpose as adjusted gross income as determined for federal income tax purposes under the Internal Revenue Code (the "**Code**"), plus (i) any deductions for long-term capital gains under Section 1202 of the Code, (ii) any depletion deductions under Section 611, *et seq.*, of the Code, (iii) any interest income excluded under Section 103 of the Code, and (iv) any partnership losses allocated to the undersigned as reported on Schedule E of Form 1040;

_____ a corporation, limited liability company, partnership, or a Massachusetts or similar business trust, which was not formed for the specific purpose of acquiring the Note, with total assets in excess of $5,000,000;

_____ a director or executive officer of the Company;

_____ an entity all of the equity owners of which are accredited investors.

2. Sophisticated Investor Status. The following information will be used by the Company to determine whether or not the undersigned, or if an entity, by and through the undersigned individual representing the undersigned entity, may be deemed a sophisticated investor for purposes of the issuance of the Shares. A non-accredited investor, or the individual representing the non-accredited investor, must have such knowledge and experience in financial and business matters that he is capable of evaluating the merits and risks of the prospective investment in the Company. The undersigned, or the individual executing this Representation and Transfer Form on behalf of the undersigned entity, hereby provides the following information:

a. *Education Background*. Provide your highest level of education achieved.

High School _____
College Degree _____ Major: _____
Graduate Degree _____ Major: _____

b. *Investment Experience*. Within the last five years have you evaluated the business or financial merits or risks of a prospective transaction for your employer or business?

[ ] Yes [ ] No

c. *Investment Experience*.

(i) I consider myself to be well informed and sophisticated in financial and business matters and I have such knowledge and experience in financial and business matters that I believe I am capable of evaluating the merits and risks of the prospective investment by the Investor:

[ ] Yes [ ] No

(ii) I reasonably believe that I understand the full nature and risk of the prospective investment in the Shares and I feel that the Investor can afford the complete loss of the investment in the Company:

[ ] Yes [ ] No

(iii) Within the last five years I, either individually or as a representative of an entity, have invested in non-marketable securities (that is, stock, bonds, notes, warrants, etc.) which are not tradable in a public manner within at least six months from the time of purchase:

d. Documents. A reasonable time prior to the closing of the Acquisition Agreement, the undersigned, or the duly authorized representative of the undersigned, has received a copy of the Company's Disclosure Document dated December 31, 2013, and each attachment thereto.

3. **Representations of the Undersigned**. The undersigned represents and warrants to the Company as set forth below.

a. Restricted Securities. The undersigned understands that the Shares have not been registered pursuant to the Securities Act, or any state securities act, and thus are "restricted securities" as

defined in Rule 144 promulgated by the SEC. Therefore, under current interpretations and applicable rules, he, she, or it will be required to retain the Shares for a period of at least six months from the date of closing of the Acquisition Agreement and at the expiration of such period his, her, or its sales may be confined to brokerage transactions of limited amounts requiring certain notification filings with the SEC and such disposition may be available only if the Company is current in its filings with the SEC under the Exchange Act, or other public disclosure requirements. Accordingly, the undersigned hereby acknowledges that he, she, or it is prepared to hold the Shares for an indefinite period.

b. Investment Purpose. The undersigned acknowledges that the Shares are being purchased for his, her, or its own account, for investment, and not with the present view towards the distribution, assignment, or resale to others or fractionalization in whole or in part. The undersigned further acknowledges that no other person has or will have a direct or indirect beneficial or pecuniary interest in the Shares.

c. Limitations on Resale; Restrictive Legend. The undersigned acknowledges that he, she, or it will not sell, assign, hypothecate, or otherwise transfer any rights to, or any interest in, the Shares except (i) pursuant to an effective registration statement under the Securities Act, or (ii) in any other transaction which, in the opinion of counsel acceptable to the Company, is exempt from registration under the Securities Act, or the rules and regulations of the SEC thereunder. The undersigned also acknowledges that an appropriate legend will be placed upon each of the certificates representing the Shares stating that the Shares have not been registered under the Securities Act and setting forth or referring to the restrictions on transferability and sale of the Shares.

d. Information. The undersigned has been furnished (i) with all requested materials relating to the business, finances, and operations of the Company; (ii) with information deemed material to making an informed investment decision; and (iii) with additional requested information necessary to verify the accuracy of any documents furnished to the undersigned by the Company. The undersigned, or the duly authorized representative of the undersigned, has been afforded the opportunity to ask questions of the Company and its management and to receive answers concerning the terms and conditions of the transaction.

e. Documents. A reasonable time prior to the closing of the Acquisition Agreement, the undersigned, or the duly authorized representative of the undersigned, has received or had access to following documents: (i) the Company's registration statement on Form S-1 filed with the SEC on May 23, 2013 (the "**Registration Statement**"); (ii) the Company's quarterly reports on Form 10-Q for each of the quarters following the filing date of the Registration Statement; (iii) the Company's current reports on form 8-K filed with the SEC since the filing of the Registration Statement; and (iv) the Company's registration statement on From S-8 filed with the SEC on August 16, 2013. Such person has relied upon the information contained therein and has not been furnished any other documents, literature, memorandum, or prospectus.

f. Knowledge and Experience in Business and Financial Matters. The undersigned, or the duly authorized representative of the undersigned, has such knowledge and experience in business and financial matters that he or she is capable of evaluating the risks of the prospective investment, and the financial capacity of the undersigned is of such proportion that the total cost of such person's commitment in the Shares would not be material when compared with his, her, or its total financial capacity.

g. No Advertisements. The undersigned did not enter into the Acquisition Agreement as a result of or subsequent to any advertisement, article, notice, or other communication

published in any newspaper, magazine, or similar media or broadcast on television or radio, or presented at any seminar or meeting.

4. **Transfer of Membership Interest**. Effective as of the Closing Date (as defined in the Acquisition Agreement), and pursuant to the terms of Article VI of the Limited Liability Company Agreement of Dr. Pave dated July 2, 2013 (the "**LLC Agreement**"), the undersigned hereby transfers to Heatwurx all of his, her, or its Limited Liability Company Interest (as defined in the LLC Agreement).

IN WITNESS WHEREOF, the undersigned has executed this Representation Form this _____ day of January 2014.

_____
Signature

_____
Please Print Name

_____
Name of Entity (if applicable)

_____
Title (if applicable)