

## PATENT ASSIGNMENT COVER SHEET

Electronic Version v1.1  
Stylesheet Version v1.2

EPAS ID: PAT3411097

<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT
<b>NATURE OF CONVEYANCE:</b>	SECURITY INTEREST
<b>CONVEYING PARTY DATA</b>	
<b>Name</b>	<b>Execution Date</b>
UBIMED, INC.	05/15/2013
<b>RECEIVING PARTY DATA</b>	
<b>Name:</b>	MOFFITT-ADAMS INVESTMENTS, LLC
<b>Street Address:</b>	137 S. BEDFORD DR.
<b>City:</b>	BEVERLY HILLS
<b>State/Country:</b>	CALIFORNIA
<b>Postal Code:</b>	90212
<b>PROPERTY NUMBERS Total: 2</b>	
<b>Property Type</b>	<b>Number</b>
<b>Patent Number:</b>	8990981
<b>Patent Number:</b>	8745793
<b>CORRESPONDENCE DATA</b>	
<b>Fax Number:</b>	(888)577-1474
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.</i>	
<b>Phone:</b>	6462349500
<b>Email:</b>	CHARUNARANG@AOL.COM
<b>Correspondent Name:</b>	CHARU NARANG, ESQ.
<b>Address Line 1:</b>	189 CHELMSFORD RD.
<b>Address Line 4:</b>	ROCHESTER, NEW YORK 14618
<b>NAME OF SUBMITTER:</b>	CHARU NARANG
<b>SIGNATURE:</b>	/CHARU NARANG/
<b>DATE SIGNED:</b>	06/24/2015
<b>Total Attachments: 46</b>	
source=Ubimed-Patent Security Agreement#page1.tif	
source=Ubimed-Patent Security Agreement#page2.tif	
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## PATENT SECURITY AGREEMENT

This Patent Security Agreement dated as of June 23, 2015 (as amended, restated, extended, renewed, supplemented or otherwise modified from time to time, this "Patent Security Agreement") by Ubimed, Inc. ("Grantor") in favor and Moffitt-Adams Investments, LLC as the Secured Party, with reference to the following facts:

A. This Patent Security Agreement is being entered in pursuant to the Note Purchase Agreement (as amended, restated, supplemented or otherwise modified from time to time, the "NPA") dated as of May 15, 2013, by and among Grantor and Secured Party.

B. The NPA provides that the Grantor shall grant security interests to the Secured Party as herein provided.

### AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which hereby are acknowledged, Grantor hereby represents, warrants, covenants, agrees, assigns and grants as follows:

1. Definitions. Terms defined in the NPA and not otherwise defined in this Agreement shall have the meanings defined for those terms in the NPA. Terms defined in the Security Agreement and not otherwise defined in this Patent Security Agreement or in the NPA shall have the meanings defined for those terms in the Security Agreement.

2. Grant of Security Interest in Patent Collateral. Grantor hereby grants to the Secured Party a continuing first priority security interest in all of such Grantor's right, title and interest in, to and under the following, whether presently existing or hereafter created or acquired (collectively, the "Patent Collateral"):

(a) such Grantor's Patents, including, without limitation, those described on Schedule I hereto;

(b) all reissues, continuations or extensions of the foregoing;

(c) all goodwill of the business connected with the use of, and symbolized by, each of the Patents, including, without limitation, all customer lists and other records relating to the distribution of products or services bearing the Patents; and

(d) all products and proceeds of the foregoing, including, without limitation, any claim by any Grantor against third parties for past, present or future (i) infringement or dilution of any Patent or (ii) injury to the goodwill associated with any Patent.

3. Security for Obligations. This Patent Security Agreement and the security interest created hereby secure the payment and performance of all the Grantor's obligations, whether now existing or arising hereafter owed to the Secured Parties. Without limiting the generality of the foregoing, this Patent Security Agreement secures the payment of all amounts which constitute part of the Grantor's obligations and would be owed by Grantor, to the Secured

Parties, whether or not they are unenforceable or not allowable due to the existence of an insolvency proceeding involving the Grantor.

4. NPA. The security interests granted pursuant to this Patent Security Agreement are granted in conjunction with the security interests granted to Secured Party pursuant to the Security Agreement. Grantor hereby acknowledges and affirms that the rights and remedies of the Secured Party with respect to the security interest in the Patent Collateral made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

5. Counterparts. This Patent Security Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute one and the same agreement.

6. Governing Law. The validity of this Patent Security Agreement, the construction, interpretation and enforcement hereof, and the rights of the parties hereto with respect to all matters arising hereunder or related hereto shall be determined under, governed by, and construed in accordance with the laws of the State of California.

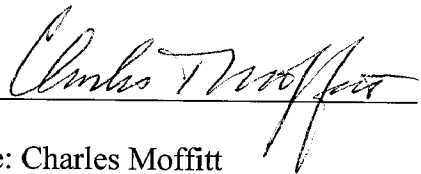
*[remainder of page intentionally left blank]*

IN WITNESS WHEREOF, Grantor has caused this Patent Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

GRANTOR:

UBIMED, INC.

By: MOFFITT-ADAMS  
INVESTMENTS, LLC, as authorized  
Signatory

By: 

Name: Charles Moffitt  
Title: Manager

SCHEDULE I  
TO  
PATENT SECURITY AGREEMENT

Patents

<b>Grantor</b>	<b>Country</b>	<b>Description of Patent</b>	<b>Registration Number</b>	<b>Registration Date</b>
UBIMED, INC.	US	Fitted Sheet	8,990,981	March 31, 2015
UBIMED, INC.	US	Medical mattress and mattress cover	8,745,793	June 10, 2014

**CONVERTIBLE NOTE  
PURCHASE AGREEMENT**

This CONVERTIBLE NOTE PURCHASE AGREEMENT (this "Agreement"), is entered into as of May 15, 2013, by and among Ubimed, Inc., a California corporation (the "Company"), and Moffit-Adams Investments, LLC (the "Investor"). Each party to this Agreement is referred to herein as a "Party," and they are referred to collectively as the "Parties."

WHEREAS, the Investor has agreed to grant a loan to the Company in the aggregate amount of one million dollars (\$1,000,000) pursuant to five (5) convertible notes ("the Notes") in the amount of two hundred thousand dollars each (\$200,000), pursuant to the terms and conditions of the Notes. .

WHEREAS, Article 4 of the Notes provides that the Notes are convertible into shares of the Company's Common Stock (the "Conversion Shares"), subject to the conditions of Article 4 of the Notes.

NOW, THEREFORE, in consideration of the mutual representations, warranties, and covenants contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

**1. DEFINITIONS.** As used in this Agreement, the following terms shall have the following meanings:

"Closing" means the closing(s) of the transactions contemplated herein, which shall take place in accordance with the terms of Section 2 of this Agreement.

"Initial Closing" means the closing of the transactions contemplated herein that occurs concurrently with the execution of this Agreement.

"Note" means each Convertible Promissory Note in the form attached hereto as Exhibit B.

"Subscription Amount" means such amount as Investor is determining to invest on a particular Closing Date hereunder.

"Transaction Documents" means this Agreement, the Investor Signature Page attached hereto as Exhibit A, the Note(s), and Security Agreement (the "Security Agreement") attached hereto as Exhibit C, and all other certificates, documents, agreements, and instruments delivered to the Investor under or in connection with this Agreement.

**2. SALE AND ISSUANCE OF NOTES; CLOSING; COVENANTS.**

**2.1 Sale and Issuance of Notes.** Subject to the terms and conditions of this Agreement and upon receipt of the Subscription Amount, the Investor agrees to purchase at the

Closing(s), and the Company agrees to sell and issue to the Investor at the Closing(s), Note(s) (in the aggregate principal amount of up to \$1,000,000).

**2.2 The Closing(s).** The purchase and sale of the Note(s) shall be consummated at one or more closings, which are to take place at 1100 Glendon Avenue, Suite 850, Los Angeles, CA 90024, or at such other place as the Parties shall mutually agree, upon the satisfaction of all the conditions to Closing set forth in this Agreement; provided, however, that the Initial Closing of \$200,000 shall occur concurrently with the execution of this Agreement and the closing of the other four (4) remaining Notes shall take place when the Company meets the revenue targets set forth in the Budget Forecast on Schedule 1 hereto, unless extended by mutual agreement of the Parties, in writing. The "Closing Date" shall be the date that the Investor's funds—such representing the amount due to the Company for the Subscription Amount—are transmitted by wire transfer or paid in other good funds to or for the benefit of the Company.

**2.3 Deliveries.**

**2.3.1. Items to be delivered to the Investor at the Closing by the Company.** Investor's obligations under this Agreement at each Closing, as applicable and to the extent not previously delivered, are conditioned upon the following closing conditions and deliveries:

**2.3.1.1** The Company shall deliver or cause to be delivered to Investor this Agreement duly executed by the Company;

**2.3.1.2** The Company shall deliver or cause to be delivered to Investor the Note;

**2.3.1.3** The Company shall deliver or cause to be delivered to Investor the Security Agreement duly executed by the Company;

**2.3.1.4** The Company shall deliver evidence to Investor that (i) Charles T. Moffitt has been duly and validly elected as a member of the Company's Board of Directors, and (ii) David Adams has been duly and validly appointed as the Company's chief financial officer; and that their aggregate compensation is \$5,000 per month.

**2.3.1.5** The representations and warranties of the Company set forth in Section 3 of this Agreement shall be true and correct in all material respects as of the relevant Closing Date, and all obligations, covenants, and agreements of the Company required to be performed at or prior to the relevant Closing Date shall have been performed.

**2.3.2 Items to be delivered to the Company at the Closing by the Investor.** The Company's obligations under this Agreement and at each Closing, as applicable and to the extent not previously delivered, are conditioned on the following closing conditions and deliveries:

**2.3.2.1** Investor shall deliver or cause to be delivered to the Company the Investor Signature Page duly executed by the Investor;



**2.3.2.2** Investor shall deliver or cause to be delivered the Subscription Amount via wire transfer to the Company; and

**2.3.2.5** Investor's representations and warranties set forth in Section 4 of this Agreement shall be true and correct in all material respects as of the relevant Closing Date, and all obligations, covenants, and agreements of such Investor required to be performed at or prior to the relevant Closing Date shall have been performed.

## **2.4 Covenants.**

### **2.4.1 Affirmative Covenants.**

**2.4.1.1** Prior to the Initial Closing and prior to the commencement of each fiscal year, the Company shall deliver to the Investor a business plan and budget approved by its Board of Directors.

**2.4.1.2** The Company shall preserve and maintain in good standing its existence as a corporation under the laws of the State of California and to comply in all material respects with all applicable federal, state, and local laws and regulations.

**2.4.1.3** The Company shall use the proceeds from the Subscription Amount for working capital to fund the growth of the Company and its expansion into new markets. For the avoidance of doubt, none of the proceeds may applied towards existing indebtedness, except for debt payments approved in advance by the Investor, or for payments to security holders of the Company, whether in the form of dividends, distributions, or otherwise.

### **2.4.2 Negative Covenants.**

**2.4.2.1** The Company shall not without the prior written consent of the Investor(i) pay any dividend or make any distribution on, or purchase, redeem, or retire, any stock(as defined herein) or any warrants, options, or other rights to reacquire any such stock; or (ii) dispose of any assets other than in the ordinary course of business.

**2.4.2.2** As long as any Note(s) remain outstanding, unless Investor shall otherwise consent in writing, the Company shall not, directly or indirectly (a) amend its charter documents in any manner that adversely affects any rights of the Investor; or (b) pay dividends on any equity securities of the Company.

**2.4.2.3** The Company shall not without the prior written consent of the Investor pay to its management-level employees, in the aggregate, more than \$180,000 per year, it being understood and agreed that said amount of \$180,000 per year shall include the compensation of Jose Bensoussan, and his assistant, as well as the compensation of David Bensoussan, Director of Sales and Marketing

**3. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.** The Company hereby represents and warrants to the Investor and agrees as follows:

**3.1 Organization and Qualification.** The Company is a corporation duly organized, validly existing, and in good standing under the laws of the State of California, with the requisite power and authority to own and use its properties and assets and to carry on its business as currently conducted. The Company is not in violation or in default of any of the provisions of its organizational or charter documents. The Company 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: (i) a material adverse effect on the legality, validity, or enforceability of this Agreement or any other Transaction Document, (ii) a material adverse effect on the results of operations, assets, business, or condition (financial or otherwise) of the Company, taken as a whole, or (iii) a material adverse effect on the ability of the Company to perform in any material respect on a timely basis its obligations under this Agreement or any other Transaction Document, and no legal proceeding has been instituted; or, to its knowledge, threatened, in any such jurisdiction revoking, limiting, or curtailing or seeking to revoke, limit, or curtail such power and authority or qualification (a "Material Adverse Effect").

**3.2 Authorization; Enforcement.** The Company has the requisite corporate power and authority to enter into and to consummate the transactions contemplated by this Agreement or the Transaction Documents and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of this Agreement and the other Transaction Documents to which it is party by the Company and the consummation by it of the transactions contemplated hereby and thereby have been duly authorized by all necessary action on the part of the Company and no further action is required by the Company. Upon delivery to the Investor, this Agreement and the other Transaction Documents to which the Company is a party will have been duly executed by the Company and, when delivered in accordance with the terms hereof and thereof, will constitute the valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except: (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies, and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

**3.3 Capitalization.** The authorized securities of the Company currently consist of 100,000 shares of Common Stock, of which 9,109 shares are issued and outstanding. All outstanding stock has been duly authorized, validly issued, and are fully paid and non assessable.

3.3.1 There are no outstanding options, rights, warrants, debentures, instruments, convertible securities, or other agreements or commitments obligating the Company to issue any additional shares of its stock. Notwithstanding the foregoing provisions, the parties are aware of the existence of a Shareholders Agreement providing that in the event of issuance of additional shares, the shareholders who have purchased shares less than one (1) year after the date of the issuance of such additional shares, shall be entitled to receive

additional shares at the price of \$0.01 per share in order to avoid any dilution. In addition, the parties are aware of the existence of a loan made by Thierry Sultan to the Company in the amount of \$200,000.

3.3.2 There are no (i) outstanding debt securities, notes, credit agreements, credit facilities, or other agreements, documents, or instruments evidencing indebtedness of the Company or by which the Company is or may become bound; (ii) financing statements securing obligations in any material amounts, either singly or in the aggregate, filed in connection with the Company; (iii) agreements or arrangements under which the Company is obligated to register the sale of any of its securities under any law; (iv) there are no outstanding securities or instruments of the Company which contain any redemption or similar provisions, and there are no contracts, commitments, understandings, or arrangements by which the Company is or may become bound to redeem a security of the Company.

**3.4 No Conflicts.** The execution and delivery of this Agreement and the other Transaction Documents to which the Company is party does not, and the performance by the Company of its obligations under this Agreement and the Transaction Documents and the consummation of the transactions contemplated hereby and thereby do not and will not, conflict with or result in a violation or breach of any term or provision of any contract, law, order, permit, statute, rule, or regulation applicable to the Company or any of its affiliates.

**3.5 Issuance of the Notes.** The Notes are duly authorized and, when issued and paid for in accordance with this Agreement and the Notes, the Conversion Shares will be duly and validly issued, fully paid, and nonassessable.

**3.6 Private Placement.** Assuming the accuracy of the Investor's representations and warranties set forth in Section 4, no registration under the Securities Act is required for the offer and sale of the Notes by the Company to the Investor as contemplated hereby.

**3.7 No General Solicitation.** Neither the Company nor any person acting on behalf of the Company has offered or sold the Notes by any form of general solicitation or general advertising. The Company has offered the Notes for sale only to the Investor.

**3.8 Consents.** No consent or approval of any person, regulatory authority, governmental organization, or third party, and no approval, order, license, permit, franchise, declaration, or filing of any nature (with the exception of required Regulation D and "blue sky" filings with the appropriate federal and state securities agencies), is required as a result of or in connection with the execution, delivery, and performance of the obligations of the Company under this Agreement or any other Transaction Document.

**3.9 Real Property.** Real property and facilities held under lease by the Company are held under valid and subsisting leases of which the Company is in compliance.

**3.10 Litigation.** No actions (including, without limitation, derivative actions), suits, proceedings, or investigations are pending or, to the knowledge of the Company, threatened

against or affecting the Company at law or in equity in any court or before any other governmental authority that if adversely determined (a) would (alone or in the aggregate) reasonably be expected to have a Material Adverse Effect or (b) seeks to enjoin, either directly or indirectly, the execution, delivery or performance by the Company of this Agreement or the Transaction Documents or the transactions contemplated hereby or thereby.

**3.11 Patents and Trademarks; Assets.** The Company owns, or possesses adequate rights or licenses to use, all trademarks, trade names, service marks, service mark registrations, service names, patents, patent applications, patent rights, copyrights, inventions, licenses, approvals, governmental authorizations, trade secrets, and other intellectual property rights ("Intellectual Property Rights") necessary to conduct the Company's business as now conducted. There is no claim, action, or proceeding being made or brought, or to the knowledge of the Company, being threatened, against the Company regarding its Intellectual Property Rights. The Company has good and valid title to, or otherwise has the right to use pursuant to a valid and enforceable lease, license, or similar contractual arrangement, all of the assets necessary to conduct the Company's business as now conducted or as proposed to be conducted. The parties are aware of the existence of a lawsuit brought by a Rubimed, owner of a Rubimed trademark, in an attempt to cancel the registration of the Ubimed trademark. However the Company was successful in opposing that lawsuit and the European company appealed the decision of the Court. That appeal is pending.

**3.12 Reservation of Shares.** The Company has a sufficient number of shares of its Common Stock reserved and set aside in order to effectuate the issuance of the Conversion Shares.

**3.13 Due Diligence.** The Company has made available to Investor all information and materials requested by Investor as part of its due diligence investigation made in connection with the transactions contemplated by this Agreement, and such materials are true, complete, and correct in all material respects.

**4. REPRESENTATIONS AND WARRANTIES OF THE INVESTOR.** Investor hereby represents and warrants to the Company as follows:

**4.1 Due Authorization.** The Investor has all requisite capacity to execute and deliver this Agreement and to consummate the transactions contemplated hereby. This Agreement constitutes the legal, valid, and binding obligation of the Investor, enforceable against the Investor in accordance with its terms, except: (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies, and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

**4.2 Own Account.** The Investor understands that the Note(s) are "restricted securities" and have not been registered under the Securities Act or any applicable state securities law and is acquiring the Note(s) as a principal for his own account and not with a view to or for distributing or reselling the Note(s) or any part thereof in violation of the Securities Act or any applicable state securities law, has no present intention of distributing the Note(s) in

violation of the Securities Act or any applicable state securities law and has no direct or indirect arrangement or understandings with any other persons to distribute or regarding the distribution of the Note(s) in violation of the Securities Act or any applicable state securities law.

**4.3 Investor Status.** At the time the Investor was offered the Note(s), he was, and as of the date hereof he is, an "accredited investor" as defined in Rule 501(a) under the Securities Act. The Investor is not required to be registered as a broker-dealer under Section 15 of the Securities Exchange Act of 1934, as amended.

**4.4 Experience of the Investor.** The Investor, either alone or together with his representatives, has such knowledge, sophistication, and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Note(s), and has so evaluated the merits and risks of such investment. The Investor is able to bear the economic risk of an investment in the Note(s) and, at the present time, is able to afford a complete loss of such investment.

**4.5 General Solicitation.** The Investor is not purchasing the Note(s) as a result of any advertisement, article, notice, or other communication regarding the Note(s) published in any newspaper, magazine, or similar media or broadcast over television or radio or presented at any seminar or any other general solicitation or general advertisement.

**4.6 Access to Documents and Information.** The Investor has (i) received and reviewed all information that it considers necessary or appropriate for deciding whether to purchase the Note(s); (ii) had an opportunity, with his professional advisor, if any, to ask questions and receive answers from the Company regarding this Agreement and regarding the business, financial condition, and other aspects of the Company, and all such questions have been answered to the Investor's full satisfaction; and (iii) had the opportunity to obtain all information (to the extent that the Company possesses or can acquire such information without unreasonable effort or expense) that the Investor deems necessary to evaluate the investment and to verify the accuracy of information otherwise provided to the Investor.

**4.7 Reliance on Information.** The Investor has not relied on any information or representations with respect to the Company or the Note(s), other than as expressly set forth herein and in the other Transaction Documents. The Investor understands that no person has been authorized to give any information or to make any representations other than those expressly contained herein and in the other Transaction Documents. To the extent the Investor has determined it necessary to protect his interest in connection with the investment in the Note(s), the Investor has relied on his own analysis and investigation and that of his advisors in determining whether to invest in the Note(s).

**4.8 Tax Advice.** The Investor represents that he has consulted with his tax, investment, and legal advisors with respect to the federal, state, local, and foreign tax consequences arising from the purchase and ownership of the Note(s).

**4.9 Government Approval.** The Investor is aware and understands that no federal or state agency has made any recommendation or endorsement of the Note(s) as an investment, nor

has any such governmental agency reviewed or passed upon the adequacy of information disclosed to the Investor.

**4.10 No Registration.** The Investor understands that the Note(s) have not been, and other than expressly set forth in the Transaction Documents, the Investor has no rights to require that the Note(s) or the shares of common stock of the Company into which such Note(s) is/are convertible be, registered or qualified under the Securities Act; that there is not now any public market for the Note(s) or the stock into which such Note(s) is/are convertible and none is anticipated; that neither the Note(s) nor the stock into which such Note(s) is/are convertible will be readily accepted as collateral for a loan; and that it may be extremely difficult to sell the Note(s), or the stock into which such Note(s) is/are convertible in the event of a financial emergency. As a consequence, the Investor understands that he must bear the economic risks of the investment in the Note(s) for an indefinite period of time.

## 5. ADDITIONAL INVESTOR RIGHTS

**5.1 Participation Right.** The Investor shall have the right to participate in any subsequent debt or equity financings or contemplated disposition (whether by sale of equity, debt, assets, or through a license of such assets) of the Company (the "Qualified Transaction") conducted during the term of its Note (the "Participation Right"). The Company will provide notice to the Investor of any such Participation Right by way of writing at least thirty (30) business days prior to the intended closing of the Qualified Transaction, indicating the terms and conditions of any Qualified Transaction (the "Transaction Notice"). If Investor elects to exercise its Participation Right, it shall notify the Company, in writing, of such election at least twenty (20) business days prior to the anticipated closing date set forth in the Transaction Notice (the "Participation Notice"). In the event the Investor does not return a Participation Notice to the Company, the Participation Right granted hereunder shall terminate and be of no further force and effect in respect of that particular Qualified Transaction only.

**5.2 Piggyback Registration Rights.** If the Company at any time proposes to register any of its securities under the Securities Act, including under an S-1 Registration Statement or otherwise, it will give written notice to the Investor, or assigns, of its intention so to do. Upon the written request of the Investor, or assigns, given within thirty (30) days after receipt of any such notice, the Company will use its best efforts to cause all shares underlying the conversion of the applicable Note to be registered under the Securities Act (with the securities which the Company at the time propose to register). All expenses incurred by the Company in complying with this Section, including without limitation all registration and filing fees, listing fees, printing expenses, fees and disbursements of all independent accountants, or counsel for the Company and the expense of any special audits incident to or required by any such registration and the expenses of complying with the securities or blue sky laws of any jurisdiction shall be paid by the Company.

**5.3 Board of Directors.** Upon any conversion of a Note, and for so long thereafter as Investor remains a shareholder of the Company, Investor shall have the right to designate one (1) member of the Company's Board of Directors in its sole and absolute discretion.

## 6. GENERAL PROVISIONS

**6.1 Amendment.** No provision of this Agreement may be modified, supplemented, or amended except in a written instrument signed by the Investor and the Company.

**6.2 Further Assurances.** The Parties hereto will, upon reasonable request, execute, and deliver all such further assignments, endorsements, agreements, and documents, and take such other action as may be necessary in order to consummate or evidence the transactions contemplated hereby.

**6.3 Notice.** All notices, requests, payments, instructions, or other documents to be given hereunder will be in writing and will be deemed to have been duly given if (i) delivered personally (effective upon delivery), (ii) mailed by certified mail, return receipt requested, postage prepaid (effective five (5) business days after dispatch), (iii) sent by a reputable, established courier service that provides evidence of delivery and guarantees next business day delivery (effective the next business day), (iv) via electronic mail transmission, or (v) sent by facsimile followed by confirmation, addressed as follows (or to such other address as the recipient party may have furnished to the sending party for the purpose pursuant to this Section 6.3):

(a) If to the Company:

Ubimed, Inc.  
Attn: President  
8663 Hayden Place  
Culver City, CA 90232

(b) If to the Investor, to the address of the Investor as set forth on the Investor Signature Page.

**6.4 Successors and Assigns.** This Agreement shall be binding upon, enforceable against, and inure to the benefit of, the Parties hereto and their respective heirs, administrators, executors, personal representatives, successors, and assigns, and nothing herein is intended to confer any right, remedy, or benefit upon any other person. This Agreement may not be assigned by the Investor or the Company hereto except with the prior written consent of the other Party.

**6.5 Governing Law.** This Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of California without regard to the principals of conflicts of law thereof. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the State of California for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court or that such suit, action or proceeding is improper. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by

mailing a copy thereof to such party at the address in effect for notices to it under this agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law.

**6.6 Severability.** If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be determined to be invalid, illegal, or unenforceable under present or future laws, then, and in that event: (1) the performance of the offending term or provision (but only to the extent its application is invalid, illegal, or unenforceable) shall be excused as if it had never been incorporated into this Agreement, and, in lieu of such excused provision, there shall be added a provision as similar in terms and amount to such excused provision as may be possible and be legal, valid, and enforceable; and (2) the remaining part of this Agreement (including the application of the offending term or provision to persons or circumstances other than those as to which it is held invalid, illegal, or unenforceable) shall not be affected thereby, and shall continue in full force and effect to the fullest extent provided by law.

**6.7 Expenses.** Each Party shall be solely responsible for its own expenses incurred in connection with this Agreement and any of the transactions contemplated hereby.

**6.8 Counterparts.** This Agreement may be executed in counterparts and each counterpart shall have the same force and effect as an original and constitute an effective, binding agreement on the part of each of the undersigned. This Agreement may be transmitted by facsimile or otherwise.

**6.9 Entire Agreement.** The Transaction Documents, together with the exhibits and schedules thereto, contain the entire understanding of the parties with respect to the subject matter hereof and supersede all prior agreements and understandings, oral or written, with respect to such matters, which the parties acknowledge have been merged into such documents, exhibits, and schedules.

**6.10 Construction.** Whenever the context may require, any pronoun shall include the corresponding masculine, feminine, and neuter forms. The words "include", "includes", and "including" shall be deemed to be followed by the phrase "without limitation". The word "will" shall be construed to have the same meaning and effect as the word "shall". Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument, or other document herein shall be construed as referring to such agreement, instrument, or other document as from time to time amended, restated, supplemented, or otherwise modified (subject to any restrictions on such amendments, restatements, supplements, or modifications set forth herein), (ii) the words "herein", "hereof", and "hereunder", and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof and (iii) all references herein to Sections, clauses, and Exhibits shall be construed to refer to Sections and clauses of, and Exhibits to, this Agreement.



IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first above written.

Ubimed, Inc., a California corporation

By: 

Name & Title:

Tom Bensasson  
President & CEO  
ORiMED, Inc

**SCHEDULE 1**  
**BUDGET FORECAST**



**UBIMED Budget Forecast**

Year 1

	May	June	July	August	September	October	November	December	January	February	March	April	Total
Sheets	\$0	\$4,125	\$15,345	\$16,610	\$16,610	\$11,220	\$11,220	\$11,220	\$0	\$11,220	\$11,220	\$0	\$108,790
Hospital Incubator	\$70.00	\$3,500	\$7,000	\$3,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$14,000
Hospital Bassinet	\$40.00	\$4,000	\$8,000	\$4,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$16,000
Disposable Sheets	\$0.50	\$2,500	\$5,000	\$2,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,000
Cleanoz	\$13.65	\$13,705	\$27,409	\$13,705	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$54,818
Tips	\$2.70	\$5,422	\$10,843	\$5,422	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$21,686
Subtotal	\$0	\$47,001	\$115,397	\$87,536	\$58,410	\$39,270	\$39,270	\$39,270	\$0	\$39,270	\$39,270	\$0	\$504,695
Less Discounts	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Returns	-2.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Advertising	-8.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Net Income</b>	<b>\$180</b>	<b>\$47,181</b>	<b>\$119,477</b>	<b>\$97,616</b>	<b>\$84,539</b>	<b>\$79,210</b>	<b>\$119,276</b>	<b>\$152,432</b>	<b>\$127,117</b>	<b>\$102,577</b>	<b>\$168,214</b>	<b>\$63,307</b>	<b>\$1,161,128</b>
<b>COGS (Cash Out)</b>													
Internet	\$24.50	\$4,998.00	\$24,990	\$19,992	\$0	\$0	\$0	\$0	\$0	\$4,998	\$24,990	\$19,992	\$99,960
Cribs	\$15.00	\$0	\$0	\$1,500	\$7,500	\$6,000	\$0	\$0	\$0	\$0	\$0	\$0	\$15,000
Bassinets	\$4.00	\$1,536	\$10,752	\$6,144	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$18,432
Sheets	\$9.82	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cleanoz	\$1.82	\$5,471	\$5,471	\$4,377	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$19,679
Saline	\$1.40	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal	\$12,005	\$4,213	\$51,692	\$27,500	\$6,000	\$0	\$0	\$0	\$0	\$4,998	\$24,990	\$19,992	\$168,330
United States	\$24.50	\$4,322	\$8,575	\$19,698	\$23,912	\$15,680	\$4,998	\$19,992	\$4,998	\$24,990	\$24,990	\$24,990	\$177,145
Cribs	\$15.00	\$0	\$0	\$0	\$600	\$2,400	\$0	\$0	\$0	\$0	\$0	\$0	\$3,000
Bassinets	\$4.00	\$1,058	\$2,100	\$4,824	\$6,096	\$4,800	\$1,224	\$4,896	\$1,224	\$6,120	\$6,120	\$6,120	\$44,582
Sheets	\$15.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Hospital Incubator	\$15.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Hospital Bassinet	\$15.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Disposable Sheets	\$0.20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cleanoz	\$9.82	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Tips	\$1.82	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal	\$0	\$5,380	\$10,675	\$24,522	\$30,608	\$22,680	\$6,222	\$24,888	\$6,222	\$31,110	\$31,110	\$31,110	\$224,727
International	\$21.80	\$2,180	\$13,167	\$19,969	\$13,167	\$17,789	\$4,447	\$17,789	\$0	\$4,447	\$17,789	\$0	\$110,744
Cribs	\$15.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bassinets	\$4.50	\$675	\$4,536	\$8,226	\$5,364	\$7,344	\$1,836	\$7,344	\$0	\$1,836	\$7,344	\$0	\$44,505
Sheets	\$15.00	\$300	\$1,500	\$1,200	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,000
Hospital Incubator	\$15.00	\$600	\$3,000	\$2,400	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,000
Hospital Bassinet	\$15.00	\$400	\$2,000	\$1,600	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,000
Disposable Sheets	\$0.20	\$3,944	\$19,719	\$15,775	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$39,437
Cleanoz	\$9.82	\$1,462	\$7,309	\$5,847	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$21,618
Tips	\$1.82	\$9,561	\$51,231	\$55,017	\$18,531	\$25,133	\$6,283	\$25,133	\$0	\$6,283	\$25,133	\$0	\$228,304
Subtotal	\$6,000	\$9,561	\$51,231	\$55,017	\$18,531	\$25,133	\$6,283	\$25,133	\$0	\$6,283	\$25,133	\$0	\$228,304
Other Costs	\$2,161	\$6,738	\$13,632	\$10,445	\$6,617	\$5,762	\$1,501	\$6,002	\$747	\$5,087	\$9,748	\$6,132	\$74,571
Shipping	\$900	\$3,091	\$3,877	\$563	\$450	\$0	\$0	\$0	\$0	\$375	\$1,874	\$1,499	\$12,629
Duties	\$6,000	\$3,000	\$3,000	\$5,000	\$5,000	\$5,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$49,000
Testing	\$6,000	\$3,000	\$3,000	\$5,000	\$5,000	\$5,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$49,000
Molds	\$1,000.00	\$550	\$330	\$550	\$1,320	\$1,980	\$2,640	\$3,960	\$5,280	\$5,280	\$5,280	\$5,280	\$26,000
Internet Shipping	\$11.00	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$10,000
Other	\$0.00	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

**PATENT**

**REEL: 036013 FRAME: 0111**

**UBIMED Budget Forecast**

	Year 1												Total
	May	June	July	August	September	October	November	December	January	February	March	April	
Subtotal	\$9,061	\$12,829	\$21,839	\$20,557	\$9,387	\$13,742	\$35,141	\$10,962	\$27,027	\$11,742	\$17,902	\$13,912	\$204,100
Total Purchases	\$27,066	\$68,983	\$135,437	\$107,596	\$64,526	\$61,754	\$47,646	\$60,983	\$33,249	\$54,133	\$99,135	\$65,014	\$825,521
% of Cash Out	34.1%	53.4%	61.4%	58.8%	39.7%	37.3%	24.6%	29.2%	22.0%	37.0%	53.0%	42.5%	41.7%
<b>SG&amp;A Expenses</b>													
Salaries	\$0	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$188,000
Consulting	\$0	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$55,000
Sales	\$0	\$0	\$0	\$259	\$847	\$1,341	\$4,022	\$5,470	\$5,318	\$0	\$5,470	\$0	\$22,726
Commission	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$5,500	\$66,000
Rent	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$24,000
Utilities	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$700	\$8,400
Auto	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Travel Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Advertising/Marketing	\$20,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$70,000
Ad Company	\$7,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$50,000
PR	\$10,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$20,000
Magazines	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Website	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Internet	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Infomercials	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Trade Shows	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Legal	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$60,000
Insurance	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$2,083	\$25,720
Certification/Testing	\$5,000.00	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$50,000
Misc	\$5,000.00	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$50,000
Total SG&A	\$52,283	\$60,283	\$65,283	\$75,542	\$98,131	\$103,624	\$146,305	\$147,753	\$117,601	\$92,297	\$87,767	\$87,976	\$1,154,846
% of Cash Out	65.9%	46.6%	38.6%	41.2%	60.3%	62.7%	75.4%	70.8%	78.0%	63.0%	47.0%	57.5%	58.3%
Total Cash Out	\$79,349	\$129,266	\$220,720	\$183,139	\$162,657	\$165,378	\$193,951	\$208,736	\$150,849	\$146,430	\$186,902	\$152,989	\$1,980,367
Beginning Cash	\$0	\$88,831	\$6,746	\$90,502	\$4,980	\$86,862	\$694	\$126,019	\$69,715	\$245,983	\$202,130	\$183,442	\$0
Net Cash from Operations	(\$79,169)	(\$82,045)	(\$101,243)	(\$85,623)	(\$70,177)	(\$86,168)	(\$74,675)	(\$56,724)	(\$22,732)	(\$13,623)	(\$19,658)	(\$39,652)	\$0
Reduce Payables	\$200,000	\$0	\$200,000	\$0	\$200,000	\$0	\$200,000	\$0	\$200,000	\$0	\$0	\$0	\$0
Invested Capital	\$88,831	\$6,746	\$90,502	\$4,980	\$86,862	\$694	\$126,019	\$69,715	\$245,983	\$202,130	\$183,442	\$93,760	\$0
Ending Cash	\$88,831	\$6,746	\$90,502	\$4,980	\$86,862	\$694	\$126,019	\$69,715	\$245,983	\$202,130	\$183,442	\$93,760	\$0

EXHIBIT A

INVESTOR SIGNATURE PAGE

The undersigned Investor has read the Convertible Note Purchase Agreement dated as of May \_\_, 2013 and acknowledges that execution of this Investor Signature Page shall constitute the undersigned's execution of such agreement.

I hereby subscribe for an aggregate of \$200,000 in principal amount of the Note.

I am a resident of the State of California.

*Please print above the exact name(s) in which the Note is to be held*

My address is: 1375 Bedford Drive  
Beverly Hills, CA 90212

I acknowledge that the offering of the Note is subject to the federal securities laws of the United States and state securities laws of those states in which the Note is offered, and that, pursuant to the United States federal securities laws and state securities laws, the Notes may be purchased by persons who come within the definition of an "Accredited Investor" as that term is defined in Rule 501(a) of Regulation D promulgated under the Securities Act ("Regulation D").

By initialing one of the categories below, I represent and warrant that I come within the category so initialed and have truthfully set forth the factual basis or reason I come within that category. All information in response to this paragraph will be kept strictly confidential. I agree to furnish any additional information that the Company deems necessary in order to verify the answers set forth below.

**NOTE: You must initial at least ONE category.**

**Individual Investor:**

**(An Investor who is an individual may initial either Category I, II, or III)**

Category I  I am a director or executive officer of the Company.

Category II  I am an individual (not a partnership, corporation, etc.) whose individual net worth, or joint net worth with my spouse, excluding the value of my personal residence, presently exceeds \$1,000,000.

*Explanation.* In calculation of net worth, you may include equity in personal property and real estate (**excluding** your principal residence), cash, short term investments, stocks, and securities. Equity in personal property and real estate should be based on the fair market value of such property less debt secured by such property.

Category III

\_\_\_\_\_ I am an individual (not a partnership, corporation, etc.) who had an individual income in excess of \$200,000 during the most recent two calendar years, or joint income with my spouse in excess of \$300,000 during the most recent two calendar years, and I have a reasonable expectation of reaching the same income level in 2013.

**Entity Investor:**

(An Investor which is a corporation, limited liability company, partnership, trust, or other entity may initial either Category IV, V, VI or VII)

Category IV

The Investor is an entity in which all of the equity owners are "Accredited Investor" as defined in Rule 501(a) of Regulation D. **If relying upon this category alone, each equity owner must complete a separate copy of this Agreement.**

\_\_\_\_\_  
(describe entity)

Category V

\_\_\_\_\_ The Investor is a trust, with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the Note being offered, whose purchase is directed by a "Sophisticated Person" as described in Rule 506(b)(2)(ii) of Regulation D.

Category VI

\_\_\_\_\_ The Investor is an organization described in Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the Note being offered, with total assets in excess of \$5,000,000.

\_\_\_\_\_  
(describe entity)

Category VII

\_\_\_\_\_ The Investor is a private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940.

\_\_\_\_\_  
(describe entity)

Executed this 15th day of MAY, 2013 at Beverly Hills,  
California.

SIGNATURES

INDIVIDUAL

Charles Moffitt, FOR MOFFITT-ADAMS INVESTMENTS  
Signature (Individual)

CHARLES MOFFITT  
(Print Name)

Residence Address:

137 S. Bedford Drive  
Beverly Hills, CA 90212

Mailing Address:

137 S. Bedford Drive  
Beverly Hills, CA 90212

Tax Identification No.: 556-58-8306

Telephone No.: (213) 840-8704

Facsimile No.: \_\_\_\_\_

E-Mail Address:

CTMOFFITT@AOL.COM



**EXHIBIT B**

**FORM OF CONVERTIBLE PROMISSORY NOTE**

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY APPLICABLE STATE SECURITIES LAWS, AND MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF A REGISTRATION STATEMENT IN EFFECT WITH RESPECT THERETO UNDER SUCH ACT AND APPLICABLE LAWS OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF SUCH ACT AND APPLICABLE LAWS AND AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED. ANY TRANSFEREE OF THIS NOTE SHOULD CAREFULLY REVIEW THE TERMS OF THIS NOTE. THE PRINCIPAL AMOUNT REPRESENTED BY THIS NOTE AND, ACCORDINGLY, THE SECURITIES ISSUABLE UPON CONVERSION HEREOF MAY BE LESS THAN THE AMOUNTS SET FORTH ON THE FACE HEREOF PURSUANT TO SECTION 2 AND SECTION 4 OF THIS NOTE.

UBIMED, INC.

\$200,000

Los Angeles, CA  
May 15, 2013

Ubimed, Inc., a California corporation (the "Company"), for value received hereby, promises to pay to Moffitt-Adams Investments, LLC, or registered assigns (the "Holder"), the sum of Two Hundred Thousand Dollars (\$200,000), in accordance with the terms of this convertible promissory note (the "Note"). Payment for all amounts due hereunder shall be made by wire transfer of immediately available funds, in lawful tender of the United States, to an account designated in writing by the Holder. This Note is being issued in connection with and pursuant to that certain Convertible Note Purchase Agreement (the "Agreement") and is substantially similar to other notes issued pursuant to the Agreement. The Company and Holder hereby acknowledge and agree that this Note is being entered into simultaneously with and is secured pursuant to that certain Security Agreement attached to the Agreement as Exhibit C. It is understood and agreed that this \$200,000 Note is one of five (5) promissory notes in the principal amount of Two Hundred Thousand Dollars (\$200,000). The wire transfer of the Two Hundred Thousand Dollars (\$200,000) referred to in this Note shall be made by no later than May 15, 2013. The other dates of wire transfers of the four remaining Two Hundred Thousand Dollars (\$200,000) promissory notes shall be determined by the Company, in its sole and absolute discretion, pursuant to the terms of the Agreement.

The following is a statement of the rights of the Holder of this Note and the conditions to which this Note is subject, and to which the Holder hereof, by the acceptance of this Note, agrees:

1. *Definitions.* As used in this Note, the following terms, unless the context otherwise requires, have the following meanings:

(i) "Business Day" means any day except Saturday, Sunday, any day which shall be a federal legal holiday in the United States, or any day on which banking institutions in Los Angeles, California are authorized or required by law or other governmental action to close.

(ii) "Common Stock" means the Common Stock of the Company.

(iii) "Conversion Shares" means shares of Common Stock into which this Note may be converted pursuant to Section 4.1.

(iv) “Holder” when the context refers to a holder of this Note, shall mean any person who shall at the time be the registered holder of this Note.

(v) “Issuance Date” means the date of this Note.

2. *Interest; Repayment of the Note.*

2.1 This Note shall accrue compound interest, from the date hereof until such principal is paid or converted as provided in Section 5, on any unpaid principal balance at the rate of five percent (5.0%) per annum, payable quarterly commencing on August 31, 2013; provided that, commencing upon the occurrence of any Event of Default and so long as any Event of Default exists, interest on this Note shall accrue at the rate of ten percent (10%) per annum; provided further that the interest rate shall not exceed the maximum amount of interest permitted to be charged under applicable law. Upon conversion of this Note, accrued but unpaid interest shall be paid in cash or, at the election of the Holder, converted into Conversion Shares.

2.2 Subject to the terms of Section 4 below, this Note shall mature and all principal and interest described herein shall be due and payable on May 31, 2015, at which time all principal and other amounts outstanding under this Note shall be due and payable (the “Maturity Date”). In addition, all amounts outstanding hereunder shall be due and payable on the date upon which the repayment of this Note is accelerated upon an Event of Default pursuant to this Note. All payments hereunder shall be made in lawful money of the United States of America and will be credited first to interest, fees, costs, and expenses then due and the remainder to the principal amount of this Note.

2.2.1 Holder may, in Holder’s sole and absolute discretion, extend the Maturity Date until May 31, 2017 by giving the Company written notice of such extension at least ten (10) days prior to the Maturity Date.

3. *Legend.* Holder consents to the placement of a legend on any certificate or other document evidencing the Conversion Shares issued by the Company that such Conversion Shares have not been registered under the Securities Act or any state securities or “blue sky” laws and setting forth or referring to the restrictions on transferability and sale thereof contained in this Agreement. The Holder is aware that the Company will make a notation in its appropriate records with respect to the restrictions on the transferability of such Conversion Shares. The legend to be placed on each certificate shall be in form substantially similar to the following:

The securities represented by this certificate have not been registered under the Securities Act of 1933, as amended and may not be sold, transferred, pledged, hypothecated, or otherwise disposed of in the absence of (i) an effective registration statement for such securities under said act or (ii) an opinion of company counsel that such registration is not required.

Any legend required by the laws of the State of California or any other applicable state, including any legend required by the California Department of Corporations and the California Corporations Code.

4. *Conversion.* The entire unpaid and outstanding principal amount and any accrued interest thereon under this Note shall be convertible into shares of the Company's Common Stock (such shares, the "Conversion Shares"), in accordance with the terms and conditions of this Section 4.

4.1 *Voluntary Conversion.* This Note shall be convertible at any time in Holder's sole and absolute discretion at the Conversion Price.

4.2 *Conversion Price.* The "Conversion Price" shall be equal to \$200,000 divided by the number of shares that constitute five percent (5%) of the Company's then outstanding capital stock.

4.3 *Conversion Procedure.*

4.3.1 *Notice of Conversion.* Before Holder shall be entitled to convert this Note pursuant to Section 4.1, it shall surrender this Note at the office of the Company and shall give written notice, in the form of the Notice of Conversion attached hereto as Exhibit A, to the Company of the election to convert the same pursuant to Section 4.1, and shall state therein the name or names in which the Conversion Shares shall be issued. At its expense, the Company shall deliver or cause to be delivered to Holder the applicable number of Conversion Shares in certificate form (bearing such legends as are required by applicable state and federal securities laws in the opinion of counsel to the Company). Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of this Note and receipt of the Conversion Notice.

4.4 *Split, Subdivision or Combination of Shares.* If the Company shall at any time while this Note remains outstanding and unpaid, split, subdivide or combine its equity securities, as applicable, into a different number of securities of the same class or otherwise, the Conversion Ratio for such securities shall be proportionately decreased in the case of a split or subdivision or proportionately increased in the case of a combination and the number of such securities shall be proportionately increased in the case of a split or subdivision or proportionately decreased in the case of a combination.

4.5 *Fractional Shares.* No fractional shares will be issued upon conversion of this Note. In lieu thereof, the Company will pay to Holder an amount in cash equal to the product obtained by multiplying the applicable Conversion Price applied to effect such conversion by the fraction of a share not issued pursuant to the previous sentence.

5. *Pari Passu.* This Note is hereby deemed *pari passu* to any other note issued pursuant to the Agreement, the date of issuance of such note(s) notwithstanding.

6. *Events of Default.* So long as this Note will remain unpaid in whole or in part as to either principal or interest, each of the following will constitute an "Event of Default" under this Note:

(a) the commencement of an involuntary case or other proceeding against the Company seeking liquidation, reorganization, or other relief with respect to it or its debts under any applicable bankruptcy, insolvency or other similar law now or hereafter in

effect, or seeking the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Company or for any substantial part of the property of the Company or the winding up or liquidation of the affairs of the Company, and such case or proceeding remains unstayed and undismissed for a period of sixty (60) days, or an order for relief is entered against the Company under the federal bankruptcy laws as now or hereafter in effect;

(b) the commencement by the Company of a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consent to the entry of an order for relief in an involuntary case under any such law, or consent to the appointment or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Company or for any substantial part of the property of the Company, or the Company makes any general assignment for the benefit of creditors, or fails generally to pay its debts as they come due, or takes any corporate action to authorize any of the foregoing; or

(c) failure on the part of the Company to observe or perform any of the terms or covenants contained in this Note and continuance of such failure for a period of sixty (60) days following receipt of notice from the Holders specifying such covenant and the nature of the Company's non-performance.

7. *Remedies.* If an Event of Default will occur and be continuing, then so long as the Event of Default will continue to exist the Holders may, by written notice to the Company, declare the unpaid principal amount of this Note, together with all interest accrued hereunder, to be forthwith due and payable immediately in cash, without further presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Company, to the fullest extent permitted by applicable law. All Notes for which the full amount hereunder shall have been paid in accordance herewith shall promptly be surrendered to or as directed by the Company. The Holder may enforce any and all of its rights and remedies hereunder and all other remedies available to it under applicable law. Such declaration may be rescinded and annulled by the Holder at any time prior to payment hereunder and the Holder shall have all rights as a Note holder until such time, if any, as the full payment under this Section 7 shall have been received by it. No such rescission or annulment shall affect any subsequent Event of Default or impair any right consequent thereon. In addition to the foregoing remedies, upon the occurrence of any Event of Default, the Holder may exercise any other right, power, or remedy granted to it by the Transaction Documents or otherwise permitted to it by law, either by suit in equity or by action at law, or both.

8. *Assignment.* Subject to securities laws, the rights and obligations of the Company and the Holder of this Note shall be binding upon and benefit the successors and assigns of the parties; provided that the Company shall not assign its rights or obligations under this Note without the prior written consent of the Holder.

9. *Waiver and Amendment.* Any provision of this Note may be amended, waived, or modified upon the written consent of the Company and Holder.

10. *Notices.* Any notice, request or other communication required or permitted hereunder shall be in writing and shall be deemed to have been duly given if faxed with confirmation of receipt by the sending device or if delivered by internationally recognized overnight courier such as FedEx or DHL, at the respective addresses of the parties as set forth herein, or via electronic mail transmission. Any party hereto may by notice so given change its address for future notice hereunder. Notice shall conclusively be deemed to have been given when delivered, faxed or transmitted in the manner set forth above and shall be deemed to have been received when delivered.

11. *No Shareholder Rights.* For so long as the Notes remain unconverted, nothing contained in this Note shall be construed as conferring upon the Holder or any other person the right to vote or to consent or to receive notice as a shareholder in respect of meetings of shareholders for the election of directors of the Company or any other matters or any rights whatsoever as a shareholder of the Company; and no dividends or interest shall be payable or accrued in respect of this Note or the Conversion Shares obtainable hereunder until, and only to the extent that, this Note shall have been converted.

12. *Governing Law.* This Agreement shall be governed by and construed in accordance with the laws of the State of California, excluding that body of law relating to conflict of laws.

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

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Company has caused this Note to be issued this 15th day of May 2013.

UBIMED, INC., a California corporation

By: 

Name & Title: *Jih Ben Soussan*  
*President & CEO*

Address: Ubimed, Inc.  
Attn: President  
8663 Hayden Place  
Culver City, CA 90232

Name of Holder: Moffitt-Adams Investments, LLC

Address: 137 S. Bedford Drive  
Beverly Hills, CA 90212

Email: [cmoffitt@aol.com](mailto:cmoffitt@aol.com)

**EXHIBIT A**

**NOTICE OF CONVERSION**

(To Be Signed Only Upon Voluntary Conversion of Note)

TO: Ubimed, Inc.

The undersigned, the holder of the foregoing Note, hereby surrenders such Note for conversion into \_\_\_\_\_ shares of Conversion Shares of Ubimed, Inc. to the extent of \$ \_\_\_\_\_ unpaid principal and interest of such Note, and requests that the certificates for such shares be issued in the name of, and delivered to \_\_\_\_\_, whose address is \_\_\_\_\_.

Dated: \_\_\_\_\_

\_\_\_\_\_  
(Signature must conform in all respects to name of the registered holder of the Note)

\_\_\_\_\_  
(Address)



**EXHIBIT C**  
**SECURITY AGREEMENT**

## SECURITY AGREEMENT

THIS SECURITY AGREEMENT (this "Agreement"), dated as of May 15, 2013, is entered into by and among Ubimed, Inc., a California corporation (the "Company"), Moffitt-Adams Investments, LLC (the "Secured Party"), as a holder of the Company's Convertible Promissory Notes (the "Notes"), and Jose Bensoussan.

WHEREAS, the Secured Party has extended credit or will extend credit to the Company represented by Notes amounting in the aggregate to the principal amount of One Million Dollars \$1,000,000 which have been executed by the Company in favor of the Secured Party;

WHEREAS, the Company and the Secured Party have entered into a Convertible Note Purchase Agreement (the "Purchase Agreement") with respect to the Notes; and

WHEREAS, in consideration of, and as a condition to, the extension of credit under the Notes, the Company wishes to grant a security interest in certain collateral to the Secured Party.

NOW, THEREFORE, the parties hereby agree as follows:

1. Grant of a Security Interest. To secure the prompt payment, observance and performance in full of each and every obligation (collectively, the "Obligations") of the Company under the Notes and the Purchase Agreement, the Company hereby grants to the Secured Party a continuing priority security interest in, and lien upon, the Collateral (as defined in Section 3), subject to no prior lien, encumbrance, charge, or security interest.

2. Definitions and Construction.

(a) All capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Uniform Commercial Code as in effect in the State of California (the "UCC").

(b) Unless the context of this Agreement requires otherwise: (a) references in this Agreement to sections, schedules and exhibits are to sections of, and schedules and exhibits to, this Agreement; (b) words in the singular include the plural and in the plural include the singular; (c) the word "*or*" connotes both the disjunctive and conjunctive of the terms affected, unless otherwise expressly stated; (d) the terms "*hereof*," "*herein*," "*hereby*" and derivative or similar words refer to this entire Agreement; (e) the terms "*include*," "*includes*" "*including*" and derivative or similar words shall be deemed to include the phrase "*without limitation*"; (f) the phrase "*ordinary course of business*" and "*ordinary course of business consistent with past practice*" refer to the business and practice of the Company; and (g) words of any gender include each other gender. As used in this Agreement, any reference to any event, change or effect being "*material*" or "*materially adverse*" or having a "*material adverse effect*" on or with respect to

any entity (or group of entities taken as a whole) means such event, change or effect is material or materially adverse, as the case may be, to the business, condition (financial or otherwise), properties, assets (including intangible assets), liabilities (including contingent liabilities), prospects or results of operations of such entity (or, if with respect thereto, of such group of entities taken as a whole). Whenever this Agreement refers to a number of days, such number shall refer to calendar days unless business days are specified.

3. Collateral.

(a) The collateral covered by this Agreement (the "Collateral") consists of the following:

(i) The following property:

(A) *Accounts Receivable.* All Accounts, Chattel Paper, contracts, contract rights, Accounts Receivable, tax refunds, notes receivable, documents, other choses in action and general intangibles, including, but not limited to, proceeds of inventory and returned goods and proceeds from the sale of goods and services, and all rights, liens, securities, guaranties, remedies and privileges related thereto, including the right of stoppage in transit and rights and property of any kind forming the subject matter of any of the foregoing; and

(B) *Deposit Accounts.* All time, savings, demand, certificate of deposit or other accounts in the name of the Company or in which the Company has any right, title or interest, including but not limited to all sums now or at any time hereafter on deposit, and any renewals, extensions or replacements of and all other property which may from time to time be acquired directly or indirectly using the proceeds of any of the foregoing; and

(C) *Inventory and Equipment.* All inventory and equipment of every type or description wherever located, including, but not limited to, all raw materials, parts, containers, work in process, finished goods, goods in transit, wares, merchandise furniture, fixtures, hardware, machinery, tools, parts, supplies, automobiles, trucks, other intangible personalty of whatever kind and wherever located associated with the Company's business, tools and goods returned for credit, repossessed, reclaimed or otherwise reacquired by the Company; and

(D) *Documents of Title.* All documents of title and other property from time to time received, receivable or otherwise distributed in respect of, exchange or substitution for or addition to any of the foregoing, including, but not limited to, any documents of title; and

(E) *Other Property.*

(I) All other intangible property; and

(II) All proceeds (including but not limited to insurance proceeds) and products of and accessions and annexations to any of the foregoing; and

(III) All assets of any type or description that may at any time be assigned or delivered to, or come into possession of, the Company or as to which the Company may have any right, title, interest or power, and property in the possession or custody of or in transit to anyone for the account of the Company, as well as all proceeds and products thereof and accessions and annexations thereto; and

(IV) All know-how, information, permits, patents, copyrights, goodwill, trademarks, trade names, licenses and approvals held by the Company in its subsidiaries and affiliates; and

(V) All of the books, records and documents pertaining to any of the foregoing.

(b) Any and all Collateral described or referred to in this Agreement which is hereafter acquired shall, and without any further conveyance, assignment or act on the part of the Company or the Secured Party, become and be subject to the security interest created hereby as fully and completely as though specifically described herein.

4. Company's Representations, Warranties and Covenants. The Company represents, warrants and covenants that:

(a) The Company owns or will own the Collateral free and clear of any lien other than as set forth in Exhibit A. No later than seven (7) business days after the execution of this Security Agreement by both parties, Jose Bensoussan and his wife, Jeannie Bensoussan, shall contribute to the capital of the Company, as additional consideration for their shares in the Company under Internal Revenue Code Section 351, their shares in UBIMED LLC, a Florida limited liability company, which owns certain patents, trademarks, and domain names and their shares in ZELORT LLC, a California limited liability company, which owns certain patents, trademarks, and domain names, as well as the mattress patent owned personally by Jose Bensoussan.

(b) The Company has all necessary corporate power and authority and has taken all corporate action necessary to execute, deliver and perform this Agreement and the Notes and to encumber and grant a security interest in the Collateral.

(c) There is no effective financing statement or other instrument similar in effect covering all or any part of the Collateral on file in any recording office, except as may have been filed in favor of the Secured Party and except as provided in Exhibit A.

(d) This Agreement creates a valid first priority security interest of the Secured Party in the Collateral securing payment of the Obligations. Upon the filing of the financing statements and the other instruments similar in effect in accordance with Sections 5(b) and 5(c), the Secured Party will have a valid and perfected first priority lien on, and security interest in, the Collateral subject only to the perfected first priority lien on, and security interest in, the Collateral as set forth in Exhibit A.

(e) No consent, authorization, approval or other action by, and no notice to or filing with, any governmental authority, regulatory body, lessor, franchiser or other person or entity is required for the grant by the Company of the security interest granted hereby or for the execution, delivery or performance of this Agreement by the Company or for the perfection or exercise by the Secured Party of its rights and remedies hereunder, except filings of financing documents in accordance with Sections 5(b) and 5(c).

(f) The Company does not transact any part of its business under any trade names, division names or assumed names.

(g) To the best of the Company's knowledge, each Account, General Intangible and Chattel Paper constituting Collateral is genuine and enforceable in accordance with its terms against the party obligated to pay it (the "Account Debtor"), and, to the best of the Company's knowledge, no Account Debtor has any defense, setoff, claim or counterclaim against the Company which can be asserted against the Secured Party, whether in any proceeding to enforce the Collateral or otherwise.

(h) The Company will deliver to the Secured Party at the request of the Secured Party a schedule of all Accounts, General Intangibles and Chattel Paper from time to time as the Secured Party may reasonably request, but no more often than once per quarter. The amounts represented on such schedules by the Company to the Secured Party as owing by each Account Debtor or by all Account Debtors are and will be, to the best of the Company's knowledge, the correct amounts actually and unconditionally owing by the Company's Account Debtors individually and in the aggregate, except for normal cash discounts where applicable.

(i) Each Instrument and each Document constituting Collateral is genuine and in all material respects what it purports to be.

(j) All tangible Collateral and all records relating to intangible Collateral are located at the Company's address listed in the preamble hereto or are otherwise under its control. The Company shall not remove any such Collateral or records from said locations without five days' prior written notice to the Secured Party.

5. Company's Covenants. The Company agrees and covenants that:

(a) The Collateral will be used solely for business purposes of the Company and will remain in the possession or under the control of the Company (sale or replacement in the ordinary course excepted) and will not be used for any unlawful purpose. The Collateral will not be misused, abused, wasted or allowed to deteriorate (ordinary wear and tear excepted). The Company will keep the Collateral, as appropriate and applicable, in good condition and repair (ordinary wear and tear excepted), and will clean, shelter and otherwise deal with the Collateral in such ways as are considered good practice by owners of like property. Notwithstanding the foregoing provisions, it is understood and agreed that the Company shall be allowed to pay its accounts payable and its employees' wages in the ordinary course of business.

(b) The Company has executed and will promptly file with the appropriate governmental authorities, or deliver to the Secured Party for filing, a UCC-1 Financing Statement with respect to the Collateral. The Company shall, at no cost to the Secured Party, execute, acknowledge and deliver all such other documents and instruments as the Secured Party reasonably deems necessary to create, perfect and continue the security interest in the Collateral contemplated hereby. The Company will pay all costs of title searches and filing of financing statements, assignments or other documents in all public offices reasonably requested by the Secured Party, and will not, without the prior written consent of the Secured Party, which consent will not be unreasonably withheld, file or authorize or permit to be filed in any public office any financing statement, assignment or other document naming the Company as debtor and not naming the Secured Party as the Secured Party.

(c) The Company shall, upon request of the Secured Party, deliver to the Secured Party all other documents, instruments and other items as may be reasonably necessary for the Secured Party to perfect its security interest in the Company's intellectual property, if any. The Company represents and warrants to the Secured Party that the execution, delivery and performance of this Agreement by the Company will not violate or cause a default under any agreement relating to the patents, licenses and trademarks described therein.

(d) The Company will use its best reasonable efforts to defend the Collateral against the claims and demands of all other parties, will keep the Collateral free from all security interests or other encumbrances other than liens listed on Exhibit A hereto; and will not sell, transfer, lease, assign, deliver or otherwise dispose of any Collateral or any interest therein without the prior written consent of the Secured Party, which consent will not be unreasonably

withheld, except that the Company may sell or lease Inventory in the ordinary course of the Company's business.

(e) The Company will, at the Secured Party's request, mark any and all books and records to indicate the security interest created hereby.

(f) The Company will notify the Secured Party promptly in writing of any change in the Company's business address or chief executive office, any change in the address at which records concerning the Collateral are kept and any change in the Company's name, identity, or organizational or other structure.

(g) The Company will prevent the Collateral or any part thereof from being or becoming an accession to other goods not covered by this Agreement.

(h) The Company shall pay all reasonable expenses, including attorneys' fees and costs, incurred by the Secured Party in the preservation, realization, enforcement or exercise of the Secured Party's rights under this Agreement.

6. Certain Provisions Concerning Collateral.

(a) Upon the occurrence of an Event of Default (defined below) and the principal sum under the Notes being due and payable by acceleration or otherwise, the Secured Party may notify any or all Account Debtors of the security interest created hereby and may also direct such Account Debtors to make all payments on Collateral to the Secured Party. In such event, all payments on and from Collateral received by the Secured Party directly or from the Company shall be applied to the Obligations in accordance with Section 8 and the Secured Party may demand of the Company in writing, before or after notification to Account Debtors and without waiving in any manner the security interest created hereby, that any payments on and from the Collateral:

(i) shall be held by the Company in trust for the Secured Party in the same medium in which received;

(ii) shall not be commingled with any assets of the Company; and

(iii) shall be delivered to the Secured Party in the form received, properly indorsed to permit collection, promptly following their receipt; and

the Company shall comply with such demand. The Company shall also promptly notify the Secured Party of the return to, or repossession by, the Company of Goods underlying any Collateral, and the Company shall hold the same in trust for the Secured Party and shall dispose of the same as the Secured Party directs.

(b) The Company hereby assigns, transfers, and conveys to the Secured Party, effective upon the occurrence of any Event of Default hereunder, the nonexclusive right and license to use all Intellectual Property owned or used by the Company together with any goodwill associated therewith, all to the extent necessary to enable the Secured Party to realize on the Collateral and any successor or assign to enjoy the benefits of the Collateral. This right and license shall inure to the benefit of all successors, assigns and transferees of the Secured Party and its successors, assigns and transferees, whether by voluntary conveyance, operation of law, assignment, transfer, foreclosure, deed in lieu of foreclosure or otherwise.

(c) Until (i) the occurrence of an Event of Default and (ii) the principal sum under the Notes shall become due and payable by acceleration or otherwise (an "Acceleration"), the Company reserves the right to receive all income from or interest on the Collateral consisting of Instruments. Upon such an Event of Default, the Company will not demand or receive any income from or interest on such Collateral other than from Inventory, royalties, licensing fees, milestone payments, research sponsorship payments, joint ventures or loan proceeds and, if the Company receives any such income or interest without any demand by it, the same shall be held by the Company in trust for the Secured Party in the same medium in which received, shall not be commingled with any assets of the Company and shall be delivered to the Secured Party in the form received, properly indorsed to permit collection, promptly following its receipt. The Secured Party may apply the net cash receipts from such income or interests to payment of the Obligations; *provided that* the Secured Party shall account for, and pay over to the Company, any such income or interest remaining after payment in full of the Obligations. Until an Acceleration, notwithstanding any provision of this Agreement to the contrary, the Company may conduct its business in the ordinary course and may use its cash, cash equivalents, royalties, licensing fees, milestone payments, research sponsorship payments, interest, dividends, income, proceeds of loans and sales of securities, sales of inventory and joint venture distributions for general corporate purposes.

(d) If an Event of Default has occurred, the Company authorizes the Secured Party to:

(i) receive any increase in or profits on the Collateral and hold the same as part of the Collateral;

(ii) receive any payment or distribution on the Collateral upon redemption by, or dissolution and liquidation of, the issuer thereof;

(iii) surrender such Collateral or any part thereof in exchange for cash or securities of equivalent fair market value; and

(iv) hold the net cash receipts from any such payment or distribution



described in clause (ii) above as part of the Collateral. If the Company receives any such increase, profits, payments, or distributions, the Company will receive and deliver same promptly to the Secured Party on the same terms and conditions set forth in Section 6(c) respecting income or interest, to be held by the Secured Party as part of the Collateral.

(e) The Company hereby assigns to the Secured Party all sums, including return of premiums, which may become payable under any and all of the Company's policies of insurance which insure the Collateral, and directs each insurance company issuing any such policy to make payment thereof directly to the Secured Party.

7. Events of Default. The occurrence of any "Event of Default" under the Notes, or any material breach of this Agreement by the Company, shall constitute an "Event of Default" under this Agreement.

8. Remedies on Default. Upon the occurrence of an Event of Default, the Secured Party shall have all rights, privileges, powers and remedies provided a secured party under the UCC and any other applicable law and such additional rights, privileges, powers and remedies as are set forth in the Notes and herein. Without limiting the foregoing, upon the existence or occurrence of any Acceleration:

(a) The Secured Party may require the Company to assemble the Collateral and make it available to the Secured Party at a place or places designated by the Secured Party, and the Secured Party may use and operate the Collateral. At any time following the occurrence of an Acceleration and during the continuation thereof, the Secured Party shall have full power, in its own name or that of the Company, to collect, endorse, compromise, settle, sell or otherwise deal with any or all the Collateral or Proceeds thereof in a commercially reasonable manner.

(b) The Secured Party may, in a commercially reasonable manner, sell, lease or otherwise dispose of and deliver any or all Collateral at public or private sale, for cash, upon credit or otherwise, at such prices and upon such terms as the Secured Party deems commercially reasonable. Any requirement of reasonable notice shall be met if such notice is mailed postage prepaid to the Secured Party at its address set forth herein at least ten days before the time of sale or other disposition. The Secured Party may be the purchaser at any such sale, if it is public, and in such event the Secured Party shall have all rights of a good faith, bona fide purchaser for value from a secured party after a default. The proceeds of any sale may be applied (in whatever order and manner the Secured Party elects in its sole discretion) to all costs and expenses of sale, including payment of the Obligations, and any remaining proceeds shall be applied in accordance with Article 9, Part 5, of the UCC. The Company shall remain liable to the Secured Party for any deficiency.

(c) Without in any way requiring notice to be given in the following time and manner, the Company agrees that any notice by the Secured Party of sale, disposition or other

intended action hereunder or in connection herewith, whether required by the UCC or otherwise, shall constitute reasonable notice to the Company if such notice is mailed by regular or certified mail, postage prepaid, at least ten days prior to such action, to the Company's address specified above or to any other address which the Company has specified in writing to the Secured Party as the address to which notices hereunder shall be given to the Company.

(d) After an Acceleration, the Secured Party may demand, collect and sue on any of the Accounts, Chattel Paper, Instruments and General Intangibles (in either the Company's or the Secured Party's name at the latter's option); may enforce, compromise, settle, or discharge such Collateral without discharging the Obligations or any part thereof; and may endorse the Company's name on any and all checks, commercial paper and any other Instruments pertaining to or constituting Collateral.

(e) The Company will deliver to the Secured Party, upon demand, all Documents and all Chattel Paper (duly indorsed to the Secured Party) constituting, representing, or relating to the Collateral or any part thereof, and any schedules, invoices, shipping documents, delivery receipts, purchase orders, contracts, or other documents representing or relating to the Collateral or any part thereof.

9. Payments After an Event of Default. All payments received and amounts realized by the Secured Party pursuant to Section 8, including all such payments and amounts received after the entire unpaid principal of, and interest on, the Notes have been declared due and payable, as well as all payments or amounts then held or thereafter received by the Secured Party as part of the Collateral while an Event of Default shall be continuing, shall be promptly applied and distributed to the Secured Party in the following order of priority:

(a) first, to the payment of all reasonable costs and expenses, including reasonable attorneys' fees and expenses, incurred or made hereunder by the Secured Party, including any such costs and expenses of foreclosure or suit, if any, and of any sale or the exercise of any other remedy under Section 8, and of all taxes, assessments, or liens superior to the lien granted under this Agreement, except any taxes, assessments, or other superior lien subject to which any said sale under Section 8 may have been made; and

(b) second, to the payment to the Secured Party of the amount then owing or unpaid on the Notes, with application on the Notes to be made *first* to the unpaid interest thereon (if any), and *second*, to the unpaid principal thereof, such application to be made upon presentation of the Notes and the notation thereon of the payment, if partially paid, or the surrender and cancellation thereof, if fully paid shall be made; and

(c) third, to the payment of the balance or surplus, if any, to the Company, its successors and assigns, or to whomsoever may be lawfully entitled to receive the same.

10. Power of Attorney. The Company hereby appoints the Secured Party, the attorney-in-fact of the Company to (i) prepare, sign and file or record, for the Company, in the Company's name, any financing statement and to take any other action reasonably deemed by the Secured Party necessary or desirable to perfect and continue the security interest of the Secured Party hereunder, and to perform any obligations of the Company hereunder, at the Company's expense, but without obligation to do so; and (ii) after an Acceleration, to take any and all actions necessary or appropriate to collect, compromise, settle, sell or otherwise deal with any or all of the Collateral or proceeds thereof and to obtain, adjust, settle, and cancel any policies of insurance referred to herein. Such power of attorney is coupled with an interest and is irrevocable so long as any of the Obligations remains outstanding.

11. Secured Party's Right to Cure; Reimbursement. If the Company should fail to do any act as herein provided, the Secured Party may, but shall have no obligation to do so, with reasonable notice to the Company, and without releasing the Company from any obligation hereof, make or do the same in such manner and to such extent as the Secured Party may deem necessary to protect the Collateral, including without limitation, the defense of any action purporting to affect the Collateral or the rights or powers of the Secured Party hereunder, at the Company's expense. The Company shall reimburse the Secured Party for reasonable expenses incurred under this Section 11.

12. Miscellaneous.

(a) This Agreement, together with the covenants and warranties contained in it, shall inure to the benefit of the Secured Party and its permitted successors, assigns, heirs and personal representatives, and shall be binding upon the Company and its successors and assigns.

(b) All notices and other communications provided for hereunder shall be in writing and, if to the Company or the Secured Party, mailed or delivered to it, addressed to it at the address specified in the preamble hereto, or as to any party hereto at such other address as shall be designated by such party in a written notice to each other party complying as to delivery with the terms of this Section 12. All such notices and other communications shall, when mailed, be effective when deposited in the mails, addressed as aforesaid.

(c) This Agreement shall terminate on the satisfaction in full of all the Obligations for the payment of money under the Notes and, on such termination, the Secured Party shall take all steps reasonably requested by the Company to release the security interest granted in the Collateral hereunder; *provided, however,* that if after receipt of any payment of any payment of all or any part of the Obligations, the Secured Party is for any reason compelled to surrender such payment to any person or entity, because such payment is determined to be void or voidable as a preference, an impermissible setoff, or a diversion of trust funds or for any other reason relating to the Company's status, this Agreement shall continue in full force notwithstanding any contrary action which may have been taken by the Secured Party in reliance

upon such payment, and any such contrary action so taken shall be without prejudice to the Secured Party's rights under this Agreement and shall be deemed to have been conditioned upon such payment having become final and irrevocable.

(d) If any provision of this Agreement is invalid, illegal, or unenforceable, the balance of this Agreement shall remain in effect, and if any provision is inapplicable to any person or circumstance, it shall nevertheless remain applicable to all other persons and circumstances.

(e) The headings in this Agreement are solely for convenience of reference and shall be given no effect in the construction or interpretation of this Agreement.

(f) This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

(g) This Agreement shall be governed by and construed in accordance with the laws of the State of California, without giving effect to principles of conflicts of laws. Unless otherwise defined herein, terms defined in Articles 8 and 9 of the UCC are used herein as therein defined. Any action, suit, or proceeding arising out of, based on, or in connection with this Agreement or the transactions contemplated hereby may be brought in the United States District Court for the Southern District of California and each party covenants and agrees not to assert, by way of motion, as a defense, or otherwise, in any such action, suit, or proceeding, any claim that it or he is not subject personally to the jurisdiction of such court, that its or his property is exempt or immune from attachment or execution, that the action, suit, or proceeding is brought in an inconvenient forum, that the venue of the action, suit, or proceeding is improper, or that this Agreement or the subject matter hereof may not be enforced in or by such court.

(h) No course of dealing and no delay or omission on the part of a Secured Party in exercising any right or remedy shall operate as a waiver thereof or otherwise prejudice the Secured Party's rights, powers, or remedies. No right, power or remedy conferred by this Agreement upon the Secured Party shall be exclusive of any other right, power or remedy referred to herein or now or hereafter available at law, in equity, by statute or otherwise, and all such remedies may be exercised singly or concurrently.

(i) This Agreement, together with the Notes and the Convertible Note Purchase Agreement, sets forth the entire understanding of the parties with respect to the subject matter hereof, supersedes all existing agreements among them concerning such subject matter and may be modified only by a written instrument duly executed by the party intended to be bound thereby.

(j) In the absence of willful misconduct taken or omitted in bad faith, gross negligence, or other action which, by clear and convincing evidence, greatly departs from commercially reasonable conduct, the Secured Party shall not be liable to the Company or any other person for any act or omission, any mistake of fact or any error of judgment in exercising any right or remedy granted herein.


[Signature Page Follows.]

IN WITNESS WHEREOF, the parties have executed this Security Agreement on the date set forth above.

**UBIMED, INC.**

By: 

Name & Title: UBIMED president & CEO

  
Jose Bensoussan, individually

**MOFFITT-ADAMS INVESTMENTS,  
LLC**

By: \_\_\_\_\_

Name & Title: \_\_\_\_\_

IN WITNESS WHEREOF, the parties have executed this Security Agreement on the date set forth above.

**UBIMED, INC.**

By: \_\_\_\_\_  
Name & Title:

\_\_\_\_\_  
Jose Bensoussan, individually

**MOFFITT-ADAMS INVESTMENTS,  
LLC**

By: Charles Moffitt  
Name & Title: MANAGER

**EXHIBIT A**  
**PERMITTED LIENS**

None.