

PATENT ASSIGNMENT COVER SHEET

Electronic Version v1.1
 Stylesheet Version v1.2

EPAS ID: PAT4038663

SUBMISSION TYPE:	NEW ASSIGNMENT	
NATURE OF CONVEYANCE:	SECURITY INTEREST	
CONVEYING PARTY DATA		
	Name	Execution Date
	QUANTUMSPHERE, INC.	12/04/2015
RECEIVING PARTY DATA		
Name:	ROBERT & MILLY KAYYEM	
Street Address:	C/O 2905 TECH CENTER DR.	
City:	SANTA ANA	
State/Country:	CALIFORNIA	
Postal Code:	92705	
Name:	THE JON F. KAYYEM AND PAIGE N. GATES-KAYYEM FAMILY TRUST	
Street Address:	C/O 2905 TECH CENTER DR.	
City:	SANTA ANA	
State/Country:	CALIFORNIA	
Postal Code:	92705	
Name:	FRANCIS POLI	
Street Address:	C/O 2905 TECH CENTER DR.	
City:	SANTA ANA	
State/Country:	CALIFORNIA	
Postal Code:	92705	
Name:	MICHAEL HARRIS	
Street Address:	C/O 2905 TECH CENTER DR.	
City:	SANTA ANA	
State/Country:	CALIFORNIA	
Postal Code:	92705	
Name:	FRED BOHLANDER III	
Street Address:	C/O 2905 TECH CENTER DR.	
City:	SANTA ANA	
State/Country:	CALIFORNIA	
Postal Code:	92705	
Name:	POWERBRIDGE, LLC	
Street Address:	C/O 2905 TECH CENTER DR.	
City:	SANTA ANA	

PATENT

State/Country:	CALIFORNIA
Postal Code:	92705
Name:	JOHN M. FAY
Street Address:	C/O 2905 TECH CENTER DR.
City:	SANTA ANA
State/Country:	CALIFORNIA
Postal Code:	92705
Name:	THE K FUND, L.P.
Street Address:	C/O TECH CENTER DR.
City:	SANTA ANA
State/Country:	CALIFORNIA
Postal Code:	92705
Name:	THE MAICHEN FAMILY TRUST DATED 7/13/99
Street Address:	C/O 2905 TECH CENTER DR.
City:	SANTA ANA
State/Country:	CALIFORNIA
Postal Code:	92705
Name:	JEFF MAICHEN
Street Address:	C/O TECH CENTER DR.
City:	SANTA ANA
State/Country:	CALIFORNIA
Postal Code:	92705
Name:	FUSE CAPITAL, LLC
Street Address:	C/O 2905 TECH CENTER DR.
City:	SANTA ANA
State/Country:	CALIFORNIA
Postal Code:	92705
Name:	MILLENIUM TRUST CO. CUSTODIAN FBO FRANCIS C. POLI IRAT
Street Address:	C/O 2905 TECH CENTER DR.
City:	SANTA ANA
State/Country:	CALIFORNIA
Postal Code:	92705
Name:	QUBA HOLDINGS, LLC
Street Address:	C/O 2905 TECH CENTER DR.
City:	SANTA ANA
State/Country:	CALIFORNIA
Postal Code:	92705
Name:	SRINVADA RAO KOTHAPALLI
Street Address:	C/O 2905 TECH CENTER DR.

PATENT

REEL: 039918 FRAME: 0340

City:	SANTA ANA
State/Country:	CALIFORNIA
Postal Code:	92705

PROPERTY NUMBERS Total: 11

Property Type	Number
Application Number:	10840409
Application Number:	10983993
Application Number:	11591787
Application Number:	12924136
Application Number:	11781909
Application Number:	13110841
Application Number:	11254627
Application Number:	11745957
Application Number:	14085500
Application Number:	15055401
Application Number:	62343749

CORRESPONDENCE DATA

Fax Number: (949)760-9502

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.

Phone: 9497600404

Email: eibarra@knobbe.com

Correspondent Name: KNOBBE MARTENS OLSON & BEAR LLP

Address Line 1: 2040 MAIN STREET

Address Line 2: 14TH FLOOR

Address Line 4: IRVINE, CALIFORNIA 92614

ATTORNEY DOCKET NUMBER:	QSINC.000GEN
NAME OF SUBMITTER:	BRIDGET A. SMITH
SIGNATURE:	/Bridget A. Smith/
DATE SIGNED:	09/06/2016

Total Attachments: 22

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SECURITY AGREEMENT

THIS SECURITY AGREEMENT (this "Agreement"), is entered into as of _____ by and between QuantumSphere, Inc., a Nevada corporation (the "Borrower"), and each of the secured parties whose name appears on the signature pages to this Agreement (individually, a "Secured Party" and, collectively, the "Secured Parties"). All capitalized terms not otherwise defined herein shall the meanings ascribed to them in those certain Note Purchase Agreements and the Notes (as defined below) by and between Borrower and each Secured Party (the "Note Purchase Agreements").

RECITALS

WHEREAS, the Secured Parties have loaned monies to Borrower, as more particularly described in the Note Purchase Agreements and as evidenced by 10% Subordinated Convertible Promissory Notes (Series O-2) issued by Borrower to the Secured Parties (the "Notes");

WHEREAS, the term "Secured Party" as used in this Agreement shall mean, collectively, all holders of Notes, including those persons who become holders of Notes subsequent to the date hereof; and

WHEREAS, this Agreement is being executed and delivered by Borrower to secure the Notes.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each of the parties hereto hereby agrees as follows:

1. Obligations Secured. This Agreement secures, in part, the prompt payment and performance of all obligations of Borrower under the Notes, and all renewals, extensions, modifications, amendments, and/or supplements thereto (collectively, the "Secured Obligations").

2. Grant of Security.

a. Collateral. Borrower hereby grants, pledges, and assigns for the benefit of the Secured Parties, and there is hereby created in favor of each of the Secured Parties, a security interest in and to all of Borrower's right, title, and interest in, to, and under all of the collateral set forth on Exhibit A hereto (collectively, "Collateral") subject to Section 2(c) below.

b. Effective Date. This grant of security shall be effective as of the date hereof.

c. Subordination. The Notes and the Secured Obligations shall be subordinated, or junior in interest, to the obligations of Borrower in favor of its senior lender, Novus Capital, or any other third party senior lender who provides a senior secured loan to the Company during the term of the Notes, as well as debt incurred in the ordinary course of business.

3. Filings to Perfect Security. The Company will (and is hereby authorized to) file with any filing office such financing statements, amendments, addenda, continuations, terminations, assignments and other records (whether or not executed by Borrower) to perfect and to maintain perfected security interests in the Collateral by the Secured Parties, whereby (a) promptly upon the execution of this Agreement, a Financing Statement on Form UCC-1 (the "Financing Statement") shall be filed with the California Secretary of State on behalf of the Secured Parties with respect to the Collateral; The Financing Statement shall designate each of the Secured Parties as a Secured Party and Borrower as the debtor, shall identify the security interest in the Collateral, and contain any other items required by law.

The Financing Statement shall contain a description of collateral consistent with the description set forth herein and shall not describe the collateral as "all assets" or "all personal property."

4. Transfers and Other Liens. Except as set forth in Section 2(c) herein or in the Notes, Borrower shall not, without the prior written consent of the Collateral Agent, in its sole and absolute discretion:

d. Sell, transfer, assign, or dispose of (by operation of law or otherwise), any of the Collateral outside of the ordinary course of business;

e. Create or suffer to exist any lien, security interest, or other charge or encumbrance upon or with respect to any of the Collateral, except the security interests created hereby; or

f. Permit any of the Collateral to be levied upon under any legal process.

5. Representations and Warranties. Borrower hereby represents and warrants to the Secured Parties as follows: (a) to Borrower's knowledge, Borrower is the owner of the Collateral (or, in the case of after-acquired Collateral, at the time Borrower acquires rights in the Collateral, will be the owner thereof) and that, except as expressly provided herein or contemplated pursuant to Section 2(c) herein, no other person has (or, in the case of after-acquired Collateral, at the time Borrower acquires rights therein, will have) any right, title, claim or interest (by way of Lien or otherwise) in, against or to the Collateral; (b) to Borrower's knowledge, except as expressly provided herein, upon the filing of a Financing Statement with the California Secretary of State, the Secured Parties (or in the case of after-acquired Collateral, at the time Borrower acquires rights therein, will have) will have a perfected security interest in the Collateral to the extent that a security interest in the Collateral can be perfected by such filing; (c) all Accounts Receivable (as defined in Exhibit A) are genuine and enforceable against the party obligated to pay the same; (d) Borrower has full power and authority to enter into the transactions provided for in this Agreement and the Notes; (e) this Agreement and the Notes, when executed and delivered by Borrower, will constitute the legal, valid and binding obligations of Borrower enforceable in accordance with their terms; (f) the execution and delivery by Borrower of this Agreement and the Notes and the performance and consummation of the transactions contemplated hereby and thereby do not and will not violate Borrower's Certificate of Incorporation or Bylaws or any material judgment, order, writ, decree, statute, rule or regulation applicable to Borrower (g) there does not exist any default or violation by Borrower of or under any of the terms, conditions or obligations of (i) any indenture, mortgage, deed of trust, franchise, permit, contract, agreement, or other instrument to which Borrower is a party or by which Borrower is bound, or (ii) any law, ordinance, regulation, ruling, order, injunction, decree, condition or other requirement applicable to or imposed upon Borrower by any law, the action of any court or any governmental authority or agency; and the execution, delivery and performance of this Agreement will not result in any such default or violation; (h) there is no action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand pending or, to the knowledge of Borrower, threatened which adversely affects Borrower's business or financial condition and there is no basis known to Borrower for any action, suit, proceeding, hearing, investigation, charge, complaint, claim, or demand which could result in the same; and (i) this Agreement and the Notes do not contain any untrue statement of material fact or omit to state a material fact necessary in order to make the statements contained in this Agreement and the Notes not misleading.

6. Events of Default. For purposes of this Agreement, the term "Event of Default" shall mean and refer to any of the following:

g. Failure of Borrower to perform or observe any covenant set forth in this Agreement, or to perform or observe any other term, condition, covenant, warranty, agreement or other

provision contained in this Agreement, where such failure continues for fifteen (15) days after receipt of written notice from Lender specifying such failure;

h. Any representation or warranty made or furnished by Borrower in writing in connection with this Agreement and the Notes or any statement or representation made in any certificate, report or opinion delivered pursuant to this Agreement or in connection with this Agreement is false, incorrect or incomplete in any material respect at the time it is furnished; or

i. Occurrence of any other Event of Default as defined in the Note.

7. Remedies. Upon the occurrence and during the continuance of an Event of Default (subject to the notice and cure provisions provided for herein, if any), each Secured Party shall have the rights of a secured creditor under the California Uniform Commercial Code, all rights granted by the Notes, this Security Agreement and by law, including the right to require Borrower to assemble the Collateral and make it available to the Secured Parties at a place to be designated by Borrower. The rights and remedies provided in this Agreement and the Notes are cumulative and may be exercised independently or concurrently, and are not exclusive of any other right or remedy provided at law or in equity. No failure to exercise or delay by the Secured Parties in exercising any right or remedy under this Agreement or the Notes shall impair or prohibit the exercise of any such rights or remedies in the future or be deemed to constitute a waiver or limitation of any such right or remedy or acquiescence therein. Every right and remedy granted to the Secured Parties under this Agreement and the Notes or by law or in equity may be exercised by any Secured Party at any time and from time to time.

8. Further Assurances. Borrower agrees that, from time to time, at its own expense, it will:

j. Protect and defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein, and preserve and protect Secured Party's security interest in the Collateral.

k. Promptly execute and deliver to Secured Parties all instruments and documents, and take all further action necessary or desirable, as any Secured Party may reasonably request to (i) continue, perfect, or protect any security interest granted or purported to be granted hereby, and (ii) enable a Secured Party to exercise and enforce any of Secured Party's rights and remedies hereunder with respect to any Collateral.

l. Permit a Secured Party's representatives to inspect and make copies of all books and records relating to the Collateral, wherever such books and records are located, and to conduct an audit relating to the Collateral at any reasonable time or times.

9. Reserved.

10. Notices. All notices required or permitted hereunder shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed telex, e-mail or facsimile if sent during normal business hours of the recipient, if not, then on the next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent as follows:

If to the Secured Party:

Facsimile: _____

If to Borrower:

QuantumSphere, Inc.
2905 Tech Center Dr.
Santa Ana, CA 92705
Facsimile: 714-545-6265
Attn: General Counsel

or to such other address or telecopy number as the party to whom notice is to be given may have furnished to the other party in writing in accordance herewith.

11. Amendments and Waivers. No modification, amendment or waiver of any provision of, or consent required by, this Agreement, nor any consent to any departure herefrom, shall be effective unless it is in writing and signed by each of the parties hereto. Such modification, amendment, waiver or consent shall be effective only in the specific instance and for the purpose for which given.

12. Exclusivity and Waiver of Rights. No failure to exercise and no delay in exercising on the part of any party, any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other right, power or privilege. The rights and remedies herein provided are cumulative and are not exclusive of any other rights or remedies provided by law.

13. Invalidity. Any term or provision of this Agreement shall be ineffective to the extent it is declared invalid or unenforceable, without rendering invalid or enforceable the remaining terms and provisions of this Agreement.

14. Headings. Headings used in this Agreement are inserted for convenience only and shall not affect the meaning of any term or provision of this Agreement.

15. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original instrument, but all of which collectively shall constitute one and the same agreement.

16. Assignment. This Agreement and the rights and obligations hereunder shall not be assignable or transferable by the any of the parties without the prior written consent of the other parties.

17. Survival. Unless otherwise expressly provided herein, all representations warranties, agreements and covenants contained in this Agreement shall survive the execution hereof and shall remain in full force and effect until the earliest to occur of (a) the payment in full of the Notes, and (b) the conversion of the principal and accrued and unpaid interest and all other amounts owing under the Notes into common stock of Borrower.

18. Miscellaneous. This Agreement shall inure to the benefit of each of the parties hereto and all their respective successors and permitted assigns. Nothing in this Agreement is intended or shall be construed to give to any other person, firm or corporation any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained.

19. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEVADA (WITHOUT GIVING EFFECT TO ANY CHOICE OR CONFLICT OF LAWS PROVISIONS).

20. CONSENT TO JURISDICTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF CALIFORNIA. EACH OF THE PARTIES HERETO AGREES THAT ALL ACTIONS OR PROCEEDINGS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY MUST BE LITIGATED EXCLUSIVELY IN ANY SUCH STATE OR FEDERAL COURT, AND ACCORDINGLY, EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF THE VENUE OF ANY SUCH LITIGATION IN ANY SUCH COURT.

21. WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT. EACH OF THE PARTIES HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND EACH OF THE OTHER PARTIES HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT, BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 21.

22. Attorneys' Fees. In the event that any suit or action is instituted to enforce any provision in this Agreement, the prevailing party in such dispute shall be entitled to recover from the losing party all fees, costs and expenses of enforcing any right of such prevailing party under or with respect to this Agreement, including without limitation, such reasonable fees and expenses of attorneys and accountants, which shall include, without limitation, all fees, costs and expenses of appeals.

23. Entire Agreement. This Agreement contains the entire agreement among the parties with respect to the transactions contemplated by this Agreement and supersedes all prior agreements or understandings among the parties with respect to the subject matter hereof.

[SIGNATURE PAGE(S) FOLLOW]

19. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEVADA (WITHOUT GIVING EFFECT TO ANY CHOICE OR CONFLICT OF LAWS PROVISIONS).

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[SIGNATURE PAGE(S) FOLLOW]

IN WITNESS WHEREOF, this Security Agreement has been executed as of the date first set written above.

"SECURED PARTY"

By:

Name:

Title (if applicable):

"BORROWER"

QUANTUMSPHERE, INC.,
a Nevada corporation

By:
Kevin D. Maloney
Chief Executive Officer & President

EXHIBIT A
COLLATERAL

Subject to Section 2(c) of the Security Agreement, Borrower hereby grants, pledges, and assigns for the benefit of each Secured Party, and there is hereby created in favor of the Secured Parties, a security interest in and to all of Borrower's right, title, and interest in, to, and under all assets and all personal property of Borrower, whether now or hereafter existing, or now owned or hereafter acquired, including but not limited to the following (collectively, "Collateral");

1. 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 ("Accounts Receivable");

2. All time, savings, demand, certificate of deposit or other accounts in the name of Borrower or in which Borrower 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;

3. 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 property of whatever kind and wherever located associated with the Borrower's business, tools and goods returned for credit, repossessed, reclaimed or otherwise reacquired by Borrower;

4. 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;

5. All know-how, information, permits, patents, copyrights, goodwill, trademarks, trade names, licenses and approvals held by Borrower, including all other intangible property of Borrower;

6. All assets of any type or description that may at any time be assigned or delivered to or come into possession of Borrower for any purpose for the account of Borrower or as to which Borrower 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 Borrower, as well as all proceeds and products thereof and accessions and annexations thereto; and

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

IN WITNESS WHEREOF, this Security Agreement has been executed as of the date first set
written above.

"SECURED PARTY"

By: Robert Kopyen
Name: Robert Kopyen
Title (if applicable): _____

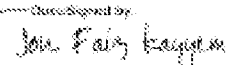
"BORROWER"

QUANTUMSPHERE, INC.,
a Nevada corporation

By: Kevin D. Maloney
Kevin D. Maloney
Chief Executive Officer & President

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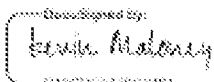
"SECURED PARTY"

By: 

Jon Fatz Kayyem
Name: _____
Trustee
Title (if applicable): _____

"BORROWER"

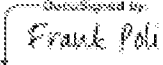
QUANTUMSPHERE, INC.,
a Nevada corporation

By: 

Kevin D. Maloney
Chief Executive Officer & President

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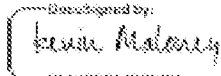
"SECURED PARTY"

By: 

Name: Frank Poli
Title (if applicable): _____

"BORROWER"

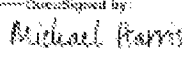
QUANTUMSPHERE, INC.,
a Nevada corporation

By: 

Kevin D. Maloney
Chief Executive Officer & President

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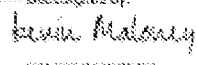
"SECURED PARTY"

By: 

Michael Harris
Name: _____
Title (if applicable): _____

"BORROWER"

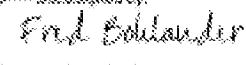
QUANTUMSPHERE, INC.,
a Nevada corporation

By: 

Kevin D. Maloney
Chief Executive Officer & President

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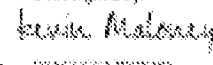
"SECURED PARTY"

By: 

Fred Bohlander
Name: _____
Title (if applicable): _____

"BORROWER"

QUANTUMSPHERE, INC.,
a Nevada corporation

By: 

Kevin D. Maloney
Chief Executive Officer & President

IN WITNESS WHEREOF, this Security Agreement has been executed as of the date first set written above.

"SECURED PARTY"

Designated by:
By: Tom Beaumonte
Name: Tom Beaumonte
Title (if applicable): CFO

"BORROWER"

QUANTUMSPHERE, INC.,
a Nevada corporation

Designated by:
By: Kevin Maloney
Kevin D. Maloney
Chief Executive Officer & President

IN WITNESS WHEREOF, this Security Agreement has been executed as of the date first set written above.

"SECURED PARTY"

By: ^{Dec. signed by:}
John Fay
John Fay
Name: _____
Title (if applicable): _____

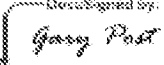
"BORROWER"

QUANTUMSPHERE, INC.,
a Nevada corporation

By: ^{Dec. signed by:}
Kevin D. Maloney
Kevin D. Maloney
Chief Executive Officer & President

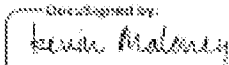
IN WITNESS WHEREOF, this Security Agreement has been executed as of the date first set written above.

"SECURED PARTY"

By:  _____
Name: Gary Post
Title (if applicable): Manager of the General Partner


"BORROWER"

QUANTUMSPHERE, INC.,
a Nevada corporation

By:  _____
Kevin D. Maloney
Chief Executive Officer & President

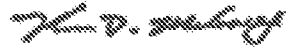
IN WITNESS WHEREOF, this Security Agreement has been executed as of the date first set written above.

"SECURED PARTY"

DocuSigned by:

By: _____
Jeff Maichen
Name: _____
Title (if applicable): Trustee

"BORROWER"

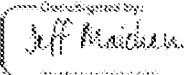
QUANTUMSPHERE, INC.,
a Nevada corporation

By: 

Kevin D. Maloney
Chief Executive Officer & President

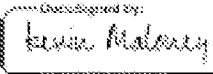
IN WITNESS WHEREOF, this Security Agreement has been executed as of the date first set written above.

"SECURED PARTY"

By:  _____
Name: Jeff Maichen
Title (if applicable): Trustee


"BORROWER"

QUANTUMSPHERE, INC.,
a Nevada corporation

By:  _____
Kevin D. Maloney
Chief Executive Officer & President

IN WITNESS WHEREOF, this Security Agreement has been executed as of the date first set written above.

"SECURED PARTY"

By: 
Mark S. Smith

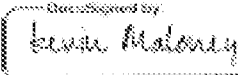
Name: _____

Sole Member

Title (if applicable): _____

"BORROWER"

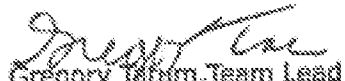
QUANTUMSPHERE, INC.,
a Nevada corporation

By: 
Kevin D. Maloney
Chief Executive Officer & President

IN WITNESS WHEREOF, this Security Agreement has been executed as of the date first set written above.

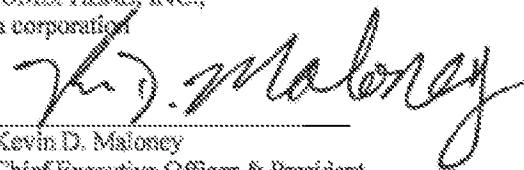
"SECURED PARTY"

Decoupled by:
Francis C. Poli
By: _____
Millennium Trust Company, LLC Cust. ID: _____
Francis C. Poli IAA XXXX66151
Name: _____
Client
Title (if applicable): _____


Gregory Tatum, Team Lead
Millennium Trust Co., LLC
As Custodian 1-22-16

"BORROWER"

QUANTUMSPHERE, INC.,
a Nevada corporation

By: 
Kevin D. Maloney
Chief Executive Officer & President

IN WITNESS WHEREOF, this Security Agreement has been executed as of the date first set written above.

"SECURED PARTY"

QUBA HOLDINGS, LLC, a Nevis limited liability company

DocuSigned by:
Benjamin Bequer
By: SR1E42CECF2M64

Name: Benjamin Bequer

Title (if applicable): Manager

"BORROWER"

QUANTUMSPHERE, INC.,
a Nevada corporation

By: *Kevin D. Maloney*
Kevin D. Maloney
Chief Executive Officer & President

IN WITNESS WHEREOF, this Security Agreement has been executed as of the date first set written above.

"SECURED PARTY"

By: _____

Name: _____

Srinivasa Rao Kothapalli

Title (if applicable): _____

"BORROWER"

QUANTUMSPHERE, INC.,
a Nevada corporation

By: _____

K. D. Maloney
Kevin D. Maloney
Chief Executive Officer & President