

## BRIDGE LOAN AGREEMENT

**THIS BRIDGE LOAN AGREEMENT** (this "Agreement") is made effective October 5, 2018 ("Effective Date") by and between **GMA BRIDGE FUND, LLC**, Florida limited liability company having a business address at 22069 Cocoa Palm Way, Unit 154, Boca Raton, Florida 33433 or its designees, successors or assigns ("Lender") and **BIOSTEM TECHNOLOGIES, INC.**, a Florida corporation having a business address at 2836 Centerport Circle, Pompano Beach, Florida 33064 ("Borrower").

### RECITALS:

**WHEREAS**, Borrower, a life sciences company, desires to borrow from Lender to meet its immediate working capital needs; and

**WHEREAS**, Lender agrees to make available funds to enable Borrower to operate its business;

**WHEREAS**, Borrower intends to repay the Loan Amount out of the proceeds expected to be realized by Borrower from an offering expected to yield a minimum of \$15,000,000 or more; and

**WHEREAS**, Borrower and Lender desire to outline the business arrangement between them as it relates to the funding of such bridge loan (the "Loan");

**NOW, THEREFORE**, in consideration of the recitals, premises and the mutual agreements contained herein, and other good consideration, the sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

### ARTICLE 1. LOAN

1.1 Incorporation of Recitals. It is expressly agreed that the recitals to this Agreement are incorporated herein and made an operative part of this Agreement.

1.2 Loan. Lender hereby agrees to lend the sum of Two Million Dollars ("(\$2,000,000)") ("Loan Amount") to Borrower and Borrower hereby accepts the Loan Amount from Lender and agrees to repay the same plus interest and costs and expenses upon terms and conditions as further set forth in this Agreement and its exhibits and any related governmental (i.e. UCC) filings (the "Loan Documentation").

1.3 Promissory Note. As consideration for the Loan, Borrower shall execute and deliver a secured promissory note (a "Note") payable to Lender for the principal amount of the Loan plus interest in substantially the same form as "Exhibit A" ("**Exhibit A**") which is hereby incorporated by reference.

1.4 Interest. Borrower shall pay interest to Lender on the Loan Amount (plus any accrued but unpaid costs and/or expenses) from the Funding Date at the rate of one-half percent (0.5%) per month up to six months from the Funding Date; thereafter, at the rate of three quarters of one percent (0.75%) per month until the Maturity Date or unless sooner satisfied. ("Interest Rate"). Interest shall be due and payable by Borrower to Lender upon the Maturity Date.

1.5 Principal. The Loan Amount shall made available to Borrower on October 5, 2018 ("Funding Date") in lawful money of the United States of America. Principal plus interest and any and all unpaid costs and/or expenses shall be repaid by Borrower to Lender on or before the sooner of: (i) a debt or equity financing in the amount of \$15,000,000 OR (ii) the one year anniversary of the Funding Date (the "Maturity Date"). Borrower shall not be entitled to re-borrow any prepaid loan amount, interest or other costs or charges.

1.6 Security Interest. As additional consideration for the Loan, Borrower hereby grants a continuing security interest in the assets and stock and/or other collateral of Borrower as set forth in security provisions of the Note until the Note is satisfied.

1.7 Preferences. The Note owed to Lender issued in conjunction with this Agreement shall be junior to that of any other company obligations not issued pursuant to this Agreement.

1.8 Compliance. The parties intend that this Loan be undertaken in full compliance with state and federal laws and at non-usurious rates. In the event the terms and conditions of this Agreement shall found to be unlawful, this Agreement shall be voluntarily conformed by the parties or by a court of competent jurisdiction.

## ARTICLE 2. RELATED LOAN PROVISIONS

2.1 Use of Proceeds. Borrower will use the proceeds for lawful business purposes only including but not limited to facilitating drug compounding activities, acquiring a pharmaceutical company and undertaking stem cell and cell bank development activities. The business uses will be determined by Borrower in its sole discretion.

2.2 Administrative Fees. Borrower shall pay an administrative fee of ten percent (10%) of the Loan Amount on the Maturity Date.

2.3 Costs And Expenses. At Closing, Borrower shall be responsible for all out-of-pocket costs and legal expenses incurred by Lender in connection with this Loan which shall include: attorney fees, UCC searches and filing fees, documentary stamp taxes and the like incurred in connection with the Loan.

## ARTICLE 3. CLOSING

3.1 Closing. The closing of the Loan shall take place simultaneously with the

execution of this Agreement and the Promissory Note.

3.2 Lender's Closing. Lender shall deliver the Loan Amount to borrower via bank check or wire transfer or such other manner as shall be mutually agreed upon between Borrower and Lender (the "Closing").

3.3 Borrower's Closing. At Closing, Borrower shall deliver: (i) this Agreement duly executed by Borrower; (ii) the Note duly executed by Borrower; and (iii) the Consulting Agreement described and defined in **Section 1.8** duly executed by Borrower.

3.4 Application of Payments. Unless a payment is made by Borrower and received at a time when no Default or Event of Default exists and is earmarked for a specific purpose (e.g., a periodic interest payment), the general rule for application of payments to the obligations shall call for application: (i) first, to accrued expense or indemnity obligations then due under this Agreement or any Note; (ii) second, to accrued interest under any Note; and (iii) third, to principal of the Loan.

#### **ARTICLE 4. REPRESENTATIONS, WARRANTIES AND COVENANTS OF BORROWER**

4.1 Authority. Borrower is a Florida corporation in good standing and has the full power and legal authority to conduct its business and to make, deliver and perform this Agreement. Borrower has taken all necessary actions to authorize the execution, delivery and performance of this Agreement, and the borrowing on the terms and conditions of this Agreement. No consent or authorization of, filing with, notice to or other similar act by or in respect of, any governmental authority or any other person (including persons who are beneficiaries of obligations of Borrower) is required to be obtained or made by or on behalf of Borrower in connection with the execution, delivery, performance, validity or enforceability of this Agreement. This Agreement has been submitted to, ratified and approved by the Board of Directors of Borrower in the manner required by law.

4.2 Effectiveness. Upon execution, this Agreement and its exhibits shall constitute the legal, valid and binding obligation of Borrower, enforceable against Borrower in accordance with its terms except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization moratorium or similar laws affecting creditors' rights generally and except as enforceability may be subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

4.3 No Legal or Contractual Bar. This borrowing and the use of proceeds: (a) do not and will not violate any requirement of law or obligation of Borrower or permit the acceleration of any obligation of Borrower pursuant to any such obligation; and (b) do not and will not result in, or require, the creation of imposition of any lien on any of Borrower's properties or revenues pursuant to any such requirement of law or obligation.

4.4 Brokers. No broker or finder has acted for Borrower in connection with this Agreement or the contemplated Loan, and no broker or finder is entitled to any brokerage or

finder's fees or other commission in respect of such Loan based in any way on agreements, arrangements or understandings made by or on behalf of Borrower.

4.5 Waiver. Borrower and all of its members have waived any potential conflict of interest that could otherwise ever be asserted against Lender arising out of matters relating to this Agreement or the Loans.

4.6 Information. To the best of its knowledge, Borrower confirms that: (a) all information and written materials which Borrower has provided or will provide to Lender in connection with the Loan are accurate; and (b) Borrower has all the necessary authority to disclose, provide copies and authorize the use of such information and written materials to Lender. Lender is hereby authorized by Borrower to use such information and written materials for its evaluation of the Loan by its officers, directors, employees, agents and representatives for internal assessment purposes and for the purpose of inclusion of information and materials to nominees selected by Lender for purposes of syndicating the proposed Loan.

## **ARTICLE 5. REPRESENTATIONS AND WARRANTIES OF LENDER**

5.1 Authority. Lender is a Florida limited liability company and has the power and authority, and the legal right, to make, deliver and perform this Agreement and to lend funds to Borrower, and has taken all necessary action to authorize the execution, delivery and performance of this Agreement. No consent or authorization of, filing with, notice to or other similar act by or in respect of, any governmental authority or any other person (including persons who are beneficiaries of obligations of Borrower) is required to be obtained or made by or on behalf of Lender in connection with the execution, delivery, performance, validity or enforceability of this Agreement. This Agreement has been submitted to, ratified and approved by the Board of Managers of Lender in the manner required by law.

5.2 Effectiveness. Upon execution, this Agreement and its exhibits shall constitute the legal, valid and binding obligation of Lender, enforceable against Lender in accordance with its terms except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and except as enforceability may be subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law.

## **ARTICLE 6. CONDITIONS OF LENDING**

6.1 Representations and Warranties. Each of the representations and warranties made by each party to the other pursuant to this Agreement (or in any amendment, modification or supplement hereto or thereto) shall, except to the extent that they relate to a particular date, be true and correct in all material respects on and as of such date as if made on and as of such date.

6.2 Financial Condition of Borrower. Borrower has provided, or will provide as available, all material information regarding the financial condition of Borrower as of the latest practicable date. During the term of the Loan, Borrower shall provide quarterly financial reports

to Lender and make interim financial updates for material events.

6.3 Approval. This Agreement has been submitted to, ratified and approved by the Board of Directors of Borrower and by Lender in the manner required by the law of Lender's jurisdiction of residence.

6.4 Compliance. Borrower will maintain and operate the business in accordance with all applicable laws, regulations, industry and insurance requirements. Borrower shall obtain and maintain such authorizations, licenses, permits and other governmental or regulatory agency approvals as are required for the performance of this Loan Agreement.

6.5 Insurance. Borrower shall obtain and maintain liability and property and casualty insurance in such amounts, with insurers and under policies in form and substance reasonably satisfactory to Lender.

6.6 No Default. Borrower shall have complied with each and every covenant and agreement applicable to it contained in this Agreement and Note and no Event of Default shall have occurred and be continuing on such date or after giving effect to the applicable Loan.

## ARTICLE 7. EVENTS OF DEFAULT

7.1 Event of Default. An "Event of Default" shall mean any of the events specified herein; provided that any requirement for the giving of notice, the lapse of time, or both, or any other condition, has been satisfied. The following are Events of Default under this Agreement, the Loan and any Notes hereunder:

(a) Borrower shall fail to pay: (i) any principal of the Loan when due in accordance with the terms hereof or (ii) any interest on the Loan, in either case within then (10) business days of the date when due in accordance with the terms hereof; or

(b) Borrower shall default in the observance or performance of any other covenant or agreement contained in this Agreement and such default continues for fifteen (15) days after the date that Lender has given written notice to Borrower specifying such default and requiring that it be remedied; or (c) (i) Borrower shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, (B) seeking appointment of a receiver, trustee, custodian, conservator or other similar official for it or for all or any substantial part of its assets, or Borrower shall make a general assignment for the benefit of its creditors, or (C) cease doing business in the ordinary course; or (ii) there shall be commenced against Borrower any case, proceeding or other action or a nature referred to in clause (i) above which (A) results in the entry of an order for relief or any such adjudication or appointment or (B) remains undismissed, undischarged, unstayed or unbonded for a period of 60 days; or (iii) there shall be commenced against Borrower any case,

proceeding or other action seeking issuance of a warrant of attachment, execution or similar process against all or any substantial part of its assets which results in the entry of an order for such relief which shall not have been vacated, discharged, stayed or bonded pending appeal within 50 days from the entry thereof; or (iv) Borrower shall take any corporate action in furtherance of, or indicating its consent to, approval of or acquiescence in any of the acts set forth in clause (i), (ii), or (iii) above; or (v) Borrower shall be generally unable to, or shall admit in writing its general inability to, pay its debts as they become due; or

(c) Any representation or warranty made by Borrower under this Agreement shall be false or incorrect in any material respect on the date such representation or warranty was made; or

(d) This Agreement or any Note shall, for any reason, fail or cease to be enforceable in any material respect; then, and in any such event, (A) if such event is an Event of Default specified in clause (i) or (ii) of subsection (c) above, with respect to Borrower, automatically the Loan hereunder (with accrued interest thereon) and all other amounts owing under this Agreement or any Note shall immediately become due and payable, (B) if such event is any other Event of Default, Lender may, by written notice to Borrower, declare the Loan hereunder (with accrued but unpaid interest thereon) and all other amounts owing under this Agreement or any Note to be due and payable forthwith, whereupon the same shall immediately become due and payable, (C) Lender may exercise all rights and remedies available to it in equity, at law, or pursuant to the provisions of this Agreement or otherwise, and (D) Lender may exercise its privilege to collect on the entire amount of any outstanding principal and interest and any and all costs associated with collection (including attorney fees at any level).

7.2 Remedies Not Exclusive. The remedies conferred upon or reserved to Lender are intended to be in addition to, and not in limitation of, any other remedy or remedies available to Lender.

## ARTICLE 8. MISCELLANEOUS

8.1 Amendments. This Agreement and any terms hereof may not be amended, supplemented or modified except pursuant to a writing signed by both Lender and Borrower.

8.2 Notices. All notices, requests and demands to or upon the respective parties hereto be effective shall be in writing (including by facsimile transmission,) and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered: (i) by hand, upon receipt or (ii) three (3) days after being deposited in the mail, postage prepaid, or (iii) in the case of facsimile transmission notice, when received (with confirmation of receipt), or (iii) in the case of delivery by a nationally recognized overnight courier, when received, addressed to the respective parties hereto. Additionally, the parties hereto acknowledge and agree that electronic signatures, in counterparts, may be used to ratify this transaction with full force and effect.

8.3 Successors and Assigns. Borrower may not assign its rights or obligations under this Agreement or any Note without the consent of Lender. Lender may assign its interests in this Agreement or any Note issued hereunder. This Agreement shall be binding upon and inure

to the benefit of Borrower and Lender and their respective successors and permitted assigns.

8.4 Severability. Any provision of this Agreement that is prohibited or unenforceable shall not invalidate or render enforceable such provision in any other jurisdiction.

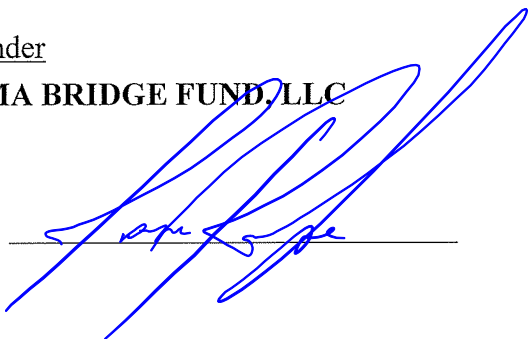
8.5 Governing Law. This Agreement and the rights and obligations of the parties hereunder shall be governed by and interpreted in accordance with the laws of the State of Florida, without regard to any conflict of laws provisions.

**IN WITNESS WHEREOF**, the parties hereto have caused this Bridge Loan Agreement and its exhibits to be duly executed and delivered on their behalf as of the date first above written.

Lender

**GMA BRIDGE FUND, LLC**

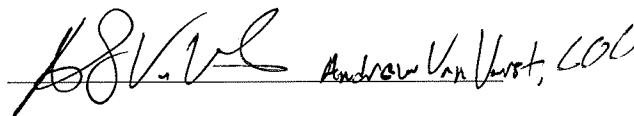
By: \_\_\_\_\_



Borrower

**BIOSTEM TECHNOLOGIES, INC.**

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



**EXHIBIT A**

**PROMISSORY NOTE**