FORM 8-K

Current report filing

Filing Date: **2010-09-20** | Period of Report: **2010-09-15**
SEC Accession No. 0001079973-10-001017

FILER

CAMBRIDGE HOLDINGS LTD

CIK:**712757**| IRS No.: **840826695** | State of Incorp.:**CO** | Fiscal Year End: **0630**
Type: **8-K** | Act: **34** | File No.: **000-12962** | Film No.: **101080616**
SIC: **6512** Operators of nonresidential buildings

Mailing Address
106 S. UNIVERSITY BLVD.
#14
DENVER CO 80209

Business Address
106 S. UNIVERSITY BLVD.
#14
DENVER CO 80209
303-722-4008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported) September 15, 2010

CAMBRIDGE HOLDINGS, LTD.
(Exact name of Registrant as specified in its charter)

Colorado	0-12962	84-0826695
(State or other jurisdiction of incorporation or organization)	**(Commission File Number)**	**(I.R.S. Employer Identification No.)**

106 S. University Blvd., #14, Denver, CO 80209
(Address of Principal Executive Offices)

(303) 722-4008
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

In addition to the transactions described under Item 2.03 below, which are incorporated herein by reference, on September 15, 2010 (the "**Initial Closing Date**"), (i) Cambridge Holdings, Ltd. (the "**Company**") made loans (the "**PMI Loan**") totaling $1,025,000 to Prescient Medical, Inc. ("**PMI**") in consideration for PMI's issuance to the Company of a 6% Senior Secured Promissory Note ("**PMI Note**") in an original principal amount equal to the amount of such PMI Loan, and (ii) PMI and the Company entered into a Security Agreement pursuant to which PMI granted the Company a continuing security interest in all of PMI's assets and any and all proceeds and products therefrom for the purpose of securing the payment and performance of PMI's obligations under the PMI Note and any other agreements, instruments and documents executed in connection therewith, including any Subsequent PMI Notes (as defined below).

The original principal amount of the PMI Note equals the aggregate net proceeds from the sale of Bridge Units (as defined below) by the Company on the Initial Closing Date in connection with the initial closing (the "**Initial Closing**") under that certain Securities Purchase Agreement, dated as of the Initial Closing Date, by and among the Company and certain investors named therein (the "**Purchase Agreement**"). The Company also agreed, pursuant to the Purchase Agreement, to disburse subsequent loans to PMI equal to the net proceeds from the sale of Bridge Units by the Company at subsequent closings under the Purchase Agreement in consideration for the issuance of additional PMI Notes by PMI ("**Subsequent PMI Notes**").

As announced by the Company on the Current Report on Form 8-K filed with the Securities and Exchange Commission (the "**SEC**") on August 20, 2010, PMI and the Company previously entered into a non-binding letter of intent with respect to a proposed reverse triangular merger pursuant to which the Company would acquire PMI as a wholly-owned subsidiary (the "**Merger**"). The proceeds from the PMI Note (and any Subsequent PMI Notes) are intended to be used to fund the working capital requirements of PMI pending the consummation of the Merger; provided, however, there are no guarantees the parties will successfully negotiate, execute and deliver definitive agreements and successfully complete the conditions required with respect to the consummation of the Merger.

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

On the Initial Closing Date, the Company and certain investors executed and delivered the Purchase Agreement pursuant to which the Company offered and is offering (the "**Bridge Offering**") to sell to eligible investors units of the Company's securities ("**Bridge Units**") comprised of (i) 6% Convertible Promissory Notes (the "**Convertible Notes**"), and (ii) warrants (the "**Bridge Warrants**") to purchase shares of the Company's common stock ("**Common Stock**"). In addition, on the Initial Closing Date, the Company conducted the Initial Closing of the Bridge Offering under the Purchase Agreement. The aggregate original principal amount of the Convertible Notes sold at the Initial Closing equaled $1,075,937, prior to expenses which totaled $50,231. The number of shares of Common Stock into which the Bridge Warrants issued at the Initial Closing are exercisable is described below.

Unless converted in accordance with their terms and conditions, the Convertible Notes will mature upon the earlier to occur of (i) June 30, 2011 and (ii) an Event of Default (as defined below). Interest of 6% per annum accrues and compounds annually on the Convertible Notes and will be payable upon conversion or maturity of the Convertible Notes. The outstanding principal amount of the Convertible Notes, plus accrued and unpaid interest thereon, shall automatically convert into units of the Company's securities ("**Related Offering Units**"), at a conversion price equal to a 33% discount to the price at which such Related Offering Units are sold in a private placement offering in an anticipated minimum amount of $6 million and a maximum amount of $12 million (the "**Related Offering**"). The Related Offering is anticipated to close simultaneously with the closing of the proposed Merger. As of the date hereof, the terms and conditions of the Related Offering have not been finalized, including with respect to the type and price of offered securities.

The conversion price of the Convertible Notes may be adjusted in certain circumstances. The conversion price of the Convertible Notes are subject to a full-ratchet anti-dilution adjustment in the event that the Company issues Common Stock or common stock equivalents at a price per share less than the then-applicable conversion price of the Convertible Notes.

If the Related Offering and the Merger are consummated and the Company issues warrants as part of the Related Offering Units (the "**Related Offering Warrants**"), each Bridge Warrant will be exchanged for a Related Offering Warrant to purchase a number of shares of Common Stock equal to the quotient obtained by dividing (i) 40% of the aggregate principal amount of the Convertible Notes purchased by the holder, by (ii) a per share price equal to 66.7% of the per Related Offering Unit offering price of the Related Offering Units sold in the Related Offering. If the Company does not issue Related Offering Warrants in connection with the Related Offering, each Bridge Warrant will be exercisable for a number of shares of Common Stock equal to the quotient obtained by dividing (i) an amount equal to the aggregate principal amount of the Convertible Notes purchased by the holder divided by $2.50, by (ii) 150% of the per share price of the shares of Common Stock sold in the Related Offering. If the Company does not consummate the Related Offering and the Merger is terminated, each Bridge Warrant will be exercisable for a number of shares of Common Stock equal to the quotient obtained by dividing (i) an amount equal to the aggregate principal amount of the Convertible Notes purchased by the holder divided by $2.50, by (ii) 150% of the average five-day closing price of the Common Stock at the time of the Merger termination.

If at any time commencing 30 days after the closing of the Related Offering, the bid price of the Common Stock equals 200% or more of the per share price of the Common Stock sold in the Related Offering for each of the preceding 10 consecutive trading days, the Company will have a right, exercisable for 2 trading days after such 10-day period, to call all or any portion of the Bridge Warrants at a per share call price of $0.01 per share of Common Stock cancelled under the Bridge Warrant in connection with the exercise of the Company's call right; provided, however, the holder of the Bridge Warrant will have the right to exercise the portion of the Bridge Warrant subject to the call during the period ending 30 days after such holder receives notice of the Company's exercise of the call right.

The exercise price and number of shares of Common Stock issuable on exercise of the Bridge Warrants may be adjusted in certain circumstances, including in the event of a stock split, stock dividend or recapitalization, reorganization, merger or consolidation.

Item 3.02 Unregistered Sales of Equity Securities.

The information disclosed under Item 2.03 of this Current Report on Form 8-K is hereby incorporated by reference.

The Bridge Units were sold only to accredited investors, as defined under Regulation D promulgated by the SEC, under the Securities Act of 1933, as amended (the "**Securities Act**"). The sale of Bridge Units in the Bridge Offering was exempt from registration under Section 4(2) of the Securities Act and Regulation D as promulgated by the SEC.

The Company paid (or intends to pay after the date hereof) American Beacon Capital Partners, Inc., the placement agent retained by the Company in connection with the Bridge Offering (the "**Placement Agent**"), cash compensation in the amount of (i) 4% of the gross proceeds received in the Bridge Offering from existing shareholders of PMI, plus (ii) 7% of the gross proceeds received in the Offering from investors other than PMI's existing shareholders. In addition, the Company will also issue to the Placement Agent warrants (the "**Placement Agent Warrants**") to purchase a number of shares of Common Stock equal to (i) 10% of the number of shares of Common Stock into which the Convertible Notes convert at the closing of the Related Offering (as defined below), plus (ii) 10% of the number of shares of Common Stock into which the Bridge Warrants are exercisable. As a result of the foregoing, the Placement Agent was paid cash compensation equal to $40,037, plus expenses of $7,500 and received Placement Agent Warrants to purchase a number of shares of Common Stock to be determined based on the results of the Bridge Offering and the Related Offering.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
10.1	Securities Purchase Agreement, dated September 15, 2010, by and among the Company and the Buyers named therein
10.2	Form of 6% Convertible Promissory Note
10.3	Form of Warrant
10.4	Senior Secured Convertible Promissory Note, dated September 15, 2010, issued by PMI to the Company
10.5	Security Agreement, dated September 15, 2010, by and between PMI and the Company

SIGNATURES

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

Cambridge Holdings, Ltd.
(Registrant)

September 20, 2010

By: /s/ Jeffrey G. McGonegal
Name: Jeffrey G. McGonegal
Title: Senior Vice President-Finance and Chief Financial Officer

SECURITIES PURCHASE AGREEMENT

THIS SECURITIES PURCHASE AGREEMENT (this "Agreement"), dated as of September 15, 2010, is entered into by and among **Cambridge Holdings, Ltd.**, a Colorado corporation (the "Company"), and the Buyer(s) set forth on the signature pages affixed hereto (individually, a "Buyer" or collectively "Buyers").

WITNESSETH:

WHEREAS, the Company and the Buyer(s) are executing and delivering this Agreement in reliance upon an exemption from securities registration pursuant to Section 4(2) and/or Rule 506 of Regulation D ("Regulation D") and/or Regulation S ("Regulation S") as promulgated by the U.S. Securities and Exchange Commission (the "SEC") under the Securities Act of 1933, as amended (the "Securities Act");

WHEREAS, the parties desire that, upon the terms and subject to the conditions contained herein, and as further described in the Transmittal Letter dated August 17, 2010 (the "Transmittal Letter"), the Company shall sell to the Buyers, as provided herein, and the Buyers shall purchase a minimum (the "Minimum") of One Million Dollars ($1,000,000) (the "Minimum Purchase Price"), a maximum (the "Maximum") of up to Four Million Dollars ($4,000,000) (the "Maximum Purchase Price" and, collectively with the Minimum Purchase Price, the "Purchase Price") and an overallotment of up to One Million Dollars ($1,000,000), of units (each, a "Unit and collectively, the "Units") of (i) Convertible Promissory Notes (the "Convertible Notes"), which shall become convertible into the units (the "PPO Units") of the Company's securities at a conversion price equal to a thirty-three (33%) percent discount to the price at which such PPO Units are sold (the "Conversion Price") in a private placement offering in an anticipated minimum amount of $6 million and a maximum amount of $12 million (the "PPO"); and (ii) a warrant (the "Bridge Warrants") that will be identical to those Warrants (as defined below) issued to investors in the PPO in an amount equal to 40% of the principal amount of the Convertible Notes, which will be exercisable for a number of shares based on the share offering price in the PPO;

WHEREAS, each PPO Unit is expected to consist of shares (each, a "Conversion Share") of the Company's common stock, par value $0.001 per share (the "Common Stock"), and common stock purchase warrants (the "Warrants"), which shall entitle the holder to purchase Conversion Shares (the "Warrant Shares") at an intended exercise price (the "Exercise Price") of 150% of the amount of the PPO per share amount;

WHEREAS, the total Purchase Price shall be allocated among the Buyer(s) in the respective amounts set forth on the Buyer Counterpart Signature Page(s), affixed hereto (the "Subscription Amount");

WHEREAS, all of the gross proceeds from the sale of the Units, subject to the deduction of any and all fees and expenses, shall be utilized by the Company to make a loan (the "Bridge Loan") to Prescient Medical, Inc. ("Prescient");

WHEREAS, the Company (i) is currently negotiating a reverse triangular merger with Prescient (the "Merger") and (ii) intends to conduct the PPO of its PPO Units to close simultaneously with the closing of the Merger;

WHEREAS, the Convertible Notes shall be automatically converted into PPO Units simultaneously with the closing of the Merger and the PPO (the Merger, the PPO, and the transactions contemplated thereby are sometimes hereinafter referred to as the "Transactions");

WHEREAS, the Bridge Warrants shall be exchanged into Warrants simultaneously with the closing of the Merger and PPO; and

WHEREAS, the aggregate proceeds of the sale of the Units shall be held in escrow pursuant to the terms of an escrow agreement substantially in the form of the Escrow Agreement among the Company, the Buyer(s), the Placement Agent (as hereinafter defined) and the Escrow Agent (as defined below) (the "Escrow Agreement").

NOW, THEREFORE, in consideration of the mutual covenants and other agreements contained in this Agreement the Company and the Buyer(s) hereby agree as follows:

1. PURCHASE AND SALE OF UNITS.

(a) Purchase of Units. Subject to the satisfaction (or waiver) of the terms and conditions of this Agreement, each Buyer agrees, severally and not jointly, to purchase at Closing (as defined herein below) and the Company agrees to sell and issue to each Buyer, severally and not jointly, at Closing, Units in amounts set forth on the signature pages affixed hereto. Upon execution of this Agreement on the Buyer Counterpart Signature Page, attached hereto as Annex A, and completion of the Accredited Investor Certification, the Investor Profile, and if applicable, the Wire Transfer Authorization (each attached hereto) by a Buyer, the Buyer shall wire transfer the Subscription Amount set forth on the signature pages affixed hereto in same-day funds set forth immediately below, which Subscription Amount shall be held in escrow pursuant to the terms of the Escrow Agreement and disbursed in accordance therewith.

Wire Instructions

Bank:	**Boston Private Bank & Trust Company**
	Ten Post Office Square
	Boston, MA 02109
ABA#:	**011002343**
S.W.I.F.T.	**BPTCUS31**
Account Name:	**Cambridge Holdings, Ltd., Escrow Account**
Account#:	**4091827**
	Buyer Name
FBO:	**Social Security Number**
	Address

(b) Closing Date. The initial closing of the purchase and sale of the Convertible Notes (the "Closing") shall take place at 4:30 p.m. Eastern Standard Time on or before the fifth (5th) business day following the receipt into escrow of acceptable subscriptions for at least the Minimum, subject to notification of satisfaction of the conditions to the Closing set forth herein and in Sections 7 and 8 below (or such later date as is mutually agreed to by the Company and the Buyer(s)). There may be multiple Closings until such time as subscriptions for the Maximum are accepted (the date of any such Closing is hereinafter referred to as a "Closing Date"). The Closing shall occur on the Closing Date at the offices of Duane Morris LLP, 1540 Broadway, New York, NY 10036 (or such other place as is mutually agreed to by the Company and the Buyer(s)).

(c) Escrow Arrangements; Form of Payment. Upon execution hereof by the Buyer and pending the Closing, the Purchase Price shall be deposited in a non-interest bearing escrow account with Signature Bank as escrow agent (the "Escrow Agent"), pursuant to the terms of the Escrow Agreement. Subject to the satisfaction of the terms and conditions of this Agreement, on the Closing Date, (i) the Escrow Agent shall deliver to the Company in accordance with the terms of the Escrow Agreement the Purchase Price for the Convertible Notes to be issued and sold to the Buyer(s) on such Closing Date, and (ii) the Company shall deliver to the Buyer(s), the Convertible Note, duly executed on behalf of the Company.

2. BUYER'S REPRESENTATIONS AND WARRANTIES.

Each Buyer represents and warrants, severally and not jointly, as to such Buyer, that:

(a) Investment Purpose. Each Buyer is acquiring the Convertible Notes and the Bridge Warrants, and, upon conversion of Convertible Notes, and the exchange of the Bridge Warrants, the Buyer will acquire the Conversion Shares, the Warrants and/or the shares of Common Stock issuable upon exercise of the Warrants (collectively, the "Warrant Shares"), for its own account for investment only and not with a view towards, or for resale in connection with, the public sale or distribution thereof, except pursuant to sales registered or exempted under the Securities Act; provided, however, that by making the representations herein, such Buyer reserves the right to dispose of the Conversion Shares, the Warrants and the Warrant Shares at any time in accordance with or pursuant to an effective registration statement covering such Conversion Shares, the Warrants and the Warrant Shares or an available exemption under the Securities Act. The Buyer agrees not to sell, hypothecate or otherwise transfer the Buyer's securities unless such securities are registered under the federal and applicable state securities laws or unless, in the opinion of counsel satisfactory to the Company, an exemption from such law is available.

(b) Residence of Buyer. Each Buyer resides in the jurisdiction set forth on the signature pages affixed hereto.

(c) Non-US Person. If a Buyer is not a person in the United States or a U.S. Person (as defined in Rule 902(k) of Regulation S) or is not purchasing the Convertible Notes on behalf of a person in the United States or a U.S. Person:

(i) neither the Buyer nor any disclosed principal is a U.S. Person nor are they subscribing for the Units for the account of a U.S. Person or for resale in the United States and the Buyer confirms that the Units have not been offered to the Buyer in the United States and that this Agreement has not been signed in the United States;

(ii) the Buyer acknowledges that the Convertible Notes and Bridge Warrants have not been registered under the Securities Act and may not be offered or sold in the United States or to a U.S. Person unless the securities are registered under the U.S. Securities Act and all applicable state securities laws or an exemption from such registration requirements is available, and further agrees that hedging transactions involving such securities may not be conducted unless in compliance with the U.S. Securities Act;

(iii) the Buyer and if applicable, the disclosed principal for whom the Buyer is acting, understands that the Company is the seller of the Convertible Notes and the Bridge Warrants, and underlying securities and that, for purposes of Regulation S, a "distributor" is any underwriter, dealer or other person who participates pursuant to a contractual arrangement in the distribution of securities sold in reliance on Regulation S and that an "affiliate" is any partner, officer, director or any person directly or indirectly controlling, controlled by or under common control with any person in question. Except as otherwise permitted by Regulation S, the Buyer and if applicable, the disclosed principal for whom the Buyer is acting, agrees that it will not, during a one year distribution compliance period, act as a distributor, either directly or through any affiliate, or sell, transfer, hypothecate or otherwise convey the Convertible Notes and the Bridge Warrants or underlying securities other than to a non-U.S. Person;

(iv) the Buyer and if applicable, the disclosed principal for whom the Buyer is acting, acknowledges and understands that in the event the Convertible Notes and Bridge Warrants are offered, sold or otherwise transferred by the Buyer or if applicable, the disclosed principal for whom the Buyer is acting, to a non-U.S Person prior to the expiration of a one year distribution compliance period, the purchaser or transferee must agree not to resell such securities except in accordance with the provisions of Regulation S, pursuant to registration under the Securities Act, or pursuant to an available exemption from registration; and must further agree not to engage in hedging transactions with regard to such securities unless in compliance with the Securities Act; and

(v) neither the Buyer nor any disclosed principal will offer, sell or otherwise dispose of the Convertible Notes and the Bridge Warrants, or the underlying securities in the United States or to a U.S. Person unless (A) the Company has consented to such offer, sale or disposition and such offer, sale or disposition is made in accordance with an exemption from the registration requirements under the Securities Act and the securities laws of all applicable states of the United States or (B) the SEC has declared effective a registration statement in respect of such securities.

(d) Accredited Investor Status. The Buyer meets the requirements of at least one of the suitability standards for an "Accredited Investor" as that term is defined in Rule 501(a)(3) of Regulation D, and as set forth on the Accredited Investor Certification attached hereto.

(e) Accredited Investor Qualifications. The Buyer (i) if a natural person, represents that the Buyer has reached the age of 21 and has full power and authority to execute and deliver this Agreement and all other related agreements or certificates and to carry out the provisions hereof and thereof; (ii) if a corporation, partnership, or limited liability company or partnership, or association, joint stock company, trust, unincorporated organization or other entity, represents that such entity was not formed for the specific purpose of acquiring the Convertible Notes and the Bridge Warrants, such entity is duly organized, validly existing and in good standing under the laws of the state of its organization, the consummation of the transactions contemplated hereby is authorized by, and will not result in a violation of state law or its charter or other organizational documents, such entity has full power and authority to execute and deliver this Agreement and all other related agreements or certificates and to carry out the provisions hereof and thereof and to purchase and hold the Convertible Notes and the Bridge Warrants, the execution and delivery of this Agreement has been duly authorized by all necessary action, this Agreement has been duly executed and delivered on behalf of such entity and is a legal, valid and binding obligation of such entity; or (iii) if executing this Agreement in a representative or fiduciary capacity, represents that it has full power and authority to execute and deliver this Agreement in such capacity and on behalf of the subscribing individual, ward, partnership, trust, estate, corporation, or limited liability company or partnership, or other entity for whom the Buyer is executing this Agreement, and such individual, partnership, ward, trust, estate, corporation, or limited liability company or partnership, or other entity has full right and power to perform pursuant to this Agreement and make an investment in the Company, and represents that this Agreement constitutes a legal, valid and binding obligation of such entity. The execution and delivery of this Agreement will not violate or be in conflict with any order, judgment, injunction, agreement or controlling document to which the Buyer is a party or by which it is bound.

(f) Buyer Relationship with Placement Agent. The Buyer's substantive relationship with American Beacon Partners, Inc., as placement agent for the transactions contemplated hereby (the "Placement Agent") or subagent through which the Buyer is subscribing for the Convertible Notes predates the Placement Agent's or such subagent's contact with the Buyer regarding an investment in the Convertible Notes and the Bridge Warrants.

(g) Solicitation. The Buyer is unaware of, is in no way relying on, and did not become aware of the offering of the Convertible Notes and the Bridge Warrants through or as a result of, any form of general solicitation or general advertising including, without limitation, any article, notice, advertisement or other communication published in any newspaper, magazine or similar media or broadcast over television or radio, in connection with the offering and sale of the Convertible Notes and is not subscribing for the Convertible Notes and the Bridge Warrants, and did not become aware of the offering of the Convertible Notes and the Bridge Warrants through or as a result of any seminar or meeting to which the Buyer was invited by, or any solicitation of a subscription by, a person not previously known to the Buyer in connection with investments in securities generally.

(h) Brokerage Fees. The Buyer has taken no action that would give rise to any claim by any person for brokerage commissions, finders' fees or the like relating to this Agreement or the transaction contemplated hereby (other than commissions to be paid by the Company to the Placement Agent (or its selected dealers) as described in the Transmittal Letter).

(i) Buyer's Advisors. The Buyer and the Buyer's attorney, accountant, purchaser representative and/or tax advisor, if any (collectively, the "Advisors"), as the case may be, has such knowledge and experience in financial, tax, and business matters, and, in particular, investments in securities, so as to enable it to utilize the information made available to it in connection with the Convertible Notes and the Bridge Warrants to evaluate the merits and risks of an investment in the Convertible Notes and the Bridge Warrants, and the Company and to make an informed investment decision with respect thereto.

(j) Buyer Liquidity. Each Buyer has adequate means of providing for such Buyer's current financial needs and foreseeable contingencies and has no need for liquidity of its investment in the Convertible Notes and the Bridge Warrants for an indefinite period of time.

(k) High Risk Investment; Review of Risk Factors. The Buyer is aware that an investment in the Convertible Notes and the and the Bridge Warrants, and upon conversion of the Convertible Notes and the exchange of the Bridge Warrants, the Conversion Shares, the Warrants and/or the Warrant Shares, involves a number of very significant risks and has carefully read and considered the matters set forth under the caption "Risk Factors" in the Transmittal Letter, and in particular, acknowledges that the Company is a shell company and its ability to repay the Convertible Notes is based on the consummation of the Transactions.

(l) Reliance on Exemptions. Each Buyer understands that the Units are being offered and sold to it in reliance on specific exemptions from the registration requirements of United States federal and state securities laws and that the Company is relying in part upon the truth and accuracy of, and such Buyer's compliance with, the representations, warranties, agreements, acknowledgments and understandings of such Buyer set forth herein in order to determine the availability of such exemptions and the eligibility of such Buyer to acquire such securities.

(m) Information. Each Buyer and its Advisors have been furnished with all materials relating to the business, finances and operations of the Company and information it deemed material to making an informed investment decision regarding its purchase of the Convertible Notes and the Bridge Warrants, and the underlying PPO Units, which have been requested by such Buyer. Each Buyer and its Advisors have been afforded the opportunity to review the Transmittal Letter, as well as the Company's SEC Filings, as such term is defined below (hard copies of which were made available to the Buyer upon request to the Company or the Placement Agent or were otherwise accessible to the Buyer via the SEC's EDGAR system), and the information contained therein. Each Buyer and its Advisors have been afforded the opportunity to ask questions of the Company and its management. Neither such inquiries nor any other due diligence investigations conducted by such Buyer or its Advisors shall modify, amend or affect such Buyer's right to rely on the Company's representations and warranties contained in Section 3 below. Each Buyer has sought such accounting, legal and tax advice as it has considered necessary to make an informed investment decision with respect to its acquisition of the Units.

(n) No Other Representations or Information. In evaluating the suitability of an investment in the Units, the Buyer has not relied upon any representation or information (oral or written) other than as stated in the Transmittal Letter or in this Agreement. No oral or written representations have been made, or oral or written information furnished, to the Buyer or its Advisors, if any, in connection with the offering of the Units which are in any way inconsistent with the information contained in the Transmittal Letter.

(o) No Governmental Review. Each Buyer understands that no United States federal or state agency or any other government or governmental agency has passed on or made any recommendation or endorsement of the Convertible Notes, the Bridge Warrants, the Warrants, the Warrant Shares or the Conversion Shares, or the fairness or suitability of the investment in the Convertible Notes, the Bridge Warrants, the Warrants, the Warrant Shares or the Conversion Shares, nor have such authorities passed upon or endorsed the merits of the offering of the Convertible Notes, the Bridge Warrants, the Warrants, the Warrant Shares or the Conversion Shares.

(p) Transfer or Resale. Each Buyer understands that: (i) the Convertible Notes and the Bridge Warrants have not been and are not being registered under the Securities Act or any state securities laws, and may not be offered for sale, sold, assigned or transferred unless (A) subsequently registered thereunder, or (B) such Buyer shall have delivered to the Company an opinion of counsel, in a generally acceptable form, to the effect that such securities to be sold, assigned or transferred may be sold, assigned or transferred pursuant to an exemption from such registration requirements; (ii) any sale of such securities made in reliance on Rule 144 under the Securities Act (or a successor rule thereto) ("Rule 144") may be made only in accordance with the terms of Rule 144 and further, if Rule 144 is not applicable, any resale of such securities under circumstances in which the seller (or the person through whom the sale is made) may be deemed to be an underwriter (as that term is defined in the Securities Act) may require compliance with some other exemption under the Securities Act or the rules and regulations of the SEC thereunder; and (iii) neither the Company nor any other person is under any obligation to register such securities under the Securities Act or any state securities laws or to comply with the terms and conditions of any exemption thereunder. The Company reserves the right to place stop transfer instructions against the shares and certificates for the Conversion Shares and the Warrant Shares to the extent specifically set forth under this Agreement. There can be no assurance that there will be any market or resale for the Convertible Notes, Conversion Shares, the Bridge Warrants, the Warrants or Warrant Shares, nor can there be any assurance that the Convertible Notes, Conversion Shares, the Bridge Warrants, the Warrants or Warrant Shares will be freely transferable at any time in the foreseeable future.

(q) Legends. Each Buyer understands that the certificates or other instruments representing the Convertible Notes, the Bridge Warrants, the Warrants, the Warrant Shares and/or the Conversion Shares shall bear a restrictive legend in substantially the following form (and a stop transfer order may be placed against transfer of such stock certificates):

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (C) IN COMPLIANCE WITH RULE 144 OR 144A THEREUNDER, IF AVAILABLE, AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, (D) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT, OR (E) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, AND THE HOLDER HAS, PRIOR TO SUCH SALE, FURNISHED TO THE COMPANY AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE REASONABLY SATISFACTORY TO THE COMPANY. HEDGING TRANSACTIONS INVOLVING THESE SECURITIES MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE SECURITIES ACT.

The legend set forth above shall be removed and the Company within three (3) business days shall issue a certificate without such legend to the holder of the Convertible Notes, the Bridge Warrants, the Warrants, Warrant Shares and Conversion Shares upon which it is stamped, if, unless otherwise required by state securities laws, (i) the Buyer or its broker make the necessary representations and warranties to the transfer agent for the Common Stock that it has complied with the prospectus delivery requirements in connection with a sale transaction, provided the Convertible Notes, Bridge Warrants, Warrants, Warrant Shares and Conversion Shares are registered under the Securities Act or (ii) in connection with a sale transaction, after such holder provides the Company with an opinion of counsel satisfactory to the Company, which opinion shall be in form, substance and scope customary for opinions of counsel in comparable transactions, to the effect that a public sale, assignment or transfer of the Convertible Notes, Bridge Warrants, Warrants, Warrant Shares and Conversion Shares may be made without registration under the Securities Act.

(r) Authorization, Enforcement. This Agreement has been duly and validly authorized, executed and delivered on behalf of such Buyer and is a valid and binding agreement of such Buyer enforceable in accordance with its terms, except as such enforceability may be limited by general principles of equity or applicable bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies.

(s) Receipt of Documents. Each Buyer and its counsel have received and read in their entirety: (i) this Agreement and each representation, warranty and covenant set forth herein; and (ii) all due diligence and other information necessary to verify the accuracy and completeness of such representations, warranties and covenants; each Buyer has received answers to all questions such Buyer submitted to the Company regarding an investment in the Company; and each Buyer has relied on the information contained therein and has not been furnished any other documents, literature, memorandum or prospectus.

(t) Trading Activities. The Buyer's trading activities with respect to the Company's Common Stock shall be in compliance with all applicable federal and state securities laws, rules and regulations and the rules and regulations of the principal market on which the Company's Common Stock is listed or traded. Neither the Buyer nor its affiliates has an open short position in the Common Stock of the Company and, except as set forth below, the Buyer shall not, and shall not cause any of its affiliates under common control with the Buyer, to engage in any short sale as defined in any applicable SEC or the Financial Industry Regulatory Authority, Inc. (FINRA) rules on any hedging transactions with respect to the Common Stock until the earlier to occur of (i) the third anniversary of the Closing Date and (ii) the Buyer(s) no longer own a principal balance of the Convertible Notes. Without limiting the foregoing, the Buyer agrees not to engage in any naked short transactions in excess of the amount of shares owned (or an offsetting long position) by the Buyer.

(u) Regulation FD. Each Buyer acknowledges and agrees that all of the information received by it in connection with the transactions contemplated by this Agreement is of a confidential nature and may be regarded as material non-public information under Regulation FD promulgated by the SEC and that such information has been furnished to the Buyer for the sole purpose of enabling the Buyer to consider and evaluate an investment in the Convertible Notes. The Buyer agrees that it will treat such information in a confidential manner, will not use such information for any purpose other than evaluating an investment in the Units, will not, directly or indirectly, trade or permit the Buyer's agents, representatives or affiliates to trade in any securities of the Company while in possession of such information and will not, directly or indirectly, disclose or permit the Buyer's agents, representatives or affiliates to disclose any of such information without the Company's prior written consent. The Buyer shall make its agents, affiliates and representatives aware of the confidential nature of the information contained herein and the terms of this section including the Buyer's agreement to not disclose such information, to not trade in the Company's securities while in the possession of such information and to be responsible for any disclosure or other improper use of such information by such agents, affiliates or representatives. Likewise, without the Company's prior written consent, the Buyer will not, directly or indirectly, make any statements, public announcements or other release or provision of information in any form to any trade publication, to the press or to any other person or entity whose primary business is or includes the publication or dissemination of information related to the transactions contemplated by this Agreement.

(v) No Legal Advice from the Company. Each Buyer acknowledges that it had the opportunity to review this Agreement and the transactions contemplated by this Agreement with its own legal counsel and investment and tax advisors. Each Buyer is relying solely on such Advisors and not on any statements or representations of the Company or any of its representatives or agents for legal, tax or investment advice with respect to this investment, the transactions contemplated by this Agreement or the securities laws of any jurisdiction.

(w) No Group Participation. Each Buyer and its affiliates is not a member of any group, nor is any Buyer acting in concert with any other person, including any other Buyer, with respect to its acquisition of the Convertible Notes, Bridge Warrants, Warrants, Warrant Shares or Conversion Shares.

(x) Reliance. Any information which the Buyer has heretofore furnished or is furnishing herewith to the Company or the Placement Agent is complete and accurate and may be relied upon by the Company and the Placement Agent in determining the availability of an exemption from registration under federal and state securities laws in connection with the offering of securities as described in the Transmittal Letter. The Buyer further represents and warrants that it will notify and supply corrective information to the Company and the Placement Agent immediately upon the occurrence of any change therein occurring prior to the Company's issuance of the Convertible Notes. Within five (5) days after receipt of a request from the Company or the Placement Agent, the Buyer will provide such information and deliver such documents as may reasonably be necessary to comply with any and all laws and ordinances to which the Company or the Placement Agent is subject.

(y) **(For ERISA plans only).** The fiduciary of the ERISA plan represents that such fiduciary has been informed of and understands the Company's investment objectives, policies and strategies, and that the decision to invest "plan assets" (as such term is defined in ERISA) in the Company is consistent with the provisions of ERISA that require diversification of plan assets and impose other fiduciary responsibilities. The Buyer fiduciary or Plan (a) is responsible for the decision to invest in the Company; (b) is independent of the Company or any of its affiliates; (c) is qualified to make such investment decision; and (d) in making such decision, the Buyer fiduciary or Plan has not relied primarily on any advice or recommendation of the Company or any of its affiliates.

(z) The Buyer should check the Office of Foreign Assets Control ("OFAC") website at <http://www.treas.gov/ofac> before making the following representations. The Buyer represents that the amounts invested by it in the Company in the Convertible Notes were not and are not directly or indirectly derived from activities that contravene federal, state or international laws and regulations, including anti-money laundering laws and regulations. Federal regulations and Executive Orders administered by OFAC prohibit, among other things, the engagement in transactions with, and the provision of services to, certain foreign countries, territories, entities and individuals. The lists of OFAC prohibited countries, territories, persons and entities can be found on the OFAC website at <http://www.treas.gov/ofac>. In addition, the programs administered by OFAC (the "OFAC Programs") prohibit dealing with individuals[1] or entities in certain countries regardless of whether such individuals or entities appear on the OFAC lists.

(aa) To the best of the Buyer's knowledge, none of: (1) the Buyer; (2) any person controlling or controlled by the Buyer; (3) if the Buyer is a privately-held entity, any person having a beneficial interest in the Buyer; or (4) any person for whom the Buyer is acting as agent or nominee in connection with this investment is a country, territory, individual or entity named on an OFAC list, or a person or entity prohibited under the OFAC Programs. Please be advised that the Company may not accept any amounts from a prospective investor if such prospective investor cannot make the representation set forth in the preceding paragraph. The Buyer agrees to promptly notify the Company and the Placement Agent should the Buyer become aware of any change in the information set forth in these representations. The Buyer understands and acknowledges that, by law, the Company may be obligated to "freeze the account" of the Buyer, either by prohibiting additional subscriptions from the Buyer, declining any redemption requests and/or segregating the assets in the account in compliance with governmental regulations, and the Placement Agent may also be required to report such action and to disclose the Buyer's identity to OFAC. The Buyer further acknowledges that the Company may, by written notice to the Buyer, suspend the redemption rights, if any, of the Buyer if the Company reasonably deems it necessary to do so to comply with anti-money laundering regulations applicable to the Company and the Placement Agent or any of the Company's other service providers. These individuals include specially designated nationals, specially designated narcotics traffickers and other parties subject to OFAC sanctions and embargo programs.

[1] These individuals include specially designated nationals, specially designated narcotics traffickers and other parties subject to OFAC sanctions and embargo programs.

(bb) To the best of the Buyer's knowledge, none of: (1) the Buyer; (2) any person controlling or controlled by the Buyer; (3) if the Buyer is a privately-held entity, any person having a beneficial interest in the Buyer; or (4) any person for whom the Buyer is acting as agent or nominee in connection with this investment is a senior foreign political figure[2], or any immediate family[3] member or close associate[4] of a senior foreign political figure, as such terms are defined in the footnotes below.

(cc) If the Buyer is affiliated with a non-U.S. banking institution (a "Foreign Bank"), or if the Buyer receives deposits from, makes payments on behalf of, or handles other financial transactions related to a Foreign Bank, the Buyer represents and warrants to the Company that: (1) the Foreign Bank has a fixed address, other than solely an electronic address, in a country in which the Foreign Bank is authorized to conduct banking activities; (2) the Foreign Bank maintains operating records related to its banking activities; (3) the Foreign Bank is subject to inspection by the banking authority that licensed the Foreign Bank to conduct banking activities; and (4) the Foreign Bank does not provide banking services to any other Foreign Bank that does not have a physical presence in any country and that is not a regulated affiliate.

3. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

The Company represents and warrants to each of the Buyers that:

(a) Organization and Qualification. The Company is a corporation duly organized and validly existing in good standing under the laws of the State of Colorado, and has the requisite corporate power to own its properties and to carry on its business as now being conducted. The Company is duly qualified as a foreign corporation to do business and is in good standing in every jurisdiction in which the nature of the business conducted by it makes such qualification necessary, except to the extent that the failure to be so qualified or be in good standing would not have a Material Adverse Effect, as defined below. The Company has no subsidiaries.

[2] A "senior foreign political figure" is defined as a senior official in the executive, legislative, administrative, military or judicial branches of a foreign government (whether elected or not), a senior official of a major foreign political party, or a senior executive of a foreign government-owned corporation. In addition, a "senior foreign political figure" includes any corporation, business or other entity that has been formed by, or for the benefit of, a senior foreign political figure.

[3] "Immediate family" of a senior foreign political figure typically includes the figure's parents, siblings, spouse, children and in-laws.

[4] A "close associate" of a senior foreign political figure is a person who is widely and publicly known to maintain an unusually close relationship with the senior foreign political figure, and includes a person who is in a position to conduct substantial domestic and international financial transactions on behalf of the senior foreign political figure.

(b) Authorization, Enforcement, Compliance with Other Instruments. (i) The Company has the requisite corporate power and authority to enter into and perform this Agreement and the Escrow Agreement and all other documents necessary or desirable to effect the transactions contemplated hereby (collectively the "Transaction Documents") and to issue the Convertible Notes, the Bridge Warrants, the Warrants, the Warrant Shares and the Conversion Shares in accordance with the terms hereof and thereof, (ii) the execution and delivery of the Transaction Documents by the Company and the consummation by it of the transactions contemplated hereby and thereby, including, without limitation, the issuance of the Convertible Notes, the Bridge Warrants, the Warrants, the Warrant Shares and the Conversion Shares and the reservation for issuance and the issuance of the Conversion Shares and the Warrant Shares issuable upon conversion or exercise thereof, have been duly authorized by the Company's Board of Directors and no further consent or authorization is required by the Company, its Board of Directors or its stockholders, (iii) the Transaction Documents have been duly executed and delivered by the Company, (iv) the Transaction Documents constitute the valid and binding obligations of the Company enforceable against the Company in accordance with their terms, except as such enforceability may be limited by general principles of equity or applicable bankruptcy, insolvency, reorganization, moratorium, liquidation or similar laws relating to, or affecting generally, the enforcement of creditors' rights and remedies.

(c) Capitalization. As of the date hereof, the Company has 15,800,000 shares of Common Stock issued and outstanding. All of such outstanding shares have been duly authorized, validly issued and are fully paid and nonassessable. No shares of Common Stock are subject to preemptive rights or any other similar rights or any liens or encumbrances suffered or permitted by the Company. As of the date of this Agreement, (i) there are no outstanding options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, any shares of capital stock of the Company, or contracts, commitments, understandings or arrangements by which the Company is or may become bound to issue additional shares of capital stock of the Company or options, warrants, scrip, rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities or rights convertible into, any shares of capital stock of the Company, (ii) there are no outstanding debt securities and (iii) there are no agreements or arrangements under which the Company is obligated to register the sale of any of their securities under the Securities Act (except in connection with the Merger and the PPO), and (iv) there are no outstanding registration statements and there are no outstanding comment letters from the SEC or any other regulatory agency. There are no securities or instruments containing anti-dilution or similar provisions that will be triggered by the issuance of the Convertible Notes as described in this Agreement. The Convertible Notes, Bridge Warrants, Warrants, Warrant Shares and Conversion Shares when issued, will be free and clear of all pledges, liens, encumbrances and other restrictions (other than those arising under federal or state securities laws as a result of the issuance of the Convertible Notes and the Bridge Warrants). No co-sale right, right of first refusal or other similar right exists with respect to the Convertible Notes, Bridge Warrants, Warrants, Warrant Shares and Conversion Shares or the issuance and sale thereof. The issue and sale of the Convertible Notes, Warrants, Warrant Shares and Conversion Shares will not result in a right of any holder of Company securities to adjust the exercise, conversion, exchange or reset price under such securities. The Company has made available to the Buyer true and correct copies of the Company's Articles of Incorporation, as amended and as in effect on the date hereof (the "Articles of Incorporation"), and the Company's By-laws, as in effect on the date hereof (the "By-laws"), and the terms of all securities convertible into or exercisable for Common Stock and the material rights of the holders thereof in respect thereto other than stock options issued to employees and consultants.

(d) Issuance of Securities. The Convertible Notes and the Bridge Warrants are duly authorized and, upon issuance in accordance with the terms hereof, shall be duly issued, fully paid and nonassessable, are free from all taxes, liens and charges with respect to the issue thereof. The Conversion Shares and the Warrant Shares have been duly authorized and reserved for issuance, based on the initial conversion price. Upon conversion or exercise in accordance with the Transaction Documents, the Conversion Shares and the Warrant Shares will be duly issued, fully paid and nonassessable.

(e) No Conflicts. The execution, delivery and performance of the Transaction Documents by the Company and the consummation by the Company of the transactions contemplated hereby will not (i) result in a violation of the Articles of Incorporation, any certificate of designations of any outstanding series of preferred stock of the Company or the By-laws or (ii) violate or conflict with, or result in a breach of any provision of, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture or instrument to which the Company is a party, or result in a violation of any law, rule, regulation, order, judgment or decree (including federal and state securities laws and regulations and the rules and regulations of the OTC Bulletin Board (the "OTCBB") on which the Common Stock is quoted) applicable to the Company or by which any property or asset of the Company is bound or affected except for those which could not reasonably be expected to have a material adverse effect on the assets, business, condition (financial or otherwise), results of operations or future prospects of the Company (a "Material Adverse Effect"). Except those which could not reasonably be expected to have a Material Adverse Effect, the Company is not in violation of any term of or in default under its Articles of Incorporation or By-laws. Except those which could not reasonably be expected to have a Material Adverse Effect, the Company is not in violation of any term of or in default under any material contract, agreement, mortgage, indebtedness, indenture, instrument, judgment, decree or order or any statute, rule or regulation applicable to the Company. The business of the Company is not being conducted, and shall not be conducted in violation of any material law, ordinance, or regulation of any governmental entity. Except as specifically contemplated by this Agreement and as required under the Securities Act and any applicable state securities laws, the Company is not required to obtain any consent, authorization or order of, or make any filing or registration with, any court or governmental agency in order for it to execute, deliver or perform any of its obligations under or contemplated by this Agreement or the Escrow Agreement in accordance with the terms hereof or thereof. All consents, authorizations, orders, filings and registrations which the Company is required to obtain pursuant to the preceding sentence have been obtained or effected on or prior to the date hereof. The Company is unaware of any facts or circumstance, which might give rise to any of the foregoing.

(f) SEC Filings; Financial Statements. The Company has timely filed (subject to 12b-25 filings with respect to certain periodic filings) all reports, schedules, forms, statements and other documents required to be filed by it with the SEC pursuant to the reporting requirements of the Exchange Act (as hereinafter defined) (all of the foregoing and all other documents filed with the SEC prior to the date hereof and all exhibits included therein and financial statements and schedules thereto and documents incorporated by reference therein, being hereinafter referred to herein as the "SEC Filings"). The SEC Filings are available to the Buyers via the SEC's EDGAR system. As of their respective dates, the SEC Filings complied in all material respects with the requirements of the Exchange Act and the rules and regulations of the SEC promulgated thereunder, and none of the SEC Filings, at the time they were filed with the SEC, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. As of their respective dates, the financial statements of the Company included in the Company's SEC Filings with the SEC (the "Financial Statements") for the year ended June 30, 2009 and the period from June 30, 2009 to March 31, 2010 and any subsequent interim period complied as to form in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto. Such financial statements have been prepared in accordance with generally accepted accounting principles, consistently applied, during the periods involved (except (i) as may be otherwise indicated in such Financial Statements or the notes thereto, or (ii) in the case of unaudited interim statements, to the extent they may exclude footnotes or may be condensed or summary statements), and fairly present in all material respects the financial position of the Company as of the dates thereof and the results of its operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments). No other information provided by or on behalf of the Company to the Buyer including, without limitation, information referred to in this Agreement, contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(g) Absence of Litigation. There is no action, suit, proceeding, inquiry or investigation before or by any court, public board, government agency, self-regulatory organization or body pending against or affecting the Company or the Common Stock, wherein an unfavorable decision, ruling or finding would (i) adversely affect the validity or enforceability of, or the authority or ability of the Company to perform its obligations under, this Agreement or any of the documents contemplated herein, or (ii) have a Material Adverse Effect.

(h) Acknowledgment Regarding Buyer's Purchase of the Convertible Notes. The Company acknowledges and agrees that each Buyer is acting solely in the capacity of an arm's length purchaser with respect to this Agreement and the transactions contemplated hereby. The Company further acknowledges that each Buyer is not acting as a financial advisor or fiduciary of the Company (or in any similar capacity) with respect to this Agreement and the transactions contemplated hereby and any advice given by such Buyer or any of their respective representatives or agents in connection with this Agreement and the transactions contemplated hereby is merely incidental to such Buyer's purchase of the Convertible Notes, the Bridge Warrants, the Warrants, the Warrant Shares or the Conversion Shares. The Company further represents to the Buyers that the Company's decision to enter into this Agreement has been based solely on the independent evaluation by the Company and its representatives.

(i) No General Solicitation. Neither the Company, nor any of its affiliates, nor any person acting on its or their behalf, has engaged in any form of general solicitation or general advertising (within the meaning of Regulation D) in connection with the offer or sale of the Convertible Notes, the Bridge Warrants, the Warrants, the Warrant Shares or the Conversion Shares.

(j) No Integrated Offering. Neither the Company, nor any of its affiliates, nor any person acting on its or their behalf has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any security, under circumstances that would require registration of the Convertible Notes, the Bridge Warrants, the Warrants, the Warrant Shares or the Conversion Shares under the Securities Act or cause this offering of the Convertible Notes, the Warrants, the Warrant Shares or the Conversion Shares to be integrated with prior offerings by the Company for purposes of the Securities Act.

(k) Employee Relations. The Company is not involved in any labor dispute nor, to the knowledge of the Company, is any such dispute threatened. None of the Company's employees is a member of a union, and the Company believes that its relations with its one employee is good.

(l) Intellectual Property Rights. The Company has no proprietary intellectual property. The Company has not received any notice of infringement of, or conflict with, the asserted rights of others with respect to any intellectual property that it utilizes.

(m) Environmental Laws.

(i) The Company has complied with all applicable Environmental Laws (as defined below), except for violations of Environmental Laws that, individually or in the aggregate, have not had and would not reasonably be expected to have a Material Adverse Effect. There is no pending or, to the knowledge of the Company, threatened civil or criminal litigation, written notice of violation, formal administrative proceeding, or investigation, inquiry or information request, relating to any Environmental Law involving the Company, except for litigation, notices of violations, formal administrative proceedings or investigations, inquiries or information requests that, individually or in the aggregate, have not had and would not reasonably be expected to have a Material Adverse Effect. For purposes of this Agreement, "Environmental Law" means any federal, state or local law, statute, rule or regulation or the common law relating to the environment or occupational health and safety, including without limitation any statute, regulation, administrative decision or order pertaining to (i) treatment, storage, disposal, generation and transportation of industrial, toxic or hazardous materials or substances or solid or hazardous waste; (ii) air, water and noise pollution; (iii) groundwater and soil contamination; (iv) the release or threatened release into the environment of industrial, toxic or hazardous materials or substances, or solid or hazardous waste, including without limitation emissions, discharges, injections, spills, escapes or dumping of pollutants, contaminants or chemicals; (v) the protection of wild life, marine life and wetlands, including without limitation all endangered and threatened species; (vi) storage tanks, vessels, containers, abandoned or discarded barrels, and other closed receptacles; (vii) health and safety of employees and other persons; and (viii) manufacturing, processing, using, distributing, treating, storing, disposing, transporting or handling of materials regulated under any law as pollutants, contaminants, toxic or hazardous materials or substances or oil or petroleum products or solid or hazardous waste. As used above, the terms "release" and "environment" shall have the meaning set forth in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA").

(ii) To the knowledge of the Company there is no material environmental liability with respect to any solid or hazardous waste transporter or treatment, storage or disposal facility that has been used by the Company.

(iii) The Company (i) has received all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct its business and (ii) is in compliance with all terms and conditions of any such permit, license or approval.

(n) Title. The Company does not own or lease any real or personal property.

(o) Internal Accounting Controls. The Company is in material compliance with the provisions of the Sarbanes-Oxley Act of 2002 currently applicable to the Company. The Company maintains a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset accountability, and (iii) the recorded amounts for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(p) No Material Adverse Breaches, etc. Except as set forth in the SEC Filings, the Company is not subject to any charter, corporate or other legal restriction, or any judgment, decree, order, rule or regulation which in the judgment of the Company's officers has or is expected in the future to have a Material Adverse Effect. Except as set forth in the SEC Filings, the Company is not in breach of any contract or agreement which breach, in the judgment of the Company's officers, has or is expected to have a Material Adverse Effect.

(q) Tax Status. The Company has made and filed all federal and state income and all other tax returns, reports and declarations required by any jurisdiction to which it is subject and (unless and only to the extent that the Company has set aside on its books provisions reasonably adequate for the payment of all unpaid and unreported taxes) has paid all taxes and other governmental assessments and charges that are material in amount, shown or determined to be due on such returns, reports and declarations, except those being contested in good faith and has set aside on its books provision reasonably adequate for the payment of all taxes for periods subsequent to the periods to which such returns, reports or declarations apply. There are no unpaid taxes in any material amount claimed to be due by the taxing authority of any jurisdiction, and the officers of the Company know of no basis for any such claim.

(r) Certain Transactions. Except as set forth in the SEC Filings, and except for arm's length transactions pursuant to which the Company makes payments in the ordinary course of business upon terms no less favorable than the Company could obtain from third parties, none of the officers, directors, or employees of the Company is presently a party to any transaction with the Company (other than for services as employees, officers and directors), including any contract, agreement or other arrangement providing for the furnishing of services to or by, providing for rental of real or personal property to or from, or otherwise requiring payments to or from any officer, director or such employee or, to the knowledge of the Company, any corporation, partnership, trust or other entity in which any officer, director, or any such employee has a substantial interest or is an officer, director, trustee or partner.

(s) Rights of First Refusal. The Company is not obligated to offer the securities offered hereunder on a right of first refusal basis or otherwise to any third parties including, but not limited to, current or former stockholders of the Company, underwriters, brokers, agents or other third parties.

(t) Reliance. The Company acknowledges that the Buyers are relying on the representations and warranties made by the Company hereunder and that such representations and warranties are a material inducement to the Buyer purchasing the Convertible Notes. The Company further acknowledges that without such representations and warranties of the Company made hereunder, the Buyers would not enter into this Agreement.

(u) Brokers' Fees. The Company does not have any liability or obligation to pay any fees or commissions to any broker, finder or agent with respect to the transactions contemplated by this Agreement, except for the payment of a commission, warrants and reimbursement of out-of-pocket expenses, to the Placement Agent, as more particularly described in the Transmittal Letter.

4. COVENANTS.

(a) Best Efforts. Each party shall use its best efforts timely to satisfy each of the conditions to be satisfied by it as provided in Sections 5 and 6 of this Agreement.

(b) Form D. The Company agrees to file a Form D with respect to the offer and sale of the Convertible Notes as required under Regulation D. The Company shall, on or before the Closing Date, take such action as the Company shall reasonably determine is necessary to qualify the Convertible Notes, Warrants, Warrant Shares and Conversion Shares, or obtain an exemption for the Convertible Notes, Warrants, Warrant Shares and Conversion Shares for sale to the Buyers at the Closing pursuant to this Agreement under applicable securities or "Blue Sky" laws of the states of the United States, and shall provide evidence of any such action so taken to the Buyers on or prior to the Closing Date.

(c) Reporting Status. Until the earlier of (i) the date as of which the Buyer(s) may sell all of the Warrants, the Warrant Shares, and the Conversion Shares without restriction pursuant to Rule 144(k) promulgated under the Securities Act (or successor thereto), or (ii) the date on which (A) the Buyer(s) shall have sold all the Warrants, the Warrant Shares and the Conversion Shares and (B) none of the Convertible Notes are outstanding, the Company shall file in a timely manner all reports required to be filed with the SEC pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the regulations of the SEC thereunder, and the Company shall not terminate its status as an issuer required to file reports under the Exchange Act even if the Exchange Act or the rules and regulations thereunder would otherwise permit such termination.

(d) Use of Proceeds. The Company shall use 100% of the net proceeds from the sale of the Units to make the Bridge Loan to Prescient. The principal amount of the Bridge Loan shall equal to the gross proceeds from the sale of the Units.

(e) Reservation of Shares. The Company shall take all action reasonably necessary to at all times have authorized, and reserved for the purpose of issuance, that number of shares of Common Stock equal to equal to the sum of (i) the number of shares of Common Stock into which the Convertible Notes are convertible from time to time based upon a conversion price (the "Conversion Price") equal to a thirty-three (33%) percent discount to the price at which such Units are sold in the PPO, plus (ii) the number of shares of Common Stock for which the Warrants are exercisable from time to time based upon an exercise price (the "Exercise Price") of 150% of the amount of the PPO per share amount.

(f) Listings or Quotation. The Company shall use its best efforts to maintain the listing or quotation of its Common Stock upon the OTC Bulletin Board.

(g) Corporate Existence. So long as any of the Convertible Notes remain outstanding, the Company shall not directly or indirectly consummate any merger, reorganization, restructuring, reverse stock split consolidation, sale of all or substantially all of the Company's assets or any similar transaction or related transactions (each such transaction, an "Organizational Change"), other than the Recapitalization, the Stock Split and the PPO, unless, prior to the consummation of an Organizational Change, the Company obtains the written consent of each Buyer. In any such case, the Company will make appropriate provision with respect to such holders' rights and interests to insure that the provisions of this Section 4(g) will thereafter be applicable to the Convertible Notes. The provisions of this Section 4(g) shall be inapplicable with respect to any Organizational Change, including the Recapitalization, the Stock Split and the PPO, effected in connection with the Merger.

(h) Resales Absent Effective Registration Statement. Each of the Buyers understands and acknowledges that (i) this Agreement and the agreements contemplated hereby may require the Company to issue and deliver Conversion Shares or Warrant Shares to the Buyers with legends restricting their transferability under the Securities Act, and (ii) it is aware that resales of such Conversion Shares or Warrant Shares may not be made unless, at the time of resale, there is an effective registration statement under the Securities Act covering such Buyer's resale(s) or an applicable exemption from registration.

5. CONDITIONS TO THE COMPANY'S OBLIGATION TO SELL.

The obligation of the Company hereunder to issue and sell the Convertible Notes and the Bridge Warrants to the Buyer(s) at the Closing is subject to the satisfaction, at or before the Closing Date, of each of the following conditions, provided that these conditions are for the Company's sole benefit and may be waived by the Company at any time in its sole discretion:

(a) Each Buyer shall have executed this Agreement and completed and executed the Accredited Investor Certification and the Investor Profile and any other Transaction Documents to which it is a party and delivered them to the Company.

(b) The Buyer(s) shall have delivered to the Escrow Agent the Purchase Price for Convertible Notes and the Bridge Warrants in respective amounts as set forth on the signature pages affixed hereto and the Escrow Agent shall have delivered the net proceeds to the Company by wire transfer of immediately available U.S. funds pursuant to the wire instructions provided by the Company; it being understood that the sale of the Convertible Notes and the Bridge Warrants shall not close unless the Minimum principal amount of the Units (i.e., $1,000,000) is subscribed for.

(c) The representations and warranties of the Buyer(s) contained in this Agreement shall be true and correct in all material respects as of the date when made and as of the Closing Date as though made at that time (except for representations and warranties that speak as of a specific date), and the Buyer(s) shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by the Buyer(s) at or prior to the Closing Date.

6. CONDITIONS TO THE BUYER'S OBLIGATION TO PURCHASE.

(a) The obligation of the Buyer(s) hereunder to purchase the Units at the Closing is subject to the satisfaction, at or before the Closing Date, of each of the following conditions:

(i) The Company shall have executed the Transaction Documents and delivered the same to the Placement Agent (on behalf of the Buyers).

(ii) The representations and warranties of the Company contained in this Agreement shall be true and correct in all material respects (except to the extent that any of such representations and warranties is already qualified as to materiality in Section 3 above, in which case, such representations and warranties shall be true and correct without further qualification) as of the date when made and as of the Closing Date as though made at that time (except for representations and warranties that speak as of a specific date) and the Company shall have performed, satisfied and complied in all material respects with the covenants, agreements and conditions required by this Agreement to be performed, satisfied or complied with by the Company at or prior to the Closing Date. The Company shall have obtained and delivered to the Placement Agent (on behalf of the Buyers) any and all consents, permits, approvals, registrations and waivers necessary or appropriate for consummation of the purchase and sale of the Units and the consummation of the other transactions contemplated by the Transaction Documents, all of which shall be in full force and effect. The Placement Agent (on behalf of the Buyers) shall have received a certificate, executed by the President of the Company, dated as of the Closing Date, to the foregoing effect and as to such other matters as may be reasonably requested by the Placement Agent (on behalf of the Buyers), including, without limitation, an update as of the Closing Date regarding the representation contained in Section 3(c) above.

(iii) The Company shall have executed and delivered to the Placement Agent (on behalf of the Buyers) the Convertible Notes and the Bridge Warrants in the respective amounts set forth on the signature pages affixed hereto.

(iv) The Company shall have reserved out of its authorized and unissued Common Stock, solely for the purpose of effecting the conversion of the Convertible Notes and the exchange of the Bridge Warrants and the Warrants, sufficient shares of Common Stock to effect the conversion of all of the Convertible Notes' and the exercise of all Warrants.

(v) The Company shall have delivered to the Placement Agent (on behalf of the Buyers) a certificate, executed on behalf of the Company by its Secretary, dated as of the Closing Date, certifying the resolutions adopted by the Board of Directors of the Company approving the transactions contemplated by this Agreement and the other Transaction Documents and the issuance of the Convertible Notes and the Bridge Warrants, certifying the current versions of the Articles of Incorporation and By-laws of the Company and certifying as to the signatures and authority of persons signing the Transaction Documents and related documents on behalf of the Company. The foregoing certificate shall only be required to be delivered on the first Closing Date, unless any information contained in the certificate has changed.

(vi) The Placement Agent shall have completed all legal due diligence on Prescient, to the extent reasonably satisfactory to the Placement Agent.

(vii) Prescient shall have performed and complied in all material respects with all agreements, covenants and conditions to closing required to be performed and complied by it under the Bridge Loan Agreement between the Company and Prescient, unless such agreements, covenants and conditions have been waived by the Company under the Bridge Loan Agreement.

(b) INDEMNIFICATION OF BUYERS. In consideration of the Buyer's execution and delivery of this Agreement and acquiring the Convertible Notes, the Warrants, the Warrant Shares and the Conversion Shares hereunder, and in addition to all of the Company's other obligations under this Agreement, the Company shall defend, protect, indemnify and hold harmless the Buyer(s) and each other holder of the Convertible Notes, the Warrants, the Warrant Shares and the Conversion Shares, and all of their officers, directors, employees and agents (including, without limitation, those retained in connection with the transactions contemplated by this Agreement) (collectively, the "Buyer Indemnitees") from and against any and all actions, causes of action, suits, claims, losses, costs, penalties, fees, liabilities and damages, and expenses in connection therewith (irrespective of whether any such Buyer Indemnitee is a party to the action for which indemnification hereunder is sought), and including reasonable attorneys' fees and disbursements (the "Indemnified Liabilities"), incurred by the Buyer Indemnitees or any of them as a result of, or arising out of, or relating to (a) any material misrepresentation or material breach of any representation or warranty made by the Company in the Transaction Documents, (b) any material breach of any covenant, agreement or obligation of the Company contained in the Transaction Documents, or (c) any cause of action, suit or claim brought or made against such Buyer Indemnitee and arising out of or resulting from the execution, delivery, performance or enforcement of this Agreement or any other Transaction Document executed pursuant hereto by any of the Buyer Indemnitees. To the extent that the foregoing undertaking by the Company may be unenforceable for any reason, the Company shall make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities, which is permissible under applicable law.

7. GOVERNING LAW: MISCELLANEOUS.

(a) Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of New York without regard to the principles of conflict of laws. The parties further agree that any action between them shall be heard exclusively in federal or state court sitting in the New York County, New York, and expressly consent to the jurisdiction and venue of the Supreme Court of New York, sitting in New York County and the United States District Court for the Southern District of New York for the adjudication of any civil action asserted pursuant to this paragraph.

(b) Counterparts. This Agreement may be executed in two or more identical counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party. In the event any signature page is delivered by facsimile transmission, the party using such means of delivery shall cause four (4) additional original executed signature pages to be physically delivered to the other party within five (5) days of the execution and delivery hereof.

(c) Headings. The headings of this Agreement are for convenience of reference and shall not form part of, or affect the interpretation of, this Agreement.

(d) Severability. If any provision of this Agreement shall be invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of any provision of this Agreement in any other jurisdiction.

(e) Entire Agreement, Amendments. This Agreement supersedes all other prior oral or written agreements between the Buyer(s), the Company, their affiliates and persons acting on their behalf with respect to the matters discussed herein, and this Agreement and the instruments referenced herein contain the entire understanding of the parties with respect to the matters covered herein and therein and, except as specifically set forth herein or therein, neither the Company nor any Buyer makes any representation, warranty, covenant or undertaking with respect to such matters. No provision of this Agreement may be waived or amended other than by an instrument in writing signed by the party to be charged with enforcement.

(f) Notices. Any notices, consents, waivers, or other communications required or permitted to be given under the terms of this Agreement must be in writing and will be deemed to have been delivered (i) upon receipt, when delivered personally; (ii) upon confirmation of receipt, when sent by facsimile; (iii) upon receipt when sent by U.S. certified mail, return receipt requested, or (iv) one (1) day after deposit with a nationally recognized overnight delivery service, in each case properly addressed to the party to receive the same. The addresses and facsimile numbers for such communications shall be:

If to the Company, to:

Cambridge Holdings, Ltd.
106 S. University Blvd, # 14
Denver, CO 80209
Attention: Jeffrey McGonegal, CFO
Telephone: 303-475-3786

If to the Buyer(s), to its address and facsimile number set forth on the signature pages affixed hereto. Each party shall provide five (5) days' prior written notice to the other party of any change in address or facsimile number.

(g) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. Neither the Company nor any Buyer shall assign this Agreement or any rights or obligations hereunder without the prior written consent of the other party hereto.

(h) No Third Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective permitted successors and assigns, and is not for the benefit of, nor may any provision hereof be enforced by, any other person.

(i) Survival. Unless this Agreement is terminated under Section 8(l), the representations and warranties of the Company and the Buyer(s) contained in Sections 2 and 3, the agreements and covenants set forth in Sections 4, 5 and 8, and the indemnification provisions set forth in Section 7, shall survive the Closing for a period of **[two (2)]** years following the date on which the Convertible Notes are converted in full. The Buyer(s) shall be responsible only for its own representations, warranties, agreements and covenants hereunder.

(j) Publicity. The Company and the Placement Agent shall have the right to approve, before issuance any press release or any other public statement with respect to the transactions contemplated hereby made by any party; provided, however, that the Company shall be entitled, without the prior approval of the Placement Agent, to issue any press release or other public disclosure with respect to such transactions required under applicable securities or other laws or regulations (the Company shall use its best efforts to consult the Buyer(s) in connection with any such press release or other public disclosure prior to its release and the Buyer(s) shall be provided with a copy thereof upon release thereof).

(k) Further Assurances. Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as the other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

(l) Termination. In the event that the Closing shall not have occurred with respect to the Buyers on or before five (5) business days from the date hereof due to the Company's or the Buyer's failure to satisfy the conditions set forth in Sections 5 and 6 above (and the non-breaching party's failure to waive such unsatisfied condition(s)), the non-breaching party shall have the option to terminate this Agreement with respect to such breaching party at the close of business on such date without liability of any party to any other party.

(m) No Strict Construction. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party.

(n) Remedies. In addition to being entitled to exercise all rights provided herein or granted by law, including recovery of damages, the Buyer and the Company will be entitled to specific performance under this Agreement. The parties agree that monetary damages may not be adequate compensation for any loss incurred by reason of any breach of obligations described in the foregoing sentence and hereby agree to waive in any action for specific performance of any such obligation the defense that a remedy at law would be adequate.

(o) **ANTI MONEY LAUNDERING REQUIREMENTS**

The USA PATRIOT Act	**What is money laundering?**	**How big is the problem and why is it important?**
The USA PATRIOT Act is designed to detect, deter, and punish terrorists in the United States and abroad. The Act imposes new anti-money laundering requirements on brokerage firms and financial institutions. Since April 24, 2002 all brokerage firms have been required to have new, comprehensive anti-money laundering programs. To help you understand theses efforts, we want to provide you with some information about money laundering and our steps to implement the USA PATRIOT Act.	Money laundering is the process of disguising illegally obtained money so that the funds appear to come from legitimate sources or activities. Money laundering occurs in connection with a wide variety of crimes, including illegal arms sales, drug trafficking, robbery, fraud, racketeering, and terrorism.	The use of the U.S. financial system by criminals to facilitate terrorism or other crimes could well taint our financial markets. According to the U.S. State Department, one recent estimate puts the amount of worldwide money laundering activity at $1 trillion a year.

What are we required to do to eliminate money laundering?	
Under new rules required by the USA PATRIOT Act, our anti-money laundering program must designate a special compliance officer, set up employee training, conduct independent audits, and establish policies and procedures to detect and report suspicious transaction and ensure compliance with the new laws.	As part of our required program, we may ask you to provide various identification documents or other information. Until you provide the information or documents we need, we may not be able to effect any transactions for you.

[REMAINDER PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Buyers and the Company have caused this Securities Purchase Agreement to be duly executed as of the date first written above.

COMPANY:
Cambridge Holdings, Ltd.

By: /s/ Jeffrey McGonegal
Name: Jeffery McGonegal
Title: Chief Financial Officer

BUYERS:

The Buyers executing the Signature Page in the form attached hereto as Annex A and delivering the same to the Company or its agents shall be deemed to have executed this Agreement and agreed to the terms hereof.

Annex A

Securities Purchase Agreement
Buyer Counterpart Signature Page

The undersigned, desiring to: (i) enter into the Securities Purchase Agreement dated as of _____,___[1], 2010 (the "Agreement"), between the undersigned, Cambridge Holdings, Ltd., a Colorado corporation (the "Company"), and the other parties thereto, in or substantially in the form furnished to the undersigned and (ii) purchase the Convertible Notes and Warrants of the Company as set forth below, hereby agrees to purchase such Convertible Notes and Warrants from the Company and further agrees to join the Agreement as a party thereto, with all the rights and privileges appertaining thereto, and to be bound in all respects by the terms and conditions thereof. The undersigned specifically acknowledges having read the representations section in the Agreement entitled "Buyer's Representations and Warranties," and hereby represent that the statements contained therein are complete and accurate with respect to the undersigned as a Buyer.

The Buyer hereby elects to purchase $_____ Convertible Notes and Warrants (to be completed by the Buyer) under the Securities Purchase Agreement.

Name of Buyer:

If an entity:

Print Name of Entity:

_____

By: _____
Name:
Title:

If an individual:

Print Name: _____
Signauture:

If an individual:

Address: _____

_____

Telephone No.: _____

Facsimile No.: _____

Email Address: _____

[1] ***Will reflect the Closing Date. Not to be completed by Buyer.***

SCHEDULE I

SCHEDULE OF BUYERS

Name	Amount of Subscription

CAMBRIDGE HOLDINGS, LTD.
ACCREDITED INVESTOR CERTIFICATION

For Individual Investors Only
(all Individual Investors must *INITIAL* where appropriate):

Initial _____ I have a net worth (including homes, furnishings and automobiles, but excluding for these purposes the value of my primary residence) of at least $1 million either individually or through aggregating my individual holdings and those in which I have a joint, community property or other similar shared ownership interest with my spouse.

Initial _____ I have had an annual gross income for the past two years of at least $200,000 (or $300,000 jointly with my spouse) and expect my income (or joint income, as appropriate) to reach the same level in the current year.

Initial _____ I am a director or executive officer of Cambridge Holdings, Ltd.

For Non-Individual Investors
(all Non-Individual Investors must *INITIAL* where appropriate):

Initial _____ The investor certifies that it is a partnership, corporation, limited liability company or business trust that is 100% owned by persons who meet at least one of the criteria for Individual Investors set forth above.

Initial _____ The investor certifies that it is a partnership, corporation, limited liability company or business trust that has total assets of at least $5 million and was not formed for the purpose of investing the Company.

Initial _____ The investor certifies that it is an employee benefit plan whose investment decision is made by a plan fiduciary (as defined in ERISA §3(21)) that is a bank, savings and loan association, insurance company or registered investment advisor.

Initial _____ The investor certifies that it is an employee benefit plan whose total assets exceed $5,000,000 as of the date of this Agreement.

Initial _____ The undersigned certifies that it is a self-directed employee benefit plan whose investment decisions are made solely by persons who meet at lease one of the criteria for Individual Investors.

Initial _____ The investor certifies that it is a U.S. bank, U.S. savings and loan association or other similar U.S. institution acting in its individual or fiduciary capacity.

Initial _____ The undersigned certifies that it is a broker-dealer registered pursuant to §15 of the Securities Exchange Act of 1934.

Initial _____ The investor certifies that it is an organization described in §501(c)(3) of the Internal Revenue Code with total assets exceeding $5,000,000 and not formed for the specific purpose of investing in the Company.

Initial _____ The investor certifies that it is a trust with total assets of at least $5,000,000, not formed for the specific purpose of investing in the Company, and whose purchase is directed by a person with such knowledge and experience in financial and business matters that such person is capable of evaluating the merits and risks of the prospective investment.

Initial _____ The investor certifies that it is a plan established and maintained by a state or its political subdivisions, or any agency or instrumentality thereof, for the benefit of its employees, and which has total assets in excess of $5,000,000.

Initial _____ The investor certifies that it is an insurance company as defined in §2(13) of the Securities Act of 1933, or a registered investment company.

CAMBRIDGE HOLDINGS, LTD.
Investor Profile
(Must be completed by Investor)

Section A - Personal Investor Information

Investor Name(s): _____

Individual executing Profile or Trustee: _____

Social Security Numbers / Federal I.D. Number: _____

Date of Birth: _____ Marital Status: _____
Joint Party Date of Birth: _____ Investment Experience (Years): _____
Annual Income: _____ Liquid Net Worth: _____
Net Worth: _____

Tax Bracket: ____ 15% or below ____ 25% - 27.5% ____ Over 27.5%

Investment Objectives ***(circle one or more):*** Preservation of Capital, Income, Capital Appreciation, Trading Profits, Speculation or Other (please specify) * See definitions on following page

Home Street Address: _____

Home City, State & Zip Code: _____

Home Phone: _____ Home Fax: _____ Home Email: _____

Employer: _____

Employer Street Address: _____

Employer City, State & Zip Code: _____

Bus. Phone: _____ Bus. Fax: _____ Bus. Email: _____

Type of Business: _____

Account Executive / Outside Broker/ Dealer: _____

Section B – Certificate Delivery Instructions

___ Please deposit Certificate in my Account # _____

___ Please open an account and subsequently deposit my certificate in it.

___ Please deliver certificate to the Employer Address listed in Section A.

___ Please deliver certificate to the Home Address listed in Section A.

___ Please deliver certificate to the following address _____

Section C – Form of Payment – Check or Wire Transfer

___ Check payable to **Cambridge Holdings, Ltd., Escrow Account.**

___ Wire funds from my outside account according to Section 1(a) of the Securities Purchase Agreement.

___ Wire funds from my Account - See Following Page.

___ The funds for this investment are rolled over, tax deferred from _____ within the allowed 60 day window.

Please check if you are a NASD member or affiliate of a NASD member firm: ____

Investor Signature **Date**

Investment Objectives: The typical investment listed with each objective are only some examples of the kinds of investments that have historically been consistent with the listed objectives. However, neither Cambridge Holdings, Ltd. nor American Beacon Partners, Inc. can assure that any investment will achieve your intended objective. You must make your own investment decisions and determine for yourself if the investments you select are appropriate and consistent with your investment objectives.

Neither Cambridge Holdings, Ltd. nor American Beacon Partners, Inc. assumes responsibility to you for determining if the investments you selected are suitable for you.

Preservation of Capital: An investment objective of *Preservation of Capital* indicates you seek to maintain the principal value of your investments and are interested in investments that have historically demonstrated a very low degree of risk of loss of principal value. Some examples of typical investments might include money market funds and high quality, short-term fixed income products.

Income: An investment objective of *Income* indicates you seek to generate from investments and are interested in investments that have historically demonstrated a low degree of risk of loss of principal value. Some examples of typical investments might include high quality, short and medium-term fixed income products, short-term bond funds and covered call options.

Capital Appreciation: An investment objective of *Capital Appreciation* indicates you seek to grow the principal value of your investments over time and are willing to invest in securities that have historically demonstrated a moderate to above average degree of risk of loss of principal value to pursue this objective. Some examples of typical investments might include common stocks, lower quality, medium-term fixed income products, equity mutual funds and index funds.

Trading Profits: An investment objective of *Trading Profits* indicates you seek to take advantage of short-term trading opportunities, which may involve establishing and liquidating positions quickly. Some examples of typical investments might include short-term purchases and sales of volatile or low prices common stocks, put or call options, spreads, straddles and/or combinations on equities or indexes. This is a high-risk strategy.

Speculation: An investment objective of *Speculation* indicates you seek a significant increase in the principal value of your investments and are willing to accept a corresponding greater degree of risk by investing in securities that have historically demonstrated a high degree of risk of loss of principal value to pursue this objective. Some examples of typical investments might include lower quality, long-term fixed income products, initial public offerings, volatile or low priced common stocks, the purchase or sale of put or call options, spreads, straddles and/or combinations on equities or indexes, and the use of short-term or day trading strategies.

Other: Please specify.

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (C) IN COMPLIANCE WITH RULE 144 OR 144A THEREUNDER, IF AVAILABLE, AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, (D) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT, OR (E) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, AND THE HOLDER HAS, PRIOR TO SUCH SALE, FURNISHED TO THE COMPANY AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE REASONABLY SATISFACTORY TO THE COMPANY. HEDGING TRANSACTIONS INVOLVING THESE SECURITIES MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE U.S. SECURITIES ACT.

6% CONVERTIBLE PROMISSORY NOTE

CAMBRIDGE HOLDINGS, LTD.

DUE JUNE 30, 2011

Original Issue Date _____ __, 2010 US$**[25,000]**

This Convertible Promissory Note is one of a series of duly authorized and issued convertible promissory notes of Cambridge Holdings, Ltd, a Colorado corporation (the "Company"), designated its 6% Convertible Promissory Notes due June 30, 2011 (the "Note"), issued to _____ (together with its permitted successors and assigns, the "Holder") in accordance with exemptions from registration under the Securities Act of 1933, as amended (the "Securities Act"), pursuant to a Securities Purchase Agreement, dated ____ ___, 2010 (the "Securities Purchase Agreement") between the Company and the Holder. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Securities Purchase Agreement.

Article I.

Section 1.01 Principal and Interest. For value received, the Company hereby promises to pay to the order of the Holder, in lawful money of the United States of America and in immediately available funds the principal sum of _____ on the earlier of (i) June 30, 2011 (the "Maturity Date") or (ii) an Event of Default (as defined in Section 3.01).

(a) Interest shall accrue on the unpaid principal balance of the Note at the rate of six percent (6%) per year commencing from the Original Issue Date until the Maturity Date. Interest shall be calculated on the basis of a 360-day year and actual calendar days elapsed.

(b) On the Maturity Date, the entire unpaid principal amount and all accrued and unpaid interest shall be paid to the Holder, unless this Note is converted in accordance with Section 1.02 herein.

(c) Except as otherwise set forth in this Note, the Company may not prepay any portion of the principal amount of this Note without the prior written consent of the Holder.

Section 1.02 Conversion.

(a) Mandatory Conversion. This Note will automatically convert as to all unpaid principal, plus accrued and unpaid interest, if any, into units ("Units") of the Company's securities, at a conversion price equal to a thirty-three (33%) percent discount to the price at which such Units are sold (the "Conversion Price") in a private placement offering in an anticipated minimum amount of $6 million and a maximum amount of $12 million (the "PPO"), which will be scheduled to close simultaneously with the closing of the proposed merger (the "Merger") among the Company, Prescient Medical, Inc. ("Prescient") and a wholly-owned subsidiary of the Company. Each Unit shall consist of shares (each, a "Conversion Share") of the Company's common stock, par value $0.001 per share (the "Common Stock"), and common stock purchase warrants (the "Warrants"). Each Warrant shall entitle the holder to purchase Conversion Shares (the "Warrant Shares") at an intended exercise price (the "Exercise Price") of 150% of the amount of the PPO per share amount. No fraction of shares or scrip representing fractions of shares will be issued on conversion, but the number of shares issuable shall be rounded to the nearest whole share. The number of Units issuable upon a conversion hereunder shall be determined by the quotient obtained by dividing (x) the outstanding principal amount of this Note, plus accrued and unpaid interest thereon, by (y) the Conversion Price. The Company shall afford the Holder the opportunity to become a party to all agreements and instruments executed by the investors in the PPO, including, but not limited to, a registration rights agreement (the "Registration Rights Agreement"). The Registration Rights Agreement shall, among other things, register the Conversion Shares (and provide for "piggyback" registration of the Warrant Shares) under the Securities Act.

Section 1.03 Reservation of Common Stock. As set forth in Section 4(e) of the Securities Purchase Agreement, the Company shall reserve and keep available out of its authorized but unissued shares of Common Stock, solely for the purpose of effecting the conversion of this Note and the exercise of the Warrants, that number of shares of Common Stock equal to the sum of (i) the number of shares of Common Stock into which the Note is convertible from time to time based upon the Conversion Price, plus (ii) the number of shares of Common Stock for which the Warrants are exercisable from time to time based upon the Exercise Price.

Section 1.04 Absolute Obligation/Ranking. Except as expressly provided herein, no provision of this Note shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of, interest and liquidated damages (if any) on, this Note at the time, place, and rate, and in the coin or currency, herein prescribed. This Note is a direct debt obligation of the Company. This Note ranks pari passu with all other Notes now or hereinafter issued pursuant to the Securities Purchase Agreement.

Section 1.05 Paying Agent and Registrar. Initially, the Company will act as paying agent and registrar. The Company may change any paying agent, registrar, or Company-registrar by giving the Holder not less than ten (10) business days' written notice of its election to do so, specifying the name, address, telephone number and facsimile number of the paying agent or registrar. The Company may act in any such capacity.

Section 1.06 Different Denominations. This Note is exchangeable for an equal aggregate principal amount of Notes of different authorized denominations, as requested by the Holder surrendering the same. No service charge will be made for such registration of transfer or exchange.

Section 1.07 Investment Representations. This Note has been issued subject to certain investment representations of the original Holder set forth in the Securities Purchase Agreement and may be transferred or exchanged only in compliance with the Securities Purchase Agreement and applicable federal and state securities laws and regulations.

Section 1.08 Reliance on Note Register. Prior to due presentment to the Company for transfer or conversion of this Note, the Company and any agent of the Company may treat the person in whose name this Note is duly registered on the Note Register as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes, whether or not this Note is overdue, and neither the Company nor any such agent shall be affected by notice to the contrary.

Section 1.09 In addition to the rights and remedies given it by this Note, the Holder shall have all those rights and remedies allowed by applicable laws. The rights and remedies of the Holder are cumulative and recourse to one or more right or remedy shall not constitute a waiver of the others.

Article II.

Section 2.01 Amendments and Waiver of Default. The Note may not be amended without the consent of the Holder. Notwithstanding the above, without the consent of the Holder, the Note may be amended to cure any ambiguity, defect or inconsistency or to make any change that does not adversely affect the rights of the Holder.

Article III.

Section 3.01 Events of Default. Each of the following events shall constitute a default under this Note (each an "Event of Default"):

(a) failure by the Company to pay principal amount or interest due hereunder within five (5) days of the date such payment is due;

(b) failure by the Company's transfer agent to issue Common Stock to the Holder within five (5) days of the Company's automatic conversion of the Note in accordance with the Securities Purchase Agreement;

(c) failure by the Company for five (5) days after notice to it to comply with any of its other agreements in the Note;

(d) the Company shall: (1) make a general assignment for the benefit of its creditors; (2) apply for or consent to the appointment of a receiver, trustee, assignee, custodian, sequestrator, liquidator or similar official for itself or any of its assets and properties; (3) commence a voluntary case for relief as a debtor under the United States Bankruptcy Code; (4) file with or otherwise submit to any governmental authority any petition, answer or other document seeking: (A) reorganization, (B) an arrangement with creditors or (C) to take advantage of any other present or future applicable law respecting bankruptcy, reorganization, insolvency, readjustment of debts, relief of debtors, dissolution or liquidation; (5) file or otherwise submit any answer or other document admitting or failing to contest the material allegations of a petition or other document filed or otherwise submitted against it in any proceeding under any such applicable law, or (6) be adjudicated a bankrupt or insolvent by a court of competent jurisdiction;

(e) any case, proceeding or other action shall be commenced against the Company for the purpose of effecting, or an order, judgment or decree shall be entered by any court of competent jurisdiction approving (in whole or in part) anything specified in Section 3.01(d) hereof, or any receiver, trustee, assignee, custodian, sequestrator, liquidator or other official shall be appointed with respect to the Company, or shall be appointed to take or shall otherwise acquire possession or control of all or a substantial part of the assets and properties of the Company, and any of the foregoing shall continue unstayed and in effect for any period of sixty (60) days;

(f) any material obligation of the Company for the payment of borrowed money is not paid when due or within any applicable grace period, or such obligation becomes or is declared to be due and payable before the expressed maturity of the obligation, or there shall have occurred an event that, with the giving of notice or lapse of time, or both, would cause any such obligation to become, or allow any such obligation to be declared to be, due and payable before the expressed maturity date of the obligation;

(g) a breach by the Company of any material contract that would have a Material Adverse Effect (as defined in the Securities Purchase Agreement);

(h) any event of default of the Company under any agreement, note, mortgage, security agreement or other instrument evidencing or securing indebtedness that ranks senior in priority to, or pari passu with, the obligations under this Note and the Securities Purchase Agreement;

(i) any event of default of Prescient has occurred with respect to the Bridge Loan;

(j) the Common Stock shall not be eligible for quotation on or quoted for trading on the OTC Bulletin Board and shall not again be eligible for and quoted for trading thereon within five (5) trading days;

(k) any material breach by the Company of any of its representations or warranties under the Securities Purchase Agreement; or

(l) any default, whether in whole or in part, shall occur in the due observance or performance of any obligations or other covenants, terms or provisions to be performed under this Note or the Securities Purchase Agreement which is not cured by the Company within five (5) days after receipt of written notice thereof.

Section 3.02 If any Event of Default occurs, the full principal amount of this Note, together with interest and other amounts owing in respect thereof, to the date of acceleration shall become, at the Holder's election, immediately due and payable in cash. Commencing five (5) days after the occurrence of any Event of Default that results in the eventual acceleration of this Note, the interest rate on this Note shall accrue at the rate of 10% per annum, or such lower maximum amount of interest permitted to be charged under 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 need not provide and the Company hereby waives any presentment, demand, protest or other notice of any kind, and the Holder may immediately and without expiration of any grace period 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 shall have been received by it. No such rescission or annulment shall affect any subsequent Event of Default or impair any right consequent thereon.

Article IV.

Section 4.01 Negative Covenants. So long as this Note shall remain in effect and until any outstanding principal and all accrued interest thereon and all fees and all other expenses or amounts payable under this Note and the Securities Purchase Agreement have been paid in full, unless all Holders shall otherwise consent in writing, the Company shall not:

(a) Senior or Pari Passu Indebtedness. Incur, create, assume, guaranty or permit to exist any indebtedness that ranks senior in priority to, or pari passu with, the obligations under this Note and the Securities Purchase Agreement, except for indebtedness existing or contemplated on the date hereof and set forth in Schedule A attached hereto and only to the extent that such indebtedness ranks senior in priority to or pari passu with the obligations under this Note and the Securities Purchase Agreement on the Original Issue Date.

(b) Liens. Create, incur, assume or permit to exist any lien on any property or assets (including stock or other securities of the Company) now owned or hereafter acquired by it or on any income or revenues or rights in respect of any thereof, except:

(i) liens on property or assets of the Company existing on the date hereof and set forth in Schedule B attached hereto, provided that such liens shall secure only those obligations which they secure on the date hereof;

(ii) any lien created under this Note or the Securities Purchase Agreement;

(iii) any lien existing on any property or asset prior to the acquisition thereof by the Company, provided that

1) such lien is not created in contemplation of or in connection with such acquisition, and

2) such lien does not apply to any other property or assets of the Company;

(iv) liens for taxes, assessments and governmental charges;

(v) carriers', warehousemen's, mechanics', materialmen's, repairmen's, landlord's or other like liens arising in the ordinary course of business and securing obligations that are not due and payable;

(vi) pledges and deposits made in the ordinary course of business in compliance, with workmen's compensation, unemployment insurance and other social security laws or regulations;

(vii) deposits to secure the performance of bids, trade contracts (other than for indebtedness), leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(viii) zoning restrictions, easements, licenses, covenants, conditions, rights-of-way, restrictions on use of real property and other similar encumbrances incurred in the ordinary course of business and minor irregularities of title that, in the aggregate, are not substantial in amount and do not materially detract from the value of the property subject thereto or interfere with the ordinary conduct of the business of the Company;

(ix) purchase money security interests in real property, improvements thereto or equipment hereafter acquired (or, in the case of improvements, constructed) by the Company, provided that

1) such security interests secure indebtedness permitted by this Note,

2) such security interests are incurred, and the indebtedness secured thereby is created, within 90 days after such acquisition (or construction),

3) the indebtedness secured thereby does not exceed 85% of the lesser of the cost or the fair market value of such real property, improvements or equipment at the time of such acquisition (or construction), and

4) such security interests do not apply to any other property or assets of the Company;

(x) liens arising out of judgments or awards (other than any judgment that constitutes an Event of Default hereunder) in respect of which the Company shall in good faith be prosecuting an appeal or proceedings for review and in respect of which it shall have secured a subsisting stay of execution pending such appeal or proceedings for review, provided the Company shall have set aside on its books adequate reserves with respect to such judgment or award; and

(xi) deposits, liens or pledges to secure payments of workmen's compensation and other payments, public liability, unemployment and other insurance, old-age pensions or other social security obligations, or the performance of bids, tenders, leases, contracts (other than contracts for the payment of money), public or statutory obligations, surety, stay or appeal bonds, or other similar obligations arising in the ordinary course of business.

(c) Dividends and Distributions. In the case of the Company, declare or pay, directly or indirectly, any dividend or make any other distribution (by reduction of capital or otherwise), whether in cash, property, securities or a combination thereof, with respect to any shares of its capital stock or directly or indirectly redeem, purchase, retire or otherwise acquire for value any shares of any class of its capital stock or set aside any amount for any such purpose; provided, however, that the Company may

(i) declare and pay dividends consisting entirely of its common stock;

(ii) repurchase shares of its capital stock from its employees in connection with the termination of such employees; and

(iii) make distributions consisting entirely of its common stock in connection with stock splits of its capital stock.

(d) Limitation on Certain Payments and Prepayments.

(i) Pay in cash any amount in respect of any indebtedness or preferred stock that may at the obligor's option be paid in kind or in other securities; and

(ii) Optionally prepay, repurchase or redeem or otherwise defease or segregate funds with respect to any indebtedness of the Company, other than for senior indebtedness existing on the date hereof and set forth in Schedule A attached hereto, indebtedness under this Note or the Securities Purchase Agreement.

Article V.

Section 5.01 Re-issuance of Note. When the Holder elects to convert a part of the Note, then the Company shall reissue a new Note in the same form as this Note to reflect the new principal amount and the Holder shall return the Note to the Company for cancellation.

Article VI.

Section 6.01 Anti-dilution. Adjustment of Conversion Price. The Conversion Price shall be adjusted from time to time as follows:

(a) Adjustment of Conversion Price and Number of Shares upon Issuance of Common Stock. If at any time after the Original Issue Date, the Company issues or sells, or is deemed to have issued or sold, any shares of Common Stock (other than (i) Excluded Securities (as defined herein) and (ii) shares of Common Stock which are issued or deemed to have been issued by the Company in connection with an Approved Stock Plan (as defined herein) or upon issuance, exercise or conversion of the Other Securities (as defined herein)) for a consideration per share less than a price (the "Applicable Price") equal to the Conversion Price in effect immediately prior to such issuance or sale, then immediately after such issue or sale the Conversion Price then in effect shall be reduced to an amount equal to such consideration per share, provided that in no event shall the Conversion Price be reduced below $0.001.

(b) Effect on Conversion Price of Certain Events. For purposes of determining the adjusted Conversion Price under Section 6.01(a) above, the following shall be applicable:

(i) Issuance of Options. If after the date hereof, the Company in any manner grants any rights, warrants or options to subscribe for or purchase Common Stock or convertible securities ("Options"), other than Excluded Securities or Other Securities issued or deemed to have been issued in connection with any Approved Stock Plan, and the lowest price per share for which one share of Common Stock is issuable upon the exercise of any such Option or upon conversion or exchange of any convertible securities issuable upon exercise of any such Option is less than the Conversion Price then in effect, then such share of Common Stock shall be deemed to be outstanding and to have been issued and sold by the Company at the time of the granting or sale of such Option for such price per share. For purposes of this Section 6.01(b)(i), the lowest price per share for which one share of Common Stock is issuable upon exercise of such Options or upon conversion or exchange of such convertible securities shall be equal to the sum of the lowest amounts of consideration (if any) received or receivable by the Company with respect to any one share of Common Stock upon the granting or sale of the Option, upon exercise of the Option or upon conversion or exchange of any other convertible security other than this Note issuable upon exercise of such Option. No further adjustment of the Conversion Price shall be made upon the actual issuance of such Common Stock or of such convertible securities upon the exercise of such Options or upon the actual issuance of such Common Stock upon conversion or exchange of such convertible securities.

(ii) Issuance of Convertible Securities. If the Company in any manner issues or sells any convertible securities after the Original Issue Date, other than Excluded Securities or Other Securities issued or deemed to have been issued in connection with an Approved Stock Plan, and the lowest price per share for which one share of Common Stock is issuable upon the conversion or exchange thereof is less than the Conversion Price then in effect, then such share of Common Stock shall be deemed to be outstanding and to have been issued and sold by the Company at the time of the issuance or sale of such convertible securities for such price per share. For the purposes of this Section 6.01(b)(ii), the lowest price per share for which one share of Common Stock is issuable upon such conversion or exchange shall be equal to the sum of the lowest amounts of consideration (if any) received or receivable by the Company with respect to one share of Common Stock upon the issuance or sale of the convertible security and upon conversion or exchange of such convertible security. No further adjustment of the Conversion Price shall be made upon the actual issuance of such Common Stock upon conversion or exchange of such convertible securities, and if any such issue or sale of such convertible securities is made upon exercise of any Options for which adjustment of the Conversion Price had been or are to be made pursuant to other provisions of this Section 6.01(b), no further adjustment of the Conversion Price shall be made by reason of such issue or sale.

(iii) Change in Option Price or Rate of Conversion. If the purchase price provided for in any Options, the additional consideration, if any, payable upon the issue, conversion or exchange of any convertible securities, or the rate at which any convertible securities are convertible into or exchangeable for Common Stock changes at any time, the Conversion Price in effect at the time of such change shall be adjusted to the Conversion Price which would have been in effect at such time had such Options or convertible securities provided for such changed purchase price, additional consideration or changed conversion rate, as the case may be, at the time initially granted, issued or sold and the number of shares of Common Stock issuable upon conversion of this Note shall be correspondingly readjusted. For purposes of this Section 6.01(b)(iii), if the terms of any Option or convertible security that was outstanding as of the Original Issue Date are changed in the manner described in the immediately preceding sentence, then such Option or convertible security and the Common Stock deemed issuable upon exercise, conversion or exchange thereof shall be deemed to have been issued as of the date of such change. No adjustment pursuant to this Section 6.01(b) shall be made if such adjustment would result in an increase of the Conversion Price then in effect.

(c) Effect on Conversion Price of Certain Events. For purposes of determining the adjusted Conversion Price under Sections 6.01(a) and 6.01(b), the following shall be applicable:

(i) Calculation of Consideration Received. If any Common Stock, Options or convertible securities are issued or sold or deemed to have been issued or sold for cash, the consideration received therefore will be deemed to be the net amount received by the Company therefore. If any Common Stock, Options or convertible securities are issued or sold for a consideration other than cash, the amount of such consideration received by the Company will be the fair value of such consideration, except where such consideration consists of marketable securities, in which case the amount of consideration received by the Company will be the market price of such securities on the date of receipt of such securities (measured by the closing sale price of such securities on the Over-the-Counter Bulletin Board or its principal trading market). If any Common Stock, Options or convertible securities are issued to the owners of the non-surviving entity in connection with any merger in which the Company is the surviving entity, the amount of consideration therefore will be deemed to be the fair value of such portion of the net assets and business of the non-surviving entity as is attributable to such Common Stock, Options or convertible securities, as the case may be. The fair value of any consideration other than cash or securities will be determined jointly by the Company and the holders of the principal amount of the Notes then outstanding. If such parties are unable to reach agreement within ten (10) days after the occurrence of an event requiring valuation (the "Valuation Event"), the fair value of such consideration will be determined within five (5) Business Days after the tenth (10^{th}) day following the Valuation Event by an independent, reputable appraiser jointly selected by the Company and the holders of the principal amount of the Notes then outstanding. The determination of such appraiser shall be final and binding upon all parties and the fees and expenses of such appraiser shall be borne by the Company.

(ii) Integrated Transactions. In case any Option is issued in connection with the issue or sale of other securities of the Company, together comprising one integrated transaction in which no specific consideration is allocated to such Options by the parties thereto, the Options will be deemed to have been issued for a consideration of $0.001.

(iii) Treasury Shares. The number of shares of Common Stock outstanding at any given time does not include shares owned or held by or for the account of the Company, and the disposition of any shares so owned or held will be considered an issue or sale of Common Stock.

(iv) Record Date. If the Company takes a record of the holders of Common Stock for the purpose of entitling them (1) to receive a dividend or other distribution payable in Common Stock, Options or in convertible securities or (2) to subscribe for or purchase Common Stock, Options or convertible securities, then such record date will be deemed to be the date of the issue or sale of the shares of Common Stock deemed to have been issued or sold upon the declaration of such dividend or the making of such other distribution or the date of the granting of such right of subscription or purchase, as the case may be.

(d) Adjustment of Conversion Price upon Subdivision or Combination of Common Stock. If the Company at any time after the date of issuance of this Note subdivides (by any stock split, stock dividend, recapitalization or otherwise) one or more classes of its outstanding shares of Common Stock into a greater number of shares, the Conversion Price or Future Price in effect immediately prior to such subdivision will be proportionately reduced. If the Company at any time after the date of issuance of this Note combines (by combination, reverse stock split or otherwise) one or more classes of its outstanding shares of Common Stock into a smaller number of shares, the Conversion Price or Future Price in effect immediately prior to such combination will be proportionately increased. Any adjustment under this Section 6.01(d) shall become effective at the close of business on the date the subdivision or combination becomes effective.

(e) Distribution of Assets. If the Company shall declare or make any dividend or other distribution of its assets (or rights to acquire its assets) to holders of Common Stock, by way of return of capital or otherwise (including, without limitation, any distribution of cash, stock or other securities, property or options by way of a dividend, spin off, reclassification, corporate rearrangement or other similar transaction) (a "Distribution"), at any time after the issuance of this Note, then, in each such case the Conversion Price in effect immediately prior to the close of business on the record date fixed for the determination of holders of Common Stock entitled to receive the Distribution shall be reduced, effective as of the close of business on such record date, to a price determined by multiplying such Conversion Price by a fraction of which (A) the numerator shall be the closing bid price of the Common Stock on the trading day immediately preceding such record date minus the value of the Distribution (as determined in good faith by the Company's Board of Directors) applicable to one share of Common Stock, and (B) the denominator shall be the closing bid price of the Common Stock on the trading day immediately preceding such record date. Notwithstanding the foregoing, the Distribution in the form of a stock dividend (the "Forward Split") to be effected prior to, and in connection with, the Merger shall in no event cause an adjustment to the Conversion Price, nor shall any similar adjustment to the capital structure of the Company effected in connection with the Merger and the PPO.

(f) Certain Events. If any event occurs of the type contemplated by the provisions of this Section 6.01 but not expressly provided for by such provisions (including, without limitation, the granting of stock appreciation rights, phantom stock rights or other rights with equity features but excluding the Recapitalization, as such term is defined in the Securities Purchase Agreement), then the Company's Board of Directors will make an appropriate adjustment in the Conversion Price so as to protect the rights of the holders of the Note; provided, except as set forth in Section 6.01(d), that no such adjustment pursuant to this Section 6.01(f) will increase the Conversion Price as otherwise determined pursuant to this Section 6.01.

(i) Notices.

1) Immediately upon any adjustment of the Conversion Price, the Company will give written notice thereof to the holder of this Note, setting forth in reasonable detail, and certifying, the calculation of such adjustment.

2) The Company will give written notice to the holder of this Note at least ten (10) days prior to the date on which the Company closes its books or takes a record (A) with respect to any dividend or distribution upon the Common Stock, (B) with respect to any pro rata subscription offer to holders of Common Stock or (C) for determining rights to vote with respect to any dissolution or liquidation, provided that such information shall be made known to the public prior to or in conjunction with such notice being provided to such holder.

(ii) Definitions.

1) "Approved Stock Plan" means any employee benefit plan approved by the Board of Directors of the Company, or any successor thereto, pursuant to which the Company's securities may be issued to any employee, officer or director for services provided to the Company.

2) "Excluded Securities" means any of the following: (a) any issuance by the Company of securities in connection with a strategic partnership or a joint venture (the primary purpose of which is not to raise equity capital), (b) any issuance by the Company of securities as consideration for a merger or consolidation or the acquisition of a business, product, license, or other assets of another person or entity and (c) options to purchase shares of Common Stock, or other stock based awards or grants under an Approved Stock Plan.

3) "Other Securities" means (i) those options and warrants of the Company issued prior to, and outstanding on, the Original Issue Date, (ii) the Units, including the Common Stock and Warrants included in the Units, issued in the PPO, (ii) the shares of Common Stock issuable on exercise of such options and warrants, provided such options and warrants are not amended after the Original Issue Date, (iii) the shares of Common Stock issued in connection with the Forward Split and (iv) the shares of Common Stock issuable upon exercise of the Warrants or conversion of this Note.

Article VII.

Section 7.01 Notice. Notices regarding this Note shall be sent to the parties at the following addresses, unless a party notifies the other parties, in writing, of a change of address:

If to the Company, to:	Cambridge Holdings, Ltd. 106 S. University Blvd., #14 Denver, CO 80209 Attention: Jeffrey McGonegal, Chief Financial Officer Fax: 303-722-4011
If to the Holder:	At the address set forth in the Securities Purchase Agreement

Section 7.02 Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Note shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. Each party agrees that all legal proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by any of the Transaction Documents (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, employees or agents) shall be commenced in the state and federal courts sitting in the City of New York, Borough of Manhattan (the "New York Courts"). Each party hereto hereby irrevocably submits to the exclusive jurisdiction of the New York Courts for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of any of the Transaction Documents), 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 such New York Courts are improper or inconvenient venue for such proceeding. 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 via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Note 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. Each party hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Note or the transactions contemplated hereby. If either party shall commence an action or proceeding to enforce any provisions of this Note, then the prevailing party in such action or proceeding shall be reimbursed by the other party for its attorney's fees and other costs and expenses incurred with the investigation, preparation and prosecution of such action or proceeding.

Section 7.03 Severability. The invalidity of any of the provisions of this Note shall not invalidate or otherwise affect any of the other provisions of this Note, which shall remain in full force and effect.

Section 7.04 Entire Agreement and Amendments. This Note, together with the Securities Purchase Agreement, represents the entire agreement between the parties hereto with respect to the subject matter hereof and there are no representations, warranties or commitments, except as set forth herein. This Note may be amended only by an instrument in writing executed by the parties hereto.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, with the intent to be legally bound hereby, the Company as executed this Note as of the date first written above.

Cambridge Holdings, Ltd.

By:
Name: Jeffrey McGonegal
Title: Chief Financial Officer

SCHEDULE A

SENIOR AND PARI PASSU INDEBTEDNESS

[None.]

SCHEDULE B

LIENS

[None.]

Exhibit 10.3

FORM OF WARRANT

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER APPLICABLE FEDERAL AND STATE SECURITIES LAWS OR PURSUANT TO AN APPLICABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, WHICH OPINION SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY.

No. SPW- _____, 2010

CAMBRIDGE HOLDINGS, LTD.
Common Stock Purchase Warrant

THIS CERTIFIES THAT, for value received, _____, or his/her/its registered assigns (the "Purchaser"), is entitled to subscribe for and purchase from Cambridge Holdings, Ltd., a Delaware corporation (the "Company"), at any time prior to the fifth anniversary of the date hereof (the "Warrant Exercise Term"), the Shares at the Exercise Price (each as defined in Section 1 below); provided, however, in accordance with Section 1 hereof, simultaneously with the closing of the PPO and the Merger (each, as defined below), this Warrant shall be exchanged for a PPO Warrant (as defined below).

This Warrant is one of a series of warrants of like tenor that have been issued in connection with the Company's private offering solely to accredited investors of units in accordance with, and subject to, the terms and conditions described in the Securities Purchase Agreement, attached to the Letter of Transmittal of the Company dated August __, 2010 (the "Securities Purchase Agreement").

This Warrant is subject to the following terms and conditions:

1. Exchange. This Warrant shall be exchanged for warrants (the "PPO Warrants") in an amount equal to 40% of the principal amount of the Convertible Note held by the Purchaser and issued to the Purchaser pursuant to the Securities Purchase Agreement. This Warrant shall be exchanged for a PPO Warrant exercisable for a number of shares of securities based upon a 33.3% discount to the per share offering price of the securities sold in a private placement offering in an anticipated minimum amount of $6 million and a maximum amount of $12 million (the "PPO"), which will be scheduled to close simultaneously with the closing of the proposed merger (the "Merger") among the Company, Prescient Medical, Inc. ("Prescient") and a wholly-owned subsidiary of the Company. For illustrative purposes only, if a purchaser purchases a Convertible Note in the principal amount of $100,000, and the securities offered in the PPO have a purchase price of $6.00 per share of Common Stock, applying the 33.3% discount to the $6.00 per share offering price, such purchaser would be entitled to a PPO Warrant to purchase 10,000 shares of Common Stock at the same exercise price as the PPO Warrants exercise price ($100,000 x 40% = $40,000 divided by $4.00 = 10,000 shares).

2. Exercise of Warrant.

(a) Shares. In the event that there are no PPO Warrants issued in the PPO, the Purchaser shall be entitled to purchase, at any time during the Warrant Exercise Term and subject to the terms set forth herein, a number of shares (collectively, the "Shares") of the Company's common stock, par value $0.001 per share (the "Common Stock") equal to the principal amount of such Purchaser's Convertible Promissory Note issued pursuant to the Securities Purchase Agreement divided by two dollars and fifty cents ($2.50) at an exercise price per Share equal to One Hundred and Fifty (150%) percent of the per share price of Common Stock sold in the PPO (the "Exercise Price"). In the event that the PPO as defined herein, is not completed and such Merger is terminated, the Exercise Price shall be based upon 150% of the average five day closing price at the time of the Merger termination, of the Common Stock of Cambridge.

(b) Exercise. Subject to Section 2(d) hereof, this Warrant may be exercised by the Purchaser at any time during the Warrant Exercise Term, in whole or in part, by delivering the notice of exercise attached as Exhibit A hereto (the "Notice of Exercise"), duly executed by the Purchaser to the Company at its principal office, or at such other office as the Company may designate, accompanied by payment, in cash or by wire transfer of immediately available funds or by check payable to the order of the Company, of the amount obtained by multiplying the number of Shares designated in the Notice of Exercise by the Exercise Price (the "Purchase Price"). For purposes hereof, "Exercise Date" shall mean the date on which all deliveries required to be made to the Company upon exercise of this Warrant pursuant to this Section 2(b) shall have been made.

(c) Issuance of Certificates. As soon as practicable after the exercise of this Warrant, in whole or in part, in accordance with Section 2(b) hereof, the Company, at its expense, shall cause to be issued in the name of and delivered to the Purchaser (i) a certificate or certificates for the number of fully paid and non-assessable Shares to which the Purchaser shall be entitled upon such exercise and, if applicable, (ii) a new warrant of like tenor to purchase all of the Shares that may be purchased pursuant to the portion, if any, of this Warrant not exercised by the Purchaser. The Purchaser shall for all purposes hereof be deemed to have become the Purchaser of record of such Shares on the date on which the Notice of Exercise and payment of the Purchase Price in accordance with Section 2(b) hereof were delivered and made, respectively, irrespective of the date of delivery of such certificate or certificates, except that if the date of such delivery, notice and payment is a date when the stock transfer books of the Company are closed, such person shall be deemed to have become the holder of record of such Shares at the close of business on the next succeeding date on which the stock transfer books are open.

(d) Call. If on any date commencing thirty (30) days after the closing of the PPO (the "Initial Date"), the bid price of the Common Stock exceeds 200% or more of the per share price of the Common Stock sold in the PPO (subject to adjustment for forward and reverse stock splits, recapitalizations, stock dividends and the like), for each of the immediately preceding ten (10) consecutive trading days (the "Measurement Period") then the Company may, within two (2) trading days of the end of such Measurement Period, call for cancellation of all or any portion of this Warrant for which a Notice of Exercise has not yet been delivered (such right, a "Call") for consideration equal to $.01 per Share. To exercise this right, the Company must deliver to the Purchaser an irrevocable written notice (a "Call Notice"), indicating therein the portion of unexercised portion of this Warrant to which such notice applies. If the conditions set forth below for such Call are satisfied from the period from the date of the Call Notice through and including the Call Date (as defined below), then any portion of this Warrant subject to such Call Notice for which a Notice of Exercise shall not have been received by the Call Date will be cancelled at 6:30 p.m. (New York City time) on the thirtieth (30th) trading day after the date the Call Notice is received by the Purchaser (such date and time, the "Call Date"). Any unexercised portion of this Warrant to which the Call Notice does not pertain will be unaffected by such Call Notice. In furtherance thereof, the Company covenants and agrees that it will honor all Notices of Exercise with respect to Shares subject to a Call Notice that are tendered through 6:30 p.m. (New York City time) on the Call Date. The parties agree that any Notice of Exercise delivered following a Call Notice which calls less than all the Shares shall first reduce to zero the number of Shares subject to such Call Notice prior to reducing the remaining Shares available for purchase under this Warrant. For example, if (A) this Warrant then permits the Purchaser to acquire 100 Shares, (B) a Call Notice pertains to 75 Shares, and (C) prior to 6:30 p.m. (New York City time) on the Call Date the Purchaser tenders a Notice of Exercise in respect of 50 Shares, then (x) on the Call Date the right under this Warrant to acquire 25 Warrant Shares will be automatically cancelled, (y) the Company, in the time and manner required under this Warrant, will have issued and delivered to the Purchaser 50 Shares in respect of the exercises following receipt of the Call Notice, and (z) the Purchaser may, until the Termination Date, exercise this Warrant for 25 Shares (subject to adjustment as herein provided and subject to subsequent Call Notices). Subject again to the provisions of this Section 2(d), the Company may deliver subsequent Call Notices for any portion of this Warrant for which the Purchaser shall not have delivered a Notice of Exercise. Notwithstanding anything to the contrary set forth in this Warrant, the Company may not deliver a Call Notice or require the cancellation of this Warrant (and any such Call Notice shall be void), unless, from the beginning of the Measurement Period through the Call Date, (1) the Company shall have honored in accordance with the terms of this Warrant all Notices of Exercise delivered by 6:30 p.m. (New York City time) on the Call Date, and (2) a registration statement shall be effective as to all Shares and the Prospectus thereunder available for use by the Purchaser for the resale of all such Shares, and (3) the Common Stock shall be listed or quoted for trading on a trading market. The Company's right to call the Warrants under this Section 2(d) shall be exercised ratably among all of the holders of Warrants, including the Purchaser, based on the number of Shares initially exercisable pursuant to each of the Warrants.

(e) Taxes. The Purchaser shall be responsible for any tax or other charge of whatever nature in respect of the exercise of this Warrant, and the delivery of certificates or other instruments representing such Shares.

3. Adjustment of Exercise Price and Number of Shares.

(a) Adjustment for Reclassification, Consolidation or Merger. If while this Warrant, or any portion hereof, remains outstanding and unexpired there shall be (i) a reorganization or recapitalization (other than a combination, reclassification, exchange or subdivision of shares otherwise provided for herein), (ii) a merger or consolidation of the Company with or into another corporation or other entity in which the Company shall not be the surviving entity, or a reverse merger in which the Company shall be the surviving entity but the shares of the Company's capital stock outstanding immediately prior to the merger are converted by virtue of the merger into other property, whether in the form of securities, cash or otherwise, or (iii) a sale or transfer of the Company's properties and assets as, or substantially as, an entirety to any other corporation or other entity in one transaction or a series of related transactions, then, as a part of such reorganization, recapitalization, merger, consolidation, sale or transfer, unless otherwise directed by the Purchaser, all necessary or appropriate lawful provisions shall be made so that the Purchaser shall thereafter be entitled to receive upon exercise of this Warrant, during the period specified herein and upon payment of the Exercise Price then in effect, the greatest number of shares of capital stock or other securities or property that a holder of the Shares deliverable upon exercise of this Warrant would have been entitled to receive in such reorganization, recapitalization, merger, consolidation, sale or transfer if this Warrant had been exercised immediately prior to such reorganization, recapitalization, merger, consolidation, sale or transfer, all subject to further adjustment as provided in this Section 3. If the per share consideration payable to the Purchaser for Shares in connection with any such transaction is in a form other than cash or marketable securities, then the value of such consideration shall be determined in good faith by the Company's Board of Directors (the "Board of Directors"). The foregoing provisions of this paragraph shall similarly apply to successive reorganizations, recapitalizations, mergers, consolidations, sales and transfers and to the capital stock or securities of any other corporation that are at the time receivable upon the exercise of this Warrant. In all events, appropriate adjustment shall be made in the application of the provisions of this Warrant with respect to the rights and interests of the Purchaser after the transaction, to the end that the provisions of this Warrant shall be applicable after that event, as near as reasonably may be, in relation to any shares or other property deliverable or issuable after such reorganization, recapitalization, merger, consolidation, sale or transfer upon exercise of this Warrant.

(b) Adjustments for Split, Subdivision or Combination of Shares. If the Company shall at any time subdivide (by any stock split, stock dividend, recapitalization, reorganization, reclassification or otherwise) the shares of Series A Convertible Preferred Stock subject to acquisition hereunder, then, after the date of record for effecting such subdivision, the Exercise Price in effect immediately prior to such subdivision will be proportionately reduced and the number of shares of Series A Convertible Preferred Stock subject to acquisition upon exercise of the Warrant will be proportionately increased. If the Company at any time combines (by reverse stock split, recapitalization, reorganization, reclassification or otherwise) the shares of Series A Convertible Preferred Stock subject to acquisition hereunder, then, after the record date for effecting such combination, the Exercise Price in effect immediately prior to such combination will be proportionately increased and the number of shares of Series A Convertible Preferred Stock subject to acquisition upon exercise of the Warrant will be proportionately decreased.

(c) Adjustments for Dividends in Stock or Other Securities or Property. If while this Warrant, or any portion hereof, remains outstanding and unexpired, the holders of any class of securities as to which purchase rights under this Warrant exist at the time shall have received or, on or after the record date fixed for the determination of eligible stockholders, shall have become entitled to receive, without payment therefor, other or additional stock or other securities or property (other than cash) of the Company by way of dividend, then and in each case, this Warrant shall represent the right to acquire, in addition to the number of shares of such class of security receivable upon exercise of this Warrant, and without payment of any additional consideration therefor, the amount of such other or additional stock or other securities or property (other than cash) of the Company that such holder would hold on the date of such exercise had it been the holder of record of the class of security receivable upon exercise of this Warrant on the date hereof and had thereafter, during the period from the date hereof to and including the date of such exercise, retained such shares and/or all other additional stock available to it as aforesaid during said period, giving effect to all adjustments called for during such period by the provisions of this Section 3.

(d) Notice of Adjustments. Upon any increase or decrease in the number of Shares purchasable upon the exercise of this Warrant, then, and in each such case, the Company, within 30 days thereafter, shall give written notice thereof to the Purchaser at the address of such Purchaser as shown on the books of the Company, which notice shall state the increased or decreased number of Shares purchasable upon the exercise of this Warrant, setting forth in reasonable detail the method of calculation of each.

4. Notices. All notices, requests, consents and other communications required or permitted under this Warrant shall be in writing and shall be deemed delivered (i) three business days after being sent by registered or certified mail, return receipt requested, postage prepaid or (ii) one business day after being sent via a reputable nationwide overnight courier service guaranteeing next business day delivery, in each case to the intended recipient as set forth below:

If to the Company to:

Cambridge Holdings, Ltd.
106 S. University Blvd., #14
Denver, CO 80209
Attention: Jeffrey McGonegal, Chief Financial Officer
Facsimile: 303-722-4011

If to the Purchaser at its address as furnished in the Securities Purchase Agreement.

Either party may give any notice, request, consent or other communication under this Warrant using any other means (including personal delivery, messenger service, telecopy, first class mail or electronic mail), but no such notice, request, consent or other communication shall be deemed to have been duly given unless and until it is actually received by the party for whom it is intended. Either party may change the address to which notices, requests, consents or other communications hereunder are to be delivered by giving the other party notice in the manner set forth in this Section 4.

5. Legends. Each certificate evidencing the Shares issued upon exercise of this Warrant shall be stamped or imprinted with a legend substantially in the following form:

> THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR THE SECURITIES LAWS OF ANY STATE AND MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER APPLICABLE FEDERAL AND STATE SECURITIES LAWS OR PURSUANT TO AN APPLICABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL TO THE TRANSFEROR TO SUCH EFFECT, WHICH OPINION SHALL BE REASONABLY ACCEPTABLE TO THE COMPANY.

6. Removal of Legend. Upon request of a holder of a certificate with the legends required by Section 5 hereof, the Company shall issue to such holder a new certificate therefor free of any transfer legend, if, with such request, the Company shall have received an opinion of counsel satisfactory to the Company in form and substance to the effect that any transfer by such holder of the Shares evidenced by such certificate will not violate the Act or any applicable state securities laws.

7. Fractional Shares. No fractional Shares will be issued in connection with any exercise hereunder. Instead, the Company shall round up, as nearly as practicable to the nearest whole Share, the number of Shares to be issued.

8. Rights of Stockholders. Except as expressly provided in Section 3(c) hereof, the Purchaser, as such, shall not be entitled to vote or receive dividends or be deemed the holder of the Shares or any other securities of the Company that may at any time be issuable on the exercise hereof for any purpose, nor shall anything contained herein be construed to confer upon the Purchaser, as such, any of the rights of a stockholder of the Company or any right to vote for the election of directors or upon any matter submitted to stockholders at any meeting thereof, or to give or withhold consent to any corporate action (whether upon any recapitalization, issuance of stock, reclassification of stock, change of par value, consolidation, merger, conveyance, or otherwise) or to receive notice of meetings, or otherwise until this Warrant shall have been exercised and the Shares purchasable upon the exercise hereof shall have been issued, as provided herein.

9. Miscellaneous.

(a) This Warrant and disputes arising hereunder shall be governed by and construed and enforced in accordance with the laws of the State of Delaware applicable to agreements made and to be performed wholly within such State, without regard to its conflict of law rules.

(b) The headings in this Warrant are for purposes of reference only, and shall not limit or otherwise affect any of the terms hereof.

(c) The covenants of the respective parties contained herein shall survive the execution and delivery of this Warrant.

(d) The terms of this Warrant shall be binding upon and shall inure to the benefit of any successors or permitted assigns of the Company and of the Purchaser and of the Shares issued or issuable upon the exercise hereof.

(e) This Warrant and the other documents delivered pursuant hereto constitute the full and entire understanding and agreement between the parties with regard to the subject hereof.

(f) The Company shall not, by amendment of the Certificate of Incorporation or Bylaws, or through any other means, directly or indirectly, avoid or seek to avoid the observance or performance of any of the terms of this Warrant and shall at all times in good faith assist in the carrying out of all such terms and in the taking of all such action as may be necessary or appropriate in order to protect the rights of the Purchaser contained herein against impairment.

(g) Upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of any such loss, theft or destruction, upon delivery of an indemnity agreement reasonably satisfactory in form and amount to the Company, or, in the case of any such mutilation, upon surrender and cancellation of such Warrant, the Company, at its expense, will execute and deliver to the Purchaser, in lieu thereof, a new Warrant of like date and tenor.

(h) This Warrant and any provision hereof may be amended, waived or terminated only by an instrument in writing signed by the Company and the Purchaser.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this Warrant to be signed by its duly authorized officer.

CAMBRIDGE HOLDINGS, LTD.

By

Name: Jeffrey McGonegal
Title: Chief Financial Officer

Exhibit A

NOTICE OF EXERCISE

TO: Cambridge Holdings, Ltd.
Attention: Chief Financial Officer

The undersigned hereby elects to purchase _____ shares (the "Shares") of Common Stock of Cambridge Holdings, Ltd. (the "Company") pursuant to the terms of this Warrant, and tenders herewith payment of the purchase price of such Shares in full.

Please issue a certificate or certificates representing said shares in the name of the undersigned or in such other name as is specified below:

_____
(Name)

_____

_____
(Address)

The undersigned hereby represents and warrants the following:

(a) He/she/it (i) has such knowledge and experience in financial and business affairs that he/she/it is capable of evaluating the merits and risks involved in purchasing the Shares, (ii) is able to bear the economic risks involved in purchasing the Shares, and (iii) is an "accredited investor," as defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, as amended;

(b) In making the decision to purchase the Shares, he/she/it has relied solely on independent investigations made by him/her/it and has had the opportunity to ask questions of, and receive answers from, the Company concerning the Shares, the financial condition, prospective business and operations of the Company and has otherwise had an opportunity to obtain any additional information, to the extent that the Company possess such information or could acquire it without unreasonable effort or expense;

(c) His/her/its overall commitment to investments that are not readily marketable is not disproportionate to his/her/its net worth and income, and the purchase of the Shares will not cause such overall commitment to become disproportionate; he/she/it can afford to bear the loss of the purchase price of the Shares;

(d) He/she/it has no present need for liquidity in his/her/its investment in the Shares; and

(e) He/she/it acknowledges that the transaction contemplated in connection with the purchase of the Shares has not been reviewed or approved by the Securities and Exchange Commission or by any administrative agency charged with the administration of the securities laws of any state, and that no such agency has passed on or made any recommendation or endorsement of any of the securities contemplated hereby.

_____
(Signature and Date)

THIS SENIOR SECURED CONVERTIBLE PROMISSORY NOTE AND THE SECURITIES ISSUABLE ON THE CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF A REGISTRATION STATEMENT IN EFFECT WITH RESPECT TO SUCH SENIOR CONVERTIBLE PROMISSORY NOTE OR SECURITIES, OR DELIVERY OF AN OPINION OF COUNSEL IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO BORROWER THAT SUCH OFFER, SALE OR TRANSFER, PLEDGE OR HYPOTHECATION IS IN COMPLIANCE WITH THE ACT OR UNLESS SOLD IN FULL COMPLIANCE WITH RULE 144 UNDER THE ACT.

SENIOR SECURED CONVERTIBLE PROMISSORY NOTE

$1,025,000 September 15, 2010

Subject to the terms and conditions of this Senior Secured Convertible Promissory Note (this "Note"), for value received, Prescient Medical, Inc. ("Prescient" or the "Borrower") a Delaware corporation promises to pay to CAMBRIDGE HOLDINGS, LTD., a Colorado corporation ("Holder"), the principal amount of ONE MILLION TWENTY FIVE THOUSAND DOLLARS AND NO CENTS ($1,025,000.00) (such principal amount, the "Loan"), together with interest at the rate of six (6%) percent per annum, on or before the Maturity Date, as defined below, subject to the terms set forth in Section 2. This Note is one of a series of senior secured convertible promissory notes of like tenor and ranking made by the Borrower in favor of the Holder and issued, from time to time, on and after the date hereof.

1. Maturity Date. Borrower shall pay to Holder an amount in cash in immediately available funds representing the outstanding principal amount of this Note and accrued and unpaid interest thereon on June 30, 2011 (the "Maturity Date"), which date may be extended by the Borrower and the Holder in writing; provided, however, that upon the consummation of a merger between the Borrower and the Holder, or an affiliate of the Holder (the "Merger"), all indebtedness evidenced hereby shall be deemed cancelled and paid in full.

2. Security. This Note is secured by and is also entitled to the benefits of that certain Security Agreement dated as of the date between Borrower and Holder (as amended, supplemented or otherwise modified from time to time, the "Security Agreement" and, together with this Note and any other agreement, instrument or other document relating thereto or executed in connection therewith, the "Loan Documents") and any other agreement or instrument providing collateral for the Obligations (as defined below), whether now or hereafter in existence, and any filings, instruments, agreements and documents relating thereto and providing collateral for the Obligations. As used herein and in the Security Agreement, "Obligations" means all payment and performance obligations as existing from time to time of Borrower to Holder under this Note and any other notes issued to the Borrower, the other Loan Documents (including any interest, fees and expenses that, but for the provisions of the Bankruptcy Code (as defined in the Security Agreement), would have accrued), or as a result of making the Loan and the obligation to pay an amount equal to the amount of any and all damages which Holder may suffer by reason of a breach by Borrower of any obligation, covenant, or undertaking with respect to this Note or any other Loan Document.

3. General Payment Terms.

3.1 Except to the extent otherwise provided herein, all payments of principal, interest and other amounts to be made by Borrower under this Note and the Security Agreement shall be made in lawful money of the United States of America, in immediately available funds, without deduction for any and all current or future taxes, levies, imposts, deductions, charges or withholdings with respect to any payments owed by Borrower and all interest, penalties or similar liabilities with respect thereto (all such taxes, levies, imposts, deductions, charges or withholdings and liabilities, collectively or individually, "Taxes"), to Holder as directed in writing by Holder, not later than 1:00 p.m., New York, NY time, on the date on which such payment shall become due (each such payment made after such time on such due date to be deemed to have been made on the next succeeding Business Day). If Borrower shall be required by law to deduct any Taxes from any payment to Holder under this Note, then the amount payable to Holder shall be increased so that, after making all required deductions, Holder received an amount equal to that which it would have received had no such deductions been made.

3.2 Except to the extent otherwise expressly provided herein, if the due date of any payment under this Note would otherwise fall on a day that is not a Business Day, such date shall be extended to the next succeeding Business Day, and interest shall be payable for any principal so extended for the period of such extension.

3.3 Interest on the Loan shall be computed on the basis of a 360-day year for the actual days elapsed (including the first day but excluding the last day) occurring in the period for which payable

3.4 Payment shall be credited first to the accrued but unpaid interest then due and payable, second to the outstanding principal balance of this Note and third to the other outstanding Obligations.

4. Representations and Warranties. Borrower represents and warrants to Holder that until the obligations under this Note and the Security Agreement are paid in full:

4.1 Borrower (a) is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation, (b) has the corporate power and authority to own and operate its property, to lease the property it operates as lessee and to carry on its business as now being or as proposed to be conducted, (c) is duly qualified to do business and is in good standing under the laws of each jurisdiction in which the nature of the business conducted by it makes such qualification necessary and where failure so to qualify could reasonably be expected (either individually or in the aggregate) to have a material adverse effect on Borrower, and (d) is in compliance in all material respects with all requirements of law.

4.2 Borrower has the corporate power and authority to make, deliver and perform this Note and the other Loan Documents, and has taken all necessary corporate action to authorize (a) the incurrence of obligations pursuant to this Note and the terms and conditions of this Note and the other Loan Documents and (b) the execution, delivery and performance of this Note and the other Loan Documents.

4.3 No consent or authorization of, approval by, notice to, filing with or other act by or in respect of, any governmental authority or any other person or entity is required in connection with the incurrence of obligations pursuant to this Note hereunder or with the execution, delivery, performance, validity or enforceability of this Note or the other Loan Documents which has not otherwise been taken or received.

4.4 The Loan Documents have been duly and validly executed and delivered by Borrower and constitute the legal, valid and binding obligations of Borrower, enforceable against Borrower in accordance with their respective terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles (whether enforcement is sought by proceedings in equity or at law).

4.5 The execution, delivery and performance of the Loan Documents, the incurrence of the obligations under this Note and the use of the proceeds thereof will not violate any requirements of law or contractual obligation of Borrower.

4.6 There are no actions, suits, arbitrations, investigations or proceedings of or before any arbitrator or governmental authority pending or, to the knowledge of Borrower, threatened against Borrower or against any of its properties or assets with respect to the Loan Documents or any of the transactions contemplated hereby.

4.7 Borrower has filed all Federal income tax returns and all other tax returns that are required to be filed by it and has paid all taxes due pursuant to such returns or pursuant to any assessment received by it, except for any such taxes or assessments that are being appropriately contested in good faith by appropriate proceedings and with respect to which adequate reserves in conformity with generally accepted accounting principles have been provided. No lien, security interest or other encumbrance or interest (a "Lien") with respect to any tax or assessment has been filed, and to the knowledge of Borrower, no claim is being asserted, with respect to any such tax or assessment.

5. Affirmative Covenants. Until such time as all Obligations have been paid in full in cash (unless converted pursuant to Section 2) and this Note has been terminated, Borrower hereby covenants and agrees with Holder that Borrower shall:

5.1 Use the proceeds of the indebtedness incurred hereunder to fund working capital and other lawful purposes of Borrower. None of the proceeds of the indebtedness incurred hereunder will be used, directly or indirectly, for the purpose of purchasing or carrying any margin stock or for the purpose of reducing or retiring any indebtedness which was originally incurred to purchase or carry margin stock or for any other purpose which might constitute this transaction a "purpose credit" within the meaning of Regulations T, U and X of the Board of Governors of the Federal Reserve System.

5.2 Preserve and maintain its separate corporate existence and all rights, franchises, licenses and privileges necessary to the conduct of its business; and qualify and remain qualified as a foreign corporation and authorized to do business in each jurisdiction in which the character of its properties or the nature of its business requires such qualification or authorization, except in each case to the extent that the failure to be or remain so qualified could not reasonably be expected to have a material adverse effect on Borrower.

5.3 Protect and preserve all properties necessary to its business, including copyrights, patents, trade names and trademarks necessary and economically desirable in the operation of its business as determined by Borrower in its reasonable business judgment; maintain in good working order and condition (ordinary wear and tear excepted) all buildings, equipment and other tangible real and personal property necessary and material to its business; and from time to time make or cause to be made all renewals, replacements and additions to such property necessary for the conduct of its business so that the business carried on in connection therewith may be properly conducted at all times.

5.4 Pay or perform all taxes, assessments and other governmental charges that may be levied or assessed upon it or any of its property (including withholding, social security, payroll and similar employment related taxes on the dates such taxes are due); provided that Borrower may contest such taxes, assessments and other governmental charges in good faith so long as adequate reserves are maintained with respect thereto in accordance with generally accepted accounting principles.

5.5 Maintain a system of accounting, and keep such books, records and accounts (which shall be true and complete in all material respects) as may be required or as may be necessary to permit the preparation of financial statements in accordance with generally accepted accounting principles consistently applied and in compliance with the regulations of any governmental authority having jurisdiction over it or any of its properties.

5.6 Observe and remain in compliance with all requirements of law and maintain in full force and effect all approvals of governmental authorities, in each case applicable or necessary to the conduct of its business except where the failure to do so could not reasonably be expected to result in a material adverse effect on Borrower and except that Borrower may contest the applicability any requirement of law in good faith so long as adequate reserves are maintained with respect thereto in accordance with generally accepted accounting principles.

5.7 Permit representatives of Holder, from time to time, as often as may be reasonably requested, but only during normal business hours unless an Event of Default exists, upon reasonable prior notice unless an Event of Default exists, to visit and inspect its properties; inspect, audit and make extracts from its books, records and files, including management letters prepared by independent accountants; and discuss with its principal officers and its independent accountants, its business, assets, liabilities, financial condition, results of operations and business prospects.

5.8 Engage only in businesses consisting primarily of business conducted on the date hereof and other businesses reasonably related thereto.

6. Negative Covenants. Until such time as all Obligations have been paid in full in cash (unless converted pursuant to Section 2) and this Note and the Security Agreement have been terminated, Borrower hereby covenants and agrees with Holder that Borrower shall not:

6.1 Create, incur, assume or suffer to exist any indebtedness, other than in the ordinary course of business and in an amount not to exceed $50,000 in the aggregate.

6.2 (a) Create, incur, or allow any Lien on any of its property, or assign or convey any right to receive income, except for the Lien of Holder under the Security Agreement, or (b) enter into any agreement, document, instrument or other arrangement with any person which directly or indirectly prohibits or has the effect of prohibiting Borrower from assigning, mortgaging, pledging, granting a security interest in or upon, or encumbering any of Borrower's assets.

6.3 Sell, lease, abandon, transfer or otherwise dispose of, in a single transaction or a series of related transactions, any assets, property or business, except for the sale of inventory in the ordinary course of business at the fair market value thereof and for cash.

6.4 Redeem, purchase or otherwise acquire for value any equity interest of Borrower.

6.5 Directly or indirectly declare or pay any dividend or distribution, or set aside any funds for any such purpose.

6.6 Conduct any business or enter into any transaction or series of similar transactions (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any affiliate of Borrower unless the terms of such business, transaction or series of transactions are (a) as favorable to Borrower as terms that would be obtainable at the time for a comparable transaction or series of similar transactions in arm's-length dealings with an unrelated third person or, if such transaction is not one which by its nature could be obtained from such person, is on fair and reasonable terms and (b) are in the ordinary course of business.

6.7 Other than this Note, enter into any contractual obligations (including any amendment to any existing contractual obligations) that would expressly restrict or prohibit the purchase or redemption of this Note in accordance with the provisions of its organizational documents or the terms of this Note.

6.8 Prepay, redeem, defease or purchase in any manner, or deposit or set aside funds for the purpose of any of the foregoing, make any payment in respect of principal of, or make any payment in respect of interest on, any indebtedness (other than the Subordinated Debt), except Borrower may (a) make regularly scheduled payments of principal or interest required in accordance with the terms of the instruments governing any indebtedness permitted hereunder and (b) make payments, including prepayments permitted or required hereunder, with respect to the Obligations.

7. Events of Default. Each of the following events shall constitute an event of default (an "Event of Default") hereunder:

7.1 Borrower shall default in the payment of (a) any principal due under this Note or (b) any interest on such principal, any fee or other amount payable by it hereunder with respect to this Notes or other Loan Documents when due, and, in the case of this clause (b), such default shall have continued unremedied for three (3) Business Days; or

7.2 Any representation, warranty or certification made or deemed made herein or in any other Loan Document by Borrower, or any certificate furnished to Holder pursuant to the provisions hereof or thereof, shall prove to have been false or misleading as of the time made or furnished; or

7.3 Borrower shall default in the performance or observance of any other agreement or covenant contained in this Note or any other Loan Document not specifically referred to elsewhere in this Section 7, and such default, if curable, shall not be cured to Holder's satisfaction within a period of five (5) days after the earlier of (a) the date notice of such default is given to Holder or (b) the date that Borrower knew or should have known of the occurrence of such default; or

7.4 There shall occur any default (after the expiration of any applicable cure period) under any indenture, agreement, or instrument evidencing indebtedness of Borrower in an aggregate principal amount exceeding $50,000 (determined singly or in the aggregate with other indebtedness); or

7.5 Borrower shall (a) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee, examiner or liquidator of itself or of all or a substantial part of its property, (b) make a general assignment for the benefit of its creditors, (c) commence a voluntary case under the Bankruptcy Code, (d) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, liquidation, dissolution, arrangement or winding-up, or composition or readjustment of debts, or (e) fail to controvert in a timely and appropriate manner or acquiesce in writing to any petition filed against it in an involuntary case under the Bankruptcy Code; or

7.6 A proceeding or case shall be commenced, without the application or consent of Borrower in any court of competent jurisdiction, seeking (a) Borrower's reorganization, liquidation, dissolution, arrangement or winding-up, or the composition or readjustment of any of their respective debts, (b) the appointment of a receiver, custodian, trustee, examiner, liquidator or the like of Borrower, or of all or any substantial part of its properties, or (c) similar relief in respect of Borrower under any law relating to bankruptcy, insolvency, reorganization, winding-up, or composition or readjustment of debts and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed and in effect, for a period of thirty (30) or more days; or an order for relief against Borrower shall be entered in an involuntary case under the Bankruptcy Code; or

7.7 All or any portion of any Loan Document shall at any time and for any reason be declared to be null and void, or a proceeding shall be commenced by Borrower, by any governmental authority having jurisdiction over Borrower, or by any other person or entity, seeking to establish the invalidity or unenforceability thereof (exclusive of questions of interpretation of any provision thereof), or Borrower thereof shall deny that it has any liability or obligation for the payment of any Obligation purported to be created under any Loan Document; or

7.8 The Security Agreement shall for any reason cease to create a valid and perfected first priority Lien on, or security interest in, any of the collateral purported to be covered thereby.

8. Remedies Upon Default.

8.1 If an Event of Default shall have occurred and shall be continuing, in addition to the rights and remedies set forth elsewhere in this Note and the other Loan Documents:

(a) With the exception of an Event of Default specified in Section 7.5 or 7.6, Holder may in its discretion declare the principal of and interest on the Loan and all other Obligations to be forthwith due and payable without presentment, demand, protest, or notice of any kind, all of which are hereby expressly waived, anything in this Note or in any other Loan Document to the contrary notwithstanding, or both.

(b) Upon the occurrence and continuance of an Event of Default specified in Section 7.5 or 7.6, such principal, interest, and other Obligations shall thereupon and concurrently therewith become immediately due and payable, all without any action by Holder and without presentment, demand, protest, or other notice of any kind, all of which are expressly waived, anything in this Note or in any other Loan Document to the contrary notwithstanding.

(c) Holder may in its discretion exercise all of the post-default rights granted to Holder under the Loan Documents or under applicable law. Holder shall have the right to the appointment of a receiver for the Collateral (as defined in the Security Agreement), and Borrower hereby consents to such rights and such appointment and hereby waives any objection Borrower may have thereto or the right to have a bond or other security posted by Holder in connection therewith.

8.2 Except as expressly provided hereinabove, presentment, demand, protest and all other notices of any kind are hereby expressly waived by Borrower.

8.3 The rights and remedies of Holder hereunder and under the other Loan Documents shall be cumulative, and not exclusive.

8.4 No failure on the part of Holder to exercise and no delay in exercising, and no course of dealing with respect to, any right, power or privilege under this Note or any of the other Loan Documents shall operate as a waiver hereof or thereof, nor shall any single or partial exercise of any right, power or privilege under this Note or any of the other Loan Documents preclude any other or further exercise thereof or the exercise of any other right, power or privilege. Any waiver requested by Borrower shall require the written consent of Holder. The remedies provided herein are cumulative and not exclusive of any remedies provided by law.

9. Indemnification. Borrower agrees to indemnify and hold harmless Holder and each of its employees, representatives, officers, directors and advisors (each, an "Indemnified Person") from and against any and all claims, liabilities, investigations, losses, damages, actions, demands, penalties, judgments, suits, investigations, costs, expenses (including fees and expenses of experts, agents, consultants and counsel) and disbursements, in each case, of any kind or nature (whether or not an Indemnified Person is a party to any such action, suit or investigation) whatsoever which may be imposed on or asserted against an Indemnified Person resulting from any breach or alleged breach by Borrower of any representation or warranty made hereunder or under any other Loan Document, or otherwise in any way relating to or arising out of the Obligations, this Note, the other Loan Documents or any other document contemplated by this Note or any action taken or omitted by Holder under this Note, any other Loan Document, or any other document contemplated by this Note, the making, administration or enforcement of the Loan Documents and the Loan hereunder or any transaction contemplated hereby or any related matters unless, with respect to any of the above, such Indemnified Person is determined by a final non-appealable judgment of a court of competent jurisdiction to have acted or failed to act with gross negligence or willful misconduct. This Section 9 is for the benefit of each Indemnified Person. The provisions of this Section 9 shall survive the termination of this Note and the other Loan Documents.

10. Assignment. The rights and obligations of Borrower and Holder of this Note will be binding upon and inure to the benefit of the successors, assigns, heirs, administrators and transferees of the parties. Borrower may not assign any of its rights or obligations hereunder or under any of the other Loan Documents. Holder may assign or transfer all or any of their respective rights or obligations under this Note and the other Loan Documents without the prior written consent of Borrower so long as such assignment or transfer does not violate any applicable securities laws.

11. Amendments. Except as otherwise expressly provided in this Note, any provision of this Note may be modified or supplemented only by an instrument in writing signed by Borrower and Holder.

12. Notices. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given when delivered in person, by facsimile, by registered or certified mail (postage prepaid, return receipt requested), or by any courier or other service providing evidence of delivery to the respective parties as set forth below:

if to a Borrower, to:

Prescient Medical, Inc.
2005 South Easton Road
Doylestown, PA 18901-7101
Attention: Patricia Scheller
Facsimile: (215) 933-1149

with a copy to counsel (which shall not constitute notice):

Duane Morris LLP
1540 Broadway
New York, New York 10036
Attention: Nanette C. Heide, Esq.
Facsimile: (212) 202-5334

if to Holder, to:

Cambridge Holdings, Ltd.
106 S. University Blvd., #14
Denver, CO 80209
Attention: Jeffrey McGonegal, Chief Financial Officer
Facsimile: 303-722-4011

Borrower and Holder may change the information provided above or to such other address (or facsimile number, if applicable) by providing such change to the others in writing in the manner set forth above (provided that notice of any change of address or facsimile number shall be effective only upon receipt thereof). Notice will conclusively be deemed to have been given when personally delivered or when deposited in the mail in the manner set forth above and will be deemed to have been received when delivered.

13. Governing Law; Venue; Trial by Jury. This Note shall be governed by and construed in accordance with the laws of the State of Delaware, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof, and if any action is brought to enforce or interpret this Note, exclusive venue for such action shall be in Wilmington, Delaware. BORROWER, TO THE EXTENT PERMITTED BY APPLICABLE LAW, WAIVES, AND OTHERWISE AGREES NOT TO REQUEST, A TRIAL BY JURY IN ANY COURT AND IN ANY ACTION, PROCEEDING OR COUNTERCLAIM OF ANY TYPE IN WHICH BORROWER OR ANY OF ITS SUCCESSORS OR ASSIGNS IS A PARTY, AS TO ALL MATTERS AND THINGS ARISING DIRECTLY OR INDIRECTLY OUT OF THIS NOTE OR THE OTHER LOAN DOCUMENTS.

14. Waivers. All parties now or hereafter liable with respect to this Note, whether Holder, any guarantor, endorser or any other Person, hereby waive presentment for payment, demand, notice of non payment or dishonor, protest, notice of protest and notice of any other kind whatsoever.

15. No Fraudulent Conveyance. Borrower and Holder hereby confirm that it is the intention of all such Persons that this Note and the Obligations of Borrower hereunder not constitute a fraudulent transfer or conveyance for purposes of the Bankruptcy Code, the Uniform Fraudulent Conveyance Act (the "UFCA"), the Uniform Fraudulent Transfer Act (the "UFTA") or any other federal, state or foreign bankruptcy, insolvency, receivership or similar law to the extent applicable to this Note and the Obligations of Borrower hereunder. To effectuate the foregoing intention, Holder and Borrower hereby irrevocably agree that the Obligations of Borrower under this Note and the other Loan Documents at any time shall be limited to the maximum amount as will result in the Obligations of Borrower under this Note and the other Loan Documents not constituting a fraudulent transfer or conveyance.

16. Certain Matters of Construction. Any pronoun used shall be deemed to cover all genders. References in this Note to "Sections" shall be to Sections of or to this Note unless otherwise specifically provided. Paragraph titles are for descriptive purposes only and shall not control or alter the meaning of this Note as set forth in the text. All references in this Note to (a) statutes shall include all amendments of same and implementing regulations and any successor statutes and regulations, (b) any instrument or agreement shall include any and all modifications and supplements thereto and any and all restatements, extensions or renewals thereof to the extent such modifications, supplements, restatements, extensions or renewals of any such documents are permitted by the terms thereof, (c) "including" shall be understood to mean "including, without limitation" or (d) the time of day shall mean the time of day on the day in question in New York, New York, unless otherwise expressly provided in this Note. Unless the context of this Note clearly requires otherwise, references to the plural include the singular, references to the singular include the plural and the term "or" has, except where otherwise indicated, the inclusive meaning represented by the phrase "and/or." The words "hereof", "herein", "hereby", "hereunder", and similar terms in this Note refer to this Note as a whole and not to any particular provision of this Note. Whenever in any provision of this Note Holder is authorized to take or decline to take any action (including making any determination) in the exercise of its "discretion", such provision shall be understood to mean that Holder may take or refrain to take such action in its sole discretion.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, Borrower has caused this Note to be issued under seal as of the date first above written.

PRESCIENT MEDICAL, INC.

By: /s/ Patricia Scheller
Patricia Scheller, Chief Executive Officer
[SEAL]

SECURITY AGREEMENT

THIS SECURITY AGREEMENT (this "Agreement") is made as of September 15, 2010, between PRESCIENT MEDICAL, INC., a Delaware corporation ("Obligor"), and CAMBRIDGE HOLDINGS, LTD., a Colorado corporation ("Secured Party").

W I T N E S S E T H:

WHEREAS, Obligor has issued or will issue to Secured Party those certain Senior Secured Promissory Notes dated the date hereof or hereafter in an aggregate principal amount up to $5,000,000 (as amended, restated, supplemented or otherwise modified from time to time, each, a "Promissory Note" and collectively, the "Promissory Notes"); and

WHEREAS, in order to induce Secured Party to extend the Loans to Obligor, Obligor has agreed to grant a continuing security interest in and to the Collateral (as defined below) in order to secure the prompt and complete payment, observance and performance of the Obligations and all other present and future obligations of Obligor arising from this Agreement, the Promissory Note and any other agreements, instruments and other documents executed in connection herewith or therewith (collectively, the "Loan Documents" and each, a "Loan Document"), (collectively, the "Secured Obligations");

NOW, THEREFORE, in consideration of the foregoing premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Definitions

1.1 If not otherwise defined in this Agreement or the Promissory Notes, for the purposes of this Agreement:

"Assets" means the assets set forth on Schedule 1 attached hereto.

"Bankruptcy Code" means the United States Bankruptcy Code (11 U.S.C. Section 101 et seq.), as now or hereafter amended, and any successor statute.

"Insolvency Proceeding" means any proceeding commenced by or against any Person under any provision of the Bankruptcy Code or under any other state, federal or non-US bankruptcy or insolvency law, assignments for the benefit of creditors, formal or informal moratoria, compositions, or proceedings seeking reorganization, arrangement, or other similar relief.

"Notice Filing" means each grant of security interest in United States patents, trademarks or copyrights filed by Secured Party in respect of the Collateral.

"Transferred Assets" has the meaning set forth on Schedule 1.

"UCC" means the Uniform Commercial Code as the same may, from time to time, be enacted and in effect in the state of Georgia; provided that to the extent that the UCC is used to define any term herein and such term is defined differently in different Articles of the UCC, the definition of such term contained in Article shall govern; provided, further, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection or priority of, or remedies with respect to, Secured Party's Lien on any Collateral is governed by the Uniform Commercial Code as enacted and in effect in a jurisdiction other than the state of Georgia, the term "UCC" shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority or remedies and for purposes of definitions related to such provisions.

1.2 Capitalized terms used in this Agreement and not otherwise defined shall have the meanings ascribed to such terms in the Promissory Note.

2. Grant of Security Interest

Obligor hereby unconditionally grants, assigns, and pledges to Secured Party, to secure the Secured Obligations, a continuing security interest in Obligor's right, title, and interest in and to the following, whether now owned or hereafter acquired or arising and wherever located (the "Collateral"):

2.1 the Assets; and

2.2 all of the proceeds (as that term is defined in the UCC) and products, whether tangible or intangible, of any of the foregoing, including cash proceeds and, to the extent not otherwise included, all payments, including payments under insurance (whether or not Secured Party is the loss payee thereof), or any indemnity, warranty, insurance, or guaranty, payable by reason of, or claims arising out of, loss or non-conformity of, defects or infringement of rights in, or damage to, or otherwise with respect to any of the foregoing, whether insured or not insured, and all accessions to, substitutions and replacements for, and rents and profits of, each of the foregoing.

3. Obligations Secured

The security interest granted hereby secures the prompt and complete payment and performance when due of all Secured Obligations, whether now existing or hereafter arising.

4. Obligor's Right to Use Collateral

Until the occurrence of an Event of Default and written notice from Secured Party to Obligor to the contrary, Obligor shall have the right to possession and enjoyment of the Collateral for the purpose of conducting the ordinary course of its businesses, subject to and upon the terms hereof and the other Loan Documents.

5. Warranties

Obligor hereby represents and warrants to Secured Party that:

5.1 Security Interest

This Agreement creates a valid security interest in the Collateral of Obligor, to the extent a security interest therein can be created under the UCC, securing the payment of the Secured Obligations. Except to the extent a security interest in the Collateral cannot be perfected by the filing of a financing statement under the UCC or pursuant to filings with the United States Patent and Trademark Office or the United States Copyright Office, as applicable, all filings and other actions necessary or desirable to perfect and protect such security interest have been duly taken or will have been taken upon (a) the filing of financing statements listing Obligor as a debtor, and Secured Party as secured party, with the clerk of any county in the state of Georgia and (b) the filing of Notice Filings with the United States Patent and Trademark Office or the United States Copyright Office, as applicable. Upon the making of such filings, Secured Party shall have a first priority perfected security interest in the Collateral of Obligor to the extent such security interest can be perfected by the filing of a financing statement or pursuant to filings with the United States Patent and Trademark Office or the United States Copyright Office, as applicable.

5.2 Financing Statements

No financing statement covering any of the Collateral is on file in any public office, except any which may have been filed on behalf of Secured Party or the Spencer Trask Entities in connection with the Spencer Trask Security Agreement (as defined in the Subordination Agreement).

5.3 Good Title

Obligor is and will be the lawful owner of all Collateral, free of all liens and claims whatsoever, except the security interest granted hereunder and, so long as the Subordination Agreement is in full force and effect, the Lien in favor of the Spencer Trask Entities granted under the Spencer Trask Security Agreement.

5.4 Accuracy of Information

All information now or hereafter furnished by Obligor to Secured Party relating to the Collateral is and will be true and correct in all material respects as of the date furnished.

5.5 Organizational Status

The name of Obligor as it appears in the official filings in the jurisdiction of formation of Obligor, the type of entity of Obligor, the identification number issued by the jurisdiction of organization for Obligor, if any, its chief executive office and the jurisdiction of formation of Obligor is as specified on Schedule 2.

6. Agreements of Obligor

Until such time as all Secured Obligations have been paid in full in cash or converted as contemplated in the Promissory Note and the Promissory Note and all other Loan Documents have been terminated, and absent the written consent of Secured Party, Obligor hereby agrees that:

6.1 Organizational Status; Perfection of Security Interest

Obligor shall maintain and shall not make any changes to its organizational status, legal name, state of formation or organizational number from that in existence on the date hereof without giving Secured Party at least 30 days prior written notice thereof.

6.2 Books and Records

Obligor will keep at its chief executive office all its books and records concerning all of the Collateral, which books and records will be of such character as will enable Secured Party to determine at any time the status thereof; provided that Obligor may move such books and records to another location so long as Obligor gives Secured Party 30 days prior written notice of such move, which notice shall include the address of such other location.

6.3 Furnishing of Information

Obligor will furnish Secured Party such information concerning Obligor and the Collateral as Secured Party may from time to time reasonably request.

6.4 Inspection

Obligor will permit Secured Party, during normal business hours as often as Secured Party may reasonably request, subject to reasonable access, security and confidentiality restrictions, to inspect, audit and make copies of and extracts from books, records and all other papers in possession of Obligor pertaining to the Collateral.

6.5 Insurance

Obligor will at all times maintain insurance with respect to the Collateral and businesses with financially sound and reputable insurers, having coverage against losses or damages of the kinds customarily insured against by reputable companies in the same or similar businesses, such insurance being in amounts no less than those amounts which are customary for such companies under similar circumstances. Within 15 Business Days after the request of Secured Party (or such later date to which Secured Party may agree in its sole and absolute discretion), Secured Party shall be named as additional insured with respect to all of Obligor's liability policies and loss payee with respect to all of the Collateral.

6.6 Maintenance of Collateral

Obligor will at all times maintain the Collateral in good condition and will not waste, misuse or otherwise permit the Collateral to deteriorate in value, except for items consumed in the ordinary course of business and ordinary wear and tear.

6.7 Intellectual Property

(a) Upon written request of Secured Party, in order to facilitate filings with the United States Patent and Trademark Office or the United States Copyright Office, as applicable, Obligor shall promptly (and in no event later than 3 Business Days after receiving such request) execute and deliver to Secured Party one or more Notice Filings to further evidence Secured Party's lien on patents, trademarks and copyrights constituting Collateral.

(b) Obligor shall have the duty, as determined in Obligor's reasonable business judgment to be necessary or economically desirable in the operation of Obligor's business, (i) to promptly sue for infringement, misappropriation, or dilution of any patent, trademark or copyright right and to recover any and all damages for such infringement, misappropriation, or dilution, (ii) to prosecute diligently any patent, trademark or copyright application that is part of the Collateral pending as of the date hereof or hereafter until the termination of this Agreement, and (iv) to take all reasonable and necessary action to preserve and maintain all of Obligor's patents, trademarks and copyrights constituting Collateral, and its rights therein, including the filing of applications for renewal, affidavits of use, affidavits of non-contestability and opposition and interference and cancellation proceedings and the making of all necessary payments and filings in connection with the registration, maintenance, and renewal of patents, trademarks and copyrights in the United States Patent and Trademark Office or the United States Copyright Office, as applicable, to maintain all patents, trademarks and copyrights constituting Collateral and all rights therein. Any expenses incurred in connection with the foregoing shall be borne by Obligor.

(c) Obligor acknowledges and agrees that Secured Party shall have any duties under this Agreement with respect to the Collateral. Without limiting the generality of this Section 6.7(c), Obligor acknowledges and agrees that Secured Party shall not be under any obligation under this Agreement to take any steps necessary to preserve rights in any Collateral against any other Person, but Secured Party may do so at its option upon written notice to Obligor from and after the occurrence and during the continuance of an Event of Default, and all expenses incurred in connection therewith (including reasonable fees and expenses of attorneys and other professionals) to the extent reasonable and necessary, material or economically desirable in the operation of Obligor's business shall be for the sole account of Obligor and due and payable upon demand by Secured Party.

6.8 Commercial Tort Claims

Obligor shall promptly (and in no event later than 5 Business Days of receipt thereof), notify Secured Party in writing upon incurring or otherwise obtaining any commercial tort claim (as defined in the UCC) after the date hereof and, upon request of Secured Party, promptly amend this Agreement to describe such after-acquired commercial tort claim in a manner that identifies such commercial tort claim to the reasonable satisfaction of Secured Party, and hereby authorizes the filing of additional financing statements or amendments to existing financing statements describing such commercial tort claims, and agrees to do such other acts or things deemed necessary or desirable by Secured Party to give Secured Party a first priority, perfected security interest in any such commercial tort claims.

6.9 Waivers

Obligor hereby waives, to the full extent permitted by law, the benefit of all appraisement, valuation, stay, extension and redemption laws, now or hereafter in force, and all rights of marshalling of the assets of Obligor in the event of any sale of the Collateral or any part thereof or any interest therein pursuant hereto, whether upon foreclosure or by power of sale or otherwise and whether under executory process or other legal process. Obligor waives notice of demand and delivery and all other notices, delays and demands.

6.10 Performance of Obligor's Obligations by Secured Party

Upon no less than 3 Business Days prior written notice, Secured Party may from time to time perform any obligation of Obligor hereunder which Obligor shall fail to perform and take any other action which Secured Party deems reasonably necessary for the maintenance or preservation of any of the Collateral or its interest therein, and Obligor agrees that all costs and expenses incurred by Secured Party in connection with this Section 6.10 shall be indebtedness secured hereby and due and payable upon demand by Secured Party.

6.11 Further Assurances

(a) Obligor agrees that from time to time, at its own expense, Obligor will promptly execute and deliver all further instruments and documents, and do such other acts and things, that may be necessary, or that Secured Party may reasonably request, in order to establish and maintain a valid and perfected first priority security interest in all of the Collateral or to perfect and protect the security interest granted or purported to be granted hereby or to enable Secured Party to exercise and enforce its rights and remedies hereunder with respect to any of the Collateral.

(b) Obligor authorizes the filing by Secured Party of financing or continuation statements, or amendments thereto, and Obligor will execute and deliver to Secured Party such other instruments, documents or notices, as may be necessary or as Secured Party may reasonably request, in order to perfect and preserve the security interest granted or purported to be granted hereby.

(c) Obligor authorizes Secured Party at any time and from time to time to file, transmit, or communicate, as applicable, financing statements and amendments, at the expense of Obligor (i) in all public offices deemed necessary or desirable by Secured Party at Obligor's expense, (ii) describing the Collateral as being of equal or lesser scope or with greater detail, or (iii) that contain any information required by part 5 of Article 9 of the UCC for the sufficiency or filing office acceptance.

(d) Obligor acknowledges that it is not authorized to file any financing statement or amendment or termination statement with respect to any financing statement filed in connection with this Agreement without the prior written consent of Secured Party, subject to Obligor's rights under Section 9-509(d)(2) of the UCC. Upon payment in full in cash of the Secured Obligations, Secured Party shall authorize Obligor to file such termination statements as Obligor shall reasonably request.

6.12 Secured Party Appointed Attorney-in-Fact

Obligor hereby irrevocably appoints Secured Party its attorney-in-fact, with full authority in the place and stead of Obligor and in the name of Obligor or otherwise, at such time as an Event of Default has occurred and is continuing, to take any action and to execute any instrument which Secured Party may reasonably deem necessary or advisable to accomplish the purposes of this Agreement, including the right, but not the obligation, to bring suit in Secured Party's own name to enforce the patents, trademarks and copyrights constituting Collateral and, if Secured Party shall commence any such suit, Obligor shall, at the request of Secured Party, do any and all lawful acts and execute any and all proper documents reasonably required by Secured Party in aid of such enforcement. To the extent permitted by law, Obligor hereby ratifies all that such attorney-in-fact shall lawfully do or cause to be done by virtue hereof. This power of attorney is coupled with an interest and shall be irrevocable until this Agreement is terminated.

7. Procedures Upon an Event of Default

7.1 Remedies

(a) Upon the occurrence and during the continuance of any Event of Default, Secured Party may take any and all of the following actions: (i) exercise any and all rights, powers and privileges with respect to the Collateral; or (ii) exercise from time to time any other right or remedy available to Secured Party under the applicable Uniform Commercial Code or otherwise available under the other Loan Documents, at law or in equity. Upon the occurrence and during the continuance of an Event of Default, Obligor shall pay all costs and expenses of Secured Party of collection of any and all the Secured Obligations and enforcement of rights hereunder, including reasonable attorneys' fees. All rights and remedies specified herein are cumulative and are in addition to such other rights and remedies as are otherwise available to Secured Party. If any notification of intended disposition of any of the Collateral is required by law, such notification if mailed shall be deemed reasonably and properly given if mailed at least 10 days before such disposition in accordance with Section 15 of the Promissory Note.

(b) Any cash held by Secured Party as Collateral and all cash proceeds received by Secured Party in respect of any sale of, collection from, or other realization upon all or any part of the Collateral shall be applied by Secured Party against the Secured Obligations in such order as it shall determine in its sole discretion. In the event the proceeds of Collateral are insufficient to satisfy all of the Secured Obligations in full, Obligor shall remain liable for any such deficiency.

(c) Obligor hereby acknowledges that the Secured Obligations arose out of a commercial transaction, and agrees that if an Event of Default shall occur and be continuing Secured Party shall have the right to an immediate writ of possession without notice of a hearing. Secured Party shall have the right to the appointment of a receiver for the properties and assets of Obligor, and Obligor hereby consents to such rights and such appointment and hereby waives any objection Obligor may have thereto or the right to have a bond or other security posted by Secured Party.

7.2 Marshaling

Secured Party shall not be required to marshal any present or future collateral security (including the Collateral) for, or other assurances of payment of, the Secured Obligations or any of them or to resort to such collateral security or other assurances of payment in any particular order, and all of its rights and remedies hereunder and in respect of such collateral security and other assurances of payment shall be cumulative and in addition to all other rights and remedies, however existing or arising. To the extent that it lawfully may, Obligor hereby agrees that it will not invoke any law relating to the marshaling of collateral which might cause delay in or impede the enforcement of Secured Party's rights and remedies under this Agreement or under any other instrument creating or evidencing any of the Secured Obligations or under which any of the Secured Obligations is outstanding or by which any of the Secured Obligations is secured or payment thereof is otherwise assured, and, to the extent that it lawfully may, Obligor hereby irrevocably waives the benefits of all such laws.

8. Indemnity

Obligor agrees to indemnify Secured Party from and against all third party claims, lawsuits and liabilities (including reasonable attorneys fees) growing out of or resulting from this Agreement (including enforcement of this Agreement), except claims, losses or liabilities resulting solely from the gross negligence or willful misconduct of the party seeking indemnification as determined by a final non-appealable order of a court of competent jurisdiction. This provision shall survive the termination of this Agreement and the other Loan Documents and the repayment of the Secured Obligations.

9. Miscellaneous

9.1 No Waiver; Remedies Cumulative

No failure or delay on the part of Secured Party in exercising any right, power or remedy hereunder or under any other Loan Document and no course of dealing between Obligor and Secured Party shall operate as a waiver thereof. Each right, power, and remedy of Secured Party as provided for in this Agreement or in the other Loan Documents or now or hereafter existing at law or in equity or by statute or otherwise shall be cumulative and concurrent and not exclusive and shall be in addition to every other right, power, or remedy provided for in this Agreement or in the other Loan Documents or now or hereafter existing at law or in equity or by statute or otherwise. The exercise, beginning of the exercise, or partial exercise by Secured Party of any one or more of such rights, powers, or remedies shall not preclude the simultaneous or later exercise by Secured Party of any or all such other rights, powers, or remedies. No notice to or demand on Obligor required hereunder shall entitle Obligor to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of Secured Party to any other or further action in any circumstances without notice or demand.

9.2 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, regardless of the laws that might otherwise govern under applicable principles of conflicts of laws thereof.

9.3 Counterparts

This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Agreement. Delivery of an executed counterpart of this Agreement by telefacsimile or other electronic method of transmission shall be equally as effective as delivery of an original executed counterpart of this Agreement.

9.4 Severability

Any provision of this Agreement which is prohibited or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof in that jurisdiction or affecting the validity or enforceability of such provision in any other jurisdiction.

9.5 Headings

Headings used in this Agreement are for convenience only and shall not be used in connection with the interpretation of any provision hereof.

9.6 Certain Matters of Construction

Any pronoun used shall be deemed to cover all genders. References in this Agreement to “Sections” and “Schedules” shall be to Sections and Schedules of or to this Agreement unless otherwise specifically provided. All references in this Agreement to (a) statutes shall include all amendments of same and implementing regulations and any successor statutes and regulations, (b) any instrument or agreement shall include any and all modifications and supplements thereto and any and all restatements, extensions or renewals thereof to the extent such modifications, supplements, restatements, extensions or renewals of any such documents are permitted by the terms thereof, (c) any Person shall mean and include the successors and permitted assigns of such Person, (d) “including” shall be understood to mean “including, without limitation” or (e) the time of day shall mean the time of day on the day in question in New York, New York, unless otherwise expressly provided in this Agreement. Unless the context of this Agreement clearly requires otherwise, references to the plural include the singular, references to the singular include the plural and the term “or” has, except where otherwise indicated, the inclusive meaning represented by the phrase “and/or.” The words “hereof”, “herein”, “hereby”, “hereunder”, and similar terms in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement. Whenever in any provision of this Agreement Secured Party is authorized to take or decline to take any action (including making any determination) in the exercise of its “discretion”, such provision shall be understood to mean that Secured Party may take or refrain to take such action in its sole discretion.

9.7 Modification

No amendment or waiver of any provision of this Agreement nor consent to any departure by Obligor therefrom shall in any event be effective unless the same shall be in writing and signed by Secured Party and Obligor, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

9.8 Survival of Representations

All representations and warranties contained herein or made in writing by Obligor in connection herewith shall survive the execution and delivery of this Agreement and any and all other documents and writings relating to or arising out of any of the foregoing or any of the Secured Obligations.

9.9 Successors and Assigns

This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the parties hereto.

9.10 Notices

Any notice required or desired to be given under this Agreement shall be provided as set forth in the Promissory Note.

9.11 Term of Agreement

Obligor expressly agrees that this Agreement and the security interest in the Collateral conveyed to Secured Party hereunder shall remain valid and in full force and effect until the Secured Obligations have been repaid or converted in full, at which time this Agreement and such security interest shall automatically terminate and Secured Party will take any actions, at the direction and sole expense of Obligor, reasonably necessary to release the Collateral and remove its security interest thereon.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their duly authorized officers as of the date first above written.

OBLIGOR: PRESCIENT MEDICAL, INC.

By: /s Patricia Scheller
Patricia Scheller, Executive Officer

SECURED PARTY: CAMBRIDGE HOLDINGS, LTD.

By: /s Jeffrey McGonegal
Jeffrey McGonegal, Chief Financial Officer

SCHEDULE 1

ASSETS

All of the assets of Obligor, including:

1. all Inventories;

2. all Tangible Personal Property;

3. all Assumed Contracts;

4. all of Obligor's records relating to any of the assets described in this Schedule 1 including any machinery and equipment maintenance files, customer lists, price lists, distribution lists, supplier lists, production data, quality control records and procedures, customer complaint and inquiry files, research and development files, records, data (including all correspondence with any Governmental Body), backup files that include data relating to the Business, sales material and records (including pricing history, total sales, terms and conditions of sale, sales and pricing policies and practices), strategic plans, copies of Tax records (if requested in writing by Precyse), internal financial statements, marketing and promotional surveys, material and research, software manuals, and Intellectual Property files;

5. all of the other intangible Assets of Obligor, including all Intellectual Property;

6. all claims and benefits to the extent they benefit, or are for the benefit of, Obligor or the Business under insurance policies arising from or relating to any of the assets described in this Schedule 1 or the Liabilities assumed by Obligor prior to the Closing Date;

7. all claims of Obligor against third parties relating to any of the assets described in this Schedule 1 or otherwise (to the extent they benefit the Business), whether known or unknown, fixed or contingent and whether already arisen or that may arise before, on or after acquisition of such assets by Obligor;

8. all rights of Obligor relating to deposits (except Lease deposits) and prepaid expenses, advances, claims for refunds and rights to offset in respect thereof, including customer deposits relating to the Assumed Contracts;

9. all other Assets of every kind, nature and description, tangible or intangible, owned by Obligor and used or held for use in connection with the Business.

As used in this Schedule 1:

"Assets" means the Business and all properties, assets and rights of every kind, nature and description whatsoever whether tangible or intangible, real, personal or mixed, fixed or contingent, choate or inchoate, known or unknown, wherever located, (including inventory, equipment, office furniture and furnishings, trade names, trademarks and patents, securities, contracts, agreements, licenses and real estate) of Obligor.

"Assumed Contracts" means all agreements, contracts, options, licenses, instruments, mortgages, obligations, commitments, understandings, claims, unfilled sales orders, open purchase orders, warranties (both manufacturer and vendor), arrangements, promises, or undertakings (whether written or oral and whether express or implied) that is legally binding.

"Business" means a business engaged in the development of products used and useable in real time location and control systems, including iLocate™.

"Contract" means any agreement, contract, option, license, instrument, mortgage, obligation, commitment, understanding, claim, unfilled sales orders, open purchase orders, warranty (both manufacturer and vendor), arrangement, promise, or undertaking (whether written or oral and whether express or implied) that is legally binding.

"Governmental Body" means any federal, state, local, municipal, foreign or other governmental or quasi-governmental authority, including any administrative, executive, judicial, legislative, regulatory or taxing authority of any nature of any jurisdiction (including any governmental agency, branch, department, official, or entity and any court or other tribunal).

"Intellectual Property" means used in the Business, including copyrights, patents, trademarks and trade secrets, and all intellectual property, patents, trademarks and tradenames set forth on Schedule 3.

"Lease" means Obligor's lease of the premises located at 2005 S. Eastern Road, Suite 204, Doylestown, PA 18901.

"Liability" means any liabilities of any kind whatsoever (whether known or unknown, asserted or unasserted, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, due or to become due, and whether or not reflected or required by generally accepted accounting principles to be reflected on any balance sheet of Parent or Obligor), of Obligor including any direct or indirect Guarantee of any Liability of any other Person.

"Tangible Personal Property" means all machinery, equipment, tools, furniture, fixtures, office equipment, computer hardware, supplies, spare parts, materials, vehicles and other items of tangible personal property (other than Inventories) of every kind owned, leased or licensed by Obligor (wherever located and whether or not carries on Obligor's books), together with any express or implied warranty by the manufacturers or Obligor or lessors or licensors of any item or component part thereof and all maintenance records and other documents relating thereto.

"Tax" means any and all taxes, fees, levies, duties, tariffs, imposts and governmental impositions or charges of any kind in the nature of (or similar to) taxes, payable to any federal, state, provincial, local or foreign taxing authority, including (a) income, franchise, profits, gross receipts, ad valorem, net worth, value added, sales, use, service, real or personal property, special assessments, capital stock, license, payroll, withholding, employment, social security, workers' compensation, unemployment compensation, utility, severance, production, excise, stamp, occupation, premiums, windfall profits, transfer and gains taxes and (b) interest, penalties, additional taxes and additions to tax imposed with respect thereto.

SCHEDULE 2

ORGANIZATIONAL INFORMATION