

Exhibit B

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**SUBSCRIPTION AGREEMENT**

Rule 506, accredited-investors only offering

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1. **Parties.** This subscription agreement (“Agreement”) sets out the agreement between the undersigned investor (“Investor”), and Second Heart Assist, Inc. (“Company”) regarding Investor's investment in the Company.
  
2. **Subscription.** Investor will provide \$\_\_\_\_\_ in cash to the Company in exchange for \_\_\_\_\_ shares of the Company's common stock (“Securities”).
3. **Minimum/Maximum Offering and Price.** The Company is raising a maximum of three million dollars (\$3,000,000) (“Maximum Offering”). The price of the current offering is \$\_\_\_\_\_ for each of the Company's shares, with a total maximum investment of \$\_\_\_\_\_.
  
4. **Minimum Purchase.** The minimum purchase for each investor will be twenty-five thousand dollars (\$25,000).
  
5. **Investor Documents.** Investor has carefully reviewed the following Investor Documents: the Company’s Private Placement Memorandum. Investor has received the Investor Documents, has carefully read each Investor Document and any schedules or exhibits, and represents and warrants that Investor has relied only on the information contained there in making this investment decision and on no other documents or communications.
  
6. **Forward-Looking Statements.** This provision is being included in connection with the safe harbor provision of the Private Securities Litigation Reform Act. The Investor Documents contain forward-looking statements. Such statements are based upon management’s current expectations, beliefs, and assumptions about future events, and are other than statements of historical fact and involve a number of risks and uncertainties. The use in the Investor Documents of words such as “believes,” “anticipates,” “expects,” “intends” and similar

expressions are intended to identify forward-looking statements, but are not the exclusive means of identifying such statements. In addition to those factors discussed in the Investor Documents, important factors that could cause actual results to differ materially from those in forward-looking statements are, among others, the market's acceptance of the Company's services and products, competition and the availability of financing.

7. **Binding Effect and Irrevocability.** It is understood that this Subscription Agreement is not binding on the Company unless and until it is accepted by the Company as evidenced by countersignature below. The Company reserves the right to reject any subscription agreement for any reason or no reason at all – and the Company is not required to give any reason. Investor agrees that this Subscription Agreement shall be irrevocable.
8. **Bylaws.** As a condition of the Company selling the requested units to Investor, Investor agrees to sign and be bound by the Company Bylaws.
9. **Stock Transfer Restrictions.** Shareholders cannot sell or otherwise transfer common stock unless otherwise permitted under this Agreement. At any time, transfers may be made to the Company if the Company agrees to accept such transfer. At any time, transfers may be made to Leonhardt Ventures if it agrees to accept such transfer. At any time, transfers may be made to third parties if Leonhardt Ventures, in its sole discretion, consents to such transfer in writing. Transfers are permitted to certain corporate affiliates of a Shareholder if the Company agrees to accept such transfer. Transfers may be made to other Shareholders if the transfer occurs 18 months after the shares are acquired and otherwise complies with the requirements of this Agreement.

After three years from the date of the Shareholders Agreement, Shareholders may transfer shares to third parties. Notwithstanding the foregoing, the Company shall have the exclusive first right to purchase all or any portion of such shares. Investor will notify the Company in writing by overnight delivery of the existence and terms of any proposed sale (or transfer for consideration) of the Securities to a third party (“Notice”), and hereby grants the Company a right to acquire some or all of those Securities on the same terms within thirty (30) days of the Notice. Investor agrees that all such proposed sales or transfers will be negotiated in good faith as arms'-length transactions.

In the event the Company elects not to purchase all or any portion of such shares, Leonhardt Ventures shall have the right to purchase all shares not purchased by the Company on the same terms within sixty (60) days of the Notice. In the event the Company and/or Leonhardt Ventures, alone or collectively, do not agree to purchase all of the shares offered by a Shareholder, such Shareholder shall have the right to sell the remaining shares to the third party pursuant to the terms of the proposed sale.

In the event of an initial public offering or direct public offering of the Company's common stock, each Shareholder will be subject to a customary "lock-up" agreement as requested by the managing underwriter of the offering, up to a maximum of 180 days provided that Leonhardt Ventures also agrees to the terms of such "lock-up" agreement (a "lock-up" agreement is a temporary restriction on stock sales and related transactions for a period of time after an offering commences).

The stock transfer provisions will terminate upon the consummation of an initial public offering or direct public offering of the Company's common stock, if ever. Although the Company may attempt to conduct one or more public offerings of common stock in the future, the decision to proceed with any public offering shall be made solely by the Company's Board of Directors at its sole discretion. The Company has no obligation to conduct any public offering of its common stock, and there can be no assurance that a public offering will ever be attempted or consummated.

All shares issued under this Agreement are governed by the Securities Act of 1933 rule 144. In the event a Shareholder attempts to transfer his or her shares in violation of any of the transfer restrictions contained in this Agreement as determined in good faith by the Company's Board of Directors, such transfer will be null and void. In addition, the Company and Leonhardt Ventures shall have the right, in their sole discretion, to purchase the shares subject to the improper transfer on the same terms as the purchaser.

**9.1. Required Sale by Shareholders (Drag-Along Rights).** The Shareholders can be required by Leonhardt Ventures at its election to sell all or a portion of their shares of common stock to a third party if (i) Leonhardt Ventures (together with its affiliates) proposes to sell at least one-third of the total issued and outstanding shares of common stock of the Company to such third party, and (ii) a fairness opinion of an investment bank or valuation firm is obtained indicating the fairness of the proposed transaction to the Shareholders. Shareholders may be required to enter into an agreement to make such sale of their shares in accordance with the requirements of this Agreement. The drag-along rights provisions will terminate upon the consummation of a public offering of the Company's common stock, if ever.

**9.2. Optional Sale by Shareholders (Tag-Along Rights).** In the event that Leonhardt Ventures proposes to sell at least twenty percent or more of the Company's outstanding shares of common stock to a third party, the Shareholders, in accordance with and pursuant to the terms of the Shareholders Agreement, will have the option to sell a percentage of their shares to such third party, which percentage shall equal the then percentage of Leonhardt Venture's shareholdings that it is proposing to sell in such

transaction at the price and upon such terms that Leonhardt Ventures is proposing to sell its shares. The tag-along rights provisions will terminate upon the consummation of a public offering of the Company's common stock, if ever.

10. **Representations and Warranties.** As a condition to receiving the Securities, Investor warrants, represents and certifies as follows:

10.1. **Name and Address.** Investor's full name and residential address is as it appears at the bottom of this Agreement.

10.2. **Investor Documents.** Investor has carefully reviewed the following Investor Documents: the Company's Private Placement Memorandum. Investor has received the Investor Documents, has carefully read each Investor Document and its appendices, and has relied only on the information contained there in making this investment decision.

10.3. **Purchase for Own Account.** Investor is purchasing the Securities in his/her/its own name and for his/her/its own account (or for a trust account if he/she/it is a trustee), and no other person has any interest in (or right with respect to) the Securities, nor has Investor agreed to give any person any such interest or right in the future. Investor is acquiring the Securities for investment and not with a view to, or for sale in connection with, any distribution of the Securities.

10.4. **No Registration.** Investor recognizes that the Securities have not been registered under the Federal Securities Act of 1933 (or any other securities law) or qualified under the California Corporate Securities Law of 1968 (or any other securities law), that any disposition of the Securities is subject to restrictions imposed by federal and state law, and that the certificates representing the Securities may bear a restrictive legend.

10.5. **Risk of No Exemption.** Investor also recognize that he/she/it cannot dispose of the Securities absent registration and qualification, or an available exemption from registration and qualification, and that no undertaking has been made with regard to registering or qualifying the Securities in the future. Investor understands that the availability of an exemption in the future will depend in part on circumstances outside Investor's control and that Investor may be required to hold the Securities for a substantial period.

10.6. **No Public Market.** Investor recognizes that no public market exists with respect to the Securities and no representation has been made to Investor that such a public market will exist at a future date.

**10.7. No Endorsement by Securities Regulators.** Investor understands that no federal or state agency with authority to regulate the sales of securities has made any finding or determination relating to the fairness for investment of the Securities offered by the Company and that these agencies have not and will not recommend or endorse the Securities.

**10.8. No Advertisements.** Investor has not seen or received any advertisement or general solicitation with respect to the sale of the Securities.

**10.9. Accredited Investor Status.** At least one of the following is true:

Investor is a natural person (an individual) with an income in excess of \$200,000 in each of the two most recent years or joint income with my spouse in excess of \$300,000 for those years and a reasonable expectation of the same income level in the current year;

Investor is a natural person (an individual) with a net worth individually or jointly with my spouse in excess of \$1 million, excluding any positive equity in his/her personal residence (but subtracting any negative equity), and including all other investments, property and other assets.

A director, executive officer or general partner of the Company;

A corporation, partnership, business trust or charitable organization with assets in excess of \$5 million that was not formed to acquire securities offered by the Company;

An entity in which all the equity owners are accredited investors;

A bank, a savings and loan association, a broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934, an insurance company, an investment company registered under the Investment Company Act of 1940, a business development company as defined in Section 2(a)(48) of that Act, a Small Business Investment Company licensed by the U.S. Small Business Administration under section 301(c) or (d) of the Small Business Investment Act of 1958, a private business development company as defined in Section 202(a)(22) of the Investment Advisors Act of 1940;

An employee benefit plan a) either established and maintained by a government entity or governed by the Employee Retirement Income Security act of 1974 (ERISA) and in either case with total assets in excess of \$5 million, or b) governed by ERISA and where investment decisions are either made by a bank, savings and loan association, insurance company, or registered investment adviser or, if a self-directed plan, with investment decisions made solely by persons that are accredited investors;

A trust with assets of at least \$5 million, not formed to acquire securities offered by the Company, and whose purchases are directed by a sophisticated person who, either alone or with his/her independent purchaser representative, has such knowledge and experience in financial and business matters that he/she is capable of evaluating the merits and risks of a prospective investment.

- 10.10. **Liquidity.** Investor has no need for liquidity with respect to this investment.
- 10.11. **Opportunity for Questions.** Investor acknowledges that before this transaction Investor has been given the opportunity to ask questions concerning the Securities and the investment as Investor felt necessary or advisable, and to the extent Investor took advantage of that opportunity, Investor received satisfactory information and answers.
- 10.12. **Risk.** In reaching the decision to invest, Investor has carefully evaluated his/her/its financial resources and investment position and the risks associated with this investment, and Investor acknowledges that he/she/it is able to bear the economic risks of this investment. **BY ELECTING TO PARTICIPATE IN THIS INVESTMENT, INVESTOR REALIZES THAT IT IS POSSIBLE THAT HE/SHE/IT MAY LOSE THE ENTIRE INVESTMENT.** Investor further acknowledges that his/her/its financial condition is such that Investor is not under any present necessity or constraint to dispose of the Securities to satisfy any existing or contemplated debt or undertaking.
- 10.13. **Advice of Counsel.** Investor acknowledges that any legal counsel for the Company is legal counsel solely for the Company regarding this investment and not for Investor, and that Investor may want to have his/her/its own legal counsel review this Agreement before signing. Investor acknowledges that any accounting firm for the Company is the accounting firm solely for the Company and not for Investor, and that Investor may want to have his/her/its own accountant review this Agreement before signing.

- 10.14. **Change in Circumstances.** All information which Investor has provided to the Company concerning himself/herself, his/her/its financial position, and his/her/its knowledge of financial and business matters is correct and complete as of the date set forth below and, if there should be any material change in such information prior to his/her/its having paid his/her/its subscription in full, that he/she/it must immediately provide the Company with such information and Company has the right to terminate this Subscription Agreement without penalty.
- 10.15. **Dilution.** Investor understands that the Company may decide to issue additional equity in the future and that if that happens the percentage of ownership that each owner holds of the Company will be decreased.
11. **Arbitration.** ANY CONTROVERSY OR CLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE SECURITIES THAT INVOLVES THE COMPANY, ITS PRINCIPALS, OFFICERS, DIRECTORS, MANAGERS, EMPLOYEES, BROKERS, ATTORNEYS OR AGENTS -- INCLUDING FEDERAL AND STATE STATUTORY CLAIMS -- SHALL BE SETTLED EXCLUSIVELY BY ARBITRATION IN **SAN FRANCISCO**, CALIFORNIA IN ACCORDANCE WITH THE COMMERCIAL RULES OF THE AMERICAN ARBITRATION ASSOCIATION, AND JUDGMENT UPON THE AWARD RENDERED BY THE ARBITRATOR(S) MAY BE ENTERED IN ANY COURT HAVING JURISDICTION. INVESTOR ACKNOWLEDGES THAT ARBITRATION PRECLUDES THE RIGHT TO A JURY. TO THE EXTENT ALLOWED BY LAW, THE PARTIES AGREE THAT CLASS-ACTION ARBITRATION IS SPECIFICALLY PROHIBITED.
12. **Indemnification.** Investor agrees to indemnify, defend, hold harmless and pay all fees and expenses (including but not limited to attorneys' fees, costs and expert costs) that are incurred by, and all judgments and claims made against, the Company and its affiliates and their owners, officers, directors, managers, partners, employees, agents and counsel, for any liability that is incurred as a result of any misrepresentation or omission made by or breach of any warranty of Investor.
13. **Termination of the Shareholders Agreement.** This Agreement (except for certain requirements that stock transfers comply with law) will terminate upon the earlier of (i) the aggregate holdings of Leonhardt Ventures (and its affiliates) and the Shareholders then party to a Shareholders Agreement entered into in connection with this Offering are less than 30% of the total issued and outstanding shares of common stock, (ii) approval of termination by Leonhardt Ventures and the holders of greater than fifty percent of the aggregate number shares of common stock then held by the Shareholders, (iii) consummation of a reorganization, merger, or consolidation of, or any sale, transfer, conveyance or disposition

of all or substantially all of the assets of the Company or other form of corporate transaction, in each case, with respect to which persons who were the shareholders of the Company immediately prior to such reorganization, merger or consolidation, sale of assets or other transaction do not, immediately thereafter, own more than 50% of the combined voting power entitled to vote generally in the election of directors of the reorganized, merged, consolidated or asset-acquiring company's then outstanding voting securities, (iv) the tenth annual anniversary of the date of this Agreement, or (v) the complete liquidation and dissolution of the Company.

#### 14. **General Provisions.**

14.1. **Whole Agreement.** This Agreement contains the entire understanding of the parties and supersedes all prior oral and written agreements, understandings, commitments, representations and practices between the parties.

14.2. **Authority.** The undersigned warrants that he/she has full legal authority to sign for his/her respective party and that such party is lawfully empowered to enter into this Agreement.

14.3. **Successors.** Except as may be otherwise specified in this Agreement, this Agreement will inure to the benefit of and be binding on any successors or assigns of either party.

14.4. **Invalidity.** If any portion of this Agreement is found to be invalid, then the narrowest segment possible of that portion shall be held to be excised from this Agreement, and the remainder of this Agreement will continue in full force and effect.

14.5. **Modification and Waiver.** This Agreement may not be modified except by a writing signed by the parties. No waiver of this Agreement will be effective unless made by a signed writing. No waiver will be a continuing waiver unless so stated in a signed writing.

14.6. **Assignment.** Neither party may assign its rights under this Agreement without the prior written consent of the other party.

14.7. **Governing Law.** This Agreement shall be governed by and interpreted under the laws of the State of California, excluding its conflicts-of-law provisions.

14.8. **Venue.** Any litigation or arbitration arising from or relating to this Agreement shall be brought exclusively in the venue proper for an individual residing in San Francisco, California and the parties agree that any action relating to or arising out of this



Agreement shall be instituted and prosecuted only in those courts. The Parties hereby expressly waive any right to a change in venue and any and all objections to the jurisdiction of those state and federal courts.

14.9. **Construction.** Each Party and/or the respective attorneys of each Party, has carefully reviewed, or has had an opportunity to review, this Agreement. Accordingly, the Parties agree that the normal rule of construction that any ambiguities are to be resolved against the drafting Party shall not be utilized in the interpretation of this Agreement.

14.10. **Counterparts.** This Agreement may be executed in counterparts and by faxed signatures, and each counterpart shall be considered a duplicate original of the parties' Agreement.

Date: \_\_\_\_\_, 20\_\_\_\_

\_\_\_\_\_  
Signature of **Investor**

\_\_\_\_\_  
(Please type or print name of Investor as it appears above)

\_\_\_\_\_  
Social Security or Employer Identification Number of Investor

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
City

\_\_\_\_\_  
State

\_\_\_\_\_  
Zip

**If Investor has a spouse and Investor wants the spouse's name to also appear on the ownership certificate, Investor's spouse must complete the following:**

Date: \_\_\_\_\_, 20\_\_\_\_

\_\_\_\_\_  
Signature of Investor's **Spouse**

\_\_\_\_\_  
(Please type or print name of Investor's Spouse as it appears

Social Security or Employer Identification Number of Investor's Spouse

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Street Address of Investor's Spouse (if applicable)

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City

State

Zip

**\*\*IMPORTANT\*\***

**Please print below exactly how you want your name(s) listed on your certificate:**

COMPANY ACCEPTANCE

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

Title: \_\_\_\_\_

Date: \_\_\_\_\_, 20\_\_

Exhibit C

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**Second Heart Assist, Inc.**

**ACCREDITED INVESTOR QUESTIONNAIRE**

Rule 506, accredited-investors only offering

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1. RETURN OF FORM. All responses will be kept confidential. After you complete and sign this form, please mail, fax or email it to:

Howard Leonhardt, Chairman & Chief Executive Officer  
Second Heart Assist, Inc.  
12655 W. Jefferson Blvd, Los Angeles, CA 90066  
Telephone: (424) 291 - 2133  
Email: hleonhardt@aol.com (CC nwkearley@gmail.com)  
Web Site: www.secondheartassist.com

2. PERSON COMPLETING THIS FORM

- a. Name: (First, Middle Initial, Last): \_\_\_\_\_
- b. Date of Birth: \_\_\_\_\_
- c. Home Address: \_\_\_\_\_
- d. State in which you are registered to vote: \_\_\_\_\_
- e. Home Telephone: \_\_\_\_\_
- f. Cell Phone: \_\_\_\_\_
- g. Email Address: \_\_\_\_\_
- h. Business/Profession: \_\_\_\_\_
- i. Title: \_\_\_\_\_
- j. Company Name: \_\_\_\_\_
- k. Employed Since: \_\_\_\_\_
- l. Business Address: \_\_\_\_\_
- m. Business Telephone: \_\_\_\_\_

3. CONTACT METHOD FOR COMMUNICATIONS. To which place would you prefer that communications be sent?

\_\_\_\_\_ Home Address

\_\_\_\_\_ Business Address

\_\_\_\_\_ Email Address

\_\_\_\_\_ Other (please specify): \_\_\_\_\_

4. ENTITY INFORMATION. If you are submitting this form on behalf of an entity (corporation, limited liability company, etc.), employee benefit plan or trust with assets of at least \$5 million, please complete the following:

a. Name of entity, plan or trust: \_\_\_\_\_

b. Name of state where entity, plan or trust was formed: \_\_\_\_\_

**and** check any of the following boxes that apply:

\_\_\_\_\_ The undersigned is a corporation, partnership, business trust or charitable organization with assets in excess of \$5 million that was not formed to acquire securities offered by the company presenting this questionnaire;

\_\_\_\_\_ The undersigned is a bank, a savings and loan association, a broker or dealer registered pursuant to Section 15 of the Securities Exchange Act of 1934, an insurance company, an investment company registered under the Investment Company Act of 1940, a business development company as defined in Section 2(a)(48) of that Act, a Small Business Investment Company licensed by the U.S. Small Business Administration under section 301(c) or (d) of the Small Business Investment Act of 1958, a private business development company as defined in Section 202(a)(22) of the Investment Advisors Act of 1940;

\_\_\_\_\_ The undersigned is an employee benefit plan a) either established and maintained by a government entity or governed by the Employee Retirement Income Security act of 1974 (ERISA) and in either case with total assets in excess of \$5 million, or b) governed by ERISA and where investment decisions are either made by a bank, savings and loan association, insurance company, or registered investment adviser or, if a self-directed plan, with investment decisions made solely by persons that are accredited investors;

\_\_\_\_\_ The undersigned is a trust with assets of at least \$5 million, not formed to acquire securities offered by the company presenting this questionnaire, and whose purchases are directed by a sophisticated person who, either alone or with his/her independent purchaser representative, has such knowledge and experience in financial and business matters that he/she is capable of evaluating the merits and risks of a prospective investment.

**If you have checked any of these items, please skip to the signature lines at the bottom.**

5. OVERALL INVESTMENT OBJECTIVES. Please rank your investment objectives from 1 through 4 in order of priority; 1 being the highest:

- Growth
- Current Income
- Tax Deferral
- Liquidity

6. RISK TOLERANCE. Please check one :

- Aggressive
- Moderate
- Conservative

7. SPECULATION. Do your investment objectives allow speculation?

- No  Yes

8. ACCREDITED INVESTOR STATUS; please check every item that applies:

My net worth (either individually or with my spouse, if any), excluding the value of my personal residence<sup>1</sup> but including all other investments, property and other assets, is at least \$1,000,000.

My individual annual income was at least \$200,000 in each of the two most recent years, and I expect such income in the current year.

My annual income, jointly with my spouse, was at least \$300,000 in each of the two most recent years, and I expect such income in the current year.

The undersigned is signing for an entity and all of the entity's equity owners meet at least one of the three tests listed above.

The undersigned is signing for an organization not formed for the specific purpose of acquiring the securities offered with total assets in excess of \$5,000,000;

The undersigned is a revocable trust created by the undersigned for his or her own benefit who meets at least one of the first three tests listed above.

9. EDUCATION. Please list your highest level of education and any degrees (including field if applicable) that you have received::

10. LICENSES. Please list any job-related licenses that you hold or have held in the past:

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<sup>1</sup> The "value of primary residence" is excluded from the net worth calculation. Any mortgage secured by the primary residence up to its fair market value may also be excluded. However, indebtedness secured by the residence in excess of the value of the home should be considered a liability and deducted from the investor's net worth.

11. JOB EXPERIENCE. Please briefly summarize any job experience that you have had that may show familiarity with business matters and/or investments:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

12. PRIMARY SOURCE OF INCOME:

- \_\_\_\_\_ Investments
- \_\_\_\_\_ Compensation

13. PRIOR INVESTMENT EXPERIENCE. I have experience as an investor in (please check all that apply):

- \_\_\_\_\_ Stocks which are listed on a national securities exchange.
- \_\_\_\_\_ Mutual funds which hold a portfolio primarily consisting of stocks.
- \_\_\_\_\_ Taxable bonds or other debt instruments.
- \_\_\_\_\_ Tax exempt bonds.
- \_\_\_\_\_ Partnerships, limited liability companies, corporations which invest in real estate or real estate investment trusts (REITs).
- \_\_\_\_\_ Other types of investments not mentioned in any of the previous categories (please describe): \_\_\_\_\_

14. PORTFOLIO. Please estimate the percentage of your assets that you currently have in each category:

- \_\_\_\_\_ Stocks (including mutual funds)
  - \_\_\_\_\_ Bonds
  - \_\_\_\_\_ Certificates of Deposit/Loans/Savings Accounts
  - \_\_\_\_\_ Principal Residence
  - \_\_\_\_\_ Vacation Home(s)
  - \_\_\_\_\_ Rental Property
  - \_\_\_\_\_ Ownership of business(es) in which you are actively involved
  - \_\_\_\_\_ Other
- 100%

Date: \_\_\_\_\_

Sign Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Name of Entity, Pension Plan or Trust, if applicable: \_\_\_\_\_

Exhibit D

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**Second Heart Assist, Inc.**

**INVESTOR CERTIFICATE**

Rule 506, accredited-investors only offering

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This investor certificate (“Certificate”) sets out the agreement between the undersigned investor (“Investor”), and Second Heart Assist Inc. (“Company”) regarding Investor's investment in the Company effective \_\_\_\_\_, 20\_\_.

Investor will provide \$100,000 in cash to the Company in exchange for 25,000 shares of the Corporation’s common stock (“Securities”).

As a condition to receiving the Securities, Investor warrants, represents and certifies as follows:

1. **Name and Address.** Investor’s full name and residential address is as it appears at the bottom of this Certificate.
2. **Investor Documents.** Investor has carefully reviewed the following Investor Documents: the Company’s Private Placement Memorandum dated \_\_\_\_\_ and the Company’s Bylaws dated June 13, 2013. Investor has received the Investor Documents, has carefully read each Investor Document and any schedules or exhibits, and represents and warrants that Investor has relied only on the information contained there in making this investment decision and on no other documents or communications.
3. **Forward-Looking Statements.** This provision is being included in connection with the safe harbor provision of the Private Securities Litigation Reform Act. The Investor Documents contain forward-looking statements. Such statements are based upon management’s current expectations, beliefs, and assumptions about future events, and are other than statements of historical fact and involve a number of risks and uncertainties. The use in the Investor Documents of words such as “believes,” “anticipates,” “expects,” “intends” and similar expressions are intended to identify forward-looking statements, but are not the exclusive means of identifying such statements. In addition to those factors discussed in the Investor Documents, important factors that could cause actual results to differ materially from those in forward-looking statements are, among others, the market’s acceptance of the Company’s services and products, competition and the availability of financing.
4. **Purchase for Own Account.** Investor is purchasing the Securities in his/her/its own name and for his/her/its own account (or for a trust account if he/she/it is a trustee), and no other person has any interest in (or right with respect to) the Securities, nor has Investor agreed to give any person any such interest or right in the future. Investor is acquiring the Securities for

investment and not with a view to, or for sale in connection with, any distribution of the Securities.

5. **No Registration.** Investor recognizes that the Securities have not been registered under the Federal Securities Act of 1933 (or any other securities law) or qualified under the California Corporate Securities Law of 1968 (or any other securities law), that any disposition of the Securities is subject to restrictions imposed by federal and state law, and that the certificates representing the Securities may bear a restrictive legend.
6. **Risk of No Exemption.** Investor also recognize that he/she/it cannot dispose of the Securities absent registration and qualification, or an available exemption from registration and qualification, and that no undertaking has been made with regard to registering or qualifying the Securities in the future. Investor understands that the availability of an exemption in the future will depend in part on circumstances outside Investor's control and that Investor may be required to hold the Securities for a substantial period.
7. **No Public Market.** Investor recognizes that no public market exists with respect to the Securities and no representation has been made to Investor that such a public market will exist at a future date.
8. **No Endorsement by Securities Regulators.** Investor understands that no federal or state agency with authority to regulate the sales of securities has made any finding or determination relating to the fairness for investment of the Securities offered by the Company and that these agencies have not and will not recommend or endorse the Securities.
9. **No Advertisements.** Investor has not seen or received any advertisement or general solicitation with respect to the sale of the Securities.
10. **Preexisting Relationship/Sophistication.** Investor is an accredited investor, defined as follows:
  - a. Any organization not formed for the specific purpose of acquiring the securities offered with total assets in excess of \$5,000,000; or
  - b. Any director, executive officer, or general partner of the issuer of the securities being offered or sold, or any director, executive officer, or general partner of a general partner of that issuer; or
  - c. Any natural person whose individual net worth, or joint net worth with that person's spouse, at the time of his purchase exceeds \$1,000,000; or
  - d. Any natural person who had an individual income in excess of \$200,000 in each of the two most recent years or joint income with that person's spouse in excess of \$300,000 in each of those years and has a reasonable expectation of reaching the same income level in the current year; or



11. **Liquidity.** Investor has no need for liquidity with respect to this investment.

12. **Opportunity for Questions.** Investor acknowledges that before this transaction Investor has been given the opportunity to ask questions concerning the Securities and the investment as Investor felt necessary or advisable, and to the extent Investor took advantage of that opportunity, Investor received satisfactory information and answers.

In reaching the decision to invest, Investor has carefully evaluated his/her/its financial resources and investment position and the risks associated with this investment, and Investor acknowledges that he/she/it is able to bear the economic risks of this investment. **BY ELECTING TO PARTICIPATE IN THIS INVESTMENT, INVESTOR REALIZES THAT IT IS POSSIBLE THAT HE/SHE/IT MAY LOSE THE ENTIRE INVESTMENT.** Investor further acknowledges that his/her/its financial condition is such that Investor is not under any present necessity or constraint to dispose of the Securities to satisfy any existing or contemplated debt or undertaking.

13. **Advice of Counsel.** Investor acknowledges that any legal counsel for the Company is legal counsel solely for the Company regarding this investment and not for Investor, and that Investor may want to have his/her/its own legal counsel review this Agreement before signing. Investor acknowledges that any accounting firm for the Company is the accounting firm solely for the Company and not for Investor, and that Investor may want to have his/her/its own accountant review this Agreement before signing.

14. **Change in Circumstances.** All information which Investor has provided to the Company concerning himself/herself, his/her/its financial position, and his/her/its knowledge of financial and business matters is correct and complete as of the date set forth below and, if there should be any material change in such information prior to his/her/its having paid his/her/its subscription in full, that he/she/it must immediately provide the Company with such information and Company has the right to terminate this Subscription Agreement without penalty.

15. **Dilution.** Investor understands that the Company may decide to issue additional stock in the future and that if that happens the percentage of ownership that each shareholder owns of the Company will be decreased on a pro-rata basis.

16. **Arbitration.** ANY CONTROVERSY OR CLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE SECURITIES THAT INVOLVES THE COMPANY, ITS PRINCIPALS, OFFICERS, DIRECTORS, MANAGERS, EMPLOYEES, BROKERS, ATTORNEYS OR AGENTS -- INCLUDING FEDERAL AND STATE STATUTORY CLAIMS -- SHALL BE SETTLED EXCLUSIVELY BY ARBITRATION IN **LOS ANGELES, CALIFORNIA** IN ACCORDANCE WITH THE COMMERCIAL RULES OF THE AMERICAN ARBITRATION ASSOCIATION, AND JUDGMENT UPON THE AWARD RENDERED BY THE ARBITRATOR(S) MAY BE ENTERED IN ANY COURT HAVING JURISDICTION. THE PARTIES AGREE THAT CLASS-ACTION ARBITRATION IS SPECIFICALLY PROHIBITED. If any portion of this agreement is found to be invalid, then the narrowest segment possible of that portion shall be held to be

excised from this agreement, and the remainder of this agreement will continue in full force and effect.

## 17. General Provisions

- a. *Whole Agreement.* This Agreement contains the entire understanding of the parties and supersedes all prior oral and written agreements, understandings, commitments, representations and practices between the parties.
- b. *Authority.* The undersigned warrants that he/she has full legal authority to sign for his/her respective party and that such party is lawfully empowered to enter into this Agreement.
- c. *Successors.* Except as may be otherwise specified in this Agreement, this Agreement will inure to the benefit of and be binding on any successors or assigns of either party.
- d. *Invalidity.* If any portion of this Agreement is found to be invalid, then the narrowest segment possible of that portion shall be held to be excised from this Agreement, and the remainder of this Agreement will continue in full force and effect.
- e. *Modification and Waiver.* This Agreement may not be modified except by a writing signed by the parties. No waiver of this Agreement will be effective unless made by a signed writing. No waiver will be a continuing waiver unless so stated in a signed writing.
- f. *Assignment.* Neither party may assign its rights under this Agreement without the prior written consent of the other party.
- g. *Governing Law.* This Agreement shall be governed by and interpreted under the laws of the State of California, excluding its conflicts-of-law provisions.
- h. *Venue.* Any litigation or arbitration arising from or relating to this Agreement shall be brought exclusively in the venue proper for an individual residing in **San Francisco**, California and the parties agree that any action relating to or arising out of this Agreement shall be instituted and prosecuted only in those courts. The Parties hereby expressly waive any right to a change in venue and any and all objections to the jurisdiction of those state and federal courts.
- i. *Construction.* Each Party and/or the respective attorneys of each Party, has carefully reviewed, or has had an opportunity to review, this Agreement. Accordingly, the Parties agree that the normal rule of construction that any ambiguities are to be resolved against the drafting Party shall not be utilized in the interpretation of this Agreement.

- j. *Counterparts.* This Agreement may be executed in counterparts and by faxed signatures, and each counterpart shall be considered a duplicate original of the parties' Agreement.

Date: \_\_\_\_\_, 20\_\_\_\_

\_\_\_\_\_  
Signature of **Investor**

\_\_\_\_\_  
(Please type or print name of Investor as it appears above)

\_\_\_\_\_  
Social Security or Employer Identification Number of Investor

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
City

\_\_\_\_\_  
State

\_\_\_\_\_  
Zip

**If Investor has a spouse and Investor wants the spouse's name to also appear on the stock certificate, Investor's spouse must complete the following:**

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature of Investor's **Spouse**

\_\_\_\_\_  
(Please type or print name of Investor's Spouse as it appears

\_\_\_\_\_  
Social Security or Employer Identification Number of Investor's Spouse

\_\_\_\_\_  
Street Address of Investor's Spouse (if applicable)

\_\_\_\_\_  
City

\_\_\_\_\_  
State

\_\_\_\_\_  
Zip

**\*\*IMPORTANT\*\***

**Please print below exactly how you want your name(s) listed on your certificate:**

---

ACCEPTED

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

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Exhibit E

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**Second Heart Assist, Inc.**

**TERM SHEET**

Rule 506, accredited-investors only offering

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The following is a summary of the principal terms with respect to the proposed Series Round A Preferred Stock financing of Second Heart Assist, Inc. a Utah C corporation (the “*Company*”). Such summary of terms does not constitute a legally binding obligation. Any other legally binding obligation will only be made pursuant to definitive agreements (i.e. accompanying Subscription Agreement) to be negotiated and executed by the parties.

**Offering Terms**

Securities to be Issued: Shares of Series A Common Stock (convertible to Preferred if Preferred provided to anyone else) of the Company (the “*Series A*”).

Aggregate

Proceeds: \$100,000 via direct deposit by 4/30/2019

Investors: Accredited investors approved by the Company (the “*Investors*”).

Price Per Share: Price per share of \$4 of Second Heart Assist, Inc. based on a pre-money fully diluted valuation of \$39,200,000.

Number of Shares: 25,000 shares @ \$4 per share for \$100,000 investment.

Liquidation Preference: One times the Original Issue Price plus declared but unpaid dividends on each share of Series A, balance of proceeds paid to Common. A merger, reorganization or similar transaction will be treated as a liquidation.

Conversion: Convertible into one share of Common (subject to proportional adjustments for stock splits, stock dividends and the like) at any time at the option of the holder.

Voting Rights: Votes together with the Common Stock on all matters on an as-converted basis. Approval of a majority of the Preferred Stock required to (i) adversely change rights of the Preferred Stock; (ii) change the authorized number of shares of Preferred Stock; (iii) authorize any new class of series of Preferred Stock having rights senior to or on parity with Preferred Stock; (iv) redeem or repurchase any shares (other than pursuant to the Company’s right of repurchase at original cost); (v) declare or pay any dividend; (vi) liquidate, dissolve including any change of control; or (vii) change the authorized number of directors.

Documentation: Full Subscription Agreement will be provided as soon as Terms are agreed upon.

Financial Information:	Investors who have invested at least \$100,000 (“ <i>Major Investors</i> ”) will receive standard information and inspection rights and management rights letter.
Participation Right:	Major Investors will have the right to participate on a pro rata basis in subsequent issuances of equity securities.
Board of Directors:	If desired, one voting board of director seat in exchange for a minimum \$500,000 investment.
Expenses:	Company does not reimburse for any expenses related to this investment.
Future Rights:	The Series A investors will be given the same rights as the next series of Preferred Stock (with appropriate adjustments for economic terms) IF Preferred Stock is provided to any other investor. If not, The Series A investor maintain the same rights held by all common stock holders.
Founder Matters	Each Founder shall have assigned all relevant applicable IP to the Company(s) prior to closing. Loan lien holders should not have IP as collateral.
Term Sheet Term:	This term sheet is only valid 30 days from the date above or the date of email send whichever is first.
Use of Proceeds:	To complete pre-clinical studies and launch clinical evaluation of 1 <sup>st</sup> generation products.
Board of Directors:	Howard J. Leonhardt Chairman, Dr. Leslie Miller Chief Medical Officer, Jeff Donofrio President, Alex Richardson VP Engineering and Product Development, Dr. Dinesh Patel Patel Family Investments Fund, Dr. Mark Cunningham, Jeremy Koff VP Business Development Leonhardt’s Launchpads, Ken Evans Advisor, Brittany Brown Secretary & Treasurer CPA.
Additional Terms & Relevant Notes:	<ol style="list-style-type: none"> <li>1. Second Heart Assist, Inc. has filed a 506D to raise \$3 million. The first \$500,000 will be raised at \$4 per share and the price will be increased in stages as milestones are met.</li> <li>2. Second Heart Assist, Inc. has a patent license option agreement with CalTech for 5+ related patents.</li> <li>3. Second Heart Assist, Inc. has filed its own patent application for harmonic tuned resonance vibrational energy control of blood clot formation on blood contact surfaces.</li> <li>4. Second Heart Assist, Inc. has filed its own patent application for two aortic stent pumps in series in the aorta one pulsatile and the other semi-pulsatile.</li> <li>5. Second Heart Assist, Inc. has filed its own patent application for wireless power and wireless controls for flow and power optimization.</li> <li>6. Second Heart Assist, Inc. has filed its own patent applications for aortic stent cage and impeller design to maximized flow and minimize hemolysis.</li> <li>7. Second Heart Assist, Inc. has convened three formal expert panel meetings gaining evaluation of product design and clinical trial design from over 20 opinion leaders in heart failure and circulatory assist support from leading institutions.</li> <li>8. The Second Heart Assist product line was originally developed to be a bridge to heart regeneration product working with our affiliated company BioLeonhardt <a href="http://www.bioleonhardt.com">www.bioleonhardt.com</a></li> <li>9. The Second Heart Assist business plan is to seek a strategic partner for our 1<sup>st</sup> gen. temporary catheter based pump at the end of this year and to seek the same for our 2<sup>nd</sup> gen. chronic implant device by the end of next year or 2020.</li> <li>10. <b>No shareholders of Second Heart Assist, Inc. anti-dilution clauses in place at this time.</b></li> </ol>

## **Warnings, Risk Factors, Disclaimers:**

1. Patents pending may not be issued. Patents licensed may not be maintained.
2. Company is highly dependent on a few key suppliers which may be cut off due to a variety of reasons.
3. Products are early stage developments and are not yet proven to be safe or effective.
4. Early stage lab, animal or early clinical case results may not translate to statistically significant proven data on large scale clinical trials.
5. Company is attempting to bring its product into clinical with substantially less resources than normally required by industry standards.
6. Similar competitors spend nearly \$24 million annually to bring their products to commercialization. Second Heart is spending under \$2 million so far. This may be insufficient to succeed.
7. Due to a variety of factors the timelines projected by Second Heart may be substantially delayed.
8. Other products developed for this indication of use have failed due to mechanical breakdowns, thrombosis, hemolysis, infection and other failures. Second Heart may also fail due to these obstacles which are difficult to overcome.
9. Clinical trials for other similar devices for high risk PCI, cardiogenic shock and heart failure have failed to meet key end points. Second Heart also may fail to meet clinical trial end points.
10. Second Heart Assist, Inc. works within an innovation and startup accelerator that has a small staff and limited resources. The staff and resources may be spread too thin to meet the goals set forth by the company.
11. The company is highly dependent on key personnel such as Howard Leonhardt, Dr. Les Miller, Alex Richardson, Jeff Donofrio and Dr. Brett Burton whom are not being paid close to market rates and may seek income from other sources which may cause delays or failures in Second Heart meeting its goals.
12. With a small staff and limited resources, it is difficult for the company to keep all materials, web sites, slide decks up to date and accurate. The company is more prone to inaccuracies and out of date information than other companies in its sector with greater resources.
13. Timelines, budgets, personnel assigned are constantly changing based on new information and changes in strategy and focus.
14. No other company has successfully developed a wireless powered chronic implant. Risks and obstacles are extraordinarily high in this development.
15. Thrombosis and hemolysis have been the Achilles' heel of long term chronic implant development and there are no assurances that Second Heart's proposed methods will overcome these hurdles.
16. The regulatory and legal burdens to comply with for Second Heart Assist, Inc. are very heavy including those related to corporate governance law, capital raising, the SEC and shareholder protections, the IRS, the FTC, the EPA, the FCC and the FDA and other regulatory bodies. City, County, State and Federal filings may not be kept up to date, current and accurate at all times. The company is working with substantially less professional internal and external support to remain in compliance than is normally required to comply fully with all regulations and may find itself in violation of regulations. The risk is higher than ordinary considering the small staff and very limited resources in contrast to the very heavy regulatory burden of the sectors in which the firm is operating. Risks are greatest with the FDA and SEC.

17. The company is attempting to implement a strategy that minimizes share ownership dilution to founders and early shareholders but may not succeed in this strategy and there may heavy dilution of shareholders ownership percentages over time.
18. Many of the statements in materials represent only the most optimistic outlook of the company founders and should be viewed accordingly. Expert outside observers would point out that the timelines, budgets and likelihood of success are more properly viewed with skepticism in that timelines will take substantially longer, budgets will cost substantially more and the likelihood of success is substantially lower than that communicated by the optimistic founders and management. Investors should be aware of this skepticism and risk.
19. This investment can only be viewed as very high risk and is truly only suitable to those that can afford to lose all of their investment without suffering financial distress. This is not an investment for nest egg savings. This investment is properly reserved for accredited sophisticated investors with substantial experience in this sector. Many firms with optimistic outlooks in their early stages have failed in this sector and have lost all of their investors investment.

## **Upcoming Milestones**

### **Pre-Clinical**

- Q1 2019: Finalize Risk Analysis and Mitigation
- Q1 2019: Endurance challenge tests Biomerics Minneapolis
- Q1 2019: Endurance challenge test in physiologic correct model ViVitro Labs Canada
- Q1 2019: 2 to 4 large animals at APS Minneapolis including Hemolysis assessment
- Q1/Q2 2019: First wireless power demo Queensland U Australia
- Q1/Q2 2019: MECA electrical safety testing
- Q1/Q2 2019: Biocompatibility, sterility, packaging, shelf life, transport
- Q2 2019: Biocompatibility, sterility, transport, packaging testing APS Minneapolis
- Q2 2019: Wireless power large animal study at Queensland University
- Q2 2019: Final design Hemolysis testing U of Louisville (post first pilot study) Clinical

### **Clinical**

- Q2 2019: 10 cases done (5 PCT 5 HF) in Paraguay
- Q2 2019: 10 cases done (5 PCT 5 HF) in Australia
- Q3 2019: 10 cases done (5 PCT 5 HF) at OSU via FDA Early Feasibility Study Program

### **Second Heart Assist, Inc.**

Leonhardt's Launchpads Utah, Inc. 370 S, 300 E, Salt Lake City, UT 84111  
Research Lab @ 2500 S State St. #224, Salt Lake City, UT 84115

### **Leonhardt's Launchpads by Cal-X Stars Business Accelerator, Inc.**

12655 W Jefferson Blvd, Los Angeles, CA 90066