

**PATENT ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT
<b>NATURE OF CONVEYANCE:</b>	SECURITY AGREEMENT

**CONVEYING PARTY DATA**

Name	Execution Date
StemCo Biomedical, Inc.	03/23/2005

**RECEIVING PARTY DATA**

<b>Name:</b>	Intersouth Affiliates V, L.P.
<b>Street Address:</b>	406 Blackwell Street
<b>Internal Address:</b>	Suite 200
<b>City:</b>	Durham
<b>State/Country:</b>	NORTH CAROLINA
<b>Postal Code:</b>	27701

<b>Name:</b>	Intersouth Partners V, L.P.
<b>Street Address:</b>	406 Blackwell Street
<b>Internal Address:</b>	Suite 200
<b>City:</b>	Durham
<b>State/Country:</b>	NORTH CAROLINA
<b>Postal Code:</b>	27701

<b>Name:</b>	Aurora Enrichment Fund, LLC
<b>Street Address:</b>	2525 Meridian Parkway
<b>Internal Address:</b>	Suite 220
<b>City:</b>	Durham
<b>State/Country:</b>	NORTH CAROLINA
<b>Postal Code:</b>	27713

<b>Name:</b>	Tall Oaks StemCo Partners, LP
<b>Street Address:</b>	315 Old Ivy Way
<b>Internal Address:</b>	Suite 301
<b>City:</b>	Charlottesville
<b>State/Country:</b>	VIRGINIA

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Postal Code:	22903
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Name:	Village Ventures Partners Fund, L.P.
Street Address:	160 Water Street
City:	Williamstown
State/Country:	MASSACHUSETTS
Postal Code:	01267

Name:	Village Ventures Partners Fund A, L.P.
Street Address:	160 Water Street
City:	Williamstown
State/Country:	MASSACHUSETTS
Postal Code:	01267

Name:	W. Lowry Caudill
Street Address:	104 Tennwood Court
City:	Durham
State/Country:	NORTH CAROLINA
Postal Code:	27712

Name:	Piedmont Angel Network LLC
Street Address:	2007 Yanceyville Street
Internal Address:	Box 69
City:	Greensboro
State/Country:	NORTH CAROLINA
Postal Code:	27405

PROPERTY NUMBERS Total: 6

Property Type	Number
Application Number:	09205181
PCT Number:	US9825732
Application Number:	09701413
PCT Number:	US9928769
Application Number:	10632377
Patent Number:	0440656

CORRESPONDENCE DATA

Fax Number: (919)781-4865

*Correspondence will be sent via US Mail when the fax attempt is unsuccessful.*

Phone: 919-781-4000  
Email: rjones@wyrick.com  
Correspondent Name: Robert T. Jones, Jr.  
Address Line 1: 4101 Lake Boone Trail  
Address Line 2: Suite 300  
Address Line 4: Raleigh, NORTH CAROLINA 27607

NAME OF SUBMITTER:

Robert T. Jones, Jr.

**Total Attachments: 14**

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## **INTELLECTUAL PROPERTY SECURITY AGREEMENT**

This INTELLECTUAL PROPERTY SECURITY AGREEMENT (the "Agreement"), dated as of March 23, 2005, is entered into by and among StemCo Biomedical, Inc., a Delaware corporation ("Grantor"), and the entities set forth on the Schedule A hereto (each a "Secured Party" and, collectively, the "Secured Parties").

### **RECITALS**

WHEREAS, the Secured Parties will make advances to Grantor (collectively, the "Loan"), as described in the Note and Warrant Purchase Agreement (the "Purchase Agreement"), dated as of the date hereof, by and among the Secured Parties and Grantor, but only if Grantor grants the Secured Parties a security interest in its copyrights, trademarks and patents and other collateral described in that certain Security Agreement by and among the Secured Parties and Grantor (collectively, the "Collateral"), executed in connection with the Loan and dated as of the date hereof (the "Security Agreement"); and

WHEREAS, the Loan is to be evidenced by Secured Convertible Promissory Notes, executed by the Grantor and made payable to each respective Secured Party (the "Notes"); and

WHEREAS, Grantor has granted the Secured Parties a security interest in all of its right, title and interest, presently existing or later acquired to all the Collateral; and

WHEREAS, the parties wish to confirm and clarify the grant to the Secured Parties of a security interest in and to all the Intellectual Property (as defined below) of Grantor.

NOW, THEREFORE, for good and otherwise valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows.

### **AGREEMENT**

1. Secured Obligations. This Agreement is given to secure the due and punctual payment of the principal of and interest on the Notes (along with any penalties, payments and/or adjustments to the amounts owed under the Notes upon an Event of Default (as defined in the Notes)) and the due and punctual performance of all other obligations to be performed by Grantor under the Purchase Agreement and related agreements and documents, together with any extensions and renewals of the foregoing obligations and reasonable attorneys' fees (collectively the "Secured Obligations"). This Agreement shall terminate and be of no further force or effect upon the terms set forth in Section 3 below.

2. Security Interest. As security for the due and punctual payment and performance by Grantor of the Secured Obligations, Grantor hereby grants the Secured Parties a security interest (which shall be subject and subordinate to the Permitted Liens (as defined in the Security Agreement)) in all of its right, title and interest in its Intellectual Property (as defined below). As used herein, the term "Intellectual Property" shall include:

(a) each of the trademark rights and interests that are capable of being protected as trademarks (including trademarks, service marks, designs, logos, indicia, tradenames, corporate names, company names, business names, fictitious business names, trade styles, and other source or business identifiers, and applications pertaining thereto), that are presently, or in the future may be, owned, created, acquired, or used (whether pursuant to a license or otherwise) by Grantor, in whole or in part, and all trademark rights with respect thereto throughout the world, including all proceeds thereof (including license royalties and proceeds of infringement suits), and rights to renew and extend such trademarks and trademark rights;

(b) each of the patents and patent applications which are presently, or in the future may be, owned, issued, acquired, or used (whether pursuant to a license or otherwise) by Grantor, in whole or in part, and all patent rights with respect thereto throughout the world, including all proceeds thereof (including license royalties and proceeds of infringement suits), foreign filing rights, and rights to extend such patents and patent rights;

(c) all of Grantor's right to the trademarks and trademark registrations listed on Exhibit A attached hereto, as the same may be updated hereafter from time to time;

(d) all of Grantor's right, title, and interest, in and to the patents and patent applications listed on Exhibit A attached hereto, as the same may be updated hereafter from time to time;

(e) all of Grantor's right, title and interest to register trademark claims under any state or federal trademark law or law or regulation of any foreign country and to apply for, renew, and extend the trademark registrations and trademark rights, the right (without obligation) to sue or bring opposition or cancellation proceedings in the name of Grantor or in the name of any Secured Party for past, present, and future infringements of the trademarks, registrations, or trademark rights and all rights (but not obligations) corresponding thereto in the United States and any foreign country;

(f) all of Grantor's right, title, and interest in all patentable inventions, and to file applications for patents under patent law or regulations of the United States or of any foreign country, and to request reexamination and/or reissue of the patents, the right (without obligation) to sue or bring infringement proceedings in the name of Grantor or in the name of any Secured Party for past, present, and future infringements of the patents, and all rights (but not obligations) corresponding thereto in the United States and any foreign country;

(g) all of Grantor's right, title, and interest in its copyright, copyright registration and copyrightable property;

(h) the entire goodwill of or associated with the businesses now or hereafter conducted by Grantor connected with and symbolized by any of the aforementioned properties and assets;

(i) all general intangibles relating to the foregoing and all other intangible intellectual or other similar property of Grantor of any kind or nature, associated with or arising out of any of the aforementioned properties and assets and not otherwise described above; and

(j) all products and proceeds of any and all of the foregoing (including, without limitation, license royalties and proceeds of infringement suits) and, to the extent not otherwise included, all payments under insurance, or any indemnity, warranty, or guaranty payable by reason of loss or damage to or otherwise with respect to the Intellectual Property.

3. Term of Agreement. Grantor acknowledges and agrees that the number and amount of the Secured Obligations may fluctuate from time to time hereafter. Grantor expressly agrees that this Agreement and the security interest in the Intellectual Property conveyed to the Secured Parties hereunder shall remain valid and in full force and effect, notwithstanding any such fluctuations and future partial payments. This Agreement shall terminate, and each Secured Party shall release its security interest in the Intellectual Property (and shall execute any and all documents reasonably requested in connection with such release, which obligation shall survive such termination), upon the earlier of (a) payment in full by or on behalf of Grantor of all of the then outstanding Notes issued pursuant to the Purchase Agreement, or (b) the conversion into equity of all the then outstanding Notes issued pursuant to the Purchase Agreement.

This security interest is granted hereunder in conjunction with the security interest in the Collateral granted under the Security Agreement. The Secured Parties' rights and remedies in the Intellectual Property granted hereunder are in addition to those in the Purchase Agreement, the Security Agreement and other documents related thereto, and are in addition to those available at law or in equity. The Secured Parties' rights, powers and remedies herein are cumulative with every right, power or remedy provided in the Security Agreement. The Secured Parties' exercise of their rights, powers or remedies in this Agreement, the Purchase Agreement, the Security Agreement or any other agreements or documents related thereto does not preclude the simultaneous or later exercise of any or all other rights, powers or remedies.

Except as otherwise expressly provided herein, any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance, either retroactively or prospectively and either for a specified period of time or indefinitely) with the written consent of the Company and Secured Parties holding Notes representing two-thirds (66-2/3%) of the aggregate principal amounts of all Notes outstanding as of the date of such amendment or waiver. Any amendment or waiver effected in accordance with this paragraph shall be binding upon each Secured Party, and upon the effectuation of each such amendment or waiver, the Company shall promptly give written notice thereof to the Secured Parties who have not previously consented thereto in writing. Notwithstanding anything to the contrary in this Agreement, the Company shall be entitled to include additional purchasers of Notes and Warrants under the Purchase Agreement as parties to this Agreement, and to treat such purchasers as "Secured Parties" hereunder, by amending Schedule A attached hereto and providing such schedule, as amended, to the other parties to this Agreement.

This Agreement shall be governed by and construed under the laws of the State of North Carolina as applied to agreements among North Carolina residents, made and to be performed entirely within the State of North Carolina.

*[Signature page follows.]*

IN WITNESS WHEREOF, this Intellectual Property Security Agreement is hereby executed by the parties hereto as of the year and date first above written.

GRANTOR:

STEMCO BIOMEDICAL, INC.

By: Edward L. Field  
Name: Edward L. Field  
Title: Executive Vice President and Chief  
Operating Officer

SECURED PARTIES:

INTERSOUTH PARTNERS V, L.P.

By INTERSOUTH ASSOCIATES V, LLC  
Its General Partner

By: \_\_\_\_\_  
Name: Mitch Mumma  
Title: Member Manager

INTERSOUTH AFFILIATES V, L.P.

By INTERSOUTH ASSOCIATES V, LLC  
Its General Partner

By: \_\_\_\_\_  
Name: Mitch Mumma  
Title: Member Manager

IN WITNESS WHEREOF, this Intellectual Property Security Agreement is hereby executed by the parties hereto as of the year and date first above written.

**GRANTOR:**

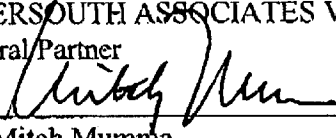
**STEMCO BIOMEDICAL, INC.**

By: \_\_\_\_\_  
Name: Edward L. Field  
Title: Executive Vice President and Chief  
Operating Officer

**SECURED PARTIES:**


**INTERSOUTH PARTNERS V, L.P.**

By **INTERSOUTH ASSOCIATES V, LLC**  
Its General Partner

By:   
Name: Mitch Mumma  
Title: Member Manager

**INTERSOUTH AFFILIATES V, L.P.**

By **INTERSOUTH ASSOCIATES V, LLC**  
Its General Partner

By:   
Name: Mitch Mumma  
Title: Member Manager



**SECURED PARTIES:**

AURORA ENRICHMENT  
FUND, LLC

By: Aurora Enrichment Management Company, LLC

By: B. Jefferson Clark

Name: B. Jefferson Clark

Title: Manager

**SECURED PARTIES:**

TALL OAKS STEMCO PARTNERS, LP

By: *Kathyrne F. Carr*

Name: Kathyrne F. Carr

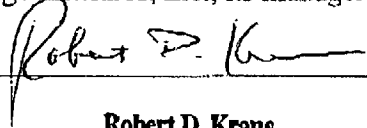
Title: Managing Director, TOCP, LLC as General Partner

**SECURED PARTIES:**

VILLAGE VENTURES PARTNERS FUND, L.P.

By: Village Ventures Capital Partners I, LLC,  
its general partner

By: Village Ventures, Inc., its manager

By: 

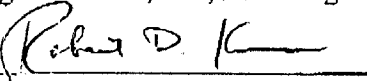
Name: Robert D. Kraus

Title: Senior Vice President and General Counsel

VILLAGE VENTURES PARTNERS FUND A, L.P.

By: Village Ventures Capital Partners I, LLC,  
its general partner

By: Village Ventures, Inc., its manager

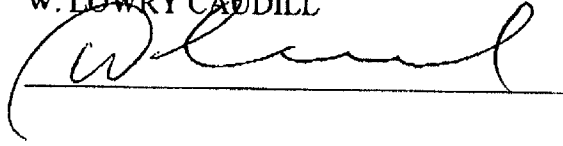
By: 

Name: Robert D. Kraus

Title: Senior Vice President and General Counsel


**SECURED PARTIES:**

W. LOWRY CAUDILL

A handwritten signature in black ink, appearing to read 'W. Lowry Caudill', is written over a horizontal line. The signature is cursive and somewhat stylized.

**SECURED PARTIES:**

PIEDMONT ANGEL NETWORK LLC

By: 

Name: W. B. Rodman Davis

Title: Managing Member

**SCHEDULE A**

**SECURED PARTIES**

Intersouth Partners V, L.P.  
406 Blackwell Street  
Suite 200  
Durham, NC 27701  
Attn: Dennis Dougherty  
Telephone: 919-493-6640  
Facsimile: 919-493-6649

Intersouth Affiliates V, L.P.  
406 Blackwell Street  
Suite 200  
Durham, NC 27701  
Attn: Dennis Dougherty  
Telephone: 919-493-6640  
Facsimile: 919-493-6649

Aurora Enrichment Fund, LLC  
2525 Meridian Parkway, Suite 220  
Durham, North Carolina 27713  
Attn: B. Jefferson Clark  
Telephone: 919-484-0400  
Facsimile: 919-484-0444

Tall Oaks StemCo Partners, LP  
315 Old Ivy Way, Suite 301  
Charlottesville, VA 22903

Village Ventures Partners Fund, L.P.  
160 Water Street  
Williamstown, MA 01267

Village Ventures Partners Fund A, L.P.  
160 Water Street  
Williamstown, MA 01267

W. Lowry Caudill  
104 Tennwood Ct.  
Durham, NC 27712  
Tel. 919-620-0131  
Fax 919-471-4541

**SECURED PARTIES**

Piedmont Angel Network LLC  
2007 Yanceyville Street, Box 69  
Greensboro, NC 27405  
Tel 336-235-0941  
Fax 336-235-0943

**EXHIBIT A****INTELLECTUAL PROPERTY****PATENTS AND PATENT APPLICATIONS**

<b>Application Serial Number</b>	<b>Title of Application</b>	<b>Filing Date</b>	<b>Country/ Type</b>
60/067,305	Method of Isolating and Using CD7+CD34-Lin-Hematopoietic Stem Cells	12/04/1997	U.S. Provisional
09/205,181	Method of Isolating and Using CD7+CD34-Lin-Hematopoietic Stem Cells	12/04/1998	U.S.
PCT/US98/25732	Method of Isolating and Using CD7+CD34-Lin-Hematopoietic Stem Cells	6/10/99	PCT
16251/99	Method of Isolating and Using CD7+CD34-Lin-Hematopoietic Stem Cells	12/4/1998 Int. Filing Date	Australia
2,313,250	Method of Isolating and Using CD7+CD34-Lin-Hematopoietic Stem Cells	12/4/1998 Int. Filing Date	Canada
98960722.1	Method of Isolating and Using CD7+CD34-Lin-Hematopoietic Stem Cells	12/4/1998 Int. Filing Date	Europe
2000-523362	Method of Isolating and Using CD7+CD34-Lin-Hematopoietic Stem Cells	12/4/1998 Int. Filing Date	Japan
/111,195	A Method of Isolating Stem Cells	12/7/98	U.S. provisional
09/701,413	A Method of Isolating Stem Cells	2/20/01	US (Nat'l Phase)
PCT/US99/28769	A Method of Isolating Stem Cells	12/7/98	PCT
10/632,377	A Method of Isolating Stem Cells	8/1/03	US (Divisional)
21652/00	A Method of Isolating Stem Cells	12/7/99	AU
2,353,701	A Method of Isolating Stem Cells	12/7/99	CA
99965994.9	A Method of Isolating Stem Cells	12/7/99	EP
2000-586940	A Method of Isolating Stem Cells	12/7/99	JP



200103228-3	A Method of Isolating Stem Cells	12/7/99	SG
60/543,607	Stem Cell Populations and Methods of Use	2/11/2004	U.S.
60/544,038	Stem Cell Populations and Methods of Use	2/12/2004	U.S.
0453331/278182	Stem Cell Populations and Methods of Use	5/4/2004	PCT
440656	Methods for Identification or Purification of Cells Containing an Enzymatic Intracellular Marker	5/15/95	U.S.

**TRADEMARK APPLICATIONS**

Mark	Filing Date	Serial #	Registration #
STEMCO BIOMEDICAL	1/29/2002	76364140	
STEMCO BIOMEDICAL	1/29/2002	76977328	
STEMCO BIOMEDICAL	1/29/2002	76977001	2900534
ALDEFLUOR	9/27/2002	78168720	2789892
ALDECOUNT	9/27/2002	78168718	2890190
ALDESORT	9/27/2002	78168713	
ALDELYSE	9/29/2003	78306880	
STEMCOBIO	4/14/2003	78237229	2817512
STEMCOBIO (and design)	4/14/2003	78237231	2823437