

PATENT ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:

NEW ASSIGNMENT

NATURE OF CONVEYANCE:

SECURITY AGREEMENT

CONVEYING PARTY DATA

Name	Execution Date
International Stem Cell Corporation	05/14/2008

RECEIVING PARTY DATA

Name:	Gemini Strategies, LLC
Street Address:	153 East 53rd Street
Internal Address:	29th Floor
City:	New York
State/Country:	NEW YORK
Postal Code:	10022

PROPERTY NUMBERS Total: 7

Property Type	Number
Application Number:	11505260
Application Number:	11584412
PCT Number:	US0641134
Application Number:	10233005
Application Number:	12082028
PCT Number:	US0804529
Application Number:	60983049

CORRESPONDENCE DATA

Fax Number: (301)762-4056

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

Phone: 301-424-3640

Email: cag@usiplaw.com

Correspondent Name: Ira C. Edell

Address Line 1: 1901 Research Blvd

Address Line 2: #400

PATENT

500542952

REEL: 020964 FRAME: 0744

OP \$280.00 11505260

Address Line 4: Rockville, MARYLAND 20850

ATTORNEY DOCKET NUMBER:

2327.0002M

NAME OF SUBMITTER:

Ira C. Edell

Total Attachments: 5

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INTELLECTUAL PROPERTY SECURITY AGREEMENT

This INTELLECTUAL PROPERTY SECURITY AGREEMENT (this "Agreement"), dated as of May 14, 2008, is made by **INTERNATIONAL STEM CELL CORPORATION** (the "Grantor"), in favor of **GEMINI STRATEGIES, LLC**, as collateral agent ("Agent") for the holder of the OID Senior Secured Convertible Note issued or to be issued in the original aggregate principal amount of up to \$1,000,000 (the "Note") by International Stem Cell Corporation, a Delaware corporation ("Company"), pursuant to the Purchase Agreement (as defined below) (collectively, together with their endorsees, transferees and assigns, the "Lenders").

WITNESSETH:

WHEREAS, the Company and the Lenders are party to that certain Securities Purchase Agreement, dated on or about on or about the date hereof ("Purchase Agreement"), pursuant to which the Company issued or is issuing the Note, among other things;

WHEREAS, contemporaneously herewith the Grantor and the Company are entering into a Security Agreement ("Security Agreement"), pursuant to which the Grantor has granted a security interest in its assets and properties to secure the satisfaction of the Company's obligations under the Note, among other things; and

WHEREAS, the Grantor is obligated under the Security Agreement to take such further actions as the collateral Agent requests to further perfect the Lenders' security interest granted under the Security Agreement, including without limitation with respect to intellectual property;

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor hereby agrees as follows:

DEFINED TERMS.

(a) Certain Defined Terms. As used in this Agreement, the following terms shall have the meanings set forth below:

"Patents" means patents and patent applications, including without limitation the patents and patent applications listed on Schedule I hereto and all continuations, divisionals, provisionals, continuations in part, or reissues of applications related to patents thereon, and (i) all renewals thereof, (ii) all income, royalties, damages and payments now and hereafter due and/or payable under and with respect thereto, subject to payment to any co-owner or inventor of its, his or her share thereof, including without limitation payments under all licenses entered into in connection therewith and damages and payments for past or future infringements or dilutions thereof, (iii) the right to sue for past, present and future infringements thereof, and (iv) all of the Grantor's rights corresponding thereto throughout the world.

(b) Terms Defined in the Purchase Agreement. Capitalized terms used in this Agreement and not otherwise defined herein have the meanings ascribed to them in the Purchase Agreement.

2. GRANT OF SECURITY INTEREST IN INTELLECTUAL PROPERTY COLLATERAL. Grantor hereby grants to the Agent, as collateral agent for the Lenders, a continuing and perfected first priority security interest (as set forth in the Security Agreement) in all of Grantor's right, title and interest in, to and under all of Grantor's Patents, whether presently existing or hereafter created or acquired (collectively, the "Intellectual Property Collateral"), including without limitation those patents referred to on Schedule I hereto and including:

(a) all registrations and applications in respect of the foregoing, including continuations, divisionals, provisionals, continuations in part, or reissues of applications and patents issuing thereon; and

(b) all products and proceeds of the foregoing, including without limitation any claim by Grantor against third parties for past, present or future infringement of any Patent.

3. SECURITY AGREEMENT. The security interests granted pursuant to this Agreement are granted in conjunction with the security interests granted to Lenders pursuant to the Security Agreement. Grantor hereby acknowledges and affirms that the rights and remedies of Lenders with respect to the security interest in the Intellectual Property Collateral made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

4. AUTHORIZATION TO SUPPLEMENT. If Grantor shall obtain rights to any new Intellectual Property (as defined in the Security Agreement), the provisions of this Agreement shall automatically apply thereto. Grantor shall give Lenders prompt written notice with respect to any such new Intellectual Property. Grantor represents that Schedule I is substantially accurate and complete but reserves the right from time to time to correct inaccuracies and/or omissions by giving Lenders written notice thereof. Without limiting Grantor's obligations under this Section 4, Grantor hereby authorizes the Agent and Lenders unilaterally to modify this Agreement by amending Schedule I to include any such corrections and other modifications and any such new Intellectual Property of Grantor. Notwithstanding the foregoing, no failure to so modify this Agreement or amend Schedule I shall in any way affect, invalidate or detract from Lenders' continuing security interest in all Intellectual Property Collateral, whether or not listed on Schedule I.

5. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such separate counterparts shall together constitute but one and the same instrument. In proving this Agreement in any judicial proceedings, it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom enforcement is sought. Any signatures delivered by a party by facsimile transmission or by e-mail transmission shall be deemed an original signature hereto.

6. GOVERNING LAW; JURISDICTION. This Agreement shall be governed by and construed under the laws of the State of California applicable to contracts made and to be performed entirely within the State of California. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in San Diego County, California for the

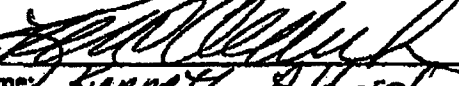
adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper. 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 to such party at the address in effect for notices to it under this Agreement 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.

7. SUCCESSORS AND ASSIGNS. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and permitted assigns any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement. A Lender may assign its rights hereunder in connection with any private sale or transfer of its Note, in which case the term "Lender" shall be deemed to refer to such transferee as though such transferee were an original signatory hereto. Grantor may not assign its rights or obligations under this Agreement.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Grantor has caused this Intellectual Property Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

INTERNATIONAL STEM CELL CORPORATION

By: 
Name: Kenneth A. Erick
Title: CEO

SCHEDULE I
to
INTELLECTUAL PROPERTY SECURITY AGREEMENT

Alternative ID	Short Title	Country	Status	Application No	Application Date	Inventors
ISCC1110/US/3	Parthenogenic Activation of Human Oocytes for the production of human embryonic stem cells	United States of America	Pending	11/505,260	Aug-15-2006	Revazova Elena, Pryzhkova Marina V., Kuzmichev Leonid N., Janus Jeffrey
ISCC1130/US/1	Synthetic cornea from Retinal Stem Cells	United States of America	Pending	11/584,412	Oct-19-2006	Kelleher-Andersson Judy, Hammond Jeremy
ISCC1130/WO/1	Synthetic Lens from Retinal Stem Cells	PCT	Pending	PCT/US2006/41134	Oct-19-2006	Kelleher-Andersson Judy, Janus Jeffrey, Hammond Jeremy
ISCC1140/US/1	Use of recipient endothelial cells for faster vascularization of tissue and tissue-engineered constructions transplants	United States of America	Pending	10/233,005	Aug-30-2002	Revazova Elena, Bryzgalov I., IVANOV ATANOV, Sebastian J., Keller G., Sorokina Lu., WATSON JEFF
ISCC1150/US/1	Patient- specific stem cell lines derived from human parthenogenetic blastocysts	United States of America	Pending	12/082,028	Apr-07-2008	Revazova Elena, Pryzhkova Marina V., Kuzmichev Leonid N., Janus Jeffrey
ISCC1150/WO/1	Patient- specific stem cell lines derived from human parthenogenetic blastocysts	PCT	Pending	PCT/US2008/004529	Apr-07-2008	Revazova Elena, Pryzhkova Marina V., Kuzmichev Leonid N., Janus Jeffrey
ISCC1160/US	Specific Antibody Repression of the Cellular Signaling Pathways for Stem Cells Differentiation	United States of America	Pending	60/983,049	Oct-26-2007	Turovets Nickolai, Revazova Elena, Agapova Larisa