

PATENT ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

EPAS ID: PAT4009109

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST

CONVEYING PARTY DATA

Name	Execution Date
STEMCELLS, INC.	08/15/2016
STEMCELLS CALIFORNIA, INC.	08/15/2016

RECEIVING PARTY DATA

Name:	ALPHA CAPITAL ANSTALT
Street Address:	LETTSTRASSE 32
City:	9490 VADUZ
State/Country:	LIECHTENSTEIN

PROPERTY NUMBERS Total: 16

Property Type	Number
Application Number:	09178035
Application Number:	10134234
Application Number:	09486302
Application Number:	10177178
Application Number:	12853477
Application Number:	11502210
Application Number:	12646228
Application Number:	11062886
Application Number:	09696530
Application Number:	11932349
Application Number:	12646557
Application Number:	09422844
Application Number:	09927012
Application Number:	09890469
Application Number:	09175890
Application Number:	62322652

CORRESPONDENCE DATA

Fax Number: (212)370-7889

Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.

PATENT

Phone: 2123701300
Email: PTO@EGSLLP.COM
Correspondent Name: ATUL R. SINGH
Address Line 1: 1345 AVENUE OF THE AMERICAS, 11TH FLOOR
Address Line 2: ELLENOFF GROSSMAN & SCHOLE LLP
Address Line 4: NEW YORK, NEW YORK 10105

ATTORNEY DOCKET NUMBER: 12901.001

NAME OF SUBMITTER: ATUL R. SINGH

SIGNATURE: /Atul R. Singh/

DATE SIGNED: 08/16/2016

Total Attachments: 24

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SECURITY AGREEMENT

1. **THE SECURITY.** The undersigned StemCells, Inc., a Delaware corporation (the "Pledgor"), and all of the domestic subsidiaries of the Pledgor (together with the Pledgor, the "Debtors"), hereby assign and grant to Alpha Capital Anstalt, as agent ("Agent"), on behalf of the holders of the Indebtedness (as defined below), their endorsees, transferees and assigns (collectively, the "Creditors"), a security interest in the following assets of the Debtors (the "Collateral"), now owned or hereafter acquired to secure the prompt and complete payment and performance of the Indebtedness (as defined below):

(a) all accounts, contract rights, chattel paper, instruments, letter of credit rights, payment intangibles and general intangibles; and all returned or repossessed goods which, on sale or lease, resulted in an account or chattel paper;

(b) all inventory, including all materials, work in process and finished goods;

(c) all machinery, furniture, fixtures and other equipment of every type;

(d) all instruments, notes, chattel paper and documents (including all liens, security agreements, leases and other contracts securing or otherwise relating to the foregoing);

(e) all Intellectual Property; "Intellectual Property" means, whether existing as of the date hereof or hereafter acquired by any of the Debtors: (i) all domestic and foreign patents, patent applications, and all unpatented or unpatentable inventions; (ii) all domestic and foreign trademarks, service marks, and trade names, whether registered or not; (iii) all works of authorship and all copyrights and literary rights therein; (iv) all computer software programs; (v) all trade secrets, know-how, proprietary information, customer lists, manufacturing, engineering and production plans, drawings, specifications, processes and systems; and (vi) whether arising under domestic or foreign law, all goodwill connected with or symbolized by any of the items described in subclauses (i) – (v) of this clause (e);

(f) all royalties (including royalties from licenses or sub-licenses), accounts, accounts receivable, payment intangibles and revenues arising from or related to Intellectual Property;

(g) all causes of action arising from or related to Intellectual Property, including without limitation causes of actions for infringement of Intellectual Property or breach of licenses or sub-licenses; and

(h) all accessions to, substitutions for and replacements, proceeds, insurance proceeds and products of the foregoing, together with all books and records pertaining to any Collateral, including but not limited to any computer-readable memory and any computer hardware or software necessary to process such memory ("Books and Records").

Notwithstanding the foregoing, "Collateral" shall not include (A) any "intent to use" trademark application filed and pending before the United States Patent and Trademark Office ("USPTO"), but only to the extent that, and solely during the period in which, the grant, attachment or enforcement of a security interest therein would, under applicable federal law, impair the registrability of such applications or the validity or enforceability of registrations issuing from such "intent to use" applications; (B) any general intangibles or other property solely to the extent that any terms of such general intangible and/or any applicable law, agreement or other document pertaining to such general intangible or other property (x) restrict, prohibit, or require a consent (that has not been obtained) of a third party to the creation, attachment or perfection of the security interest granted herein, and any such restriction, prohibition and/or requirement of consent is effective and enforceable under applicable law and is not rendered ineffective by applicable law (including, without limitation, pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC), or (y) the creation, attachment or perfection of the security interest granted herein would trigger termination of any rights in such general intangible or other property pursuant to any "change of control" or similar provision in such terms; or (C) any cash, deposit accounts, certificates of deposit or securities accounts.

2. THE INDEBTEDNESS. The Collateral secures and will secure all Indebtedness. "Indebtedness" means all loans, advances, debts, liabilities and obligations, howsoever arising, owed by the Debtors to the Creditors of every kind and description, now existing or hereafter arising, including but not limited to, under or pursuant to the terms of Pledgor's 5.0% Secured Note due December 31, 2016 in the original aggregate principal amount of \$2,000,000.00 (the "Note"), subsequently issued promissory notes issued to the Creditors and this Agreement, as each may be amended, supplemented or otherwise modified, including, all interest, fees, charges, expenses, attorneys' fees and costs and accountants' fees and costs chargeable to and payable by any Debtor hereunder and thereunder, in each case, whether direct or indirect, absolute or contingent, due or to become due, and whether or not arising after the commencement of a proceeding under Title 11 of the United States Code (11 U. S. C. Section 101 et seq.), as amended from time to time (including post-petition interest) and whether or not allowed or allowable as a claim in any such proceeding.

3. DEBTORS' REPRESENTATIONS, WARRANTIES AND COVENANTS. Each Debtor represents, covenants and warrants that unless compliance is waived by the Agent in writing:

(a) Each Debtor shall, (i) except as the Debtor and Agent may otherwise agree, take all commercially reasonable steps necessary and appropriate under the circumstances to preserve the Collateral (except for any thereof that is sold or otherwise transferred or disposed of in the ordinary course of business) and defend the Collateral against any adverse claims and demands, and (ii) keep accurate Books and Records.

(b) Each Debtor's chief executive office is located, in the state specified on the signature page hereof. In addition, each Debtor is incorporated in or organized under the laws of the state specified on such signature page. Other than in the case of the Merger (as defined in the Note), each Debtor shall give the Agent at least thirty (30) days' notice before changing its chief executive office or state of incorporation or organization. The Debtors will notify the Agent in writing prior to any change in the location of any Collateral (except to the extent the change arises from the sale, transfer or other disposition thereof in the ordinary course of business), including the Books and Records.

(c) Other than in the case of the Merger (as defined in the Note), each Debtor will notify the Agent, in writing, prior to any change in the Debtor's name, identity or material change in its business structure.

(d) Except as otherwise specifically contemplated by this Agreement or unless otherwise agreed, each Debtor has not granted and will not grant any security interest in any of the Collateral except to the Agent on behalf of the Creditors, and will keep the Collateral free of all liens, claims, security interests and encumbrances of any kind or nature except the security interest of the Agent and Permitted Liens (as defined in the Note).

(e) Each Debtor will promptly notify the Agent, in writing, of any event which materially adversely affects the value of the Collateral, the ability of the Debtors, the Agent or the Creditors to dispose of the Collateral, or the rights and remedies of the Agent or the Creditors in relation thereto, including, but not limited to, the levy of any legal process against any Collateral and the adoption of any marketing order, arrangement or procedure affecting the Collateral, whether governmental or otherwise.

(f) Except as the Debtor and Agent may otherwise agree, each Debtor shall pay all costs necessary, in the commercially reasonable judgment of the Debtor, to preserve, defend, enforce and collect the Collateral, including but not limited to taxes, assessments, insurance premiums, repairs, rent, storage costs and expenses of sales, and any costs to perfect (to the extent required herein) the security interest of the Creditors (collectively, the "Collateral Costs"). Without waiving such Debtor's default for failure to make any such payment, the Agent or the Creditors, following any such failure, at its option may pay any such Collateral Costs, and discharge encumbrances on the Collateral, and such

Collateral Costs payments shall be a part of the Indebtedness and bear interest at the rate set out in the Indebtedness. Each Debtor agrees to reimburse the Agent or the Creditors on demand for any Collateral Costs reasonably incurred.

(g) Until the Agent or the Creditors exercise their rights to make collection, the Debtors will take commercially reasonable steps to collect all Collateral.

(h) If any Collateral is or becomes the subject of any registration certificate, certificate of deposit or negotiable document of title, including any warehouse receipt or bill of lading, each Debtor shall immediately deliver such document to the Agent, together with any necessary endorsements.

(i) The Debtors will not sell, lease, agree to sell or lease, or otherwise dispose of any Collateral except with the prior written consent of the Agent; provided, however, that the Debtors may sell inventory in the ordinary course of business.

(j) Upon filing or recording of appropriate financing statements and security interests in the offices listed on Exhibit B, the Agent shall have a fully perfected first priority security interest in the Collateral in which a security interest may be perfected by filing or recording a financing statement under the UCC or a security agreement with the United States Copyright Office or the USPTO, as applicable, subject only to Permitted Liens. The Debtors shall not be required to take any action in any non-U.S. jurisdiction to perfect the security interests granted herein.

(k) The foreign subsidiaries of the Debtors do not own any material assets.

(l) Exhibit A to this Agreement is a complete list of all patents, trademark and service mark registrations, copyright registrations, mask work registrations, and all applications therefor, existing as of the date hereof, in which each Debtor has any right, title, or interest, throughout the world. Each Debtor will promptly notify the Agent of any acquisition (by adoption and use, purchase, license or otherwise) of any patent, trademark or service mark registration, copyright registration, mask work registration, and applications therefore, and unregistered trademarks and service marks and copyrights, throughout the world, which are granted or filed or acquired by any Debtor after the date hereof or which are not listed on such Exhibit. Each Debtor authorizes the Agent, without notice to any Debtor, to modify this Agreement by amending such Exhibit to include any such Collateral. Exhibit A sets forth all of Debtors' material Intellectual Property.

(m) Except as the Debtor and Agent may otherwise agree, each Debtor will, at its expense, use commercially reasonable efforts to (i) prosecute all

patent, trademark or service mark or copyright applications pending on or after the date hereof, (ii) maintain in effect all issued patents and (iii) renew all trademark and service mark registrations, including payment of any and all maintenance and renewal fees relating thereto, except in each case for such patents, copyrights, service marks and trademarks that are being sold, donated or abandoned by the Debtors pursuant to the terms of its intellectual property management program. Except as the Debtor and Agent may otherwise agree, each Debtor also will use commercially reasonable efforts to promptly make application on any patentable but unpatented inventions, registrable but unregistered trademarks and service marks, and copyrightable but uncopyrighted works but only pursuant to the terms of its intellectual property management program(s). Except as the Debtor and Agent may otherwise agree, each Debtor will at its expense use commercially reasonable efforts to (x) protect and defend all rights in the Collateral against any material claims and demands of all persons other than the Creditors and (y) enforce all rights in the Collateral against any and all infringers of the Collateral where such infringement would materially impair the value or use of the Collateral to the Debtors or the Creditors. No Debtor will license or transfer any of the Collateral, except for such licenses as are customary in the ordinary course of the Debtors' business, or except with the prior written consent of the Agent, which consent shall not be unreasonably withheld.

4. ADDITIONAL OPTIONAL REQUIREMENTS. Each Debtor agrees that the Agent may, at its option at any time, whether or not any Debtor is in default:

(a) Require the Debtors to deliver to the Agent (i) copies of or extracts from the Books and Records, and (ii) information on any contracts or other matters affecting the Collateral.

(b) Examine the Collateral, including the Books and Records, and make copies of or extracts from the Books and Records, and for such purposes enter at any reasonable time, with or without prior notice, upon the property where any Collateral or any Books and Records are located.

(c) Require each Debtor to deliver to the Agent any instruments, chattel paper or letters of credit which are part of the Collateral, and to assign to the Agent the proceeds of any such letters of credit.

(d) Notify any account debtors, any buyers of the Collateral, or any other persons of the Creditors' interest in the Collateral.

5. DEFAULTS. Any one or more of the following shall be a default hereunder:

(a) Any Indebtedness is not paid when due, or any default occurs under the Note, after giving effect to any applicable grace or cure periods.

(b) Any Debtor breaches in any material respect any term, provision, warranty or representation under this Agreement or the Note and such breach remains uncured after any applicable cure period.

(c) Any Creditor fails to have an enforceable lien on or security interest in any material portion of the Collateral.

(d) Any custodian, receiver or trustee is appointed to take possession, custody or control of all or a material portion of the Collateral.

(e) Any involuntary lien of any kind or character attaches to any Collateral, except for Permitted Liens.

6. CREDITOR'S REMEDIES AFTER DEFAULT. In the event of any default, the Creditors may do any one or more of the following:

(a) Declare any Indebtedness immediately due and payable, without notice or demand.

(b) Enforce the security interest given hereunder pursuant to the Uniform Commercial Code and any other applicable law.

(c) Require the Debtors to obtain the Creditors' prior written consent to any sale, lease, agreement to sell or lease, or other disposition of any Collateral consisting of inventory.

(d) Require the Debtors to segregate all collections and proceeds of the Collateral so that they are capable of identification and deliver daily such collections and proceeds to the Creditors in kind.

(e) Require the Debtors, to the extent not previously required, to direct all account debtors to forward all payments and proceeds of the Collateral to a post office box or account under the Creditors' exclusive control.

(f) Require the Debtors to assemble the Collateral, including the Books and Records, and make them available to the Creditor at a place designated by the Creditors.

(g) Enter upon the property where any Collateral, including any Books and Records, are located and take possession of such Collateral and such Books and Records, and use such property (including any buildings and facilities) and any of the Debtors' equipment, if the Creditor deems such use necessary or advisable in order to take possession of, hold, preserve, process, assemble, prepare for sale or lease, market for sale or lease, sell or lease, or otherwise dispose of, any Collateral.

(h) Demand and collect any payments on and proceeds of the Collateral. In connection therewith, each Debtor irrevocably authorizes the Creditors to endorse or sign the Debtor's name on all checks, drafts, collections, receipts and other documents constituting Collateral.

(i) Grant extensions and compromise or settle claims with respect to the Collateral for less than face value, all without prior notice to any Debtor.

(j) Use or transfer any of the Debtors' rights and interests in any Intellectual Property now owned or hereafter acquired by any Debtor, if the Creditors deem such use or transfer necessary or advisable in order to take possession of, hold, preserve, process, assemble, prepare for sale or lease, market for sale or lease, sell or lease, or otherwise dispose of, any Collateral. The Debtors agree that any such use or transfer shall be without any additional consideration to any Debtor.

(k) Have a receiver appointed by any court of competent jurisdiction to take possession of the Collateral. Each Debtor hereby consents to the appointment of such a receiver and agrees not to oppose any such appointment.

(l) Take such measures as the Creditors may deem necessary or advisable to take possession of, hold, preserve, process, assemble, insure, prepare for sale or lease, market for sale or lease, sell or lease, or otherwise dispose of, any Collateral, and each Debtor hereby irrevocably constitutes and appoints the Creditors as the Debtors' attorneys-in-fact to perform all acts and execute all documents in connection therewith.

(m) Exercise any other remedies available to the Creditors at law or in equity.

7. [Reserved]

8. MISCELLANEOUS.

(a) Any waiver, express or implied, of any provision hereunder and any delay or failure by any Creditor to enforce any provision shall not preclude any Creditor from enforcing any such provision thereafter.

(b) The Debtors shall, at the request of any of the Creditors, execute such other agreements, documents, instruments, or financing statements in connection with this Agreement as the Creditors may reasonably deem necessary.

(c) This Agreement shall be governed by and construed according to the laws of the State of New York, to the jurisdiction of which the parties hereto submit.

(d) All rights and remedies herein provided are cumulative and not exclusive of any rights or remedies otherwise provided by law. Any single or partial exercise of any right or remedy shall not preclude the further exercise thereof or the exercise of any other right or remedy.

(e) All terms not defined herein are used as set forth in the UCC. As used herein, "UCC" means the Uniform Commercial Code of the State of New York and or any other applicable law of any state or states which has jurisdiction with respect to all, or any portion of, the Collateral or this Agreement, from time to time. It is the intent of the parties that defined terms in the UCC should be construed in their broadest sense so that the term "Collateral" will be construed in its broadest sense. Accordingly if there are, from time to time, changes to defined terms in the UCC that broaden the definitions, they are incorporated herein and if existing definitions in the UCC are broader than the amended definitions, the existing ones shall be controlling.

(f) In the event of any action by the Creditors to enforce this Agreement or to protect the security interest of the Creditors in the Collateral, or to take possession of, hold, preserve, process, assemble, insure, prepare for sale or lease, market for sale or lease, sell or lease, or otherwise dispose of, any Collateral, the Debtors agree to immediately upon request therefor pay the costs and expenses thereof, together with reasonable attorney's fees to the extent permitted by law.

(g) In the event any of the Creditors seek to take possession of any or all of the Collateral by judicial process, the Debtors hereby irrevocably waive any bonds and any surety or security relating thereto that may be required by applicable law as an incident to such possession, and waives any demand for possession prior to the commencement of any such suit or action.

(h) [Reserved].

(i) The Creditors' rights hereunder shall inure to the benefit of their successors and assigns. In the event of any assignment or transfer by any Creditors of any of the Indebtedness or the Collateral, such Creditors thereafter shall be fully discharged from any responsibility with respect to the Collateral so assigned or transferred, but such Creditors shall retain all rights and powers hereby given with respect to any of the Indebtedness or the Collateral not so assigned or transferred. All representations, warranties and agreements of the Debtors shall be binding upon the successors and assigns of the Debtors.

(j) The Debtors agree that the Collateral may be sold as provided for in this Agreement and expressly waives any rights of notice of sale, advertisement procedures, or related provisions granted under applicable law, including the New York UCC.

9. The Agent shall have the rights, responsibilities and immunities set forth in Annex A hereto. In addition, unless otherwise specifically required, any notice the Debtors may give to Creditors hereunder may instead be given only to Agent.

10. TERMINATION AND RELEASE. Upon the occurrence of (a) payment in full of the Indebtedness or (b) the effectiveness of any written consent to the release of the security interests created under this Agreement or any security agreement recorded with the United States Copyright Office or the United States Patent and Trademark Office, the security interests in the Collateral created by this Agreement and any security agreement recorded with the United States Copyright Office or the United States Patent and Trademark Office shall be automatically released. In connection with any termination or release pursuant to this Section, the Agent shall execute and deliver to any Debtor, at such Debtor's expense, all documents that such Debtor shall reasonably request to evidence such termination or release. Any execution and delivery of documents pursuant to this Section shall be without recourse to or warranty by the Agent.

11. ADDITIONAL LOANS. From the date hereof, until the earlier of (x) the consummation of the Merger (as defined in the Note) or (y) December 31, 2016, from time to time, Pledgor may reasonably request, and Alpha Capital Anstalt ("Alpha") agrees to provide additional loans to the Pledgor pursuant to the terms hereof for purposes of satisfying reasonable costs and expenses associated with or reasonably necessary to consummate the Merger. To effect such additional loans, Pledgor shall deliver a written notice to Alpha requesting an additional loan. The aggregate amount of such additional loans shall not exceed \$2.0 million (which amount will be reduced on a dollar-for-dollar basis with respect to any cash equity investments received by Pledgor on or after the date hereof from Alpha). Funds will be sent by wire, at Pledgor's cost, to an account identified in writing by Pledgor within ten (10) business days of receipt by Agent of a written request duly delivered pursuant to written instructions provided by Pledgor or, at the agreement of Agent and Pledgor, to one or more creditors of Pledgor. Upon the request of Alpha, and as a condition to making such additional loans, the Pledgor will provide Alpha with a reasonably detailed use of proceeds for such additional loans (including actual invoice amounts and/or estimates for such obligations, fees and expenses). Such additional loans will each be evidenced by a promissory note, substantially in the form of the Note, having the same terms and conditions as the Note. Alpha will not have any obligation to provide any additional loans pursuant to this section in the event the Merger is no longer being pursued by any party to the Merger Agreement or if there is an Event of Default under the Note. For clarity, any additional loans provided pursuant to this section shall be "Indebtedness" hereunder secured by the security interest granted herein and subject to the terms and conditions hereunder in favor of the Agent

The parties executed this Agreement as of August 15, 2016.

STEMCELLS, INC.

Address: 39899 Balentine Drive,
Suite 200;
Newark, CA 94560

By: *Ian J. Massey*
Name: Ian J. Massey, Ph.D.
Title: President and Chief Executive Officer

State of Incorporation: Delaware

[Signature Page to Security Agreement]

PATENT
REEL: 039697 FRAME: 0196

The parties executed this Agreement as of August 15, 2016.

STEMCELLS CALIFORNIA, INC.

By:  _____

State of Incorporation: California

Name: Kenneth Stratton

Title: ~~President~~ *Corp. Secretary*

[Signature Page to Security Agreement]

[SIGNATURE PAGE OF CREDITORS TO STEM SECURITY AGREEMENT]

Name of Investing Entity: Alpha Capital Asset

Signature of Authorized Signatory of Investing entity: [Signature]

Name of Authorized Signatory: Konrad Ackermann


Title of Authorized Signatory: Director

[SIGNATURE PAGE OF CREDITORS FOLLOWS]

Fehler! Unbekannter Name für Dokument-Eigenschaft.

Alpha Capital Anstalt

ALPHA CAPITAL ANSTALT
Letztstrasse 32
9490 Vaduz
Principality of Liechtenstein
e-mail: info@alphacapital.li

 as Agent

Address: _____

By: 
Name: Hans-Joachim Adenauer
Title: Director

Fehler! Unbekannter Name für Dokument-Eigenschaft.

EXHIBIT A
Intellectual Property

Schlich Ref	Country	Title	Status	App. Date	App. No.	Grant Date	Grant No.
T8128US	USA	GROUNDBRE/	Registered	12/22/2010	85/203,560	8/13/2013	4,384,367
T8326CN	China	HUCNS-SC	Registered	12/1/2005	5035589	7/28/2009	5035589
T8326EM	EPO	HUCNS-SC	Registered	12/1/2005	4755311	5/16/2007	4755311
T8326HK	Hong Kong	HUCNS-SC	Registered	12/1/2005	300539479	8/8/2006	300539479
T8326JP	Japan	HUCNS-SC	Registered	12/1/2005	2005-112764	1/5/2007	5015661
T8326KR (CL1)	Korea, North	HUCNS-SC	Registered	6/4/2007	200729837	9/21/2007	724596
T8326KR (CL5)	Korea, North	HUCNS-SC	Registered	1/6/2006	2006-774	4/23/2008	744568
T8326SG	Singapore	HUCNS-SC	Registered	12/1/2005	T05/24830G	5/8/2007	T05/24830G
T8326TW	Taiwan	HUCNS-SC	Registered	12/5/2005	94058830	3/16/2007	1254057
T8326TH (CL1)	Thailand	HUCNS-SC	Registered	12/1/2005	611612	12/1/2005	278106
T8326TH (CL5)	Thailand	HUCNS-SC	Registered	8/23/2006	636601	10/19/2007	269338
T8326US	USA	HUCNS-SC	Registered	5/31/2005	78/640635	9/25/2007	3,299,141

Schlich Ref	Country	Title	Status	App. Date	App. No.	Grant Date	Grant No.
17810-049							
<u>Cultures of Human CNS Neural Stem Cells</u>							
P39713AUD1	Australia	Cultures of Human CNS Neural Stem Cells	Granted	9/4/1998	93059/98	1/17/2003	758270
P39713CA	Canada	Cultures of Human CNS Neural Stem Cells	Granted	9/4/1998	2302484	12/24/2013	2302484
P39713DE	Germany	Cultures of Human CNS Neural Stem Cells	Granted	9/4/1998	98945920.1	6/18/2014	1007636
P39713FR	France	Cultures of Human CNS Neural Stem Cells	Granted	9/4/1998	98945920.1	6/18/2014	1007636
P39713GB	United Kingdom	Cultures of Human CNS Neural Stem Cells	Granted	9/4/1998	98945920.1	6/18/2014	1007636
P39713JP	Japan	Cultures of Human CNS Neural Stem Cells	Granted	9/4/1998	2000-508770	10/28/2011	4848538
P39714USD1	USA	Cultures of Human CNS Neural Stem Cells	Granted	10/23/1998	09/178,035	8/15/2000	6,103,530
P39714USC2	USA	Cultures of Human CNS Neural Stem Cells	Granted	4/29/2002	10/134,234	8/17/2004	6,777,233
P39714US	USA	Cultures of Human CNS Neural Stem Cells	Granted	9/4/1998	09/486,302	12/24/2002	6,498,018
17810-205/ (hLEC)							
<u>Liver Engrafting Cells, Assays, and Uses Thereof</u>							
P39715AUD2	Australia	Liver Engrafting Cells, Assays, and Uses Thereof	Granted	6/21/2002	2002315392	5/8/2008	2002315392
P39715CHD2	Switzerland	Liver Engrafting Cells, Assays, and Uses Thereof	Granted	6/21/2002	10178898.2	5/20/2015	2388330
P39715DED2	Germany	Liver Engrafting Cells, Assays, and Uses Thereof	Granted	6/21/2002	10178898.2	5/20/2015	2388330
P39715FRD2	France	Liver Engrafting Cells, Assays, and Uses Thereof	Granted	6/21/2002	10178898.2	5/20/2015	2388330
P39715GBD2	United Kingdom	Liver Engrafting Cells, Assays, and Uses Thereof	Granted	6/21/2002	10178898.2	5/20/2015	2388330
P39715BE	Belgium	Liver Engrafting Cells, Assays, and Uses Thereof	Granted	6/21/2002	2742240.1	8/22/2007	1406998
P39715CA	Canada	Liver Engrafting Cells, Assays, and Uses Thereof	Granted	6/21/2002	2451637	4/23/2013	2451637
P39715CH	Switzerland	Liver Engrafting Cells, Assays, and Uses Thereof	Granted	6/21/2002	2742240.1	8/22/2007	1406998
P39715DE	Germany	Liver Engrafting Cells, Assays, and Uses Thereof	Granted	6/21/2002	2742240.1	8/22/2007	1406998
P39715FR	France	Liver Engrafting Cells, Assays, and Uses Thereof	Granted	6/21/2002	2742240.1	8/22/2007	1406998
P39715GB	United Kingdom	Liver Engrafting Cells, Assays, and Uses Thereof	Granted	6/21/2002	2742240.1	8/22/2007	1406998
P39715IT	Italy	Liver Engrafting Cells, Assays, and Uses Thereof	Granted	6/21/2002	2742240.1	8/22/2007	1406998
P39715JP	Japan	Liver Engrafting Cells, Assays, and Uses Thereof	Granted	6/21/2002	2742240.1	8/22/2007	1406998
P39715NL	Netherlands/Holland	Liver Engrafting Cells, Assays, and Uses Thereof	Granted	6/21/2002	2742240.1	8/22/2007	1406998
P39715SE	Sweden	Liver Engrafting Cells, Assays, and Uses Thereof	Granted	6/21/2002	2003-507235	2/12/2010	4455876
P39715US	USA	Liver Engrafting Cells, Assays, and Uses Thereof	Granted	6/21/2002	2742240.1	8/22/2007	1406998
P39715USC2	USA	Liver Engrafting Cells, Assays, and Uses Thereof	Granted	6/21/2002	10/177,178	5/1/2007	7,211,404
P39716US	USA	Human Liver Engrafting Cells Isolated from Adult Liver Tissue	Granted	8/10/2010	12/853,477	10/9/2012	8,283,164
17810-510/001 (Uchida enrichment MOM)							
<u>Enriched Neural Stem Cell Populations</u>							
P39717BE	Belgium	Enriched Central Nervous System Cell Populations	Granted	2/11/2000	911779.7	11/7/2007	1144671
P39717CH	Switzerland	Enriched Central Nervous System Cell Populations	Granted	2/11/2000	911779.7	11/7/2007	1144671
P39717DE	Germany	Enriched Central Nervous System Cell Populations	Granted	2/11/2000	911779.7	11/7/2007	1144671
P39717FR	France	Enriched Central Nervous System Cell Populations	Granted	2/11/2000	911779.7	11/7/2007	1144671
P39717GB	United Kingdom	Enriched Central Nervous System Cell Populations	Granted	2/11/2000	911779.7	11/7/2007	1144671
P39717IT	Italy	Enriched Central Nervous System Cell Populations	Granted	2/11/2000	911779.7	11/7/2007	1144671
P39717NL	Netherlands/Holland	Enriched Central Nervous System Cell Populations	Granted	2/11/2000	911779.7	11/7/2007	1144671

P397175E	Sweden	Enriched Central Nervous System Cell Populations	Granted	2/11/2000	911779.7	11/7/2007	1144671
17810-510/601 (Uchida enrichment alternative antibody)							
Enriched Neural Stem Cell Populations							
Enriched Central Nervous System Stem Cell and Progenitor Cell Populations, and Methods for Identifying, Isolating and Enriching for Such Populations							
P39718AU	Australia	Enriched Neural Stem Cell Populations	Granted	2/11/2000	2005202534	6/21/2008	2005202534
P39718BE	Belgium	Enriched Neural Stem Cell Populations	Granted	2/11/2000	7021550.4	7/7/2010	1900811
P39718CH	Switzerland	Enriched Central Nervous System Cell Populations	Granted	2/11/2000	7021550.4	7/7/2010	1900811
P39718DE	Germany	Enriched Central Nervous System Cell Populations	Granted	2/11/2000	7021550.4	7/7/2010	1900811
P39718FR	France	Enriched Central Nervous System Cell Populations	Granted	2/11/2000	7021550.4	7/7/2010	1900811
P39718GB	United Kingdom	Enriched Central Nervous System Cell Populations	Granted	2/11/2000	7021550.4	7/7/2010	1900811
P39718IT	Italy	Enriched Central Nervous System Cell Populations	Granted	2/11/2000	7021550.4	7/7/2010	1900811
P39718NL	Netherlands/Holland	Enriched Central Nervous System Cell Populations	Granted	2/11/2000	7021550.4	7/7/2010	1900811
P39718SE	Sweden	Enriched Central Nervous System Cell Populations	Granted	2/11/2000	7021550.4	7/7/2010	1900811
17810-521							
Target Populations of Oligodendrocyte Precursor Cells and Methods of Making and Using Same							
P39720US	USA	Target Populations of Oligodendrocyte Precursor Cells and Methods of Making and Using Same	Pending	12/23/2009	12/646,228		
P39720EP	EPO	Target Populations of Oligodendrocyte Precursor Cells and Methods of Making and Using Same	Pending	12/23/2009	9795864.7		
2i media							
Culture medium containing kinase inhibitors, and uses thereof							
P39425EPD1	EPO	Culture medium containing kinase inhibitors, and uses thereof	Allowed (issue fee due)	3/30/2007	11182239.1		
3i media (2i) (946)							
Culture medium containing kinase inhibitors, and uses thereof							
P39425CH	Switzerland	Culture medium containing kinase inhibitors, and uses thereof	Granted	3/30/2007	7732217	10/26/2011	1999249
P39425DE	Germany	Culture medium containing kinase inhibitors, and uses thereof	Granted	3/30/2007	7732217	10/26/2011	1999249
P39425FR	France	Culture medium containing kinase inhibitors, and uses thereof	Granted	3/30/2007	7732217	10/26/2011	1999249
P39425GB	United Kingdom	Culture medium containing kinase inhibitors, and uses thereof	Granted	3/30/2007	706239.1	7/9/2008	682436737
P39425IN	India	Culture medium containing kinase inhibitors, and uses thereof	Pending	3/30/2007	3577/KOLNP/2008		
P39425IT	Italy	Culture medium containing kinase inhibitors, and uses thereof	Granted	3/30/2007	7732217	10/26/2011	1999249
P39425JP	Japan	Culture medium containing kinase inhibitors, and uses thereof	Granted	3/30/2007	2009-502219	1/16/2015	5689850
P39425JPD1	Japan	Culture medium containing kinase inhibitors, and uses thereof	Granted	3/30/2007	2013-11454	4/10/2015	5728036
P39425US	USA	Culture medium containing kinase inhibitors, and uses thereof	Granted	3/30/2007	11/694,351	7/7/2015	9,074,180
Heterologous Expression (178)							
FPUS06601	USA	Heterologous expression	Granted	4/21/1994	08/537,765	11/21/2000	6,150,169
LIF + Mek (continuation) (486)							
Propagation and/or derivation of embryonic stem cells							

FP106215	Israel	Propagation and/or derivation of embryonic stem cells	Granted	9/13/1999	141,735	3/19/2006	141735
FPJ506218C1	USA	Propagation and/or derivation of embryonic stem cells	Granted	9/13/1999	12,098,037	9/29/2009	7,595,193
Nanog (human) (490)							
<u>Pluripotency determining factors and uses thereof.</u>							
FP5G06788	Singapore	Pluripotency determining factors and uses thereof.	Granted	1/30/2003	200404202-4	10/31/2006	105807
FPUS06789	USA	Pluripotency determining factors and uses thereof.	Granted	1/30/2003	10/502,972	3/30/2010	7,687,266
P37879CH	Switzerland	Pluripotency determining factors and uses thereof.	Granted	1/30/2003	3734758	3/15/2006	1470155
P37878DE	Germany	Pluripotency determining factors and uses thereof.	Granted	1/30/2003	3734758	3/15/2006	1470155
P37878DK	Denmark	Pluripotency determining factors and uses thereof.	Granted	1/30/2003	3734758	3/15/2006	1470155
P37878FR	France	Pluripotency determining factors and uses thereof.	Granted	1/30/2003	3734758	3/15/2006	1470155
P37878GB	United Kingdom	Pluripotency determining factors and uses thereof.	Granted	1/30/2003	3734758	3/15/2006	1470155
P37878SE	Sweden	Pluripotency determining factors and uses thereof.	Granted	1/30/2003	3734758	3/15/2006	1470155
NSCs (749)							
<u>Neural Stem Cells</u>							
APEP0648SAT	Austria	Neural Stem Cells	Granted	6/9/2005	5752405	9/30/2015	1758986
APEP0648SBE	Belgium	Neural Stem Cells	Granted	6/9/2005	5752405	9/30/2015	1758986
APEP0648SCH	Switzerland	Neural Stem Cells	Granted	6/9/2005	5752405	9/30/2015	1758986
APEP0648SCZ	Czech Republic	Neural Stem Cells	Granted	6/9/2005	5752405	9/30/2015	1758986
APEP0648SD1	EPO	Neural Stem Cells	Pending	6/9/2005	15187477.3		
APEP0648SDE	Germany	Neural Stem Cells	Granted	6/9/2005	5752405	9/30/2015	1758986
APEP0648SDK	Denmark	Neural Stem Cells	Granted	6/9/2005	5752405	9/30/2015	1758986
APEP0648SES	Spain	Neural Stem Cells	Granted	6/9/2005	5752405	9/30/2015	1758986
APEP0648SFR	France	Neural Stem Cells	Granted	6/9/2005	5752405	9/30/2015	1758986
APEP0648SHU	United Kingdom	Neural Stem Cells	Granted	6/9/2005	5752405	9/30/2015	1758986
APEP0648SIE	Eire/Ireland	Neural Stem Cells	Granted	6/9/2005	5752405	9/30/2015	1758986
APEP0648SIT	Italy	Neural Stem Cells	Granted	6/9/2005	5752405	9/30/2015	1758986
APEP0648SNL	Netherlands/Holland	Neural Stem Cells	Granted	6/9/2005	5752405	9/30/2015	1758986
APEP0648SPL	Poland	Neural Stem Cells	Granted	6/9/2005	5752405	9/30/2015	1758986
FPAU06484	Australia	Neural Stem Cells	Granted	6/9/2005	5752405	9/30/2015	1758986
FPCA06486	Canada	Neural Stem Cells	Pending	6/9/2005	2,569,978		
FPCN06482	China	Neural Stem Cells	Granted	6/9/2005	2,0058E+11		
FPCN06482D1	China	Neural Stem Cells	Pending	6/9/2005	2.0131E+11		
FPIL06487	Israel	Neural Stem Cells	Granted	6/9/2005	179,919	12/28/2011	179919
FPIN06557	India	Neural Stem Cells	Pending	6/9/2005	15/KOLNP/2007		
FPJP06483D1	Japan	Neural Stem Cells	Pending	6/9/2005	2011-247986		
FPNZ06488	New Zealand	Neural Stem Cells	Granted	6/9/2005	551832	5/13/2010	551832
FP5G06663	Singapore	Neural Stem Cells	Granted	6/9/2005	200608563-3	1/31/2008	130224
FPUS06168	USA	Neural Stem Cells	Granted	6/9/2005	11/148,431	7/22/2014	8,785,187
FPJ506188C1	USA	Neural Stem Cells	Granted	6/9/2005	14/336,513	4/12/2016	9,309,495
PUK06071	United Kingdom	Neural Stem Cells	Granted	6/9/2005	511770	11/15/2006	2414995

Patent No.	Applicant	Inventors	Title	Status	Priority	Pub. No.	Pub. Date	Pub. Date
Rat pluripotent cells (1073)								
<u>Pluripotent Cells from Rat and Other Species</u>								
P39426AU	Australia		Pluripotent Cells from Rat and Other Species	Granted	8/1/2007	2007280216	4/4/2013	2007280216
P39426AUD1	Australia		Pluripotent Cells from Rat and Other Species	Granted	8/1/2007	2013201718	7/30/2015	2013201718
P39426CN	China		Pluripotent Cells from Rat and Other Species	Allowed	8/1/2007	2.0078E+11		
P39426CND1	China		Pluripotent Cells from Rat and Other Species	Pending	8/1/2007	201410730584.X		
P39426EP	EPO		Pluripotent Cells from Rat and Other Species	Pending	8/1/2007	7766403.5		
P39426GB	United Kingdom		Pluripotent Cells from Rat and Other Species	Granted	8/1/2007	716426.2	3/17/2010	2451523
P39426JP	Japan		Pluripotent Cells from Rat and Other Species	Granted	8/1/2007	2009-522328	1/17/2014	5456467
P39426US	USA		Pluripotent Cells from Rat and Other Species	Granted	8/1/2007	11/832,317	4/30/2013	8,431,395
<u>Selectable Marker (473)</u>								
FPU506280	USA		Isolation, selection and propagation of animal transgenic stem cells	Granted	4/21/1994	8535141	11/14/2000	6,146,888
<u>MsGene</u>								
<u>Cultures of GFAP+ Nestin+ Cells that Differentiate to Neurons</u>								
P39942US2	USA		Cultures of GFAP Nestin Cells that Differentiate to Neurons	Granted	10/24/2000	11/062,886	12/4/2007	7,303,912
P39942US1	USA		Cultures of GFAP+ Nestin+ Cells that Differentiate to Neurons	Granted	10/24/2000	09/696,530	4/12/2005	6,878,543
P39942US3	USA		Cultures of GFAP+ Nestin+ Cells that Differentiate to Neurons	Granted	10/24/2000	11/932,349	1/26/2010	7,651,853
P39942US4	USA		Cultures of GFAP+ Nestin+ Cells that Differentiate to Neurons	Granted	10/24/2000	12/646,557	8/6/2013	8,501,467
<u>17810-510 (Uchida enrichment MCM)</u>								
<u>Enriched Central Nervous System Stem Cell and Progenitor Cell Populations, Isolating and Enriching for Such Populations</u>								
P39719AU	Australia		Enriched Central Nervous System Stem Cell and Progenitor Cell Populations, Isolating and Enriching for Such Populations	Granted	2/11/2000	2000033618	6/30/2005	780256
P39719CA	Canada		Enriched Central Nervous System Stem Cell and Progenitor Cell Populations, and Methods for Identifying, Isolating and Enriching for Such Populations	Granted	2/11/2000	2361249	5/10/2011	2361249
P39719JP	Japan		Enriched Central Nervous System Stem Cell and Progenitor Cell Populations, and Methods for Identifying, Isolating and Enriching for Such Populations	Granted	2/11/2000	2000-598656	6/1/2012	5007003
P39719US	USA		Enriched Central Nervous System Stem Cell and Progenitor Cell Populations, and Methods for Identifying, Isolating and Enriching for Such Populations	Granted	10/21/1999	09/422844	10/22/2002	6,468,794
P39719USD1	USA		Enriched Central Nervous System Stem Cell and Progenitor Cell Populations, and Methods for Identifying, Isolating and Enriching for Such Populations	Granted	8/9/2001	09/927,012	12/26/2006	7,153,686
P39719USC1	USA		Enriched Central Nervous System Stem Cell and Progenitor Cell Populations, and Methods for Identifying, Isolating and Enriching for Such Populations	Granted	2/11/2000	09/890469	5/3/2006	7,037,719
<u>17810-712/ (Neurospheres Erythropoietin)</u>								
<u>Erythropoietin-Mediated Neurogenesis</u>								
P39724CA	Canada		Erythropoietin-Mediated Neurogenesis	Granted	10/23/1998	2307017	1/28/2014	2307017
P39724US	USA		Erythropoietin-Mediated Neurogenesis	Granted	10/20/1998	09/175,890	12/26/2000	6,165,783

GM NSC
Genome Editing of Human Neural Stem Cells Using Engineered Nucleases
Genome Editing of Human Neural Stem Cells Using Engineered
Nucleases
P40257US USA Pending 4/14/2016 62/322.652

EXHIBIT B
Filing Offices

<u>Debtor</u>	<u>Filing Office</u>
StemCells, Inc.	Delaware Secretary of State United States Patent and Trademark Office United States Copyright Office

ANNEX A
to
SECURITY
AGREEMENT

THE AGENT

1. **Appointment.** The Creditors (all capitalized terms used herein and not otherwise defined shall have the respective meanings provided in the Security Agreement to which this Annex A is attached (the "Agreement")), by their acceptance of the benefits of the Agreement, hereby designate Alpha Capital Anstalt (the "Agent") as the Agent to act as specified herein and in the Agreement. Each Creditor shall be deemed irrevocably to authorize the Agent to take such action on its behalf under the provisions of the Agreement and to exercise such powers and to perform such duties hereunder and thereunder as are specifically delegated to or required of the Agent by the terms hereof and thereof and such other powers as are reasonably incidental thereto. The Agent may perform any of its duties hereunder by or through its agents or employees.

2. **Nature of Duties.** The Agent shall have no duties or responsibilities except those expressly set forth in the Agreement. Neither the Agent nor any of its partners, members, shareholders, officers, directors, employees or agents shall be liable for any action taken or omitted by it as such under the Agreement or hereunder or in connection herewith or therewith, be responsible for the consequence of any oversight or error of judgment or answerable for any loss, unless caused solely by its or their gross negligence or willful conduct as determined by a final judgment (not subject to further appeal) of a court of competent jurisdiction. The duties of the Agent shall be mechanical and administrative in nature; the Agent shall not have by reason of the Agreement a fiduciary relationship in respect of any Debtor or any Creditor; and nothing in the Agreement, expressed or implied, is intended to or shall be so construed as to impose upon the Agent any obligations in respect of the Agreement except as expressly set forth herein and therein.

3. **Lack of Reliance on the Agent.** Independently and without reliance upon the Agent, each Creditor, to the extent it deems appropriate, has made and shall continue to make (i) its own independent investigation of the financial condition and affairs of the Pledgor and its subsidiaries in connection with such Creditor's investment in the Debtors, the creation and continuance of the Indebtedness, and the taking or not taking of any action in connection therewith, and (ii) its own appraisal of the creditworthiness of the Pledgor and its subsidiaries, and of the value of the Collateral from time to time, and the Agent shall have no duty or responsibility, either initially or on a continuing basis, to provide any Creditor with any credit, market or other information with respect thereto, whether coming into its possession before any Indebtedness are incurred or at any time or times thereafter. The Agent shall not be responsible to the Debtors or any Creditor for any recitals, statements, information, representations or warranties herein or in any document, certificate or other writing delivered in connection herewith, or for the execution, effectiveness, genuineness, validity, enforceability,

perfection, collectability, priority or sufficiency of the Agreement or for the financial condition of the Debtors or the value of any of the Collateral, or be required to make any inquiry concerning either the performance or observance of any of the terms, provisions or conditions of the Agreement, or the financial condition of the Debtors, or the value of any of the Collateral, or the existence or possible existence of any default or Event of Default under the Agreement, the Note or otherwise.

4. Certain Rights of the Agent. The Agent shall have the right to take any action with respect to the Collateral, on behalf of all of the Creditors. To the extent practical, the Agent shall request instructions from the Creditors with respect to any material act or action (including failure to act) in connection with the Agreement, and shall be entitled to act or refrain from acting in accordance with the instructions of Creditors holding a majority in principal amount of Note (based on then-outstanding principal amounts of Note at the time of any such determination) (a "Majority in Interest"); if such instructions are not provided despite the Agent's request therefor, the Agent shall be entitled to refrain from such act or taking such action, and if such action is taken, shall be entitled to appropriate indemnification from the Creditors in respect of actions to be taken by the Agent; and the Agent shall not incur liability to any person or entity by reason of so refraining. Without limiting the foregoing, (a) no Creditor shall have any right of action whatsoever against the Agent as a result of the Agent acting or refraining from acting hereunder in accordance with the terms of the Agreement, and the Debtors shall have no right to question or challenge the authority of, or the instructions given to, the Agent pursuant to the foregoing and (b) the Agent shall not be required to take any action which the Agent believes (i) could reasonably be expected to expose it to personal liability or (ii) is contrary to this Agreement or applicable law.

5. Reliance. The Agent shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, statement, certificate, telex, teletype or telecopier message, cablegram, radiogram, order or other document or telephone message signed, sent or made by the proper person or entity, and, with respect to all legal matters pertaining to the Agreement and its duties thereunder, upon advice of counsel selected by it and upon all other matters pertaining to the Agreement and its duties thereunder, upon advice of other experts selected by it. Anything to the contrary notwithstanding, the Agent shall have no obligation whatsoever to any Creditor to assure that the Collateral exists or is owned by the Debtors or is cared for, protected or insured or that the liens granted pursuant to the Agreement have been properly or sufficiently or lawfully created, perfected, or enforced or are entitled to any particular priority.

6. Indemnification. To the extent that the Agent is not reimbursed and indemnified by the Debtors, the Creditors will jointly and severally reimburse and indemnify the Agent, in proportion to their initially purchased respective principal amounts of Note, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against the Agent in performing its duties hereunder or under the Agreement, or in any way relating to or arising out of the Agreement except for those determined by a final judgment (not subject

to further appeal) of a court of competent jurisdiction to have resulted solely from the Agent's own gross negligence or willful misconduct. Prior to taking any action hereunder as Agent, the Agent may require each Creditor to deposit with it sufficient sums as it determines in good faith is necessary to protect the Agent for costs and expenses associated with taking such action.

7. Resignation by the Agent.

(a) The Agent may resign from the performance of all its functions and duties under the Agreement at any time by giving 30 days' prior written notice (as provided in the Agreement) to the Debtors and the Creditors. Such resignation shall take effect upon the appointment of a successor Agent pursuant to clauses (b) and (c) below.

(b) Upon any such notice of resignation, the Creditors, acting by a Majority in Interest, shall appoint a successor Agent hereunder.

(c) If a successor Agent shall not have been so appointed within said 30-day period, the Agent shall then appoint a successor Agent who shall serve as Agent until such time, if any, as the Creditors appoint a successor Agent as provided above. If a successor Agent has not been appointed within such 30-day period, the Agent may petition any court of competent jurisdiction or may interplead the Debtors and the Creditors in a proceeding for the appointment of a successor Agent, and all fees, including, but not limited to, extraordinary fees associated with the filing of interpleader and expenses associated therewith, shall be payable by the Debtors on demand.

8. Rights with respect to Collateral. Each Creditor agrees with all other Creditors and the Agent (i) that it shall not, and shall not attempt to, exercise any rights with respect to its security interest in the Collateral, whether pursuant to any other agreement or otherwise (other than pursuant to the Agreement), or take or institute any action against the Agent or any of the other Creditors in respect of the Collateral or its rights hereunder (other than any such action arising from the breach of this Agreement) and (ii) that such Creditor has no other rights with respect to the Collateral other than as set forth in this Agreement.

9. Treatment of Funds. To the extent Agent receives any funds either from the Debtors directly on account of the Indebtedness or as proceeds of Collateral, Agent shall retain such funds in trust for the benefit of the Creditors and shall immediately remit the same to the Creditors in proportion to the principal amount of Note then held by the Creditors.