UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

FOR THE QUARTERLY PERIOD ENDED March 31, 2016

OR

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

For the Transition Period from _____ to _____

Commission File Number 001-33650

CALADRIUS BIOSCIENCES, INC.
(Exact name of registrant as specified in its charter)

DELAWARE	22-2343568
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
106 ALLEN ROAD, FOURTH FLOOR BASKING RIDGE, NJ	07920
(Address of principal executive offices)	(zip code)

Registrant's telephone number, including area code: 908-842-0100

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer o	Accelerated filer x
Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes o No x

59,033,464 Shares, $.001 Par Value, as of May 5, 2016

(Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date)

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This quarterly report (this "Quarterly Report") contains “forward-looking” statements within the meaning of the Private Securities Litigation Reform Act of 1995, as well as historical information. When used in this Quarterly Report, statements that are not statements of current or historical fact may be deemed to be forward-looking statements. Without limiting the foregoing, the words “plan,” “intend,” “may,” “will,” “expect,” “believe,” “could,” “anticipate,” “estimate,” “continue” or similar expressions or other variations or comparable terminology are intended to identify such forward-looking statements, although some forward-looking statements are expressed differently. We remind readers that forward-looking statements are merely predictions and therefore inherently subject to uncertainties and other factors and involve known and unknown risks that could cause the actual results, performance, levels of activity or our achievements or industry results, to be materially different from any future results, performance, levels of activity or our achievements or industry results expressed or implied by such forward-looking statements. Factors that could cause our actual results to differ materially from anticipated results expressed or implied by forward-looking statements include, among others:

- our ability to obtain sufficient capital or strategic business arrangements to fund our operations and expansion plans, including meeting our financial obligations under various licensing and other strategic arrangements, the funding of our clinical trials for product candidates, and the commercialization of the relevant technology;
- our ability to build and maintain the management and human resources infrastructure necessary to support the growth of our business;
- our ability to integrate our acquired businesses successfully and grow such acquired businesses as anticipated, including expanding our PCT business;
- whether a market is established for our cell-based products and services and our ability to capture a meaningful share of this market;
- scientific and medical developments beyond our control;
- our ability to obtain and maintain, as applicable, appropriate governmental licenses, accreditations or certifications or comply with healthcare laws and regulations or any other adverse effect or limitations caused by government regulation of our business;
- whether any of our current or future patent applications result in issued patents, the scope of those patents and our ability to obtain and maintain other rights to technology required or desirable for the conduct of our business; and our ability to commercialize products without infringing the claims of third party patents;
- whether any potential strategic or financial benefits of various licensing agreements will be realized;
- the results of our development activities;
- our ability to complete our other planned clinical trials (or initiate other trials) in accordance with our estimated timelines due to delays associated with enrolling patients due to the novelty of the treatment, the size of the patient population and the need of patients to meet the inclusion criteria of the trial or otherwise;
- our ability to satisfy our obligations under our loan agreement; and
- other factors discussed in "Risk Factors" in our Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC") on March 15, 2016 (our "2015 Form 10-K").

The factors discussed herein, including those risks described in "Item 1A. Risk Factors" and elsewhere in our 2015 Form 10-K and in our other periodic filings with the SEC, which are available for review at *www.sec.gov,* could cause actual results and developments to be materially different from those expressed or implied by such statements. All forward-looking statements attributable to us are expressly qualified in their entirety by these and other factors. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date they were made. Except as required by law, we undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

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Item 1. Consolidated Financial Statements

CALADRIUS BIOSCIENCES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	March 31, 2016	December 31, 2015
ASSETS	**(Unaudited)**	
Current Assets		
Cash and cash equivalents	$ 25,426,166	$ 20,318,411
Accounts receivable, net of allowance for doubtful accounts of $0 at March 31, 2016 and December 31, 2015, respectively	2,612,832	2,566,101
Deferred costs	3,986,178	2,911,743
Prepaid expenses and other current assets	3,592,788	3,476,177
Total current assets	35,617,964	29,272,432
Property, plant and equipment, net	16,923,763	17,064,900
Goodwill	7,013,315	7,013,315
Intangible assets, net	2,735,380	2,877,880
Other assets	894,524	976,768
Total assets	$ 63,184,946	$ 57,205,295
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 3,984,710	$ 4,107,388
Accrued liabilities	6,322,955	6,198,488
Long-term debt, current	1,158,799	4,171,456
Notes payable, current	1,358,598	1,192,666
Unearned revenues	5,638,649	5,345,225
Total current liabilities	18,463,711	21,015,223
Long-term Liabilities		
Deferred income taxes	986,040	932,662
Notes payable	450,427	583,041
Unearned revenues - long-term	2,776,416	—
Long-term debt	7,492,555	10,828,544
Other long-term liabilities	432,802	562,001
Total liabilities	$ 30,601,951	$ 33,921,471
Commitments and Contingencies (see Note 15)		
Redeemable Securities	19,400,000	—
EQUITY		
Stockholders' Equity		
Preferred stock, authorized, 20,000,000 shares Series B convertible redeemable preferred stock liquidation value, 1 share of common stock, $.01 par value; 825,000 shares designated; issued and outstanding, 10,000 shares at March 31, 2016 and December 31, 2015	100	100
Common stock, $.001 par value, authorized 500,000,000 shares; issued and outstanding, 59,123,260 and 56,733,012 shares, at March 31, 2016 and December 31, 2015, respectively	59,123	56,733
Additional paid-in capital	398,423,589	396,496,341
Treasury stock, at cost; 109,989 shares at March 31, 2016 and December 31, 2015, respectively	(707,637)	(707,637)
Accumulated deficit	(384,113,407)	(372,132,490)
Accumulated other comprehensive income	—	486
Total Caladrius Biosciences, Inc. stockholders' equity	13,661,768	23,713,533
Noncontrolling interests	(478,773)	(429,709)
Total equity	13,182,995	23,283,824
Total liabilities and equity	$ 63,184,946	$ 57,205,295

See accompanying notes to consolidated financial statements.

CALADRIUS BIOSCIENCES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended March 31,	
	2016	**2015**
Revenues	$ 7,489,479	$ 3,172,279
Costs and expenses:		
Cost of revenues	6,228,256	3,368,612
Research and development	5,876,178	6,803,632
Selling, general, and administrative	6,458,331	11,087,899
Total operating costs and expenses	18,562,765	21,260,143
Operating loss	(11,073,286)	(18,087,864)
Other income (expense):		
Other income (expense), net	5,685	(546,027)
Interest expense	(926,817)	(550,964)
	(921,132)	(1,096,991)
Loss before provision for income taxes and noncontrolling interests	(11,994,418)	(19,184,855)
Provision for income taxes	53,378	46,633
Net loss	(12,047,796)	(19,231,488)
Less - loss attributable to noncontrolling interests	(66,879)	(44,592)
Net loss attributable to Caladrius Biosciences, Inc. common stockholders	$ (11,980,917)	$ (19,186,896)
Basic and diluted loss per share attributable to Caladrius Biosciences, Inc. common stockholders	$ (0.21)	$ (0.51)
Weighted average common shares outstanding	57,380,438	37,594,894

See accompanying notes to consolidated financial statements.

CALADRIUS BIOSCIENCES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited)

	Three Months Ended March 31,	
	2016	**2015**
Net loss	$ (12,047,796)	$ (19,231,488)
Other comprehensive loss:		
Available for sale securities - net unrealized loss	(486)	(1,329)
Total other comprehensive loss	(486)	(1,329)
Comprehensive loss	(12,048,282)	(19,232,817)
Comprehensive loss attributable to noncontrolling interests	(66,879)	(44,592)
Comprehensive loss attributable to Caladrius Biosciences, Inc. common stockholders	$ (11,981,403)	$ (19,188,225)

See accompanying notes to consolidated financial statements.

CALADRIUS BIOSCIENCES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY
(Unaudited)

	Series B Convertible Preferred Stock		Common Stock		Additional Paid in Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Treasury Stock	Total Caladrius Biosciences, Inc. Stockholders' Equity	Non-Controlling Interest in Subsidiary	Total Equity
	Shares	Amount	Shares	Amount							
Balance at Dec 31, 2014	10,000	$ 100	36,783,857	$36,784	$350,428,903	$ 1,329	$(291,246,538)	$(705,742)	$58,514,836	$(441,047)	$58,073,789
Net loss	—	—	—	—	—	—	(19,186,896)	—	(19,186,896)	(44,592)	(19,231,488)
Unrealized gain/loss on marketable securities	—	—	—	—	—	(1,329)	—	—	(1,329)	—	(1,329)
Share-based compensation	—	—	470,289	470	3,715,289	—	—	—	3,715,759	—	3,715,759
Proceeds from issuance of common stock	—	—	2,169,765	2,170	7,409,658	—	—	—	7,411,828	—	7,411,828
Change in Ownership in Subsidiary	—	—	—	—	(50,537)	—	—	—	(50,537)	50,537	—
Balance at March 31, 2015	10,000	$ 100	39,423,911	$39,424	$361,503,313	$ —	$(310,433,434)	$(705,742)	$50,403,661	$(435,102)	$49,968,559

	Series B Convertible Preferred Stock		Common Stock		Additional Paid in Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Treasury Stock	Total Caladrius Biosciences, Inc. Stockholders' Equity	Non-Controlling Interest in Subsidiary	Total Equity
	Shares	Amount	Shares	Amount							
Balance at Dec 31, 2015	10,000	$ 100	56,733,012	$56,733	$396,496,341	$ 486	$(372,132,490)	$(707,637)	$23,713,533	$(429,709)	$23,283,824
Net loss	—	—	—	—	—	—	(11,980,917)	—	(11,980,917)	(66,879)	(12,047,796)
Unrealized gain/loss on marketable securities	—	—	—	—	—	(486)	—	—	(486)	—	(486)
Share-based compensation	—	—	921,808	922	850,323	—	—		851,245	—	851,245
Proceeds from issuance of common stock	—	—	1,468,440	1,468	1,094,740	—	—	—	1,096,208	—	1,096,208
Change in Ownership in Subsidiary - Athelos	—	—	—	—	(17,815)	—	—	—	(17,815)	17,815	—
Balance at March 31, 2016	10,000	$ 100	59,123,260	$59,123	$398,423,589	$ —	$(384,113,407)	$(707,637)	$13,661,768	$(478,773)	$13,182,995

See accompanying notes to consolidated financial statements.

CALADRIUS BIOSCIENCES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended March 31,	
	2016	**2015**
Cash flows from operating activities:		
Net loss	$ (12,047,796)	$ (19,231,488)
Adjustments to reconcile net loss to net cash used in operating activities:		
Equity-based compensation expense	851,246	3,715,759
Depreciation and amortization	737,158	604,440
Change in acquisition-related contingent consideration	—	550,000
Loss on disposal of assets	591,307	—
Bad debt recovery	—	(1,873)
Deferred income taxes	53,378	46,633
Accretion on marketable securities	—	29,724
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	(116,610)	52,331
Accounts receivable	(46,730)	1,144,356
Deferred costs	(1,074,435)	(1,054,362)
Unearned revenues	3,069,840	1,171,699
Other assets	81,754	(61,711)
Accounts payable, accrued liabilities and other liabilities	(127,410)	(1,205,775)
Net cash used in operating activities	(8,028,298)	(14,240,267)
Cash flows from investing activities:		
Sale of marketable securities	—	7,049,000
Acquisition of property, plant and equipment	(1,044,827)	(344,530)
Net cash (used in) provided by investing activities	(1,044,827)	6,704,470
Cash flows from financing activities:		
Net proceeds from issuance of common stock	1,096,208	7,411,828
Repayment of long-term debt	(6,348,646)	—
Proceeds from notes payable	368,615	340,270
Repayment of notes payable	(335,297)	(259,077)
Sale of ownership interest in subsidiary	19,400,000	—
Net cash provided by financing activities	14,180,880	7,493,021
Net increase (decrease) in cash and cash equivalents	5,107,755	(42,776)
Cash and cash equivalents at beginning of period	20,318,411	19,174,061
Cash and cash equivalents at end of period	$ 25,426,166	$ 19,131,285
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the period for:		
Interest	$ 973,729	$ 372,550

See accompanying notes to consolidated financial statements.

CALADRIUS BIOSCIENCES, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Note 1 – The Business

Overview

Caladrius Biosciences, Inc. (“we,” “us,” "our," “Caladrius” or the “Company”), through its subsidiary, PCT, LLC, a Caladrius Company™ ("PCT"), is a leading provider of development and manufacturing services to the cell and cell-based gene therapy industry. PCT has significant cell therapy-specific experience and expertise, an expansive list of noteworthy clients and significant revenue growth over the past two years. Notably, PCT and Hitachi Chemical Co. America, Ltd. and Hitachi Chemical Co., Ltd. (each independently or collectively referred to herein as "Hitachi Chemical") entered into a strategic collaboration to accelerate the creation of a global commercial cell therapy development and manufacturing enterprise with deep engineering expertise. Caladrius leverages both its internal specialized cell therapy clinical development expertise and PCT’s prowess to select and develop early-stage cell therapy candidates with the intention of partnering these candidates post proof-of-concept in man to both generate value for our shareholders and to expand PCT’s client base. Our current lead product candidate, CLBS03, is a T regulatory cell (“Treg”) clinical Phase 2 therapy targeting adolescents with recent-onset type 1 diabetes.

Cell Therapy Development and Manufacturing

PCT is a leading cell therapy development and manufacturing provider (often called a contract development and manufacturing organization, or "CDMO"), specializing in cell and cell-based gene therapies. PCT offers high-quality development and manufacturing capabilities (e.g., current Good Manufacturing Practice (“cGMP”) manufacturing systems and facilities), quality systems, cell and tissue processing, logistics, storage and distribution and engineering solutions (e.g., process and assay development, optimization and automation) to clients with therapeutic candidates at all stages of development. PCT produces clinical supplies and ultimately, intends also to produce commercial product for its clients. PCT has worked with over 100 clients and produced over 20,000 cell therapy products since it was founded 17 years ago. PCT’s manufacturing services are designed to reduce the capital investment and time required by clients to advance their development programs compared to conducting the process development and manufacturing in-house. PCT has demonstrated regulatory expertise, including the support of over 50 U.S. and European Union ("EU") regulatory filings for clients and expertise across multiple cell types and therapeutic applications, including immunotherapy (e.g. CAR-T therapies), neuro/endocrine therapies, hematopoietic replacement and tissue repair/regeneration. PCT offers a complete development pathway for its clients, with services supporting preclinical through commercial phase, all underpinned by timely process optimization and automation support. We currently operate facilities qualified under cGMPs in each of Allendale, New Jersey and Mountain View, California, including EU-compliant production capacity. On March 11, 2016, PCT entered into a strategic collaboration and license agreement with Hitachi Chemical to accelerate the creation of a global commercial cell therapy development and manufacturing enterprise with deep engineering expertise. PCT is positioned to expand its capacity both in the United States and internationally, as needed. As the industry continues to mature and a growing number of cell therapy companies approach commercialization, we believe that PCT is well positioned to serve as an external manufacturing partner of choice for commercial-stage cell therapy companies.

CLBS03

We are developing, through the utilization of our core development and manufacturing expertise, a product candidate that is an innovative therapy for type 1 diabetes mellitus ("TID"). This therapy is based on a proprietary platform technology for immunomodulation. We have selected as an initial target the unmet medical need of pediatric patients who are newly diagnosed with T1D. This program is based on the use of T regulatory cells ("Tregs") to treat diseases caused by imbalances in an individual's immune system. This novel approach seeks to restore immune balance by enhancing Treg number and function. Tregs are a natural part of the human immune system and regulate the activity of T effector cells; the cells that are responsible for protecting the body from viruses and other foreign antigens. When Tregs function properly, only harmful foreign materials are attacked by T effector cells. In autoimmune disease, however, it is thought that deficient Treg activity and numbers permit the T effector cells to attack the body's own beneficial cells. In the case of T1D, there are currently no curative treatments, only lifelong insulin therapy, which often does not prevent serious co-morbidities. Two Phase 1 clinical trials of this technology in T1D patients demonstrated safety and tolerance, feasibility of manufacturing, an implied durability of effect and an early indication of efficacy through the preservation of beta cell function. In the first quarter of 2016 we commenced patient enrollment in the first of two cohorts in The Sanford Project: T-Rex Study, a Phase 2 prospective, randomized, placebo-controlled, double-blind clinical trial to evaluate the safety and efficacy of our Treg product candidate, CLBS03, in adolescents with recent onset T1D. After the three-month follow-up of the first cohort of 18 patients, which is expected in early 2017, an initial safety analysis of the data and early analysis of immunological biomarkers will be undertaken. Satisfactory evaluation of the safety of the initial cohort as agreed by us, our independent Data Safety Monitoring Board and the U.S. Food and Drug Administration ("FDA") will then prompt the enrollment of the remaining

93 patients. A subsequent interim analysis of efficacy is planned after approximately 50% of patients reach the six-month follow-up milestone. We entered into a strategic collaboration with Sanford Research to support the execution of this trial. Sanford Research is a U.S.-based non-profit research organization that supports an emerging translational research center focused on finding a cure for T1D.

Additional Technology Platforms

Our broad intellectual property portfolio of cell therapy assets includes notable programs available for out-licensing and partnering in order to continue our clinical development. These include platforms using tumor cell/dendritic cell technology for immuno-oncology and CD34 technology for ischemic repair. Both have the benefit of promising Phase 2 clinical data and are applicable to multiple indications. The immuno-oncology platform is based on our extensive intellectual property portfolio and includes CLBS20, a candidate for metastatic melanoma which was investigated in two Phase 2 trials and recently in a discontinued Phase 3 clinical trial. With respect to our ischemic repair platform, the Company's Clinical Trial Notification for a pivotal Phase 2 trial investigating CLBS12 (a candidate for critical limb ischemia "CLI") was submitted to the Japanese Pharmaceuticals and Medical Devices Agency ("PMDA") and was cleared to proceed. The protocol design was agreed with PMDA and if successful, could provide the basis for a conditional approval under Japan's favorable regenerative medicine law. We are seeking to collaborate on CLBS12 with development and/or manufacturing partners. In January 2016, we out-licensed our CD34 technology to SPS Cardio, LLC for chronic heart failure and acute myocardial infarction (candidate CLBS10) in India and other designated territories and non-major world markets outside the United States. Furthermore, a cell-derived dermatological product technology for topical skin application was out-licensed in February 2016 to AiVita Biomedical, Inc. ("AiVita"), which it intends to distribute through ALPHAEON Corporation. Finally, our Treg immune modulation platform has potential applications across multiple autoimmune and allergic diseases beyond TID for which we are exploring partnering opportunities, including steroid-resistant asthma, multiple sclerosis, chronic obstructive pulmonary disease, inflammatory bowel disease, graft versus host disease, lupus and rheumatoid arthritis.

Our long term strategy focuses on advancing cell-based therapies to the market and assisting patients suffering from life-threatening medical conditions. Coupling our clinical development expertise with our process development and manufacturing capabilities, we believe we are positioned to realize potentially meaningful value increases within our own proprietary pipeline based on demonstration of proof-of-concept in man as well as process and manufacturing advancements.

Financial Information & Liquidity

On March 11, 2016, PCT and Caladrius entered into a global licensing, development and equity collaboration with Hitachi Chemical, a Japanese-based global conglomerate with a growing franchise in life sciences including regenerative medicine ("Hitachi Transaction"), and will receive an aggregate of $25.0 million in cash, of which $22.5 million was received in March 2016, and the remainder expected to be received before the end of 2016. PCT will retain $10.0 million of the $25.0 million proceeds, and Caladrius received $15.0 million of the proceeds. Concurrent with the Hitachi Transaction, Caladrius used $7.0 million of the proceeds to repay a portion of the outstanding loan with Oxford Finance. In addition to the Hitachi Transaction, the Company anticipates requiring additional capital in order to grow the PCT business, to fund the development of CLBS03, to fund other operating expenses and to make principal and interest payments on the loan with Oxford Finance. To meet its short and long term liquidity needs, the Company currently expects to use existing cash and cash equivalents balances, revenue generating activities and a variety of other means, including its common stock purchase agreements with Aspire Capital. Other sources of liquidity could include additional potential issuances of debt or equity securities in public or private financings, option exercises, partnerships and/or collaborations and/or sale of assets. In addition, the Company will continue to seek as appropriate grants for scientific and clinical studies from various governmental agencies and foundations. The Company believes that the proceeds received in the Hitachi Transaction, along with its current cash, its revenue generating activities, and its access to funds under its agreement with Aspire Capital, will be sufficient to fund its operations for the next twelve months. While the Company continues to seek capital through a number of means, there can be no assurance that additional financing will be available on acceptable terms, if at all. If the Company is unable to access capital necessary to meet its long-term liquidity needs, it may have to delay or discontinue the development of CLBS03, and/or the expansion of its business or raise funds on terms that the Company currently consider unfavorable.

On February 25, 2016, the Company received written notification from the Listing Qualifications Department of The NASDAQ Stock Market LLC (“NASDAQ”) notifying the Company that for the preceding 30 consecutive business days, the Company’s common stock did not maintain a minimum closing bid price of $1.00 (“Minimum Bid Price Requirement”) per share as required by NASDAQ Listing Rule 5550(a)(2). The notice had no immediate effect on the listing or trading of the Company’s common stock and the common stock continues to trade on The NASDAQ Capital Market under the symbol “CLBS.”

In accordance with NASDAQ Listing Rule 5810(c)(3)(A), the Company has a grace period of 180 calendar days, or until August 23, 2016, to regain compliance with NASDAQ Listing Rule 5550(a)(2). Compliance can be achieved automatically and without further action if the closing bid price of the Company's stock is at or above $1.00 for a minimum of 10 consecutive business days at any time during the 180-day compliance period, in which case NASDAQ will notify the Company of its compliance and the matter will be closed.

If, however, the Company does not achieve compliance with the Minimum Bid Price Requirement by August 23, 2016, the Company may be eligible for additional time to comply. In order to be eligible for such additional time, the Company will be required to meet the continued listing requirement for market value of publicly held shares and all other initial listing standards for The NASDAQ Capital Market, with the exception of the Minimum Bid Price Requirement, and must notify NASDAQ in writing of its intention to cure the deficiency during the second compliance period.

Basis of Presentation

The accompanying unaudited Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X of the SEC for interim financial information. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, the accompanying Consolidated Financial Statements of the Company and its subsidiaries, which are unaudited, include all normal and recurring adjustments considered necessary to present fairly the Company's financial position as of March 31, 2016 and the results of its operations and its cash flows for the periods presented. The unaudited consolidated financial statements herein should be read together with the historical consolidated financial statements of the Company for the years ended December 31, 2015, 2014 and 2013 included in our 2015 Form 10-K. Operating results for the three months ended March 31, 2016 are not necessarily indicative of the results that may be expected for the year ending December 31, 2016.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. The Company bases its estimates on historical experience and other assumptions believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. The Company makes critical estimates and assumptions in determining the fair values of goodwill for potential goodwill impairments, fair values of in-process R&D assets, fair values of acquisition-related contingent considerations, useful lives of our tangible and intangible assets, allowances for doubtful accounts, and stock-based awards values. Accordingly, actual results could differ from those estimates and assumptions.

An accounting policy is considered to be critical if it is important to the Company's financial condition and results of operations and if it requires management's most difficult, subjective and complex judgments in its application.

Principles of Consolidation

The Consolidated Financial Statements include the accounts of Caladrius Biosciences, Inc. and its wholly-owned and partially-owned subsidiaries and affiliates as listed below. All intercompany activities have been eliminated in consolidation.

Entity	Percentage of Ownership	Location
Caladrius Biosciences, Inc.	100%	United States of America
NeoStem Therapies, Inc.	100%	United States of America
Stem Cell Technologies, Inc.	100%	United States of America
Amorcyte, LLC	100%	United States of America
PCT, LLC, a Caladrius Company (1)	80.1%	United States of America
NeoStem Family Storage, LLC (1)	80.1%	United States of America
Athelos Corporation (2)	97.3%	United States of America
PCT Allendale, LLC (1)	80.1%	United States of America
NeoStem Oncology, LLC	100%	United States of America

(1) As of March 31, 2016, Hitachi's ownership interest was 19.9% (see Note 3).
(2) As of March 31, 2016, Becton Dickinson's ownership interest was 2.7%.

Note 2 – Summary of Significant Accounting Policies

In addition to the policies below, our significant accounting policies are described in Note 2 of the Notes to Consolidated Financial Statements included in our 2015 Form 10-K. There were no changes to these policies during the three months ended March 31, 2016.

Concentration of Risks

We are subject to credit risk from our portfolio of cash and cash equivalents and marketable securities. Under our investment policy, we limit amounts invested in such securities by credit rating, maturity, industry group, investment type and issuer, except for securities issued by the U.S. government. Cash is held at major banks in the United States. Therefore, the Company is not exposed to any significant concentrations of credit risk from these financial instruments. The goals of our investment policy, in order of priority, are as follows: safety and preservation of principal and diversification of risk; liquidity of investments sufficient to meet cash flow requirements, and a competitive after-tax rate of return.

We are also subject to credit risk from our accounts receivable related to our services. The majority of our trade accounts receivable arises from services in the United States.

For the three months ended March 31, 2016, the 3 largest customers represented 50% of total revenues recognized, the largest of which was 20%. As of March 31, 2016, 3 customers represented 54% of our accounts receivable, the largest of which was 30%.

Share-Based Compensation

The Company expenses all share-based payment awards to employees, directors, consultants, including grants of stock options, warrants, and restricted stock, over the requisite service period based on the grant date fair value of the awards. Consultant awards are remeasured each reporting period through vesting. For awards with performance-based vesting criteria, the Company estimates the probability of achievement of the performance criteria and recognizes compensation expense related to those awards expected to vest. The Company determines the fair value of option awards using the Black-Scholes option-pricing model which uses both historical and current market data to estimate the fair value. This method incorporates various assumptions such as the risk-free interest rate, expected volatility, expected dividend yield and expected life of the options or warrants. The fair value of the Company’s restricted stock and restricted stock units is based on the closing market price of the Company’s common stock on the date of grant.

Goodwill

Goodwill is the excess of purchase price over the fair value of identified net assets of businesses acquired. The Company reviews goodwill at least annually, or at the time a triggering event is identified for possible impairment. Goodwill is reviewed for possible impairment between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of the reporting unit below its carrying value. The Company tests its goodwill each year on December 31. The Company reviews the carrying value of goodwill utilizing an income approach model, and, where appropriate, a market value approach is also utilized to supplement the discounted cash flow model. The Company makes assumptions regarding estimated future cash flows, discount rates, long-term growth rates and market values to determine each reporting unit’s estimated fair value. If these estimates or related assumptions change in the future, the Company may be required to record impairment charges. In accordance with its accounting policy, the Company tested goodwill for impairment as of December 31, 2015 and June 30, 2015 and determined as of December 31, 2015 goodwill valued at $18.2 million was impaired.

Definite-Lived Intangible Assets

Definite-lived intangible assets consist of customer lists, manufacturing technology, tradenames, patents and rights. These intangible assets are amortized on a straight line basis over their respective useful lives. The Company reviews definite-lived intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds the fair value of the asset. If other events or changes in circumstances indicate that the carrying amount of an asset that the Company expects to hold and use may not be recoverable, the Company will estimate the undiscounted future cash flows expected to result

from the use of the asset and/or its eventual disposition, and recognize an impairment loss, if any. The impairment loss, if determined to be necessary, would be measured as the amount by which the carrying amount of the assets exceeds the fair value of the assets. No triggering events were noted in the quarter ended March 31, 2016 that would require interim impairment assessment.

Revenue Recognition

Clinical Services: The Company recognizes revenue for its (i) process development and (ii) clinical manufacturing services based on the terms of individual contracts.

We recognize revenues when all of the following conditions are met:

- persuasive evidence of an arrangement exists;
- delivery has occurred or the services have been rendered;
- the fee is fixed or determinable; and
- collection is probable.

The Company considers signed contracts as evidence of an arrangement. The Company assesses whether the fee is fixed or determinable based on the payment terms associated with the transaction and whether the payment terms are subject to refund or adjustment. The Company assesses cash collectability based on a number of factors, including past collection history with the client and the client's creditworthiness. If the Company determines that collectability is not reasonably assured, it defers revenue recognition until collectability becomes reasonably assured, which is generally upon receipt of the cash. The Company's arrangements are generally non-cancellable, though clients typically have the right to terminate their agreement for cause if the Company materially fails to perform.

Revenues associated with process development services generally contain multiple stages that do not have stand-alone values and are dependent upon one another, and are recognized as revenue on a completed contract basis. Progress billings collected prior to contract completion are recorded as unearned revenue until such time the contract is completed, which usually requires formal client acceptance.

Clinical manufacturing services are generally distinct arrangements whereby the Company is paid for time and materials or for fixed monthly amounts. Revenue is recognized when contractual terms have been met.

Some client agreements include multiple elements, comprised of cell process development and cell manufacturing services. The Company believes that process development and clinical manufacturing services each have stand-alone value because these services can be provided separately by other companies. In accordance with ASC Update No. 2009-13, “Revenue Recognition (Topic 605): Multiple-Deliverable Revenue Arrangements,” the Company (1) separates deliverables into separate units of accounting when deliverables are sold in a bundled arrangement and (2) allocates the arrangement's consideration to each unit in the arrangement based on its relative selling price.

Clinical Services Reimbursements: The Company separately charges the customers for the expenses associated with certain consumable resources (reimbursable expenses) that are specified in each clinical services contract. On a monthly basis, the Company bills customers for reimbursable expenses and immediately recognizes these billings as revenue, as the revenue is deemed earned as reimbursable expenses are incurred. For the three months ended March 31, 2016 and 2015, clinical services reimbursements were $1.3 million and $0.5 million, respectively.

Processing and Storage Services: The Company recognizes revenue related to the collection and cryopreservation of autologous adult stem cells when the cryopreservation process is completed which is approximately twenty-four hours after cells have been collected. Revenue related to advance payments of storage fees is recognized ratably over the period covered by the advance payments.

License Fees: PCT and Hitachi Chemical also entered into an exclusive license agreement for Asia pursuant from which PCT will receive $5.6 million from Hitachi Chemical in three fee driven payments throughout 2016. PCT licensed to Hitachi Chemical certain cell therapy technology and know-how (including an exclusive license to use the PCT brand in Asia) and agreed to provide Hitachi Chemical with certain training and support. As additional consideration, Hitachi Chemical will pay PCT royalties on contract revenue generated in Asia for a minimum of ten years. The initial term of the License Agreement is ten years and may be automatically extended for successive additional two year terms. The Company recognizes the payments as revenue on a straight-line basis over the initial ten-year term. In March 2016, PCT received $3.1 million under the Technology License

Agreement. For the three months ended March 31, 2016, the Company recognized $0.02 million of license fee revenue. As of March 31, 2016, $0.3 million of Hitachi license fees were included in unearned revenue, and $2.8 million was included in unearned revenue - long-term.

Recently Issued Accounting Pronouncement

In May 2014, the FASB issued ASU 2014-09, "*Revenue from Contracts with Customers (Topic 606).*" The new revenue recognition standard provides a five-step analysis to determine when and how revenue is recognized. The standard requires that a company recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. This ASU is effective for annual periods beginning after December 15, 2016 and will be applied retrospectively to each period presented or as a cumulative-effect adjustment as of the date of adoption. The Company is currently evaluating the impact of the pending adoption of ASU 2014-09 on its consolidated financial statements.

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). This ASU requires that a lessee recognize lease assets and lease liabilities for those leases classified as operating leases. The guidance is effective for interim and annual periods beginning after December 15, 2018, and will be applied at the beginning of the earliest period presented using a modified retrospective approach. This ASU may have a material impact on the Company's financial statements. The impact on the Company's results of operations is currently being evaluated. The impact of the ASU is non-cash in nature and will not affect the Company's cash position.

In March 2016, the FASB issued ASU 2016-09, Improvements to Employee Share-Based Payment Accounting. This ASU simplifies several aspects of the accounting for share-based payment transactions, including the income tax consequences, accounting for forfeitures, classification of awards as either equity or liabilities, and classification on the statement of cash flows. The guidance is effective for interim and annual periods beginning after December 15, 2016, with early adoption permitted. The guidance will be applied prospectively, retrospectively, or by means of a cumulative-effect adjustment to equity as of the beginning of the period in which the guidance is adopted, dependent upon the specific amendment that is adopted within the ASU. The Company is currently evaluating the effect that adopting this new guidance will have on the consolidated results of operations, cash flows, and financial position.

Note 3 – Collaboration and License Agreement

Hitachi

On March 11, 2016, PCT entered into a global collaboration that includes licensing, development and equity components with Hitachi Chemical to develop our PCT business outside of the United States. This collaboration consists of an equity investment in and a license agreement with PCT.

Under the equity investment agreement, Hitachi Chemical purchased a 19.9% membership interest in PCT for $19.4 million of which $15.0 million of proceeds was distributed to Caladrius from PCT and $4.4 million remained at PCT to be used for the continued expansion and improvements at PCT in support of commercial product launch readiness as well as for general corporate purposes. Caladrius remains the majority shareholder retaining an 80.1% ownership interest.

PCT and Hitachi Chemical also entered into an exclusive license agreement for the acceleration of the creation of a global commercial cell therapy development and manufacturing expertise in Asia pursuant from which PCT will receive $5.6 million from Hitachi Chemical in three fee driven payments throughout 2016. PCT licensed certain cell therapy technology and know-how (including an exclusive license in Asia) and agreed to provide Hitachi Chemical with certain training and support. As additional consideration, Hitachi Chemical will pay PCT royalties on contract revenue generated in Asia for a minimum of ten years.

Lastly, as part of the transaction, PCT and Hitachi Chemical agreed to explore the possibility of pursuing a collaboration in cell therapy contract development and manufacturing in Europe.

Note 4 – Available-for-Sale-Securities

The following table is a summary of available-for-sale securities recorded in cash and cash equivalents or marketable securities in our Consolidated Balance Sheets (in thousands):

	March 31, 2016				December 31, 2015			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Certificate of deposits	$ —	$ —	$ —	$ —	$ 249.0	$ —	$ —	$ 249.0
Corporate debt securities	—	—	—	—	1,047.2	—	—	1,047.2
Money market funds	1,409.0	—	—	1,409.0	837.7	—	—	837.7
Municipal debt securities	—	—	—	—	4,740.9	0.8	—	4,741.7
Total	$ 1,409.0	$ —	$ —	$ 1,409.0	$ 6,874.8	$ 0.8	$ —	$ 6,875.6

Estimated fair values of available-for-sale securities are generally based on prices obtained from commercial pricing services. The following table summarizes the classification of the available-for-sale debt securities on our Consolidated Balance Sheets (in thousands):

	March 31, 2016	December 31, 2015
Cash and cash equivalents	$ 1,409.0	$ 6,875.6
Marketable securities	—	—
Total	$ 1,409.0	$ 6,875.6

The following table summarizes our portfolio of available-for-sale debt securities by contractual maturity (in thousands):

	March 31, 2016	
	Amortized Cost	Estimated Fair Value
Less than one year	$ 1,409.0	$ 1,409.0
Greater than one year	—	—
Total	$ 1,409.0	$ 1,409.0

Note 5 – Deferred Costs

Deferred costs, representing work in process for costs incurred on process development contracts that have not been completed, were $4.0 million and $2.9 million as of March 31, 2016 and December 31, 2015, respectively. The Company also has deferred revenue of approximately $4.9 million and $4.9 million of advance billings received as of March 31, 2016 and December 31, 2015, respectively, related to these contracts.

Note 6 – Loss Per Share

For the three months ended March 31, 2016 and 2015, the Company incurred net losses and therefore no common stock equivalents were utilized in the calculation of loss per share as they are anti-dilutive. At March 31, 2016 and 2015, the Company excluded the following potentially dilutive securities:

	March 31	
	2016	2015
Stock Options	7,227,082	6,371,533
Warrants	4,605,473	3,545,756
Restricted Shares	539,351	218,229

Note 7 – Fair Value Measurements

The fair value of financial assets and liabilities that are being measured and reported are defined as the exchange price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal

market at the measurement date (exit price). The Company is required to classify fair value measurements in one of the following categories:

Level 1 inputs are defined as quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 inputs are defined as inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly.

Level 3 inputs are defined as unobservable inputs for the assets or liabilities. Financial assets and liabilities are classified based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of the fair value of assets and liabilities and their placement within the fair value hierarchy levels.

The Company had no financial assets and liabilities that were accounted for at fair value on a recurring basis as of March 31, 2016, and December 31, 2015.

Note 8 – Goodwill and Other Intangible Assets

The Company's goodwill was $7.0 million as of March 31, 2016 and December 31, 2015. All goodwill resides in the PCT reporting unit.

The Company's intangible assets and related accumulated amortization as of March 31, 2016 and December 31, 2015 consisted of the following (in thousands):

		March 31, 2016			December 31, 2015		
	Useful Life	Gross	Accumulated Amortization	Net	Gross	Accumulated Amortization	Net
Customer list	10 years	$ 1,000.0	$ (520.1)	$ 479.9	$ 1,000.0	$ (495.1)	$ 504.9
Manufacturing technology	10 years	3,900.0	(2,028.4)	1,871.6	3,900.0	(1,930.9)	1,969.1
Tradename	10 years	800.0	(416.1)	383.9	800.0	(396.1)	403.9
Total Intangible Assets		$ 5,700.0	$ (2,964.6)	$ 2,735.4	$ 5,700.0	$ (2,822.1)	$ 2,877.9

Total intangible amortization expense was classified in the operating expense categories for the periods included below as follows (in thousands):

	Three Months Ended March 31,	
	2016	2015
Cost of revenue	$ 79.6	$ 79.2
Research and development	17.9	27.1
Selling, general and administrative	45.0	45.0
Total	$ 142.5	$ 151.3

Estimated intangible amortization expense for the succeeding five years is as follows (in thousands):

2016	$ 427.5
2017	570.0
2018	570.0
2019	570.0
2020	570.0
Thereafter	27.9
Total	$ 2,735.4

Note 9 – Accrued Liabilities

Accrued liabilities as of March 31, 2016 and December 31, 2015 were as follows (in thousands):

	March 31, 2016	December 31, 2015
Salaries, employee benefits and related taxes	$ 3,148.8	$ 2,771.2
Professional fees	264.2	480.7
Other	2,910.0	2,946.5
Total	$ 6,323.0	$ 6,198.4

Note 10 – Debt

Notes Payable

As of March 31, 2016 and December 31, 2015, the Company had notes payable of approximately $1.8 million and $1.8 million, respectively. The notes relate to certain insurance policies and equipment financings, require monthly payments, and mature within one to three years.

Long-Term Debt

On September 26, 2014, the Company entered into a loan and security agreement (the “Loan and Security Agreement”) with Oxford Finance LLC (together with its successors and assigns, the “Lender”) pursuant to which the Lender disbursed $15.0 million (the “Loan”). After repayment of all outstanding amounts due under two loans from TD Bank, N.A. in the amount of approximately $3.1 million, and deductions for debt offering/issuance costs and interim period interest, the net proceeds from the Loan were $11.7 million. The debt offering/issuance costs have been recorded as debt issuance costs in other assets in the consolidated balance sheet, and will be amortized to interest expense throughout the life of the Loan using the effective interest rate method. The proceeds from the Loan may be used to satisfy the Company’s future working capital needs, including the development of its cell therapy product candidates.

The Company has been making interest-only payments on the outstanding amount of Loan on a monthly basis at a rate of 8.50% per annum. On April 29, 2015, with the Company's announcement that the first patient in the Intus Study had been randomized, the interest-only payment period on the Loan was extended from October 1, 2015 to April 1, 2016, which was in accordance with the Loan and Security Agreement. On March 11, 2016, upon execution of the Hitachi Transaction, the Company and the Lender entered into an amendment to the Loan and Security Agreement whereby (i) the Company paid $7.0 million to Lender, comprising principal, interest and early termination fees, (ii) the Company's subsidiaries PCT, PCT Allendale, LLC, and NeoStem Family Storage, LLC (collectively the "Removed Borrowers") were removed as borrowers under the Loan, (iii) Lender's security interests in any and all assets of the Removed Borrowers were released, (iv) the interest only period on the remaining outstanding Loan balance was extended until January 1, 2017, and (v) in the event the Company receives gross proceeds from the sale or issuance of any equity securities or subordinated debt, or any partnership, licenses, collaboration, dividend, grant or asset sale through March 31, 2017, 20% of such proceeds will be paid to Lender, up to a $3.0 million maximum as additional partial repayment of Loan. If 20% of such proceeds in aggregate is less than $3.0 million by March 31, 2017, then the Company will make a lump sum payment equal to the difference by March 31, 2017. The outstanding balance was approximately $8.7 million and $15.0 million at March 31, 2016 and December 31, 2015, respectively, of with $1.2 million is payable within twelve months as of March 31, 2016.

Commencing on January 1, 2017, the Company will make 21 consecutive monthly payments of principal and interest.

The Loan matures on September 1, 2018. At its option, the Company may prepay all amounts owed under the Loan and Security Agreement (including all accrued and unpaid interest), subject to a prepayment fee that is determined based on the date the loan is prepaid. The Company is also required to pay Lender a final payment fee equal to 8% of the Loan. The final payment fee will be amortized to interest expense throughout the life of the Loan using the effective interest rate method. The Company paid a facility fee in the amount of $100,000 in connection with Loan.

Under the Loan and Security Agreement, the Lender holds a security interest ("Lenders' Security Interest") in all of the Company's property, excluding the security interests in any and all assets of the Removed Borrowers, and excluding intellectual property and certain other assets and exemptions. The Lender also holds a security interest in the shares owned by the Company in the Company's subsidiaries. The Loan and Security Agreement restricts the ability of the Company to: (a) convey, lease, sell, transfer or otherwise dispose of any part of Lenders' Security Interest and (b) incur any additional indebtedness. The Loan and Security Agreement provides for standard indemnification of Lender and contains representations, warranties and certain covenants of the Company. Upon the occurrence of an event of default by the Company under the Loan and Security Agreement, Lender will have customary acceleration, collection and foreclosure remedies. There are no financial covenants associated to the Loan and Security Agreement. As of March 31, 2016, the Company was in compliance with all covenants under the Loan and Security Agreement.

Estimated future principal payments, interest, and fees due under the Loan and Security Agreement are as follows:

Years Ending December 31,		(in millions)
2016	$	0.6
2017		5.3
2018		4.7
Total	$	10.6

During the three months ended March 31, 2016, the Company recognized $0.3 million of interest expense related to the Loan and Security Agreement.

Note 11 – Redeemable Securities

Under the Hitachi Transaction (see Note 3), Hitachi may, at any time following the 10th anniversary of the Hitachi Transaction closing date on March 11, 2016, have the right on one occasion to require Caladrius or PCT to purchase all or some of the equity securities in PCT then held by Hitachi ("Hitachi Put Right") for an amount equal to the lower of (i) the fair market value of the Hitachi equity holdings and (ii) the original purchase price paid of $19.4 million on March 11, 2016 for its 19.9% ownership interest, plus interest at a rate of 2.0% per annum compounded annually; *provided*, *however*, that if Hitachi ownership interests increases subsequent to its initial ownership interest, and it offers to sell its equity holdings in excess of 21% of PCT's outstanding equity securities, then the Company shall be required to purchase all such equity holdings of Hitachi but in no event shall the aggregate purchase price of such Hitachi equity holdings exceed $20.5 million plus interest at the rate of 2.0% per annum compounded annually.

Since Hitachi has the right to deliver the equity interests in PCT it holds in exchange for cash from Caladrius or PCT, the initial $19.4 million value of the non-controlling interest is considered redeemable equity, requiring it to be treated as mezzanine equity. Redeemable non-controlling interest is required to be initially measured at the initial carrying amount. If the non-controlling interest is not currently redeemable and also not probable of becoming redeemable (e.g., it is not probable a contingency that triggers redemption will be met), the non-controlling interest should be classified in mezzanine equity.

Note 12 – Shareholders' Equity

Equity Issuances

March 2016 Private Placement

On March 10, 2016, the Company entered into a securities purchase agreement with certain investors, pursuant to which the Company issued and sold in a private placement an aggregate of 1.4 million shares of common stock and two-year warrants to purchase up to an aggregate of 1.4 million shares of the Company's common stock, at an exercise price of $1.00 per share. The unit purchase price for a share of the Company's common stock and warrant to purchase one share of the Company's common stock was $0.705 per unit, with $1.0 million of gross proceeds received by the Company.

Aspire Purchase Agreements

In November 2015, the Company entered into a common stock purchase agreement (the "Purchase Agreement") with Aspire Capital Fund, LLC, an Illinois limited liability company ("Aspire Capital"), which provides that, subject to certain terms and conditions, Aspire Capital is committed to purchase up to an aggregate of $30 million of shares (limited to a maximum of approximately 11.0 million shares, unless stockholder approval is obtained or certain minimum sale price levels are reached) of the Company's common stock over a 24-month term. As consideration for entering into the Purchase Agreement, the Company issued 842,696 shares of its common stock to Aspire Capital. During the three months ended March 31, 2016, the Company issued 50,000 shares of common stock under the Purchase Agreement for gross proceeds of $0.03 million. Overall, as of March 31, 2016, the Company issued 1.1 million shares under the Purchase Agreement for gross proceeds of $0.3 million.

Under the Purchase Agreement, at the Company's discretion, it may present Aspire Capital with purchase notices from time to time to purchase the Company's common stock, provided certain price, trading volume and conditions, including Nasdaq trading requirements, are met. The purchase price for the shares of common stock is based upon one of two formulas set forth in the Purchase Agreement depending on the type of purchase notice the Company submits to Aspire Capital, and is based on market prices of the Company's common stock (in the case of regular purchases) or a discount of 5% applied to volume weighted average prices (in the case of VWAP purchases), in each case as determined by parameters defined in the Purchase Agreements. We have filed a registration statement with the SEC and a related prospectus supplement that covers the offering of shares of our common stock subject to the Purchase Agreement, and therefore can initiate sales to Aspire Capital at any time.

We are party to two existing agreements with Aspire Capital (the "May 2015 Purchase Agreement" and the "March 2014 Purchase Agreement", or collectively, the "Previous Purchase Agreements"). The registration statement we previously filed with the SEC to cover offerings of shares of our common stock subject to the previous Purchase Agreements has expired, and we have not, and currently have no intention to include such shares in a registration

statement filed with the SEC. Unless and until we include such shares in a registration statement filed with the SEC, we are unable to initiate sales to Aspire under the Previous Purchase Agreements.

Under the May 2015 Purchase Agreement, Aspire Capital is committed to purchase up to an aggregate of $30 million of shares. As consideration for entering into the May 2015 Purchase Agreement, the Company issued 364,837 shares of its common stock to Aspire Capital. The Company has not issued any additional shares under the May 2015 Purchase Agreement. Under the March 2014 Purchase Agreement, Aspire Capital is committed to purchase up to an aggregate of $30.0 million of shares. As consideration for entering into the March 2014 Purchase Agreement, the Company issued 150,000 shares of its common stock to Aspire Capital. The Company did not issued shares under the March 2014 Purchase Agreement during the three months ended March 31, 2016. Overall, the Company has issued 5.1 million shares under the March 2014 Purchase Agreement for gross proceeds of $20.3 million.

Stock Options and Warrants

The following table summarizes the activity for stock options and warrants for the three months ended March 31, 2016:

	Stock Options				Warrants			
	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (In Thousands)	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (In Thousands)
Outstanding at December 31, 2015	6,663,480	$ 6.46	6.88	$ 0.1	3,214,033	$ 13.72	1.26	$ —
Changes during the period:								
Granted	1,552,875	$ 0.62			1,418,440	$ 1.00		
Exercised	—	$ —			—	$ —		
Forfeited	(442,466)	$ 3.79			—	$ —		
Expired	(545,097)	$ 5.07			(27,000)	$ 14.50		
Outstanding at March 31, 2016	7,228,792	$ 5.48	7.35	$ 202.7	4,605,473	$ 9.80	1.31	$ —
Vested at March 31, 2016 or expected to vest in the future	7,020,566	$ 5.59	7.29	$ 189.3	4,605,473	$ 9.80	1.31	$ —
Vested at March 31, 2016	4,995,506	$ 7.15	6.42	$ 52.4	4,605,473	$ 9.80	1.31	$ —

Restricted Stock

During the three months ended March 31, 2016 and 2015, the Company issued restricted stock for services as follows (in thousands, except share data):

	Three Months Ended March 31,	
	2016	2015
Number of Restricted Stock Issued	983,828	818,004
Value of Restricted Stock Issued	$ 562.8	$ 2,955.8

The weighted average estimated fair value of restricted stock issued for services in the three months ended March 31, 2016 and 2015 was $0.57 and $3.61 per share, respectively. The fair value of the restricted stock was determined using the Company's closing stock price on the date of issuance.

Note 13 – Share-Based Compensation

Share-based Compensation

We utilize share-based compensation in the form of stock options, warrants and restricted stock. The following table summarizes the components of share-based compensation expense for the three months ended March 31, 2016 and 2015 (in thousands):

	Three Months Ended March 31,	
	2016	2015
Cost of goods sold	$ 124.3	$ 116.9
Research and development	92.3	422.7
Selling, general and administrative	634.6	3,176.1
Total share-based compensation expense	$ 851.2	$ 3,715.7

Total compensation cost related to nonvested awards not yet recognized and the weighted-average periods over which the awards are expected to be recognized at March 31, 2016 were as follows (in thousands):

	Stock Options	Restricted Stock
Unrecognized compensation cost	$ 2,101.8	$ 624.4
Expected weighted-average period in years of compensation cost to be recognized	2.21	2.25

Total fair value of shares vested and the weighted average estimated fair values of shares granted for the three months ended March 31, 2016 and 2015 were as follows (in thousands):

	Stock Options		Warrants	
	Three Months Ended March 31,		Three Months Ended March 31,	
	2016	2015	2016	2015
Total fair value of shares vested	$ 994.1	$ 2,706.2	$ —	$ 6.8
Weighted average estimated fair value of shares granted	$ 0.41	$ 2.44	$ —	$ —

Valuation Assumptions

The fair value of stock options and warrants at the date of grant was estimated using the Black-Scholes option pricing model. The expected volatility is based upon historical volatility of the Company's stock. The expected term for the options is based upon observation of actual time elapsed between date of grant and exercise of options for all employees. The expected term for the warrants is based upon the contractual term of the warrants.

Note 14 – Income Taxes

As of December 31, 2015, the Company had approximately $221.5 million of Federal net operating loss carryforwards ("NOLs") available to offset future taxable income expiring from 2025 through 2035. In accordance with Section 382 of the Internal Revenue code, the usage of the Company's NOLs could be limited in the event of a change in ownership. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the period when those temporary differences become deductible. If a change of ownership did occur there would be an annual limitation on the usage of the Company's losses which are available through 2035.

In assessing the ability to realize deferred tax assets, including the NOLs, the Company assesses the available positive and negative evidence to estimate if sufficient future taxable income will be generated to utilize its existing deferred tax assets. Based on its assessment, the Company has provided a full valuation allowance against its net deferred tax assets as the Company's ability to generate taxable income remains uncertain at this time.

Deferred tax liabilities were $1.0 million and $0.9 million as of March 31, 2016 and December 31, 2015, respectively, and relate to the taxable temporary differences on the goodwill recognized in the PCT acquisition in 2011. The taxable temporary differences, which are tax deductible and will be amortized over 15 years, will continue to increase the deferred tax liability balance over the amortization period, with an associated charge to the deferred tax provision in each period. The deferred tax liability will only reverse when the indefinite-lived asset is sold, impaired, or reclassified from an indefinite-lived asset to a finite-lived asset.

As of March 31, 2016, management does not believe the Company has any material uncertain tax positions that would require it to measure and reflect the potential lack of sustainability of a position on audit in its financial statements. The Company will continue to evaluate its uncertain tax positions in future periods to determine if measurement and recognition in its financial statements is necessary. The Company does not believe there will be any material changes in its unrecognized tax positions over the next year.

The Company's federal tax returns are currently being audited for the years 2012 and 2013. For years prior to 2011 the federal statute of limitations is closed for assessing tax. The Company's state tax returns remain open to examination for a period of three to four years from date of filing. The Company ceased doing business in China in 2012. After 2012, the Company had no foreign tax filing obligations. The returns filed for 2012 and prior are subject to examination for five years.

Note 15 – Commitments and Contingencies

Lease Commitments

We entered into an assignment agreement with an unaffiliated third party, effective February 19, 2015, for general office space located in Basking Ridge, NJ. This property is used as the Company's corporate headquarters. The space is approximately 18,000 rentable square feet. The base monthly rent is currently $31,875 and the lease term ends July 31, 2020. In addition, there are two (2) five (5) year renewal options. In connection with the assumption of the lease, the third party (a) conveyed its rights in various scheduled furniture and equipment and (b) paid the Company approximately $580,000. The amount paid to the Company included a security deposit of approximately $115,000. The Company also leases facilities in New York, NY, Irvine, CA, and Mountain View, CA, of which certain have escalation clauses and renewal options, and also leases equipment under certain noncancelable operating leases that expire from time to time through 2021.

A summary of future minimum rental payments required under operating leases that have initial or remaining terms in excess of one year as of March 31, 2016 are as follows (in thousands):

Years ended	Operating Leases
2016	$ 1,556.9
2017	1,865.8
2018	1,035.9
2019	989.4
2020 and thereafter	960.2
Total minimum lease payments	$ 6,408.2

Expense incurred under operating leases was approximately $0.5 million and $0.4 million for the three months ended March 31, 2016 and 2015, respectively.

Contingencies

We have entered into a strategic collaboration with Sanford Research with the goal of developing a therapy for the treatment of T1D. The initial focus of the collaboration will be the execution of a prospective, randomized, placebo-controlled, double-blind clinical trial (The Sanford Project: Trex Study) to evaluate the safety and efficacy of the Company's T regulatory cell product candidate, CLBS03, in adolescents with recent onset T1D. The Phase 2 study has an open and active IND in place and subject enrollment commenced in the first quarter of 2016. We will be initially responsible for the supply of all study drug to the first 18 enrolled patients while Sanford will assume all patient and clinical site costs for subjects enrolled in their two centers as well as the expense associated with general clinical monitoring services.

Under license agreements with third parties the Company is typically required to pay maintenance fees, make milestone payments and/or pay other fees and expenses and pay royalties upon commercialization of products. The Company also sponsors research at various academic institutions, which research agreements generally provide us with an option to license new technology discovered during the course of the sponsored research.

Under the Hitachi Transaction, Hitachi may require the Company to purchase all of its ownership in PCT if a Change of Control has occurred (as defined in the Amended and Restated Operating Agreement of PCT), and if such Change of Control can reasonably be expected to have a material adverse effect on PCT's ability to conduct its business in the ordinary course consistent with its past practice and its then current annual budget, at a price to be agreed upon by mutual agreement, provided, however, if mutual agreement is not obtained, the price will be determined by independent valuation firms.

From time to time, the Company is subject to legal proceedings and claims, either asserted or unasserted, that arise in the ordinary course of business. While the outcome of pending claims cannot be predicted with certainty, the Company does not believe that the outcome of any pending claims will have a material adverse effect on the Company's financial condition or operating results.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following Management's Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Cautionary Note Regarding Forward-

Looking Statements” herein and under “Risk Factors” in our 2015 Form 10-K. The following discussion should be read in conjunction with our consolidated financial statements and related notes thereto included elsewhere in this Quarterly Report and in our 2015 Form 10-K.

Overview

Caladrius Biosciences, Inc. (“we,” “us,” "our," “Caladrius” or the “Company”), through its subsidiary, PCT, LLC, a Caladrius Company™ ("PCT"), is a leading provider of development and manufacturing services to the cell and cell-based gene therapy industry. PCT has significant cell therapy-specific experience and expertise, an expansive list of noteworthy clients and significant revenue growth over the past two years. Notably, PCT and Hitachi Chemical Co. America, Ltd. and Hitachi Chemical Co., Ltd. (each independently or collectively referred to herein as "Hitachi Chemical") entered into a strategic collaboration to accelerate the creation of a global commercial cell therapy development and manufacturing enterprise with deep engineering expertise. Caladrius leverages both its internal specialized cell therapy clinical development expertise and PCT’s prowess to select and develop early-stage cell therapy candidates with the intention of partnering these candidates post proof-of-concept in man to both generate value for our shareholders and to expand PCT’s client base. Our current product candidate, CLBS03, is a T regulatory cell (“Treg”) clinical Phase 2 therapy targeting adolescents with recent-onset type 1 diabetes.

Cell Therapy Development and Manufacturing

PCT is a leading cell therapy development and manufacturing provider (often called a contract development and manufacturing organization, or "CDMO"), specializing in cell and cell-based gene therapies. PCT offers high-quality development and manufacturing capabilities (e.g., current Good Manufacturing Practice (“cGMP”) manufacturing systems and facilities), quality systems, cell and tissue processing, logistics, storage and distribution and engineering solutions (e.g., process and assay development, optimization and automation) to clients with therapeutic candidates at all stages of development. PCT produces clinical supplies and ultimately, intends also to produce commercial product for its clients. PCT has worked with over 100 clients and produced over 20,000 cell therapy products since it was founded 17 years ago. PCT’s manufacturing services are designed to reduce the capital investment and time required by clients to advance their development programs compared to conducting the process development and manufacturing in-house. PCT has demonstrated regulatory expertise, including the support of over 50 U.S. and European Union ("EU") regulatory filings for clients and expertise across multiple cell types and therapeutic applications, including immunotherapy (e.g. CAR-T therapies), neuro/endocrine therapies, hematopoietic replacement and tissue repair/regeneration. PCT offers a complete development pathway for its clients, with services supporting preclinical through commercial phase, all underpinned by timely process optimization and automation support. We currently operate facilities qualified under cGMPs in each of Allendale, New Jersey and Mountain View, California, including EU-compliant production capacity. On March 11, 2016, PCT entered into a strategic collaboration and license agreement with Hitachi Chemical to accelerate the creation of a global commercial cell therapy development and manufacturing enterprise with deep engineering expertise. PCT is positioned to expand its capacity both in the United States and internationally, as needed. As the industry continues to mature and a growing number of cell therapy companies approach commercialization, we believe that PCT is well positioned to serve as an external manufacturing partner of choice for commercial-stage cell therapy companies.

CLBS03

We are developing, through the utilization of or core development and manufacturing expertise, a product candidate that is an innovative therapy for type 1 diabetes mellitus ("TID"). This therapy is based on a proprietary platform technology for immunomodulation. We have selected as an initial target the unmet medical need of pediatric patients who are newly diagnosed with T1D. This program is based on the use of T regulatory cells ("Tregs") to treat diseases caused by imbalances in an individual's immune system. This novel approach seeks to restore immune balance by enhancing Treg number and function. Tregs are a natural part of the human immune system and regulate the activity of T effector cells; the cells that are responsible for protecting the body from viruses and other foreign antigens. When Tregs function properly, only harmful foreign materials are attacked by T effector cells. In autoimmune disease, however, it is thought that deficient Treg activity and numbers permit the T effector cells to attack the body's own beneficial cells. In the case of T1D, there are currently no curative treatments, only lifelong insulin therapy, which often does not prevent serious co-morbidities. Two Phase 1 clinical trials of this technology in T1D patients demonstrated safety and tolerance, feasibility of manufacturing, an implied durability of effect and an early indication of efficacy through the preservation of beta cell function. In the first quarter of 2016 we commenced patient enrollment in the first of two cohorts in The Sanford Project: T-Rex Study, a Phase 2 prospective, randomized, placebo-controlled, double-blind clinical trial to evaluate the safety and efficacy of our Treg product candidate, CLBS03, in adolescents with recent onset T1D. After the three-month follow-up of the first cohort of 18 patients, which is expected in early 2017, an initial safety analysis of the data and early analysis of immunological biomarkers will be undertaken. Satisfactory evaluation of the safety of the initial cohort as agreed by us, our independent Data Safety Monitoring Board and the U.S. Food and Drug Administration ("FDA") will then prompt the enrollment of the remaining 93 patients. A subsequent interim analysis of efficacy is planned after approximately 50% of patients reach the six-month follow-

up milestone. We entered into a strategic collaboration with Sanford Research to support the execution of this trial. Sanford Research is a U.S.-based non-profit research organization that supports an emerging translational research center focused on finding a cure for T1D.

Additional Technology Platforms

Our broad intellectual property portfolio of cell therapy assets includes notable programs available for out-licensing and partnering in order to continue their clinical development. These include platforms using tumor cell/dendritic cell technology for immuno-oncology and CD34 technology for ischemic repair. Both have the benefit of promising Phase 2 clinical data and are applicable to multiple indications. The immuno-oncology platform is based on our extensive intellectual property portfolio and includes CLBS20, a candidate for metastatic melanoma which was investigated in two Phase 2 trials and recently in a discontinued Phase 3 clinical trial. With respect to our ischemic repair platform, the Company's Clinical Trial Notification for pivotal Phase 2 trial investigating CLBS12 (a candidate for critical limb ischemia "CLI") was submitted to the Japanese Pharmaceutical and Medical Devices Agency ("PMDA") and was cleared to proceed. The protocol design was agreed with PMDA and if successful, could provide the basis for a conditional approval under Japan's favorable regenerative medicine law. We are seeking to collaborate on CLBS 12 with development and/or manufacturing partners. In January 2016, we out-licensed our CD34 technology to SPS Cardio, LLC for chronic heart failure and acute myocardial infarction (candidate CLBS10) in India and other designated territories and non-major world markets outside the United States. Furthermore, a cell-derived dermatological product technology for topical skin application was out-licensed in February 2016 to AiVita Biomedical, Inc. ("AiVita"), which it intends to distribute through ALPHAEON Corporation. Finally, our Treg immune modulation platform has potential applications across multiple autoimmune and allergic diseases beyond TID for which we are exploring partnering opportunities, including steroid-resistant asthma, multiple sclerosis, chronic obstructive pulmonary disease, inflammatory bowel disease, graft versus host disease, lupus and rheumatoid arthritis.

Our long term strategy focuses on advancing cell-based therapies to the market and assisting patients suffering from life-threatening medical conditions. Coupling our clinical development expertise with our process development and manufacturing capabilities, we believe we are positioned to realize potentially meaningful value increases within our own proprietary pipeline based on demonstration of proof-of-concept in man as well as process and manufacturing advancements.

Results of Operations

Three Months Ended March 31, 2016 Compared to Three Months Ended March 31, 2015

Net loss for the three months ended March 31, 2016 was approximately $12.0 million compared to $19.2 million for the three months ended March 31, 2015.

Revenues

For the three months ended March 31, 2016, total revenues were approximately $7.5 million compared to $3.2 million for the three months ended March 31, 2015, representing an increase of $4.3 million, or 136%. Revenues were comprised of the following (in thousands):

	Three Months Ended March 31,	
	2016	2015
Clinical Services	$ 5,300.8	$ 1,463.0
Clinical Services Reimbursables	1,261.2	528.5
Processing and Storage Services	909.6	1,060.7
Other	$ 17.8	$ 120.0
	$ 7,489.5	$ 3,172.3

- Clinical Services were approximately $5.3 million for the three months ended March 31, 2016 compared to $1.5 million for the three months ended March 31, 2015, representing an increase of approximately $3.8 million or 262%, and were comprised on the following:
    - *Process Development Revenue* - Process development revenues were approximately $1.3 million for the three months ended March 31, 2016 compared to $0.2 million for the three months ended March 31, 2015. In accordance with our revenue recognition policy, process development revenue is recognized upon contract completion (*i.e.*, when the services under a particular contract are completed). Process development revenue will continue to fluctuate from period to period as a result of our process development revenue recognition policy, and the timing upon when services for a contract are completed. Accordingly, unearned revenue relating to process development contracts remained $4.2 million as of December 31, 2015 and $4.2 million as of March 31, 2016, representing billings on contracts that have not been completed.
    - *Clinical Manufacturing Revenue* - Clinical manufacturing revenues were approximately $4.0 million for the three months ended March 31, 2016 compared to $1.3 million for the three months ended March 31, 2015. The increase is primarily due to an increase in the number of patients our customers have enrolled and treated in clinical trials, which number varies depending on the stage of the clinical trial.
- Clinical Services Reimbursables were approximately $1.3 million for the three months ended March 31, 2016 compared to $0.5 million for the three months ended March 31, 2015, representing an increase of approximately $0.7 million, or 139%. Generally, clinical services reimbursables correlate with clinical services revenues. However, differences in the cost of supplies to be reimbursed can vary greatly from contract to contract based on the cost of supplies needed for each client's manufacturing and development process and may impact this correlation. In addition, our terms for billing reimbursable expenses do not include a significant mark-up in the acquisition cost of such consumables, and as a result, changes in this revenue category have little impact on our gross margin and net loss.
- Processing and Storage Services were approximately $0.9 million for the three months ended March 31, 2016 compared to $1.1 million for the three months ended March 31, 2015, representing a decrease of approximately $0.2 million or 14%. The decrease was primarily due to lower volume for our oncology stem cell processing services.

Operating Costs and Expenses of Revenues

For the three months ended March 31, 2016, operating costs and expenses totaled $18.6 million compared to $21.3 million for the three months ended March 31, 2015, representing a decrease of $2.7 million, or 13%. Operating costs and expenses were comprised of the following:

- Cost of revenues were approximately $6.2 million for the three months ended March 31, 2016 compared to $3.4 million for the three months ended March 31, 2015, representing an increase of $2.9 million, or 85%. Overall, gross margin for the three months ended March 31, 2016 was $1.3 million, or 17%, compared to negative gross margin for the three months ended March 31, 2015 of $0.2 million, or negative 6%. Gross margin percentages generally will increase/decrease as Clinical Services revenue increases/decreases. However, gross margin percentages will also fluctuate from period to period due to the mix of service and reimbursable revenues and costs.

- Research and development expenses were approximately $5.9 million for the three months ended March 31, 2016 compared to $6.8 million for the three months ended March 31, 2015, representing a decrease of approximately $0.9 million, or 14%.

    - *Immune Modulation* - Immune modulation expenses, including our recently initiated a Phase 2 study in type 1 diabetes, were $2.0 million for the three months ended March 31, 2016, representing an increase of $0.7 million compared to the three months ended March 31, 2015.

    - *Immuno-oncology* - Immuno-oncology expenses, which are primarily associated with the close-out activities for the Intus Phase 3 clinical trial for the immunotherapy product candidate CLBS20, were $1.3 million for the three months ended March 31, 2016, representing a decrease of $0.7 million compared to the three months ended March 31, 2015. In January 2016, we discontinued the clinical development of CLBS20. Accordingly, we expect expenses to decrease to zero as close-out activities are completed.

    - *Ischemic Repair* - Ischemic repair expenses were $1.2 million for the three months ended March 31, 2016, representing a decrease of approximately $1.4 million compared to the three months ended March 31, 2015. The decrease is primarily due to lower program expenses associated with the decision to only conduct clinical study activity for a critical limb ischemia development program in Japan with a partner, and lower expenses associated with the close-out activities of the PreSERVE-AMI Phase 2 study for CLBS10. Expenses associated with CLBS10 are expected to decrease to zero as close-out activities are completed.

    - *Other* - Other research and development expenses were $1.5 million for the three months ended March 31, 2016, representing an increase of approximately $0.5 million compared to the three months ended March 31, 2015. The increase was primarily due to $1.2 million in one-time restructuring costs for severance and asset impairments, which was partially offset by approximately $0.3 million of lower equity-based compensation expenses during the three months ended March 31, 2016 compared to the prior year.

- Selling, general and administrative expenses were approximately $6.5 million for the three months ended March 31, 2016 compared to $11.1 million for the three months ended March 31, 2015, representing a decrease of approximately $4.6 million, or 42%. Equity-based compensation included in selling, general and administrative expenses for the three months ended March 31, 2016 was approximately $0.6 million, compared to approximately $3.2 million for the three months ended March 31, 2015, representing a decrease of $2.5 million. Equity-based compensation expense is expected to fluctuate in future quarters as equity-linked instruments are used to compensate employees, consultants and other service providers. Non-equity-based general and administrative expenses for the three months ended March 31, 2016 were approximately $5.8 million, compared to approximately $7.9 million for the three months ended March 31, 2015, representing a decrease of $2.1 million. The decrease was primarily related to one-time expenses associated with executive management changes in the first quarter of 2015, including new hire compensation-related costs as well as separation related costs during the three months ended March 31, 2015.

Historically, to minimize our use of cash, we have used a variety of equity and equity-linked instruments to compensate employees, consultants and other service providers. The use of these instruments has resulted in charges to the results of operations, which have been significant in the past.

Other Income (Expense)

Other income, net, for the three months ended March 31, 2016 was $0.01 million, compared with other expense, net, of $0.5 million for the three months ended March 31, 2015. The other income for the three months ended March 31, 2015 primarily relates to changes in the estimated fair value of contingent consideration liabilities. The fair values of the contingent consideration liabilities were $0 as of March 31, 2016 and December 31, 2015.

Interest expense was $0.9 million for the three months ended March 31, 2016, compared with $0.6 million for the three months ended March 31, 2015. The increase was primarily due to interest expense and early termination fees on a portion of the loan from Oxford Finance LLC.

Provision for Income Taxes

The provision from income taxes for the three months ended March 31, 2016 relates primarily to the taxable temporary differences on the goodwill recognized in the PCT acquisition in 2011, which is being amortized over 15 years for tax purposes. A tax provision will continue to be recognized each period over the amortization period, and will only reverse when the goodwill is eliminated through a sale, impairment, or reclassification from an indefinite-lived asset to a finite-lived asset.

Analysis of Liquidity and Capital Resources

At March 31, 2016, we had cash and cash equivalents and marketable securities of approximately $25.4 million, working capital of approximately $17.2 million, and stockholders' equity of approximately $13.7 million.

During the three months ended March 31, 2016, we met our immediate cash requirements through revenue generated from our PCT operations, cash received from transaction with Hitachi (net of repayments on our long-term debt to Oxford Finance LLC) and existing cash balances. Additionally, we used equity and equity-linked instruments to pay for services and compensation.

Net cash provided by or used in operating, investing and financing activities from continuing operations were as follows (in thousands):

	Three Months Ended March 31,	
	2016	2015
Net cash used in operating activities	$ (8,028.3)	$ (14,240.3)
Net cash (used in) provided by investing activities	(1,044.8)	6,704.5
Net cash provided by financing activities	14,180.9	7,493.0

Operating Activities

Our cash used in operating activities in the three months ended March 31, 2016 totaled approximately $8.0 million, which is the sum of (i) our net loss of $12.0 million, adjusted for non-cash expenses totaling $2.2 million (which includes adjustments for equity-based compensation, depreciation and amortization and deferred tax liabilities), and (ii) changes in operating assets and liabilities providing approximately $1.8 million.

Our cash used in operating activities in the three months ended March 31, 2015 totaled approximately $14.2 million, which is the sum of (i) our net loss of $19.2 million, adjusted for non-cash expenses totaling $4.9 million (which includes adjustments for equity-based compensation, depreciation and amortization, and changes in acquisition-related contingent consideration liabilities), and (ii) changes in operating assets and liabilities providing approximately $0.05 million.

Investing Activities

- During the three months ended March 31, 2016, we spent approximately $1.0 million for property and equipment.
- During the three months ended March 31, 2015, we spent approximately $0.3 million for property and equipment, and purchased (net of sales) approximately $7.0 million in marketable securities.

Financing Activities

During the three months ended March 31, 2016, our financing activities consisted of the following:

- During the three months ended March 31, 2016, Hitachi Chemical purchased a 19.9% membership interest in PCT for $19.4 million.
- We raised $1.0 million in a private placement through the issuance of 1.4 million shares of common stock and two-year warrants to purchase up to an aggregate of 1.4 million shares our common stock, at an exercise price of $1.00 per share.
- Upon execution of the Hitachi Transaction, we paid $6.3 million in principal payments on our long term debt to Oxford Finance LLC.

During the three months ended March 31, 2015, our financing activities consisted of the following:

- We raised gross proceeds of approximately $7.4 million through the issuance of approximately 2.2 million shares of common stock under the provisions of our equity line of credit with Aspire Capital.

Liquidity and Capital Requirements Outlook

Liquidity

We anticipate requiring additional capital to grow the PCT business, to fund the development of CLBS03 and other operating expenses, and to make principal and interest payments on our loan with Oxford Finance. To meet our short and long term liquidity needs, we currently expect to use existing cash balances, our revenue generating activities, and a variety of other means, including our common stock purchase agreements with Aspire Capital. Other sources of liquidity could include additional potential issuances of debt or equity securities in public or private financings, option exercises, partnerships and/or collaborations and/or sale of assets. In addition, we will continue to seek as appropriate grants for scientific and clinical studies from various governmental agencies and foundations.

On March 11, 2016, PCT and Caladrius entered into a global collaboration that includes licensing, development and equity, with Hitachi Chemical, a Japanese-based global conglomerate with a growing franchise in life sciences including regenerative medicine ("Hitachi Transaction"), and will receive an aggregate of $25.0 million in cash, of which $22.5 million was received in March 2016, and the remainder is expected to be received before the end of 2016. PCT will retain $10.0 million of the $25.0 million proceeds, and Caladrius received $15.0 million of the proceeds.

In September 2014, we entered into a Loan and Security Agreement with Oxford Finance LLC and received $15.0 million in gross proceeds. We have been making interest-only payments on the outstanding amount of the loan on a monthly basis at a

rate of 8.50% per annum. On March 11, 2016, upon execution of the Hitachi Transaction, the Company and Oxford Finance LLC entered into an amendment to the Loan and Security Agreement whereby (i) the Company paid $7.0 million to Oxford Finance LLC, comprised of principal, interest and early termination fees, (ii) the Company's subsidiaries PCT, PCT Allendale, LLC, and NeoStem Family Storage, LLC (collectively the "Removed Borrowers") were removed as borrowers under the Loan, (iii) Oxford Finance LLC's security interests in any and all assets of the Removed Borrowers were released, (iv) the interest only period on the remaining outstanding Loan balance was extended until January 1, 2017, and (v) in the event the Company receives gross proceeds from the sale or issuance of any equity securities or subordinated debt, or any partnership, licenses, collaboration, dividend, grant or asset sale through March 31, 2017, 20% of such proceeds will be paid to Oxford Finance LLC, up to a $3.0 million total. If 20% of such proceeds in aggregate is less than $3.0 million by March 31, 2017, then the Company will make a lump sum payment equal to the difference by March 31, 2017. The loan matures on September 1, 2018. As of March 31, 2016, the outstanding principal amount under the Loan was $8.7 million.

In November 2015, we entered into a common stock purchase agreement with Aspire Capital (the "Aspire Agreement"), whereby we can sell to Aspire Capital, subject to terms and conditions under the Aspire Agreement as well as NASDAW rules, the lesser of (i) $30 million of Common Stock or (ii) the dollar value of approximately 11.0 million shares of Common Stock based on the market price of the Common Stock at the time of such sale as determined under the Purchase Agreement.

On March 10, 2016, we entered into a securities purchase agreement with certain investors, pursuant to which we issued and sold in a private placement an aggregate of 1.4 million shares of common stock and two-year warrants to purchase up to an aggregate of 1.4 million shares of our common stock, at an exercise price of $1.00 per share. The unit purchase price for a share of our common stock and warrant to purchase one share of our common stock was $0.705 per unit, with $1 million of gross proceeds received by us.

Other sources of liquidity could include additional potential issuances of debt or equity securities in public or private financings, additional warrant exercises, option exercises, partnerships and/or collaborations, and/or sale of assets. Our history of operating losses and liquidity challenges, may make it difficult for us to raise capital on acceptable terms or at all. The demand for the equity and debt of biopharmaceutical companies like ours is dependent upon many factors, including the general state of the financial markets. During times of extreme market volatility, capital may not be available on favorable terms, if at all. Our inability to obtain such additional capital could materially and adversely affect our business operations.

We believe that the proceeds received in the Hitachi Transaction, along with our current cash, our revenue generating activities, and our access to funds under our agreement with Aspire Capital, will be sufficient to fund our operations for the next 12 months.

While we continue to seek capital through a number of means, there can be no assurance that additional financing will be available on acceptable terms, if at all, and our negotiating position in capital generating efforts may worsen as existing resources are used. Additional equity financing may be dilutive to our stockholders; debt financing, if available, may involve significant cash payment obligations and covenants that restrict our ability to operate as a business; our stock price may not reach levels necessary to induce option or warrant exercises; and asset sales may not be possible on terms we consider acceptable. If we are unable to access capital necessary to meet our long-term liquidity needs, we may have to delay or discontinue the development of CLBS03, and/or the expansion of our business or raise funds on terms that we currently consider unfavorable.

Commitments and Contingencies

The following table summarizes our obligations to make future payments under current contracts as of March 31, 2016 (in thousands):

	Payments Due Period				
	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
Contractual Obligations					
Notes Payable	$ 1,809.0	$ 1,358.6	$ 450.4	$ —	$ —
Long Term Debt	9,343.5	1,158.8	8,184.7	—	—
Purchase Obligations	417.0	333.6	83.4	—	—
Operating Lease Obligations	6,408.2	2,088.2	2,615.6	1,662.4	42.0
Total	$ 17,977.7	$ 4,939.2	$ 11,334.1	$ 1,662.4	$ 42.0

Other significant commitments and contingencies include the following:

- Under agreements with external clinical research organizations ("CROs"), we will incur expenses relating to our clinical trials for our therapeutic product candidates in development. The timing and amount of these expenses are based on performance of services rendered and expenses as incurred by the CROs and therefore, we cannot reasonably estimate the timing of these payments.

- We have entered into a strategic collaboration with Sanford Research with the goal of developing a therapy for the treatment of T1D. The initial focus of the collaboration will be the execution of a prospective, randomized, placebo-controlled, double-blind clinical trial (The Sanford Project: Trex Study) to evaluate the safety and efficacy of our T regulatory cell product candidate, CLBS03, in adolescents with recent onset T1D. The Phase 2 study has an open and active IND in place and subject enrollment commenced in the first quarter of 2016. We will be initially responsible for the supply of all study drug to the first 18 enrolled patients while Sanford will assume all patient and clinical site costs for subjects enrolled in their two centers as well as the expense associated with general clinical monitoring services. upon commencement of the study.

- Under certain license, collaboration, and merger agreements, we may be required to pay for research and development costs, and to pay royalties, milestone and/or other payments upon successful development and commercialization of products. However, successful research and development of pharmaceutical products is high risk, and most products fail to reach the market. Therefore, at this time the amount and timing of the payments related to commercialization of products, if any, are not known.

- Under the Hitachi Transaction, Hitachi may require the Company to purchase all of its ownership in PCT if a Change of Control has occurred (as defined in the Amended and Restated Operating Agreement of PCT), and if such Change of Control can reasonably be expected to have a material adverse effect on PCT's ability to conduct its business in the ordinary course consistent with its past practice and its then current annual budget, at a price to be agreed upon by mutual agreement, provided, however, if mutual agreement is not obtained, the price will be determined by independent valuation firms.

- Under the Hitachi Transaction, Hitachi may, at any time following the tenth anniversary of the Hitachi Transaction closing date on March 11, 2016, have the right on one occasion to require Caladrius or PCT to purchase all or some of the equity securities then held by Hitachi for an amount equal to the lower of (i) the fair market value of the Hitachi equity holdings and (ii) the original purchase price paid of $19.4 million on March 11, 2016 for its 19.9% ownership interest, plus interest at a rate of 2.0% per annum compounded annually; *provided*, *however*, that if Hitachi ownership interests increases subsequent to its initial ownership interest, and it offers to sell its equity holdings in excess of 21% of PCT's outstanding equity securities, then the Company shall be required to purchase all such equity holdings of Hitachi but in no event shall the aggregate purchase price of such Hitachi equity holdings exceed $20.5 million plus interest at the rate of 2.0% per annum compounded annually.

- From time to time, we are subject to legal proceedings and claims, either asserted or unasserted, that arise in the ordinary course of business. While the outcome of pending claims cannot be predicted with certainty, we do not believe that the outcome of any pending claims will have a material adverse effect on our financial condition or operating results.

Seasonality

We do not believe that our operations are seasonal in nature.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements.

Critical Accounting Policies and Estimates

There have been no material changes in our critical accounting policies and estimates during the three months ended March 31, 2016, compared to those reported in our 2015 Form 10-K.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Market risk is the risk of change in fair value of a financial instrument due to changes in interest rates, equity prices, creditworthiness, financing, exchange rates or other factors. Our primary market risk exposure relates to changes in interest rates. Our earnings and cash flows are subject to fluctuations due to changes in interest rates, principally in connection with our investments

in marketable securities, which consist primarily of short-term money market funds and municipal debt securities. However, as of March 31, 2016, we do not believe we are materially exposed to changes in interest rates given the short-term duration of the securities. Additionally, our outstanding $8.7 million long-term loan with Oxford Finance LLC, representing our largest component of debt, has a fixed interest rate until 2018, and is not subject to interest rate exposure. As a result, we have no material exposure to market risk related to interest rate changes as of March 31, 2016.

ITEM 4. CONTROLS AND PROCEDURES.

(a) Disclosure Controls and Procedures

Disclosure controls and procedures are our controls and other procedures that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Securities Exchange Act of 1934, as amended (the "Exchange Act") is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in the reports that we file under the Exchange Act is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. Due to the inherent limitations of control systems, not all misstatements may be detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. Controls and procedures can only provide reasonable, not absolute, assurance that the above objectives have been met.

As of March 31, 2016, we carried out an evaluation, with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15(e) and 15d-15(e) of the Exchange Act. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective, at the reasonable assurance level, in ensuring that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms and is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

(b) Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15, that occurred during our last quarter to which this Quarterly Report relates that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II

OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

There are no material changes to the disclosures previously reported in our 2015 Form 10-K.

ITEM 1A. RISK FACTORS

There have been no material changes to the risk factors previously reported in our 2015 Form 10-K. See the risk factors set forth in our Annual Report on our 2015 Form 10-K under the caption "Item 1 A - Risk Factors."

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

None.

ITEM 6. EXHIBITS

The Exhibit Index appearing immediately after the signature page to this Form 10-Q is incorporated herein by reference.

SIGNATURES

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

CALADRIUS BIOSCIENCES, INC.

May 5, 2016

By: /s/ David J. Mazzo, PhD
Name: David J. Mazzo, PhD
Title: Chief Executive Officer

May 5, 2016

By: /s/ Joseph Talamo Name: Joseph Talamo
Title: Senior Vice President and Chief Financial Officer (Principal Accounting Officer)

CALADRIUS BIOSCIENCES, INC.
FORM 10Q

Exhibit Index

3.1	Amended and Restated Certificate of Incorporation of Caladrius Biosciences, Inc., filed with the Secretary of State of the State of Delaware on October 3, 3013 (filed as Exhibit 3.1 to the Company's Current Report on Form 8-K dated October 3, 2013 and incorporated herein by reference), and amended by Certificate of Amendment to Certificate of Incorporation of Caladrius Biosciences, Inc., dated May 29, 2015 and made effective June 8, 2915 (filed as Exhibit 3.2 to the Company's Quarterly Report Form 10-Q dated August 6, 2015 and incorporated herein by reference).
3.2	Amended and Restated By-Laws dated January 5, 2015 (filed as Exhibit 3.1 to the Company's Current Report on Form 8-K on January 5, 2015, and incorporated herein by reference).
4.1*	Form of Warrant
10.1*	Unit Purchase Agreement, dated March 11, 2016, by and among Caladrius Biosciences, Inc., PCT, LLC, a Caladrius Company and Hitachi Chemical Co. America, LTD.
10.2*	Amended and Restated Operating Agreement of PCT, LLC, a Caladrius Company, dated March 11, 2016, by and among PCT, LLC, a Caladrius Company, Caladrius Biosciences, Inc. and Hitachi Chemical Co. America, LTD.
10.3*	Technology License Agreement, dated March 22, 2016, by and between PCT, LLC, a Caladrius Company and Hitachi Chemical Co. LTD.
10.4*	Amended and Restated Employment Agreement, dated March 11, 2016, by and between Caladrius Biosciences, Inc. and Robert A. Preti, PhD.
10.5*	Employment Agreement, dated March 11, 2016, by and between PCT, LLC, a Caladrius Company and Robert A. Preti, PhD.
10.6*	Consent and Third Amendment to Loan and Security Agreement, dated March 11, 2016, by and between Caladrius Biosciences, Inc., and Oxford Finance LLC.
10.7*	Securities Purchase Agreement, dated March 10, 2016, by and among Caladrius Biosciences, Inc., TJP Opportunities Fund L.L.C., GPP Opportunities Fund L.L.C. and IEA Private Investments LTD.
10.8*	Registration Rights Agreement, dated March 10, 2016, by and among Caladrius Biosciences, Inc., TJP Opportunities Fund L.L.C., GPP Opportunities Fund L.L.C. and IEA Private Investments LTD.
31.1*	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1**	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2**	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase

* Filed herewith.

** Furnished herewith.

Exhibit 4.1

FORM OF WARRANT

THIS WARRANT AND THE SECURITIES ISSUABLE UPON THE EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT REGISTRATION IS NOT REQUIRED UNDER SUCH ACT OR UNLESS SOLD IN ACCORDANCE WITH RULE 144 UNDER SUCH ACT.

WARRANT NO. 2016-_____ NUMBER OF SHARES: _____

DATE OF ISSUANCE: March 10, 2016 (subject to adjustment hereunder)
EXPIRATION DATE: March 10, 2018

WARRANT TO PURCHASE SHARES
OF COMMON STOCK OF

CALADRIUS BIOSCIENCES, INC.

This Warrant is issued to [_____][1] Name of Warrant holder., or its registered assigns (including any successors or assigns, the "Purchaser"), pursuant to that certain Securities Purchase Agreement, dated as of March 10, 2016, among Caladrius Biosciences, Inc., a Delaware corporation (the "Company"), the Purchaser and certain other purchasers thereunder (the "Purchase Agreement") and is subject to the terms and conditions of the Purchase Agreement.

1. EXERCISE OF WARRANT.

(a) Number and Exercise Price of Warrant Shares; Expiration Date. Subject to the terms and conditions set forth herein and set forth in the Purchase Agreement, the Purchaser is entitled to purchase from the Company up to [_____] shares of the Company's Common Stock, $0.001 par value per share (the "Common Stock") (as adjusted from time to time pursuant to the provisions of this Warrant) (the "Warrant Shares"), at a purchase price of $1.00 per share (the "Exercise Price"), on or before 5:00 p.m. New York City time on March 10, 2018 (the "Expiration Date") (subject to earlier termination of this Warrant as set forth herein).

(b) Method of Exercise. While this Warrant remains outstanding and exercisable in accordance with Section 1(a) above, the Purchaser may exercise this Warrant by surrendering this Warrant at the principal office of the Company and paying the Exercise Price by:

(1) wire transfer to the Company or cashier's check drawn on a United States bank made payable to the order of the Company, or

(2) if at any time after the issuance of this Warrant, there is no effective registration statement registering, or no current prospectus available for, the resale of the Warrant Shares by the Purchaser, then in lieu of exercising this Warrant by payment of cashier's check payable to the order of the Company pursuant to Section 1(b)(1) above, the Purchaser shall elect to exercise this Warrant by exercising of the right to credit the Exercise Price against the Fair Market Value of the Warrant Shares (as defined below) at the time of exercise (the "Net Exercise") pursuant to Section 1(c).

(c) Net Exercise. If the Company shall receive written notice from the Purchaser at the time of exercise of this Warrant that the holder elects to Net Exercise the Warrant, the Company shall deliver to such Purchaser (without payment by the Purchaser of any exercise price in cash) that number of Warrant Shares computed using the following formula:

$$X = \frac{Y (A - B)}{A}$$

---

[1] Name of Warrant holder.

Where

X = The number of Warrant Shares to be issued to the Purchaser.

Y = The number of Warrant Shares purchasable under this Warrant or, if only a portion of the Warrant is being exercised, the portion of the Warrant being cancelled (at the date of such calculation).

A = The Fair Market Value of one (1) share of Common Stock (at the date of such calculation).

B = The Exercise Price (as adjusted hereunder to the date of such calculations).

The "Fair Market Value" of one share of Common Stock shall mean (x) the last reported sale price and, if there are no sales, the last reported bid price, of the Common Stock on the business day prior to the date of exercise on the NASDAQ Capital Market as reported by Bloomberg Financial Markets (or a comparable reporting service of national reputation selected by the Company and reasonably acceptable to the holder if Bloomberg Financial Markets is not then reporting sales prices of the Common Stock) (collectively, "Bloomberg"), (y) or if the foregoing does not apply, the last sales price of the Common Stock in the over-the-counter market on the pink sheets or bulletin board for such security as reported by Bloomberg, and, if there are no sales, the last reported bid price of the Common Stock as reported by Bloomberg or (z) if fair market value cannot be calculated as of such date on either of the foregoing bases, the price determined in good faith by the Company's Board of Directors.

2. CERTAIN ADJUSTMENTS.

(a) Adjustment of Number of Warrant Shares and Exercise Price. The number and kind of Warrant Shares purchasable upon exercise of this Warrant and the Exercise Price shall be subject to adjustment from time to time as follows:

(1) Subdivisions, Combinations and Other Issuances. If the Company shall at any time after the Date of Issuance but prior to the Expiration Date subdivide its shares of capital stock of the same class as the Warrant Shares, by split-up or otherwise, or combine such shares of capital stock, or issue additional shares of capital stock as a dividend with respect to any shares of such capital stock, the number of Warrant Shares issuable on the exercise of this Warrant shall forthwith be proportionately increased in the case of a subdivision or stock dividend, or proportionately decreased in the case of a combination. Appropriate adjustments shall also be made to the Exercise Price payable per share, but the aggregate Exercise Price payable for the total number of Warrant Shares purchasable under this Warrant (as adjusted) shall remain the same. Any adjustment under this Section 2(a)(1) shall become effective at the close of business on the date the subdivision or combination becomes effective, or as of the record date of such dividend, or in the event that no record date is fixed, upon the making of such dividend.

(2) Reorganizations or Mergers. In case of any reclassification, capital reorganization or change in the capital stock of the Company (other than as a result of a subdivision, combination or stock dividend provided for in Section 2(a)(1) above) that occurs after the Date of Issuance, then, as a condition of such reclassification, reorganization or change, lawful provision shall be made, and duly executed documents evidencing the same from the Company or its successor shall be delivered to the Purchaser, so that the Purchaser shall thereafter have the right at any time prior to the expiration of this Warrant to purchase, at a total price equal to that payable upon the exercise of this Warrant, the kind and amount of shares of stock and/or other securities or property (including, if applicable, cash) receivable in connection with such reclassification, reorganization or change by a holder of the same number and type of securities as were purchasable as Warrant Shares by the Purchasers immediately prior to such reclassification, reorganization or change. In any such case appropriate provisions shall be made with respect to the rights and interest of the Purchaser so that the provisions hereof shall thereafter be applicable with respect to any shares of stock or other securities or property deliverable upon exercise hereof, and appropriate adjustments shall be made to the Exercise Price payable hereunder, provided the aggregate Exercise Price shall remain the same (and, for the avoidance of doubt, this Warrant shall be exclusively exercisable for such shares of stock and/or other securities or property from and after the consummation of such reclassification or other change in the capital stock of the Company).

(b) Notice of Adjustment. When any adjustment is required to be made in the number or kind of shares purchasable upon exercise of the Warrant, or in the Exercise Price, the Company shall promptly notify the Purchaser of such event and of the number of Warrant Shares or other securities or property thereafter purchasable upon exercise of this Warrant.

(c) Exchange Right. In lieu of exercising this Warrant prior to the closing of a Change of Control (as defined below), by written notice to the acquiring entity, if applicable, (the "Acquiring Person") at least five (5) business days before the date of closing of such Change of Control, the Purchaser may assign, in whole or in part, this Warrant to the Acquiring Person and receive in exchange from the Acquiring Person immediately prior to such closing, without the payment by the Holder of any additional consideration, an amount and type of consideration equal to the amount and type of consideration that would have been

payable by the Acquiring Person in the Change of Control with respect to that number of Warrant Shares that would have been issuable had the portion of the Warrant that is so assigned pursuant to this Section 2(c) not been assigned but instead been Net Exercised pursuant to Section 1(c) above. Such assignment may be conditioned upon (and effective immediately prior to) consummation of the Change of Control. The type of consideration paid by the Acquiring Person for the portion of this Warrant that could be Net Exercised into one Warrant Share pursuant to Section 1(c) above shall be the same type of consideration, whether stock, securities or other property, paid for one Warrant Share in the Change of Control, or if more than one type of consideration is paid for one Warrant Share in the Change of Control, the same types and on the same relative basis as is paid for one Warrant Share in the Change of Control (assuming, in the case of a Change of Control involving the sale or transfer of all or substantially all of its assets, that the consideration received by the Company is distributed to the stockholders of the Company on the date of closing of such sale or transfer). A "Change of Control" shall mean (i) a merger or consolidation of the Company with another corporation (other than a merger effected exclusively for the purpose of changing the domicile of the Company), (ii) the sale, assignment, transfer, conveyance or other disposal of all or substantially all of the properties or assets or all or a majority of the outstanding voting shares of capital stock of the Company, (iii) a purchase, tender or exchange offer accepted by the holders of a majority of the outstanding voting shares of capital stock of the Company, or (iv) a "person" or "group" (as these terms are used for purposes of Section 13(d) and 14(d) of the Exchange Act) is or shall become the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly at least a majority of the voting power of the capital stock of the Company.

2. NO FRACTIONAL SHARES. No fractional Warrant Shares will be issued in connection with any exercise of this Warrant. In lieu of any fractional shares which would otherwise be issuable, the Company shall pay cash equal to the product of such fraction multiplied by the Fair Market Value of one Warrant Share.

3. NO STOCKHOLDER RIGHTS. Until the exercise of this Warrant or any portion of this Warrant, the Purchaser shall not have, nor exercise, any rights as a stockholder of the Company (including without limitation the right to notification of stockholder meetings or the right to receive any notice or other communication concerning the business and affairs of the Company) solely by virtue of exercise of this Warrant. Notwithstanding the foregoing, in the event of (i) any taking by the Company of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend (other than a cash dividend payable out of earned surplus of the Company) or other distribution, or any right to subscribe for, purchase or otherwise acquire any shares of stock of any class or any other securities or property, or to receive any other right, (ii) any Change of Control or (iii) any voluntary or involuntary dissolution, liquidation or winding-up of the Company, then and in each such event the Company will mail or cause to be mailed to the Purchaser (or a transferee pursuant to Section 11 below) a notice specifying (a) the date on which any such record is to be taken for the purpose of such dividend, distribution or right, and stating the amount and character of such dividend, distribution or right, and (b) the date on which any such Change of Control, dissolution, liquidation or winding-up is to take place, and the time, if any, as of which the holders of record of Common Stock (or other securities) shall be entitled to exchange their shares of Common Stock (or other securities) for securities or other property deliverable upon such Change of Control, dissolution, liquidation or winding-up. Such notice shall be mailed as soon as practicable prior to the date therein specified.

4. RESERVATION OF STOCK. The Company covenants that during the period this Warrant is exercisable, the Company will reserve from its authorized and unissued Common Stock a sufficient number of shares of Common Stock (or other securities, if applicable) to provide for the issuance of Warrant Shares (or other securities) upon the exercise of this Warrant.

5. MECHANICS OF EXERCISE. This Warrant may be exercised by the holder hereof, in whole or in part, by the surrender of this Warrant and the Notice of Exercise attached hereto as Exhibit A duly completed and executed on behalf of the holder hereof, at the principal office of the Company together with payment in full of the Exercise Price (unless the Purchaser has elected to Net Exercise) then in effect with respect to the number of Warrant Shares as to which the Warrant is being exercised. This Warrant shall be deemed to have been exercised immediately prior to the close of business on the date of its surrender for exercise as provided above, and the person entitled to receive the Warrant Shares issuable upon such exercise shall be treated for all purposes as the holder of such shares of record as of the close of business on such date. As promptly as practicable on or after such date, the Company at its expense shall cause to be issued and delivered to the person or persons entitled to receive the same a certificate or certificates for the number of full Warrant Shares issuable upon such exercise, together with cash in lieu of any fraction of a share as provided above. The Warrant Shares issuable upon exercise hereof shall, upon their issuance, be validly issued, fully paid and nonassessable, and free from all preemptive rights, taxes, liens and charges with respect to the issue thereof. In the event that this Warrant is exercised in part, the Company at its expense will execute and deliver a new Warrant of like tenor exercisable for the remaining number of shares for which this Warrant may then be exercised.

6. CERTIFICATE OF ADJUSTMENT. Whenever the Exercise Price or number or type of securities issuable upon exercise of this Warrant is adjusted, as herein provided, the Company shall, at its expense, promptly deliver to the Purchaser a certificate of an officer of the Company setting forth the nature of such adjustment and showing in detail the facts upon which such adjustment is based.

7. COMPLIANCE WITH SECURITIES LAWS.

(a) The Purchaser understands that this Warrant and the Warrant Shares are characterized as "restricted securities" under the federal securities laws inasmuch as they are being acquired from the Company in a transaction not involving a public offering and that under such laws and applicable regulations this Warrant and the Warrant Shares may be resold without registration under the Securities Act of 1933, as amended (the "Securities Act") only in certain limited circumstances. In this connection, the Purchaser represents that it is familiar with Rule 144 under the Securities Act, as presently in effect, and understands the resale limitations imposed thereby and by the Securities Act.

(b) Prior and as a condition to the sale or transfer of the Warrant Shares issuable upon exercise of this Warrant, the Purchaser shall furnish to the Company such certificates, representations, agreements and other information, including an opinion of counsel, as the Company or the Company's transfer agent reasonably may require to confirm that such sale or transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, unless such Warrant Shares are being sold or transferred pursuant to an effective registration statement.

(c) The Purchaser acknowledges that the Company may place a restrictive legend on the Warrant Shares issuable upon exercise of this Warrant in order to comply with applicable securities laws, in substantially the following form and substance, unless such Warrant Shares are otherwise freely tradable under Rule 144 of the Securities Act:

"THE SECURITIES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY OTHER APPLICABLE SECURITIES LAWS AND HAVE BEEN ISSUED IN RELIANCE UPON AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND SUCH OTHER SECURITIES LAWS. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED, HYPOTHECATED OR OTHERWISE DISPOSED OF, EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO A TRANSACTION WHICH IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS, AND IN THE CASE OF A TRANSACTION EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION, UNLESS THE COMPANY HAS RECEIVED AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO IT THAT SUCH TRANSACTION DOES NOT REQUIRE REGISTRATION UNDER THE SECURITIES ACT AND SUCH OTHER APPLICABLE LAWS."

8. REPLACEMENT OF WARRANTS. On receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of any such loss, theft or destruction of this Warrant, on delivery of an indemnity agreement reasonably satisfactory in form and amount to the Company or, in the case of any such mutilation, on surrender and cancellation of such Warrant, the Company at its expense will execute and deliver, in lieu thereof, a new Warrant of like tenor.

9. NO IMPAIRMENT. Except to the extent as may be waived by the holder of this Warrant, the Company will not, by amendment of its charter or through a Change of Control, dissolution, sale of assets or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such action as may be necessary or appropriate in order to protect the rights of the Purchaser against impairment.

10. TRADING DAYS. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall be other than a day on which the Common Stock is traded on The NASDAQ Capital Market, or, if The NASDAQ Capital Market is not the principal trading market for the Common Stock, then on the principal securities exchange or securities market on which the Common Stock is then traded or quoted, as applicable, then such action may be taken or such right may be exercised on the next succeeding day on which the Common Stock is so traded or quoted, as applicable.

11. TRANSFERS; EXCHANGES. (a) Subject to compliance with applicable federal and state securities laws and Section 7 hereof, this Warrant may be transferred by the Purchaser with respect to any or all of the Warrant Shares purchasable hereunder. For a transfer of this Warrant as an entirety by Purchaser, upon surrender of this Warrant to the Company, together with the Notice of Assignment in the form attached hereto as Exhibit B duly completed and executed on behalf of the Purchaser, the Company shall issue a new Warrant of the same denomination to the assignee. For a transfer of this Warrant with respect to a portion of the Warrant Shares purchasable hereunder, upon surrender of this Warrant to the Company, together with the Notice of Assignment in the form attached hereto as Exhibit B duly completed and executed on behalf of the Purchaser, the Company

shall issue a new Warrant to the assignee, in such denomination as shall be requested by the Purchaser, and shall issue to the Purchaser a new Warrant covering the number of shares in respect of which this Warrant shall not have been transferred.

(b) This Warrant is exchangeable, without expense, at the option of the Purchaser, upon presentation and surrender hereof to the Company for other warrants of different denominations entitling the holder thereof to purchase in the aggregate the same number of shares of Common Stock purchasable hereunder. This Warrant may be divided or combined with other warrants that carry the same rights upon presentation hereof at the principal office of the Company together with a written notice specifying the denominations in which new warrants are to be issued to the Purchaser and signed by the Purchaser hereof. The term "Warrants" as used herein includes any warrants into which this Warrant may be divided or exchanged.

12. MISCELLANEOUS. This Agreement shall be governed by and construed in accordance with the internal laws of the State of New York, without the application of principles of conflicts of laws that would result in any law other than the laws of the State of New York. All notices, requests, consents and other communications hereunder shall be in writing, shall be sent by confirmed facsimile or electronic mail, or mailed by first-class registered or certified airmail, or nationally recognized overnight express courier, postage prepaid, and shall be deemed given when so sent in the case of facsimile or electronic mail transmission, or when so received in the case of mail or courier, and addressed as follows: (a) if to the Company, at 106 Allen Road, Fourth Floor, Basking Ridge, New Jersey, Attention: General Counsel, Facsimile: (646) 417-6860, Email: tgirolamo@caladrius.com; with a copy to (which shall not constitute notice) Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., 666 Third Avenue, New York, New York 10017, Attention: Jeffrey P. Schultz, Esq., Facsimile: (212) 983-3115, E-Mail: JSchultz@mintz.com and (b) if to the Purchaser, at such address or addresses (including copies to counsel) as may have been furnished by the Purchaser to the Company in writing. The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provisions.

[Signature Page Follows]

IN WITNESS WHEREOF, this Common Stock Purchase Warrant is issued effective as of the date first set forth above.

CALADRIUS BIOSCIENCES, INC.

By:_____
Name:
Title:

Signature Page to Warrant No. 2016

EXHIBIT A

NOTICE TO EXERCISE
(To be signed only upon exercise of Warrant)

To: Caladrius Biosciences, Inc.

The undersigned, the Purchaser of the attached Warrant, hereby irrevocably elects to exercise the purchase right represented by such Warrant for, and to purchase thereunder, _____ (_____) shares of Common Stock of Caladrius Biosciences, Inc. and (choose one)

_____ herewith makes payment of _____ Dollars ($_____) thereof

or

_____ elects to Net Exercise the Warrant pursuant to Section 1(b)(2) thereof.

The undersigned requests that the certificates or book entry position evidencing the shares to be acquired pursuant to such exercise be issued in the name of, and delivered to _____, whose address is _____.

By its signature below the undersigned hereby represents and warrants that it is an "accredited investor" as defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, as amended, and agrees to be bound by the terms and conditions of the attached Warrant as of the date hereof, including Section 7 thereof.

DATED: _____

(Signature must conform in all respects to name of the Purchaser as specified on the face of the Warrant)

_____
«Purchaser»
Address: _____
_____

_____

EXHIBIT B

NOTICE OF ASSIGNMENT FORM

FOR VALUE RECEIVED, «Purchaser» (the "Assignor") hereby sells, assigns and transfers all of the rights of the undersigned Assignor under the attached Warrant with respect to the number of shares of common stock of Caladrius Biosciences, Inc. (the "Company") covered thereby set forth below, to the following "Assignee" and, in connection with such transfer, represents and warrants to the Company that the transfer is in compliance with Section 7 of the Warrant and applicable federal and state securities laws:

NAME OF ASSIGNEE ADDRESS/FAX NUMBER

Number of shares:

Signature:

Witness:

Dated:

ASSIGNEE ACKNOWLEDGMENT

The undersigned Assignee acknowledges that it has reviewed the attached Warrant and by its signature below it hereby represents and warrants that it is an "accredited investor" as defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, as amended, and agrees to be bound by the terms and conditions of the Warrant as of the date hereof, including Section 7 thereof

Signature: _____

By: _____
Its: _____

Address:
_____
_____
_____

Exhibit 10.1

UNIT PURCHASE AGREEMENT

THIS UNIT PURCHASE AGREEMENT (the "Agreement"), dated this 11th day of March, 2016 (the "Effective Date"), by and among **CALADRIUS BIOSCIENCES, INC.**, a corporation incorporated under the laws of Delaware ("Caladrius"); **PCT, LLC, A CALADRIUS COMPANY**, a limited liability company organized under the laws of Delaware and currently a wholly-owned subsidiary of Caladrius ("Company"); and **HITACHI CHEMICAL CO. AMERICA, LTD.**, a corporation incorporated under the laws of New York ("Purchaser" and, together with Caladrius and Company , the "Parties").

WITNESSETH that,

WHEREAS, Company is engaged in the business of, among other things, cell therapy development and manufacturing;

WHEREAS, Caladrius and Purchaser wish to develop a mutually beneficial and cooperative business relationship;

WHEREAS, on the Closing Date (as defined below) and as an inducement to Purchaser to enter into this Agreement, Company, Caladrius, and Purchaser shall enter into an amended and restated limited liability company operating agreement of Company, substantially in the form attached hereto as Exhibit A (the "Operating Agreement"), pursuant to which, among other things, Company is authorized to issue Membership Units ("Membership Units"), having such rights, preferences and privileges as set forth therein.

WHEREAS, Caladrius currently owns 100% of the outstanding Membership Units and membership interests in Company;

WHEREAS, Company desires to issue and sell to Purchaser, and Purchaser desires to purchase and subscribe for, the Units (as defined below) on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the premises and the terms, covenants, and agreements set forth herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE I

DEFINITIONS

1 1.2 **Definitions.** Capitalized terms used but not otherwise defined in this Agreement have the meaning set forth below:

"**Affiliate**" means, with respect to any Person, any other Person who directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the specified Person, where "control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities or similar ownership interests, by contract or otherwise, including any general partner, managing member, officer, or director of such Person, or any venture capital fund now or hereafter existing that is controlled by one or more general partners or managing members of, or shares the same management company with, such Person; provided, however, that "Affiliate" for Purchaser shall mean Purchaser's subsidiaries only and shall not include Hitachi Ltd. or its subsidiaries other than Purchaser's subsidiaries.

"**Ancillary Agreements**" means (i) the Operating Agreement, (ii) the License Agreement, (iii) the Executive Employment Agreement, (iv) the Intellectual Property Assignment Agreement, (v) the Services Agreement, (vi) the Escrow Agreement and (vii) all other agreements (other than this Agreement) and documents to which the Parties are or will be a party that are required to be executed pursuant to this Agreement.

"**Acquisition Date**" means January 19, 2011.

"**Business Day**" means any day that is not a Saturday, Sunday or other day on which banks are required or authorized by law to be closed in the State of New York.

"**Business Plan**" means the business plan and budget of the Company in such form as mutually agreed upon by Purchaser and Company.

"**Code**" means the U.S. Internal Revenue Code of 1986, as amended.

"**Company Covered Person**" means, with respect to Company as an "issuer" for purposes of Rule 506 promulgated under the Act, and the rules and regulations promulgated thereunder, any Person listed in the first paragraph of Rule 506(d)(1).

"**Contract**" means any written or oral agreement, arrangement, contract, understanding, instrument, undertaking, or commitment of any nature (including leases, licenses, mortgages, notes, guaranties, sublicenses, subcontracts, letters of intent, and purchase orders) in effect as of the Effective Date or as may hereafter be in effect.

"**Environmental and Health Law**" means any and all applicable Laws issued, promulgated, or entered into by any Governmental Authority relating to the environment, human health, worker health and safety, preservation or reclamation of natural resources, or to the management, handling, use, generation, treatment, storage, transportation, disposal, manufacture, distri-bution, formulation, packaging, labeling, release or threatened release of or exposure to hazardous substances, whether now existing or subsequently amended or enacted. The foregoing definition includes all FDA rules regulations and comments, the federal Anti-Kickback Statute (42 U.S.C. § 1320a-7b(b)), the Anti-Inducement Law (42 U.S.C. § 1320a-7a(a)(5)), the civil False Claims Act (31 U.S.C. §§ 3729 et seq.), the administrative False Claims Law (42 U.S.C. § 1320a-7b(a)), the Stark Law (42 U.S.C. § 1395nn), the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. §§ 1320d et seq.) as amended by the Health Information Technology for Economic and Clinical Health Act (42 U.S.C. §§ 17921 et seq.), and the exclusion Laws (42 U.S.C. § 1320a-7).

"**Environmental and Health Permit**" means any Governmental Authorization under any Environmental and Health Law, and includes any and all Orders issued or entered into by a Governmental Authority under any Environmental and Health Law.

"**Equity Interests**" means (i) any membership interests, partnership interests, profits interests, capital stock, or other equity securities or ownership interests, (ii) any rights containing any profit participation features (including equity appreciation rights, phantom equity-type plans, and rights to payment based upon equity or valuation), (iii) any rights or options to convert, exchange, exercise for, subscribe for, or to purchase any securities described in clause (i) or clause (ii) of this definition, including options, warrants, and convertible debt instruments.

"**Escrow Agreement**" means the escrow agreement to be entered into by and among Continental Stock Transfer & Trust Company, Caladrius, Company and Purchaser on the Effective Date, substantially in the form attached hereto as Exhibit G.

"**Governmental Authority**" means any supranational, national, state, municipal, provincial, or local government, or governmental, regulatory, or administrative authority, agency, instrumentality or commission, or tribunal, court, arbitrator, or other judicial or arbitral body having competent jurisdiction, in each case whether domestic or foreign, any stock exchange or similar self-regulatory organization, or any quasi-governmental or private body exercising any regulatory, taxing, or other governmental or quasi-governmental authority.

"**Governmental Authorization**" means any approval, consent, license, permit, waiver, ratification, permission, variance, clearance, registration, qualification, or other authorization issued, granted, given, or otherwise made available by or under the authority of any Governmental Authority or pursuant to any Law.

"**HCC**" means Hitachi Chemical Co. Ltd.

"**Intellectual Property**" means (i) any and all inventions, invention disclosures, developments, improvements, discoveries, know how, concepts, and ideas, whether patentable or not in any jurisdiction; (ii) any and all non-public information, trade secrets, proprietary or confidential information, know-how, technology, technical data, proprietary processes and formulae, algorithms, specifications, customer lists and supplier lists; (iii) any and all writings and other works of authorship, whether or not copyrighted or copyrightable in any jurisdiction; (iv) any and all software, including files, records and data, all schematics, test methodologies, emulation and simulation tools and reports, hardware development tools, prototypes, and other devices, and all databases and data collections; and (v) all tangible embodiments of any Intellectual Property Rights.

"**Intellectual Property Rights**" means any and all of the following and any and all rights, title and interest in, arising out of, or associated therewith: (i) trademarks, service marks, brand names, certification marks, trade dress, assumed names, trade names, logos, and other indications of origin, sponsorship, or affiliation, including the name(s) "PCT, LLC, a Caladrius Company™" (and any derivation thereof) together with the goodwill associated therewith (whether the foregoing are registered or unregistered), registrations thereof in any jurisdiction and applications to register any of the foregoing in any jurisdiction, and

any extension, modification, or renewal of any such registration or application; (ii) Patents; (iii) mask works and registrations and applications for registrations thereof; (iv) trade secrets, and rights in any jurisdiction to limit the use or disclosure thereof or that of any Intellectual Property by any Person; (v) copyrights, copyright registrations and applications for registration of copyrights in any jurisdiction, and renewals or extensions thereof; (vi) Internet domain name registrations, Internet and World Wide Web URLs and addresses; (vii) industrial designs and registrations and applications therefor; (viii) any and all other industrial, intellectual property, and proprietary rights; (ix) all moral and economic rights of authors and inventors, however denominated; and (x) any similar or equivalent intellectual property or proprietary rights to any of the foregoing.

"**Knowledge**" means actual knowledge of any Key Employee.

"**Key Employee**" means any executive-level employee (including division director and vice president-level positions).

"**Law**" means any federal, state, foreign, local, municipal, or other statute, law (including common law), constitution, resolution, edict, decree, treaty, ordinance, code, rule, regulation, ruling, or any other binding requirement or determination issued, enacted, adopted, promulgated, implemented, or otherwise put into effect by or under the authority of any Governmental Authority and any orders, writs, injunctions, awards, judgments, and decrees applicable to such party or to any of their respective assets, properties, or businesses.

"**Liabilities**" means any debt, liability, obligation expense, claim, deficiency, guaranty or endorsement, of any kind, whether accrued or fixed, absolute or contingent, matured or unmatured, determined or determinable, known or unknown, and whether due or to become due.

"**Lien**" means any lien, charge, mortgage, deed of trust, security interest, title retention device, conditional sale, or other security arrangement, collateral, assignment, of ownership or right to use (in the case of assignment of ownership or right to use to or by any third party other than to Company or Caladrius), pledge, title defect or deficiency, easement, or other encumbrance, adverse claim, or restriction of any kind, whether imposed by Contract or otherwise (including any restriction on (i) the voting of any security or the transfer of any security or other asset, (ii) the receipt of any income derived from any asset, (iii) the use of any asset, and (iv) the possession, exercise, or transfer of any other attribute of ownership of any asset).

"**License Agreement**" means the technology license agreement to be entered into between Purchaser and HCC on the Effective Date, substantially in the form attached hereto as Exhibit B.

"**Management Adjusted Financials**" means the adjusted carve out financial statements prepared by management to more appropriately reflect the actual historical result of operations (balance sheet, income statements and cash flows) with allocated cost associated with support by Caladrius.

"**Material Adverse Change**" means an event, change or occurrence that, individually or together with any other event, change or occurrence, has or is reasonably likely to have, a material adverse impact on the business, assets (including intangible assets), liabilities, financial condition, property, prospects, operations or results of operations of Company.

"**Order**" means any order, judgment, decree, injunction, subpoena, or other decision issued, promulgated, or entered by any court or other Government Authority.

"**Oxford**" means Oxford Finance LLC, each of the "Lenders" listed on Schedule 1.1 of the Oxford Loan Agreement, as may be amended from time to time, and each of their Affiliates.

"**Oxford Loan Agreement**" means that certain Loan and Security Agreement dated September 26, 2014 by and among Oxford, Caladrius, Company, PCT Allendale, LLC, NeoStem Oncology, LLC, Athelos Corporation, Amorcyte, LLC, NeoStem Family Storage, LLC and Stem Cell Technologies, Inc., as amended by that certain First Amendment to Loan and Security Agreement dated June 17 2015 and that certain Second Amendment to Loan and Security Agreement dated September 15, 2015.

"**Patents**" means all classes or types of U.S. and foreign patents issued by the patent-granting authority in any country in the world, together with any and all patents, divisionals, renewals, provisionals, continuations, continuations-in-part, post-grant reviews, foreign counterparts, extensions or reissues that claim priority to any of the foregoing, and pending applications for these classes or types of patents in all countries of the world.

"**Person**" means any individual, corporation, limited liability company, partnership, joint venture, association, trust, unincorporated organization, Governmental Authority, or other entity.

"**Proceeding**" means any private or governmental action, suit, proceeding, claim, complaint, charge, mediation, or arbitration, or other litigation or investigation by any Person or Government Authority.

"**Services Agreement**" means the services agreement to be entered into between Caladrius and Company on the Effective Date, substantially in the form attached hereto as Exhibit C.

"**Subsidiary**" means a corporation, partnership, limited liability company, joint venture, or other corporate entity directly or indirectly controlled by Company (where "control" has the meaning set forth in the definition of "Affiliate" above), including any Person in which Company holds or owns, directly or indirectly, 50% or more of the stock or other equity or partnership interests the holders of which are generally entitled to vote for the election of the board of directors or other governing body of such entity.

"**Taxes**" means any taxes (including withholding taxes imposed on payments to any member, creditor, employee, or other Person), charges, fees, duties, levies, or other assessments (including any penalties and additions) imposed by any Government Authority.

"**Territory**" shall have the meaning set forth in the License Agreement.

"**Transaction Agreements**" means this Agreement and the Ancillary Agreements.

"**VDR**" means Company's electronic virtual data room through which Company has provided Purchaser access to diligence materials.

1.2 **Other Defined Terms.** The following terms have the meanings assigned to such terms in the Sections of the Agreement set forth below:

"409A Plan"	Schedule 4.2(o)(iii)
"Accounts Receivable"	Schedule 4.2(k)
"Act"	Schedule 4,2(g)
"Applicable Survival Period"	8.1(d)
"Balance Sheet"	Schedule 4.2(i)
"Balance Sheet Date"	Schedule 4.2(f)(i)
"Basket"	8.3(a)
"Caladrius Board"	Schedule 4.2(h)
"Claim Notice"	8.4
"Closing"	3.1
"Closing Date"	3.1
"Company Confidential Information"	Schedule 4.2(w)(ix)
"Company Owned IP"	Schedule 4.2(w)(iii)
"Company-Related Caladrius Minutes"	Schedule 4.2(h)
"Confidential Information"	9.1
"Confidential Information Agreements"	Schedule 4.2(v)(vii)
"Disclosure Schedule"	4.2
"Disqualification Event"	Schedule 4.2(g)
"Employee Benefits Plan"	Schedule 4.2(o)(i)
"ERISA"	Schedule 4.2(o)(i)
"ERISA Affiliate"	Schedule 4.2(o)(i)
"Executive"	3.2(a)(vii)
"Executive Employment Agreement"	3.2(a)(vii)
"FCPA"	Schedule 4.2(x)
"Financial Statements"	Schedule 4.2(f)(i)
"GAAP"	Schedule 4.2(f)(i)
"Indemnified Party"	8.3(a)
"Indemnifying Party"	8.3(a)
"Intellectual Property Assignment Agreement"	3.2(a)(viii)
"Losses"	8.2
"Material Contract"	Schedule 4.2(s)
"Oxford Loan Repayment Obligation"	7.2
"Personal Information"	Schedule 4.2(w)(xii)

"Policies"	Schedule 4.2(t)
"Purchase Price"	2.2
"Purchaser Indemnitee"	8.2
"Registered IP"	Schedule 4.2(w)(i)
"Restated Invention Assignment Agreement"	3.2(a)(xvii)
"Rules"	10.7(b)
"SEC"	Schedule 4.1(b)
"Third-Party Claim"	8.7
"Units"	2.1
"Unregistered IP"	Schedule 4.2(w)(i)

1.3 **Interpretation.** The meaning assigned to each term defined herein is equally applicable to both the singular and the plural forms of such term and vice versa. Where a word or phrase is used herein, each of its other grammatical forms has a corresponding meaning. The terms "hereof", "herein" and "herewith" and words of similar import, unless otherwise stated, are construed to refer to this Agreement as a whole and not to any particular provision of this Agreement. When a reference is made in this Agreement to an Article, Section, Exhibit, or Schedule, such reference is to an Article, Section, Exhibit, or Schedule to this Agreement unless otherwise specified. The words "include", "includes", and "including" when used in this Agreement are deemed to be followed by the words "without limitation", unless otherwise specified. A reference to any Party includes such Party's predecessors, successors and permitted assigns. Reference to any Law means such Law as amended, modified, codified, replaced or re-enacted, and all rules and regulations promulgated thereunder, as of the Effective Date or the Closing Date (as defined below), as applicable. The Parties have participated jointly in the negotiation and drafting of this Agreement. Any rule of construction or interpretation otherwise requiring this Agreement to be construed or interpreted against any Party by virtue of the authorship of this Agreement does not apply to the construction and interpretation hereof.

ARTCILE II

PURCHASE AND SALE

2.1 **Membership Units.** Subject to the terms and conditions of this Agreement, on the Closing Date Company shall issue and sell to Purchaser, and Purchaser shall subscribe for and purchase from Company 19.9 Membership Units of Company (the "Units"), free of all Liens (except as expressly set forth in the Operating Agreement).

2.2 **Purchase Price.** The aggregate purchase price for the Units is nineteen million four hundred thousand U.S. dollars (US$19,400,000) (the "Purchase Price").

2.3 **Use of Proceeds.** Company shall not transfer to Caladrius or its Affiliates a part of the Purchase Price in excess of the amount of fifteen million U.S. dollars (US$15,000,000) (whether by capital distribution, loan reimbursement, or any other method), without Purchaser's prior written consent. Company shall use the remaining portion of the Purchase Price not so transferred to Caladrius for working capital and other general corporate purposes in accordance with the Business Plan.

ARTICLE III

CLOSING

3.1 **Closing Date.** The closing of the issuance and purchase of the Units under this Agreement (the "Closing") is to take place automatically, and without any further action of any of the Parties hereto, upon (i) the execution of this Agreement and (ii) the receipt of the Purchase Price by the Company pursuant to the Escrow Agreement and the related Joint Instructions (as such term is defined in the Escrow Agreement) (the "Closing Date").

3.2 **Conditions Precedent to Closing.**

(a) Conditions Precedent to Obligations of Purchaser. The obligations of Purchaser to purchase the Units at the Closing is subject to the satisfaction (or waiver by Purchaser), on or prior to the Effective Date, of each of the following conditions:

(i) each of the representations and warranties of Company and Caladrius contained in this Agreement must have been true and correct as of the Effective Date and must be true and

correct as of the Closing Date as though made at and as of such date, except to the extent that they expressly refer to a particular date, in which case they must have been true and correct as of such date;

(ii) Company and Caladrius must have performed and complied with all agreements, obligations, covenants, and conditions herein required to be performed or observed by them on or before the Closing;

(iii) no Material Adverse Change must have occurred, whether or not resulting from a misrepresentation or a breach in an any warranty or covenant contained herein;

(iv) no Proceeding must have been commenced against any Party seeking to restrain or delay the purchase and sale of the Units or the other transactions contemplated by the Transaction Agreements;

(v) Company and Caladrius must have obtained all approvals and consents of third parties (including, but not limited to, Governmental Authorities) required to be obtained by Company or Caladrius prior to the Closing in connection with its execution, delivery, and performance of the Transaction Agreements, including consents, waivers and/or approvals under each of the following Contracts: the Oxford Loan Agreement;

(vi) all required corporate actions of Company and Caladrius for the transaction required by this Agreement must have been duly completed by Company and Caladrius, as applicable, and must be reasonably satisfactory in form and substance to Purchaser;

(vii) Company and Robert A. Preti ("Executive") must have entered into the restated employment agreement in the form attached hereto as Exhibit D (the "Executive Employment Agreement");

(viii) Company, Caladrius and Caladrius' Subsidiaries must have entered into the Intellectual Property Assignment Agreement in the form attached hereto as Exhibit E (the "Intellectual Property Assignment Agreement");

(ix) Purchaser must have completed and must be fully satisfied in its sole discretion with the results of its review of, and its other due diligence investigations with respect to, Company;

(x) Purchaser shall have received a closing certificate executed by Company and Caladrius, in which Company and Caladrius certify that all of the conditions precedent in (i), (ii) and (iii) of this Section 3.2(a) have been satisfied

(xi) Purchaser shall have received a certificate executed by the Secretary of Caladrius certifying (A) the Operating Agreement, (B) the Certificate of Formation, and (C) the resolutions of the sole member of Company authorizing and approving the execution and delivery of this Agreement and the consummation of the transactions contemplated hereunder (including the issuance of the Units and the admission of Purchaser as a member of Company) and approving the Business Plan;

(xii) Purchaser shall have received each of the Ancillary Agreements to which Caladrius or Company is a party duly executed by Caladrius or Company, as appropriate;

(xiii) Purchaser shall have received a copy of the certificate of good standing of Company issued on the Closing Date by the Secretary of State (or comparable officer) of Delaware; and of each jurisdiction in which Company is qualified to do business;

(xiv) Purchaser shall have received evidence, which must be reasonably satisfactory in form and substance to Purchaser, that prior to or effective upon the Closing Date: (1) neither Company nor any of its Subsidiaries is (A) a party to or otherwise bound by the Oxford Loan Agreement, (B) subject to any Liabilities or other obligations under the Oxford Loan Agreement or (C) subject to any Liabilities or other obligations to Oxford or its Affiliates, including, without limitation, any such Liabilities to repay indebtedness, or obligations to provide any type of guaranty of indebtedness relating to the Oxford Loan Agreement; and (2) none of the assets of the Company or any of its Subsidiaries are subject to any Lien relating to the Oxford Loan Agreement

(xv) all required corporate actions of Company and Caladrius for the adoption and approval of the Business Plan must have been duly completed by Company and Caladrius, as applicable, and must be satisfactory in form and substance to Purchaser;

(xvi) Company and each current employee that develops or contributes to the development of Intellectual Property for Company must have entered into a restated proprietary information and invention assignment agreement in the forms attached hereto as Exhibit F-1 (to be used for California employees) or Exhibit F-2 (to be used for New Jersey employees) (together, the "Restated Invention Assignment Agreements");

(xvii) Purchaser shall have received such other documents as reasonably requested by Purchaser.

(b) Conditions Precedent to Obligations of Company. The obligations of Company to issue and sell the Units to Purchaser at the Closing is subject to the satisfaction (or waiver by Company), on or prior to the Effective Date, of each of the following conditions:

(i) each of the representations and warranties of Purchaser contained in this Agreement must have been true and correct as of the Effective Date and must be true and correct as of the Closing Date as though made at and as of such date, except to the extent that they expressly refer to a particular date, in which case they must have been true and correct as of such date;

(ii) Purchaser must have performed and complied with all agreements, obligations, covenants, and conditions herein required to be performed or observed by it on or before the Closing;

(iii) no Proceeding must have been commenced against any Party seeking to restrain or delay the purchase and sale of the Units or the other transactions contemplated by the Transaction Agreements; and

(iv) Purchaser must have obtained all approvals and consents of third parties (including Governmental Authorities) required to be obtained by Purchaser prior to the Closing in connection with its execution, delivery, and performance of the Transaction Agreements

(v) Company shall have received each of the Ancillary Agreements to which Purchaser is a party duly executed by Purchaser;

(vi) Company shall have received from Purchaser a properly completed U.S. Internal Revenue Service Tax Form W-9;

(vii) Company shall have received such other documents as reasonably requested by Company; and

(viii) Company shall have received the Purchase Price by wire transfer of immediately available U.S.-denominated funds pursuant to the Escrow Agreement and the Joint Instructions to the bank account separately designated by Company in writing.

3.3 **Closing Actions.** Upon the receipt of the Purchase Price, Company shall deliver or cause to be delivered to Purchaser a receipt for the Purchase Price.

3.4 **Admission as Member.** Immediately upon the Closing, Purchaser shall be admitted to Company as a member, and Company shall promptly make appropriate entries in the books and records of Company to reflect such admission.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF COMPANY AND CALADRIUS

4.1 **Representations and Warranties of Caladrius.** Caladrius hereby represents and warrants to Purchaser that the statements contained in Schedule 4.1 are true, correct, and complete as of the Effective Date and will be true, correct, and complete as of the Closing Date (as though made then and as though the Closing Date were substituted for the date of this Agreement throughout Schedule 4.1).

4.2 **Representations and Warranties of Company and Caladrius.** Company and Caladrius jointly and severally represent and warrant to Purchaser that the statements contained in Schedule 4.2 are true, correct, and complete as of the Effective Date and will be true, correct, and complete as of the Closing Date (as though made then and as though the Closing Date were substituted for the date of this Agreement throughout Schedule 4.2), except as set forth in the disclosure schedule attached hereto (the "Disclosure Schedule").

4.3 **Disclosure Schedule.** Nothing in the Disclosure Schedule is deemed adequate to disclose an exception to a representation or warranty made herein unless the Disclosure Schedule identifies the exception with reasonable particularity and describes the relevant facts in reasonable detail. Without limiting the generality of the foregoing, the mere listing (or inclusion of a copy) of a document or other item is not deemed adequate to disclose an exception to a representation or warranty made herein unless the representation or warranty specifically concerns the existence of the document or other item itself. Company shall arrange the Disclosure Schedule in paragraphs corresponding to the lettered and numbered paragraphs contained in Schedule 4.2.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF PURCHASER

5.1 **Representations and Warranties of Purchaser.** Purchaser hereby represents and warrants to Company that the statements contained in Schedule 5.1 are true, correct, and complete as of the Effective Date and will be true, correct, and complete as of the Closing Date (as though made then and as though the Closing Date were substituted for the date of this Agreement throughout Schedule 5.1).

ARTICLE VI

RESERVED

ARTICLE VII

POST-CLOSING COVENANTS

7.1 **Oxford Loan Repayment**. Within 30 days following the Closing Date, Company and Caladrius shall repay and satisfy, to the extent required by Oxford, fees, costs, expenses, Liabilities and other obligations of Company, Caladrius and each of their Subsidiaries owing to Oxford and its Affiliates, under the Oxford Loan Agreement (the "Oxford Loan Repayment Obligation").

7.2 **Employee Invention Assignment Agreements**. Within 30 days following the Closing Date, Company and each employee that did not execute a Restated Invention Assignment Agreement prior to Closing shall have executed a Restated Invention Assignment Agreement, as modified only as necessary to reflect the fact that such agreement is being executed following the Closing.

7.3 **International Investment and Trade Services Survey Act**. To the extent legally required, Company shall, and shall cause each Subsidiary of Company to, promptly execute and file, or join in the execution and filing of, any report, application, notification or other document that may be required under the International Investment and Trade in Services Survey Act (Title 22 of the United States Code, Chapter 46, §§3101-3108) in connection with the consummation of the purchase and sale of the Units and the other transactions contemplated by this Agreement.

7.4 **Trademarks**. Within thirty (30) days following the Closing, Caladrius shall execute all documents, papers, forms and authorizations; make all necessary recordings and filings with all applicable Governmental Authorities; and take such other actions as are necessary to effectuate the transfer of ownership and control of the Assigned Trademarks (as such term is defined in the Intellectual Property Assignment Agreement).

ARTICLE VIII

INDEMNIFICATION

8.1 **Survival.**

(a) Generally. Except as set forth in Section 8.1(b), all representations and warran-ties of Company and Caladrius contained in this Agreement, or in any Schedule, certificate, or other document delivered pursuant to this Agreement, survive the Closing for a period of twelve (12) months. All representations and warranties of Purchaser contained in this Agreement, in any Schedule, certificate, or other document delivered pursuant to this Agreement, expire and are of no further force and effect as of the Closing.

(b) Specifically. The representations and warranties of (i) Caladrius contained in Schedule 4.1(a) (Organization), 4.1(b) (Authorization of Transaction), and 4.1(d) (Brokers); and (ii) Company and Caladrius contained in Sections 4.2(a) (Organization and Good Standing), 4.2(e) (Capitalization), 4.2(c) (Authorization of Transaction), and 4.2(gg) (Brokers), in each case, survive the Closing indefi-nitely. The representations and warranties of Company and Caladrius contained in Schedule 4.2(n) (Taxes) and 4.2(o) (Employee Benefits) survive the Closing until 60 days after the expiration of the applicable sta-tute of limitations period (after giving effect to any waivers and extensions thereof).

(c) Covenants. The covenants and agreements that, by their terms, do not contem-plate performance after the Closing Date expire and are of no further force or effect as of the Closing. The covenants and agreements that, by their terms, contemplate performance after the Closing Date survive the Closing in accordance with their terms until 60 days fol-lowing the expiration of any applicable statute of limitations.

(d) Applicable Survival Period. The period for which a representation or warranty, covenant, or agreement survives the Closing is referred to herein as the "Applicable Survival Period." In the event a Notice of Claim (as defined below)

for indemnifi-cation under Section 8.2 is given within the Applicable Survival Period, the representation or warranty, covenant, or agree-ment that is the subject of such indemnification claim (whether or not formal legal action has been commenced based upon such claim) survives with respect to such claim until such claim is finally resolved.

8.2 **Indemnification.** From and after the Effective Date, Company and Caladrius shall jointly and severally indemnify and hold harmless Purchaser, Purchaser's Affiliates, and their respective officers, directors, shareholders, employees, and other representatives (each, a "Purchaser Indemnitee"), against all causes of action, claims, liabilities, and losses (collectively, "Losses") paid, incurred, or sustained by any Purchaser Indemnitee, arising from, relating to, or in connection with:

(a) any failure of any representation or warranty made by Company or Caladrius in this Agreement (as modified by the Disclosure Schedule) or the Disclosure Schedule to be true and correct as of the Effective Date and as of the Closing Date as though such representation or warranty were made as of the Closing Date (or, in the case of representations and warranties that by their terms speak only as of a specific date or dates, as of such date);

(b) any failure of any certification, representation, or warranty made by Company or Caladrius in the certificates delivered to Purchaser pursuant to Section 3.2(a)(x) and Section 3.2(a)(xi) to be true and correct as of the date such certificate is delivered to Purchaser;

(c) any failure by Company or Caladrius to perform or comply with any covenant applicable to it contained in this Agreement;

(d) any fees, expenses, or other payments incurred or owed by Company or Caladrius, or any of their Affiliates to any agent, broker, investment banker, or other Person retained or employed by it in connection with the transactions contemplated by this Agreement; and

(e) fraud or intentional misrepresentation by or on behalf of Company or Caladrius.

8.3 **Limitation of Liabilities.**

(a) Basket. No Purchaser Indemnitee may make a claim for indemnification pursuant to Section 8.2 unless and until the aggregate amount of all Losses that the Purchaser Indemnitees (the "Indemnified Party") are entitled to claim against the other Party ("Indemnifying Party") under Section 8.2 exceeds one hundred and twenty-five thousand U.S. dollars (US$125,000) (the "Basket"), and once such Basket has been reached, the Indemnified Party is entitled to recover the entire amount of Losses from the first dollar; provided however, that claims for indemnification resulting from a breach of the representation in Schedule 4.2(n)(viii) shall not be subject to the Basket and a Purchaser may make a claim for indemnification as a result of such breach irrespective of the amount of Losses.

(b) Cap. The maximum amount that an Indemnified Party may recover under a claim made pursuant to Section 8.2(i) is limited to the Purchase Price.

(c) Exception to Limitations. Notwithstanding the foregoing, the limitations in this Section 8.3 do not apply to any claim involving fraud or intentional misrepresentation.

8.4 **Claim Notice; Time Limits.** When any claim arises for indemnification under this ARTICLE VIII, the Indemnified Party in such case shall promptly deliver to the Indemnifying Party a written notice detailing the nature of such claim (a "Claim Notice"). The Claim Notice must set forth the amount, if known, or, if not known, an estimate of the foreseeable maximum amount of claimed Losses (which estimate, for clarity, is not conclusive of the final amount of such Losses) and a description of the basis for such claim. The Indemnifying Party has 30 days from receipt of such Claim Notice to dispute the claim and shall reason-ably cooperate and assist the Indemnified Party in determining the validity of the claim for indemnity. If the Indemnifying Party does not give notice to the Indemnified Party that it disputes such claim within 30 days after its receipt of the Claim Notice, the claim specified in such Claim Notice shall be conclusively deemed to be a Loss subject to indemnification hereunder.

8.5 **Resolution of Objections to Claims.**

(a) Objection. If the Indemnifying Party objects in writing to any claim specified in a Claim Notice, the Indemnifying Party and the Indemnified Party shall attempt in good faith for 45 days after Indemnified Party's receipt of such written objection to resolve such objection. If the Indemnifying Party and the Indemnified Party so agree, a memorandum setting forth such agreement shall be prepared and signed by the Indemnifying Party and the Indemnified Party.

(b) If no such agreement can be reached during the aforementioned 45-day period for good faith negotiation, then in any event upon the expiration of such 45-day period either the Indemnifying Party or the Indemnified Party may bring an arbitration in accordance with Section 10.7(b) to resolve the matter.

8.6 **Effect of Investigation; Waiver.**

(a) Effect of Knowledge. The Indemnified Party's right to indemnification or other remedies based upon the representations and warranties, covenants, and agreements of the Indemnifying Party are not affected by any investigation or knowledge of the Indemnified Party or any waiver by the Indemnified Party of any condition based on the accuracy of any representation or warranty, or compliance with any covenant or agreement. Such representations and warranties, covenants, and agreements are not affected or deemed waived by reason of the fact that the Indemnified Party knew or should have known that any representation or warranty might be inaccurate or that the Indemnifying Party failed to comply with any agreement or covenant. The Parties agree that the representations and warranties contained herein are bargained-for terms of this Agreement and that any investigation by the Indemnified Party is for its own protection only and does not affect or impair any right or remedy hereunder.

(b) Waiver. Each of Caladrius and Company acknowledges and agrees that, upon and following the Closing, Company has no liability or obligation to indemnify, save, or hold harmless Caladrius, and may not otherwise pay, reimburse, or make Caladrius whole, for or on account of any indemnification or other claims made by any Purchaser Indemnitee hereunder. Caladrius has no right of contribution against Company with respect to any such indemnification or other claim.

8.7 **Third-Party Claims.** Subject to Section 8.4, if the Indemnified Party delivers a Claim Notice to the Indemnifying Party in respect of a claim by a third party against the Indemnified Party (a "Third-Party Claim"), the Indemnifying Party may, at its expense, participate in, but may not determine or conduct, the defense of such Third-Party Claim (which participation includes participation in settlement discussions). The Indemnified Party may, in its sole discretion, conduct the defense of and settle any such Third-Party Claim; *provided*, that, in the absence of the consent of the Indemnifying Party (such consent not to be unreasonably withheld), (i) no settlement of any such Third-Party Claim shall be determinative of the amount of Losses (if any) for which the Indemnified Party is entitled to be indemnified with respect to such Third-Party Claim, and (ii) no such settlement shall be binding in any way on the Indemnifying Party or any of its Affiliates. If the Indemnifying Party has consented to any such settlement, the Indemnifying Party has no power or authority to object under any provision of this ARTICLE VIII to the amount of any claim by the Indemnified Party with respect to such settlement.

ARTICLE IX

CONFIDENTIALITY

9.1 **Confidentiality.** Each Party shall, and shall cause its Affiliates, officers, directors, employees, agents, and other representatives to, keep confidential, and not use or disclose in any manner (including by making a press release or any other announcement), (i) any matters relating to this Agreement (including the existence and terms and conditions of this Agreement) or the transactions contemplated by this Agreement; or (ii) any proprietary and non-public information, in any form, relating to the other Parties (together with the information described in clause (i) above, the ("Confidential Information"); *provided*, however, that each Party may disclose such information (x) to its officers, directors, members, managers, employees, investment bankers, accountants, attorneys, and agents whose duties require them to know such information in connection with this Agreement and the transactions contemplated hereby (*provided* that such Persons agree to maintain the confidentiality of such information in accordance herewith); (y) to any Affiliate in the ordinary course of business (*provided* that such Affiliate agrees to maintain the confidentiality of such information in accordance herewith or is already subject to substantially similar confidentiality restrictions as set forth herein); or (z) as may be required by Law or Order (*provided* that the disclosing Party gives the other Parties reasonable prior opportunity to comment upon such disclosure to the extent permitted by Law and agrees to cooperate to take reasonable steps to minimize the extent of any such required disclosure); *provided further*, Caladrius may disclose information relating to Company to the extent required under Law (as determined by Caladrius in its sole discretion) in connection with reports, registration statements, prospectuses, proxy statements and other documents it files with the SEC.

9.2 **Exceptions.** The term "Confidential Information" does not include information that (i) was in the public domain prior to the time it was furnished to recipient or is at the time of the alleged breach (through no willful or improper action or inaction by such recipient) generally available to the public, (ii) was or becomes available to a Party on a non-confidential basis from a source other than one of the other Parties or its Affiliates, *provided* such other source not be known by the Party to be bound by a confidentiality obligation to the other Parties, (iii) is lawfully known to a Party prior to disclosure of the Confidential Information by the other Parties, or (iv) is independently developed by a Party without any use of any Confidential Information disclosed by the other Parties.

ARTICLE X

GENERAL PROVISIONS

10.1 **Amendment and Waiver.** This Agreement may not be amended, supplemented, or otherwise modified except by a writing duly executed by the Parties. Any Party may, to the extent legally allowed, waive compliance with any of the agreements or conditions for its benefit contained herein or in any agreement, certificate, or document delivered pursuant hereto.

10.2 **Binding Effect; Assignment.** This Agreement is binding upon and shall inure to the benefit of the Parties and their respective successors and permitted assigns. Except as otherwise provided herein, no Party may assign this Agreement or any of its rights and obligations hereunder without the prior written consent of the other Parties, except that Purchaser may assign this Agreement to any one of its Affiliates upon prior written notice to Company (but, notwithstanding any such assignment, Purchaser shall continue to be obligated to perform the provisions hereof relating to Purchaser).

10.3 **Severability.** The invalidity of any provision of this Agreement or portion of a provision does not affect the validity of any other provision of this Agreement or the remaining portion of the applicable provision.

10.4 **Entire Agreement.** This Agreement and the other Transaction Agreements constitute the full and entire agreement among the Parties with respect to the subject matter herein contained and supersede any and all prior Contracts, whether written or oral, that may exist among the Parties with respect to the subject matter herein contained.

10.5 **Notice.** All notices, requests, claims, demands, and other communications hereunder must be in writing and shall be deemed effectively given or made upon the earliest to occur of (i) actual receipt, or (ii) delivery in person to the Party to be notified, or (iii) one Business Day after deposit with a nationally recognized courier, freight prepaid, specifying next Business Day delivery, with written verification of receipt. All communications shall be sent to the respective Parties at the following addresses (or at such other address for a Party as specified in a notice given in accordance with this Section):

To Purchaser:

Hitachi Chemical Co. America, Ltd.
2150 North First Street Suite #350
San Jose, CA 95131
Attn.: Chief Financial Officer

with a copy to:

Hitachi Chemical Co., Ltd.
9-2, Marunouchi 1-chome,
Chiyoda-ku, Tokyo 100-6606, Japan
Attn.: Division Manager of Legal Division

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

Fenwick & West LLP
555 California Street, 12th Floor
San Francisco, CA 94104
Attention: Ralph M. Pais, Esq. and Sam Angus, Esq.

Nagashima Ohno & Tsunematsu
JP Tower, 2-7-2, Marunouchi,
Chiyoda-ku, Tokyo 100-7036, Japan
Attention: Soichiro Fujiwara, Esq.

To Caladrius:

Caladrius Biosciences, Inc.
420 Lexington Ave, Suite 350
New York, New York 10170
Attn.: General Counsel

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

If prior to May 1, 2016
Neil A. Torpey, Esq.
Paul Hastings LLP
75 E. 55th Street
New York, NY 10022

If on or following May 1, 2016
Neil A. Torpey, Esq.
Paul Hastings LLP
200 Park Avenue
New York, NY 10166

To Company:

PCT, LLC, a Caladrius Company
Caladrius Biosciences, Inc.
420 Lexington Ave, Suite 350
New York, New York 10170
Attn.: General Counsel

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

Neil A. Torpey, Esq.
Paul Hastings LLP
75 E. 55th Street
New York, NY 10022

10.6 **Governing Law.** This Agreement is governed by and construed in accordance with the laws of Delaware, without regard to conflicts of law principles.

10.7 **Dispute Resolution.**

(a) Good Faith Discussions. Except as provided in Section 8.5, any dispute arises in connection with this Agreement, the Parties shall attempt, in fair dealing and in good faith, to settle such dispute through mutual discussions within a period of 60 days. If the Parties are not able to reach an amicable settlement within such time period, then either Party may, by written notification to the other Parties, require that the dispute be submitted for resolution pursuant to the provisions of Section 10.7(b).

(b) Arbitration. All disputes in connection with this Agreement that are not settled pursuant to Section 8.5 or Section 10.7(a), including any question regarding the existence, validity, or termination or any subsequent amendment of this Agreement, and all claims in connection with it in respect of which no dispute exists but that require enforcement, are to be finally resolved in New York City, New York by and in accordance with the arbitration rules, then in effect, of the International Chamber of Commerce (the "Rules") without recourse to the ordinary courts of Law. The arbitral tribunal is to consist of three arbitrators to be chosen in accordance with the Rules. The language to be used in the arbitration proceedings is to be English. Any Party may, at its own expense, provide for translation of any documents submitted in the arbitration or translation or interpretation of any testimony taken at any hearing before the arbitral tribunal. Judgment on any award may be entered in any court having jurisdiction over a Party or its assets or business.

(c) Tolling. All applicable statutes of limitation are to be tolled while the procedures specified in this Section 10.7 are pending. The Parties shall take such action, if any, required to effectuate such tolling.

10.8 **Counterparts.** This Agreement may be executed in any number of counterparts, each of which is deemed to be an original, and all such counterparts constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com), or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

10.9 **Costs and Expenses.** The Parties shall each bear their own respective costs and expenses (including legal fees) incurred in connection with this Agreement, the transactions contemplated herein, and any related agreements.

10.10 **Attorneys' Fees**. If any action at law or in equity (including, arbitration) is necessary to enforce or interpret the terms of any of the Transaction Agreements, the prevailing party is entitled to reasonable attorneys' fees, costs, and necessary disbursements in addition to any other relief to which such party may be entitled.

10.11 **Language.** This Agreement is made in the English language, which is the controlling language hereof, and any translation of this Agreement into a language other than English has no validity or effect in construing the terms and conditions hereof or the rights and obligations of the Parties hereunder.

10.12 **Headings.** The section headings contained in this Agreement are inserted for convenience only and do not affect in any way the meaning or interpretation of this Agreement.

10.13 **Delays or Omissions.** No delay or omission to exercise any right, power, or remedy accruing to any Party, upon any breach or default of any other Party, impairs any such right, power, or remedy of such non-breaching or non-defaulting Party nor may it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring; nor may any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent, or approval of any kind or character on the part of any Party of any breach or default under this Agreement, or any waiver on the part of any Party of any provisions or conditions of this Agreement, must be in writing and is effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by Law or otherwise afforded to any Party, are cumulative and not alternative.

10.14 **No Commitment for Additional Financing**. Company acknowledges and agrees that Purchaser has not made any representation, undertaking, commitment, or agreement to provide or assist Company in obtaining any financing, investment, or other assistance, other than the purchase of the Units as set forth herein and subject to the conditions set forth herein. In addition, Company acknowledges and agrees that (i) no statements, whether written or oral, made by Purchaser or its representatives on or after the Effective Date create any obligation, commitment, or agreement to provide or assist Company in obtaining any financing or investment, (ii) Company may not rely on any such statement by Purchaser or its representatives, and (iii) an obligation, commitment, or agreement to provide or assist Company in obtaining any financing or investment may only be created by a written agreement, signed by Purchaser and Company, setting forth the terms and conditions of such financing or investment and stating that the Parties intend for such writing to be a binding obligation or agreement. Purchaser may, in its sole and absolute discretion, refuse or decline to participate in any other financing of or investment in Company, and has no obligation to assist or cooperate with Company in obtaining any financing, investment, or other assistance.

[Signature Pages Follow]

IN WITNESS WHEREOF, each Party has caused this Agreement to be executed on the Effective Date.

COMPANY:

PCT, LLC, A CALADRIUS COMPANY, a Delaware limited liability company

By:
Robert A. Preti, President

CALADRIUS:

CALADRIUS BIOSCIENCES, INC., a Delaware corporation

By:
David J. Mazzo, Chief Executive Officer

PURCHASER:

HITACHI CHEMICAL CO. AMERICA, LTD., a New York corporation

By:

Name:

Title:

Schedule 4.1

Representations and Warranties Concerning Caladrius

(a) **Organization.** Caladrius is a corporation duly organized, validly existing, and in good standing under the laws of the jurisdiction of its incorporation. There is no pending or, to Caladrius's Knowledge, threatened, Proceeding for the dissolution, liquidation, insolvency or rehabilitation of Caladrius, whether voluntary or involuntary.

(b) **Authorization of Transaction.** Caladrius has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder. The Transaction Agreements, when executed and delivered by Caladrius, will constitute the valid and legally binding obligation of Caladrius, enforceable in accordance with their respective terms. Caladrius is not required to give any notice to, make any filing with, or obtain any authorization, consent, or approval of any Governmental Authority in order to consummate the transactions contemplated by this Agreement, other than filings required by the rules of the U.S. Securities and Exchange Commission (the "SEC"). All corporate action required to be taken by Caladrius's directors, stockholders, and officers necessary for the execution, delivery, and performance of the Transaction Agreements, and the issuance of the Units, has been taken or will be taken prior to the Closing.

(c) **Non-contravention.** Neither the execution and the delivery of the Transaction Agreements, nor the consummation of the transactions contemplated thereby, will (i) violate any Law or Order or other restriction of any Governmental Authority to which Caladrius is subject or any provision of its articles of incorporation, bylaws, or other governing documents or give any Governmental Authority or other Person the right to challenge any of the transactions contemplated by the Transaction Agreements or to exercise any remedy, obtain any relief under, or revoke or otherwise modify any rights held under, any such Law or Order, (ii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any Person the right to accelerate, terminate, modify, or cancel, or require any notice under, any Contract to which Caladrius is a party, a beneficiary, or by which it is bound or to which any of its assets is subject, or (iii) result in, or constitute an event that results in, the creation of a Lien.

(d) **Brokers.** No financial advisor, broker, or finder is entitled to any broker's, finder's, investment banking, or similar fees, commissions, or expenses in connection with this Agreement or the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Caladrius or Company, other than those that will be paid solely by Caladrius.

Schedule 4.2

Representations and Warranties Concerning Company

For purposes of these representations and warranties in this Schedule 4.2 (other than those in Schedules 4.2(a), (c), (e), (f), (h) and (k)), the term "the Company" shall include each Subsidiary of the Company, unless otherwise noted herein.

(a) **Organization and Good Standing.** Company is a limited liability company duly organized, validly existing, and in good standing under the laws of the State of Delaware, with full power and authority to conduct its business as it is now being conducted and as proposed to be conducted, to own or use the properties and assets that it purports to own or use, and to perform all its obligations under the Material Contracts. Company is duly qualified to do business as a foreign entity and is in good standing under the laws of each state or other jurisdiction in which either the ownership or use of the properties owned or used by it, or the nature of the activities conducted by it, requires such qualification. Company has delivered to Purchaser a copy of Company's certificate of formation and operating agreement, in effect as of the Effective Date and as of the Closing Date.

(b) **Compliance with Other Instruments**. Company is not in violation or default (i) of any provisions of its Certificate of Formation or operating agreement, (ii) of any Order, (iii) under any note, indenture, or mortgage, or (iv) under any Contract to which it is a party or by which it is bound that is required to be listed in the Disclosure Schedule.

(c) **Authorization of Transaction.** Company has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder. The Transaction Agreements, when executed and delivered by Company, will constitute the valid and legally binding obligation of Company, enforceable in accordance with their respective terms. All corporate action required to be taken by Company's members, managers, and officers necessary for the execution, delivery, and performance of the Transaction Agreements, and the issuance of the Units, has been taken or will be taken prior to the Closing.

(d) **Non-contravention.** Neither the execution and the delivery of the Transaction Agreements, nor the consummation of the transactions contemplated thereby, will (i) violate any Law or Order or other restriction of any Governmental Authority to which Company is subject or any provision of its certificate of formation or other governing documents or give any Governmental Authority or other Person the right to challenge any of the transactions contemplated by the Transaction Agreements or to exercise any remedy, obtain any relief under, or revoke or otherwise modify any rights held under, any such Law or Order, (ii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any Person the right to accelerate, terminate, modify, or cancel, or require any notice under, any Contract to which Company is a party, a beneficiary, or by which it is bound or to which any of its assets is subject, or (iii) result in, or constitute an event that results in, the creation of a Lien.

(e) **Capitalization.**

(i) Immediately prior to the Closing, Caladrius beneficially and of record owns 100% of the Equity Interests in Company, free of all Liens. All of such Equity Interests in Company outstanding immediately prior to the Closing have been duly authorized, and are validly issued, fully-paid and non-assessable. There are no, and there have not been any, other owners of Equity Interests in Company since the Acquisition Date.

(ii) Except as contemplated by this Agreement and the Operating Agreement, there are no outstanding or authorized options, warrants, purchase rights, subscription rights, or other Contracts or rights that could require Company to issue, sell, or otherwise cause to become outstanding any other Equity Interests in Company.

(iii) On the Closing Date, the Units issued to Purchaser will be duly authorized, validly issued, fully paid, and free of Liens (except as expressly set forth in the Operating Agreement). The Units will not, at Closing, be the subject of any option to purchase, right of first refusal, or other Contract creating any rights whatsoever in the Units in any Person other than Purchaser, nor are there any statutory or contractual preemptive rights or rights of first refusal or other similar restrictions with respect to the purchase and sale of the Units hereunder, except, in each case, as expressly set forth in the Operating Agreement.

(iv) Schedule 4.2(e)(iv) of the Disclosure Schedule sets forth all of the authorized and outstanding Equity Interests of Company as of the moment immediately following the Closing. The rights, preferences, privileges, and restrictions of each of the Equity Interests in Company are as stated in the Operating Agreement. Except as expressly set forth in the Operating Agreement, there are no agreements or understandings with respect to the voting, transfer, issuance, sale, redemption, transfer, or other disposition of the Equity Interests in Company.

(f) **Financial Statements.** Company has delivered to Purchaser:

(i) the unaudited (subject to final opinion of the auditor) carve out balance sheets of Company as of December 31, 2015 (the "Balance Sheet Date"), December 31, 2014 and December 31, 2013 and the related unaudited carve out statements of operations, statements of invested capital, and statement of cash flows for the fiscal years ended December 31, 2015, December 31, 2014 and December 31, 2013. Such financial statements and notes fairly present the financial condition and the results of operations, changes in member capital accounts, and cash flows of Company as of the respective dates of and for the periods referred to in such financial statements, all in accordance with generally accepted accounting principles ("GAAP"). The financial statements referred to in this Section 4.2(f) (the "Financial Statements") reflect the consistent application of such accounting principles throughout the periods involved, except as disclosed in the notes to such financial statements. Except as set forth in the Financial Statements, Company has no material liabilities or obligations, contingent or otherwise, other than (x) liabilities incurred in the ordinary course of business subsequent to the Balance Sheet Date; (y) obligations under contracts and commitments incurred in the ordinary course of business; and (z) liabilities and obligations of a type or nature not required under GAAP to be reflected in the Financial Statements, that, in all such cases, individually and in the aggregate would not have a Material Adverse Change. Company maintains and will continue to maintain a standard system of accounting established and administered in accordance with GAAP.

(ii) adjusted carve out financial statements prepared by management to more appropriately reflect the actual historical result of operations (balance sheets, income statements and cash flows) with allocated cost associated with support by Caladrius.

(g) **Govermental Consents and Filings.** Company is not required to give any notice to, make any filing, or obtain any registration, qualification, or declaration with, or obtain any authorization, consent, Order, or approval of any Governmental Authority in order to consummate the transactions contemplated by this Agreement, other than the filing of a Form D pursuant to Regulation D under the Securities Act of 1933, as amended (the "Act"). Under the circumstances contemplated by this Agreement, the offer, issuance, sale, and delivery of the Units (i) will not, under current Law, require compliance with the prospectus delivery or registration requirements in the Act and (ii) will be issued in compliance with all applicable federal and state securities Laws. No "bad actor" disqualifying event described in Rule 506(d)(1)(i)-(viii) of the Act (a "Disqualification Event") is applicable to Company or, to the Knowledge of Caladrius or Company, any Company Covered Person, except for a Disqualification Event as to which Rule 506(d)(2)(ii-iv) or (d)(3), is applicable.

(h) **Books and Records.** The Operating Agreement and Certificate of Formation of Company are in the form provided to Purchaser. The books of account, minute books, and other records of meetings and written consents of the members of Company, records regarding the transfers of Equity Interests, records showing the Equity Interests of Company and other records of Company, all of which have been disclosed and provided to Purchaser, are complete and correct and have been maintained in accordance with sound business practices, including the maintenance of an adequate system of internal controls. Since the Acquisition Date, no meeting of the Company's members, managers, or committees of the managers has been held. The minutes books of the board of directors of Caladrius (the "Caladrius Board") contains accurate and complete records of all meetings held of, and action taken by, the Caladrius Board that relate to the Company since the Acquisition Date (the "Company-Related Caladrius Minutes"), and, since the Acquisition Date, no such meeting of the Caladrius Board has been held for which minutes have not been prepared. Company has delivered to Purchaser copies of all of the Company-Related Caladrius Minutes and has redacted only those portions of such minutes that (i) relate to matters other than the Company or (ii) contain confidential information relating to (a) the acquisition of, or investments in, Caladrius or Company and (b) potential strategic relationships with Caladrius or Company.

(i) **Title to Properties; Liens.** The Disclosure Schedule contains a complete and accurate list of all real property, leaseholds, and other interests therein owned by Company. Company has delivered to Purchaser copies of the deeds and other instruments (as recorded) by which Company acquired such real property and interests, and copies of all title insurance policies, opinions, abstracts, and surveys in the possession of Caladrius or Company and relating to such property or interests. Company owns (with good and marketable title in the case of real property, subject only to the matters permitted by the following sentence) all the properties and assets (whether real, personal, or mixed and whether tangible or intangible) it purports to own as reflected as owned in the books and records of Company, including all of the properties and assets reflected on the Company's balance sheet as of the Balance Sheet Date (the "Balance Sheet"), and all of the properties and assets purchased or otherwise acquired by Company since the Balance Sheet Date (except for personal property acquired and sold since the Balance Sheet Date in the ordinary course of business and consistent with past practice), which subsequently purchased or acquired properties and assets (other than inventory and short-term investments) are listed in the Disclosure Schedule. All properties and assets that Company owns are free of all Liens and are not, in the case of real property, subject to any rights of way, building use restrictions, exceptions, variances, reservations, or limitations of any nature except, with respect to all such properties and assets, (i) mortgages or security interests shown on the Balance Sheet as securing specified liabilities or obligations, with respect to which no default (or event that, with notice or lapse of time or both, would constitute a default) exists, (ii) Liens that arise in the ordinary course of business that do not materially impair Company's ownership or use of such properties or assets, and (iii) Liens for current Taxes not yet due. All

buildings, plants, and structures owned by Company lie wholly within the boundaries of the real property owned by Company and do not encroach upon the property of, or otherwise conflict with the property rights of, any other Person. With respect to the properties and assets it leases, Company is in compliance with such leases and, to its Knowledge, holds a valid leasehold interest free of any Liens other than those of the lessors of such property or assets.

(j) **Condition and Sufficiency of Assets.** The buildings, plants, structures, and equipment of Company are structurally sound, are in good operating condition and repair, and are adequate for the uses to which they are being put, and none of such buildings, plants, structures, or equipment is in need of maintenance or repairs except for ordinary, routine maintenance and repairs that are not material in nature or cost. The building, plants, structures, and equipment of Company are sufficient for the continued conduct of the business of Company after the Closing in substantially the same manner as conducted prior to the Closing and as proposed to be conducted.

(k) **Accounts Receivable.** All accounts receivable of Company that are reflected on the Balance Sheet or the accounting records of Company as of the Closing Date (collectively, the "Accounts Receivable") represent or will represent valid obligations arising from sales actually made or services actually performed in the ordinary course of business. Unless paid prior to the Closing Date, the Accounts Receivable are or will be as of the Closing Date current and collectible net of the respective reserves shown on the Balance Sheet or the accounting records of Company as of the Closing Date (which reserves are adequate and calculated consistent with past practice and, in the case of the reserve as of the Closing Date, will not represent a greater percentage of the Accounts Receivable as of the Closing Date than the reserve reflected in the Balance Sheet represented of the Accounts Receivable reflected therein and will not represent a Material Adverse Change in the composition of such Accounts Receivable in terms of aging). Subject to such reserves, each of the Accounts Receivable either has been or will be collected in full, without any set-off, within 90 days after the date on which it first becomes due and payable. There is no contest, claim, or right of set-off, other than returns in the ordinary course of business, under any Contract with any obligor of an Accounts Receivable relating to the amount or validity of such Accounts Receivable. The Disclosure Schedule contains a complete and accurate list of all Accounts Receivable as of the date of the Balance Sheet, which list sets forth the aging of such Accounts Receivable. None of the Accounts Receivable is contingent upon the performance by Company of any material obligation or Contract, and no Contract for material deduction or material discount has been made with respect to any of such Accounts Receivable.

(l) **Inventory.** All inventory of Company, whether or not reflected in the Balance Sheet, consists of a quality and quantity usable and salable in the ordinary course of business, except for obsolete items and items of below-standard quality, all of which have been written off or written down to net realizable value in the Balance Sheet or on the accounting records of Company as of the Closing Date, as the case may be. All inventories are valued at the lower of cost or net realizable value.

(m) **No Undisclosed Liabilities.** Company has no liabilities or obligations of any nature (whether known or unknown and whether absolute, accrued, contingent, or otherwise) except for liabilities or obligations reflected or reserved against in the Balance Sheet and current liabilities incurred in the ordinary course of business since the respective dates thereof.

(n) **Taxes.**

(i) Company has filed or caused to be filed all material Tax returns that are or were required to be filed by or with respect to it pursuant to applicable Law. All such Tax returns were correct and complete in all material respects. Company has delivered to Purchaser correct and complete copies of all such Tax returns relating to income or franchise taxes filed since January 1, 2012. Company has paid, or made provision for the payment of, all Taxes that have or may have become due pursuant to those Tax returns or otherwise, or pursuant to any assessment received by Company, except such Taxes, if any, as are listed in the Disclosure Schedule and are being contested in good faith and as to which adequate reserves (determined in accordance with GAAP) have been provided in the Balance Sheet.

(ii) Through the VDR, Company has provided Purchaser with access to all Tax returns filed since January 1, 2012 that have been audited. All deficiencies proposed as a result of such audits have been paid, reserved against, settled, or, as described in the Disclosure Schedule, are being contested in good faith by appropriate Proceedings. Except as disclosed in the VDR, Company has not been given or been requested to give waivers or extensions (or is or would be subject to a waiver or extension given by any other Person) of any statute of limitations relating to the payment of Taxes of Company or for which Company may be liable.

(iii) Except as disclosed in the Balance Sheet or in the Disclosure Schedule, there is no material dispute or claim concerning any Taxes of Company either (x) claimed or raised by any Governmental Authority in writing or (y) as to which Caladrius or Company has Knowledge based upon contact with any agent of such Governmental Authority.

(iv) The unpaid Taxes of Company do not exceed by any material amount the charges, accruals, and reserves with respect to Taxes on the Balance Sheet and will not exceed by any material amount such charges, accruals and reserves as adjusted for operations and transactions through the Closing Date.

(v) All Taxes that Company is or was required by Law to withhold or collect have been duly withheld or collected and, to the extent required, have been paid to the proper Governmental Authority or other Person.

(vi) There is no Tax sharing agreement that will require any payment by Company after the Effective Date.

(vii) There are no Liens for Taxes upon any property of Company except for Liens for current Taxes not yet due and payable.

(viii) There are no Liabilities for sales tax in the state of California for any period prior to the Closing Date.

(o) **Employee Benefits.**

(i) The Disclosure Schedule contains a list, with respect to Company and any trade or business (whether or not incorporated) that is treated as a single employer with Company (an "ERISA Affiliate") within the meaning of Section 414(b), (c), (m) or (o) of the Code of all of the plans, funds, policies, programs, arrangements, and understandings to which any employee of Company (or any dependent or beneficiary of any such employee) might be or become entitled to: (1) material retirement or profit-sharing or stock bonus benefits; (2) severance or separation from service benefits; (3) incentive, performance, stock, share appreciation, or bonus awards; (4) health care benefits; (5) disability income or wage continuation benefits; (6) supplemental unemployment benefits; (7) life insurance, death or survivor's benefits; (8) accrued sick pay or vacation pay; (9) any type of benefit offered under any arrangement subject to characterization as an "employee benefit plan" within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"); or (10) material benefits of any other type offered through any arrangement that could be characterized as providing for additional compensation or fringe benefits and to which Company is a party or by which Company is bound (collectively referred to as the "Employee Benefit Plans"). Company has not received any written notice of noncompliance, and Company is in material compliance with all terms of the Employee Benefit Plans and with ERISA and all other applicable Laws as they affect Company and its employees. Company has not received written notice of, and to the best of Caladrius's and Company's Knowledge there are no, claims or defaults, nor are there any facts or conditions that if continued, or on notice, will result in a default under any of the Employee Benefit Plans.

(ii) Neither Company nor any ERISA Affiliate has failed to make any required contributions and none of them has any liability to any such Employee Benefit Plan, other than liability for health plan continuation coverage described in Part 6 of Title I(B) of ERISA, and each has complied in all material respects with all applicable Laws for any such Employee Benefit Plan.

(iii) Company believes in good faith that any "nonqualified deferred compensation plan" (as such term is defined under Section 409A(d)(1) of the Code and the guidance thereunder) under which Company makes, is obligated to make, or promises to make, payments (each, a "409A Plan") complies in all material respects, in both form and operation, with the requirements of Section 409A of the Code and the guidance thereunder. To the Knowledge of Caladrius and Company, no payment to be made under any 409A Plan is, or will be, subject to the penalties of Section 409A(a)(1) of the Code.

(p) **Compliance with Law; Governmental Authorizations.** To the extent the representations and warranties in this section relate to facts or events arising prior to the Acquisition Date, each such representation or warranty will be limited to the Knowledge of Caladrius.

(i) Company is, and at all times since its formation has been, in material compliance with all Laws that are or were applicable to it or to the conduct or operation of its business or the ownership or use of any of its assets.

(ii) No event has occurred or circumstance exists that (with or without notice or lapse of time) (1) may constitute or result in a violation by Company of, or a failure on the part of Company to comply with, any Law or (2) may give rise to any obligation on the part of Company to undertake, or to bear all or any portion of the cost of, any remedial action of any nature.

(iii) Company has not received, at any time since its formation, any notice or other communication (whether oral or written) from any Governmental Authority or any other Person regarding (1) any actual, alleged, possible, or potential violation of, or failure to comply with, any Law, or (2) any actual, alleged, possible, or potential obligation on the part of Company to undertake, or to bear all or any portion of the cost of, any remedial action of any nature.

(iv) The Disclosure Schedule contains a complete and accurate list of each material Governmental Authorization that is held by Company or that otherwise relates to, or is necessary for, the business of, and any of the assets owned or used by, Company. Each Governmental Authorization listed or required to be listed in the Disclosure Schedule is valid and in full force and effect.

(v) Company is, and at all times since its formation has been, in full compliance with all of the terms and requirements of each Governmental Authorization identified or required to be identified in the Disclosure Schedule.

(vi) No event has occurred or circumstance exists that may (with or without notice or lapse of time) (1) constitute or result directly or indirectly in a material violation of or a failure to comply with any term or requirement of any Governmental Authorization listed or required to be listed in the Disclosure Schedule, or (2) result directly or indirectly in the revocation, withdrawal, suspension, cancellation, or termination of, or any modification to, any Governmental Authorization listed or required to be listed in the Disclosure Schedule.

(vii) Company has not received, at any time since its formation, any notice or other communication (whether oral or written) from any Governmental Authority or any other Person regarding (1) any actual, alleged, possible, or potential violation of or failure to comply with any term or requirement of any Governmental Authorization, or (B) any actual, proposed, possible, or potential revocation, withdrawal, suspension, cancellation, termination of, or modification to any Governmental Authorization.

(viii) All applications required to have been filed for the renewal of the Governmental Authorizations listed or required to be listed in the Disclosure Schedule have been duly filed on a timely basis with the appropriate Governmental Authority, and all other filings required to have been made with respect to such Governmental Authorizations have been duly made on a timely basis with the appropriate Governmental Authority.

(ix) The Governmental Authorizations listed in the Disclosure Schedule collectively constitute all of the material Governmental Authorizations necessary to permit Company to lawfully conduct and operate its businesses in the manner it currently conducts and operates such businesses and to permit Company to own and use its assets in the manner in which it currently owns and uses such assets.

(q) **Legal Proceedings; Orders.**

(i) There is no pending Proceeding that has been commenced by, and to the Knowledge of Caladrius and Company, no such Proceeding has been threatened (a) against Company or any member (but only to the extent it relates to Company's Business) manager, officer, or Key Employee of Company, (b) that otherwise relates to or may affect the business of, or any of the assets owned or used by, Company, or (c) that challenges, or that may have the effect of preventing, delaying, making illegal, or otherwise interfering with, any of the transactions contemplated under this Agreement. To the Knowledge of Caladrius and Company, no event has occurred or circumstance exists that may give rise to or serve as a basis for the commencement of any such Proceeding. There is no Proceeding by Company or that Company intends to initiate. The foregoing includes, without limitation, Proceedings pending or threatened in writing (or any basis therefor known to Company) involving the prior employment of any of Company's employees, their services provided in connection with Company's business, any information or techniques allegedly proprietary to any of their former employers, or their obligations under any agreements with prior employers.

(ii) There is no Order to which Company, or any of the assets owned or used by Company, is subject.

(iii) To the Knowledge of Caladrius and Company, no officer, manager, agent, or employee of Company is subject to any Order that prohibits such Person from engaging in or continuing any conduct, activity, or practice relating to the business of Company.

(r) **Absence of Certain Changes and Events.** Since the Balance Sheet Date, Company has conducted its business only in the ordinary course of business and there has not been any:

(i) transfer or change of record or beneficial ownership by any member of its interest or any other Equity Interest in Company, issuance of any Equity Interest in Company or grant of any option or right to purchase any Equity Interest in Company, admission or agreement to admit any new member to Company, grant of any purchase, redemption, retirement, or other acquisition by Company of any Equity Interest in Company, or any declaration, setting aside, payment of, agreement to pay, or other distribution in respect of any Equity Interest in Company;

(ii) amendment to the certificate of formation or operating agreement of Company;

(iii) payment or increase by Company of any bonuses, salaries, or other compensation to any member, manager, officer or (except in the ordinary course of business) employee of Company or entry into any employment, severance, or similar Contract with any such Person;

(iv) adoption of, or increase in the payments to or benefits under, any profit sharing, bonus, deferred compensation, savings, insurance, pension, retirement, or other Employee Benefit Plan for or with any employees of Company;

(v) damage to or destruction or loss of any asset or property of Company, whether or not covered by insurance, that would have a Material Adverse Change;

(vi) entry into, termination of, receipt of notice of termination of, or any material change to, any Material Contract;

(vii) sale (other than sales of inventory in the ordinary course of business), lease, or other disposition of any asset or property of Company or mortgage, pledge, or imposition of any other Lien on any material asset or property of Company, including the sale, lease, or other disposition of any of the Intellectual Property of Company;

(viii) cancellation, waiver, or compromise of any claims or rights with a value to Company in excess of $100,000;

(ix) material change in the accounting methods used by Company;

(x) change in the assets, liabilities, financial condition, or operating results of Company from that reflected in the Financial Statements, except changes in the ordinary course of business that have not caused, in the aggregate, a Material Adverse Change;

(xi) Material Adverse Change with respect to the Company;

(xii) any satisfaction or discharge of any Lien or payment of any obligation by Company, except in the ordinary course of business and the satisfaction or discharge of which would not have a Material Adverse Change;

(xiii) any resignation or termination of any member, manager, officer, or Key Employee of Company;

(xiv) any loans or guaranties made by Company to or for the benefit of its employees, members, managers, officers, or any members of their immediate families, other than travel advances and other advances made in the ordinary course of its business;

(xv) receipt of notice that there has been a loss of, or material order cancellation by, any major customer of Company;

(xvii) to Caladrius's and Company's knowledge, any other event or condition of any character that could reasonably be expected to result in a Material Adverse Change; or

(xviii) Contract, whether oral or written, by Company to do any of the foregoing.

(s) **Material Contracts.** The Disclosure Schedule contains a complete and accurate list (except where specific reference to a Contract is not required as set forth below) of all of the following existing Contracts to which Company is a party or to which Company or any of its assets is subject (the "Material Contracts"):

(i) any Contract (or group of related Contracts) for the lease of personal property to or from any Person providing for lease payments in excess of $100,000 per annum;

(ii) any Contract (or group of related Contracts) for the purchase or sale of raw materials, commodities, supplies, products, or other personal property, or for the furnishing or receipt of services, the performance of which will extend over a period of more than one year or involve consideration in excess of $250,000, provided however, that customer Contracts entered into in the ordinary course of business consistent with past practice that, by their terms, do not permit disclosure to third parties may be listed on the Disclosure Schedule in a manner so as not to result in a breach of the confidentiality obligations set forth in such Contracts;

(iii) any Contract concerning a partnership or joint venture;

(iv) any Contract (or group of related Contracts) under which Company has created, incurred, assumed, or guaranteed any indebtedness for borrowed money, or any capitalized lease obligation, in excess of $100,000 or under which Company has imposed a Lien on any of its material assets, tangible or intangible;

(v) any Contract limiting the freedom of Company or any Subsidiary of Company to engage or participate, or compete with any other Person, in any line of business, market, or geographic area, or to make use of any Intellectual Property, or any Contract granting most favored nation pricing, exclusive sales, distribution, marketing, or other exclusive rights, rights of refusal, rights of first negotiation, or similar rights, or terms to any Person, or any Contract otherwise limiting the right of Company or any Subsidiary of Company to sell, distribute, or manufacture any products or services, or to purchase or otherwise obtain any software, components, parts, subassemblies, or services;

(vi) any Contract with Caladrius or its Affiliates;

(vii) any Contract providing for payments to or by any Person based on sales, purchases, or profits, other than direct payments for goods, including any plan or arrangement for the benefit of its current or former managers, officers, and employees;

(viii) any collective bargaining agreement;

(ix) any Contract with Company for the employment of any individual on a full-time, part-time, consulting, or other basis providing a base salary in excess of $150,000 or providing severance benefits;

(x) any Contract under which Company has advanced or lent any amount to any of its managers, officers, and employees outside the ordinary course of business or advanced or lent any other Person amounts in the aggregate exceeding $10,000;

(xi) any Contract under which the consequences of a default or termination would lead to a Material Adverse Change;

(xii) each power of attorney that is currently effective and outstanding;

(xiii) each lease, rental or occupancy agreement, license, installment, and conditional sale agreement, and other applicable Contract affecting the ownership of, leasing of, title to, use of, or any leasehold or other interest in, any real or personal property (except personal property leases and installment and conditional sales agreements having a value per item or aggregate payments of less than $100,000 and with terms of less than one year);

(xiv) each licensing agreement or other Contract with respect to Intellectual Property or Intellectual Property Rights owned by Company or used in, or necessary for, the operation of the business of Company, including Contracts with current or former employees, consultants, and contractors regarding the use, assignment, ownership, or non-disclosure of any of the Intellectual Property or Intellectual Property Rights, but excluding, in each case, Contracts for object code licenses for generally commercially available or off-the-shelf software that has not been modified;

(xv) any other Contract (or group of related Contracts) the performance of which involves consideration in excess of $250,000;

(xvi) any agreement of indemnification or warranty not subject to a limitation of liability of Company of at least $250,000 or any Contract containing any support, maintenance, or service obligation or cost on the part of Company involving an amount in excess of $250,000;

(xvii) any Contract with any Governmental Authority;

(xviii) any confidentiality, secrecy, or non-disclosure Contract entered into subsequent to March 1, 2015 other than (i) any such Contract entered into with customers and distributors in the ordinary course of business consistent with past practice that does not contain any provision that would otherwise require disclosure pursuant to a provision of this Schedule 4.2(s) other than this clause (xviii) and (ii) any such Contract that, by its terms, does not permit disclosure to third parties and does not contain any provision that would otherwise require disclosure pursuant to a provision of this Schedule 4.2(s) other than this clause (xviii), in which case the Contracts referenced in the immediately preceding clause (ii) must be listed on the Disclosure

Schedule, but may be so listed in a manner so as not to result in a breach of the confidentiality obligations set forth in such Contracts; and

(xix) any settlement agreement since Acquisition Date, provided however, that settlement agreements that, by their terms, do not permit disclosure to third parties may be listed on the Disclosure Schedule in a manner so as not to result in a breach of the confidentiality obligations set forth in such agreements.

Through the VDR, Company has provided Purchaser with access to a correct and complete copy of each written Material Contract (as amended to date) other than those Material Contracts for which disclosure is not required, as specified in this Schedule 4.2(s). With respect to each Material Contract, (1) the Contract is legal, valid, binding, enforceable, except to the extent limited by the availability of specific equitable remedies, or by applicable bankruptcy, reorganization, insolvency, moratorium, or other similar Laws of general application relating to or affecting the enforcement of creditor's rights and in full force and effect; (2) to Caladrius's and Company's Knowledge, the Contract will continue to be legal, valid, binding, enforceable, except to the extent limited by the availability of specific equitable remedies, or by applicable bankruptcy, reorganization, insolvency, moratorium, or other similar Laws of general application relating to or affecting the enforcement of creditor's rights and in full force and effect on identical terms following the consummation of the transactions contemplated by this Agreement; (3) there exists no breach or event of default or event, occurrence, condition, or act with respect to Company, or to Caladrius's and Company's Knowledge, any other contracting party, that, with the giving of notice, the lapse of time or the happening of any other event or condition, would reasonably be expected to (i) become a material default or event of default under any Material Contract or (ii) give any third party (A) the right to declare a default or exercise any remedy under any Material Contract, (B) the right to a rebate, chargeback, refund, credit, penalty, or change in delivery schedule under any Material Contract, (C) the right to accelerate the maturity or performance of any material obligation of Company under any Material Contract, or (D) the right to cancel, terminate, or modify any Material Contract; and (4) Company has not received any notice or other communication regarding any actual or possible violation or breach of, default under, or intention to cancel or modify any Material Contract.

(t) **Insurance.**

(i) The Disclosure Schedule sets forth (1) an accurate and complete list of each insurance policy and fidelity bond that covers Company or its business, properties, assets, managers, or employees (the "Policies") and (2) a list of all pending claims and the claims history for Company during the current year and the preceding three years. Such Policies include all legally required workers' compensation insurance and errors and omissions, casualty, fire, and general liability insurance. There are no pending claims under any of such Policies as to which coverage has been questioned, denied or disputed by the insurer or in respect of which the insurer has reserved its rights.

(ii) The Disclosure Schedule includes any self-insurance arrangement by or affecting Company, and describes the loss experience for all claims (if any) that were self-insured in the current year and the preceding two years.

(iii) All Policies are in full force and effect and are enforceable in accordance with their terms and will continue in full force and effect following the Closing.

(iv) All premiums due under the Policies have been paid or accrued for in full. Company has not received a notice of cancellation of any Policy or of any material changes that are required in the conduct of the business of Company as a condition to the continuation of coverage under, or renewal of, any such Policy.

(u) **Environmental and Health.**

(i) To Caladrius's and Company's Knowledge, (1) Company has obtained, and is in material compliance with, all Environmental and Health Permits required in connection with its operations the failure of which to obtain would lead to a Material Adverse Change; (2) all such Environmental and Health Permits are valid and in full force and effect, and all renewal applications for such Environmental and Health Permits have been timely filed with the appropriate Governmental Authority; (3) none of such Environmental and Health Permits will be terminated or impaired or become terminable as a result of the transactions contemplated by this Agreement; (4) Company has been, and is currently, in compliance with all Environmental and Health Laws; and (5) neither Caladrius nor Company has received notice alleging that Company is not in such compliance with Environmental and Health Laws.

(ii) There are no pending or, to Caladrius's of Company's Knowledge, threatened, any Proceedings against Company under or relating to any Environmental and Health Law.

(iii) Company is not subject to any Order relating to compliance with any Environmental and Health Law or to investigation or clean-up of a hazardous substance under any Environmental and Health Law. Company has not entered into

any written agreement or settlement with any Governmental Authority with respect to its non-compliance with, or violation of, any applicable Law

(iv) No Lien has been attached to, or asserted against, the assets, real property or rights of Company pursuant to any Environmental and Health Law, and no such Lien has been threatened; and, to Caladrius's or Company's Knowledge, there are no facts, circumstances, or other conditions that could be expected to give rise to any Liens on or affecting any of the foregoing.

(v) There has been no treatment, storage, disposal, or release of any hazardous substance at, from, into, on, or under any real property or any other property currently or formerly owned, operated, or leased by Company, and no hazardous substances are present in, on, about, or migrating to or from any real property or any other property currently or formerly owned, operated, or leased by Company that would reasonably be expected to give rise to a Proceeding against Company under or relating to any Environmental and Health Law.

(vi) Company has timely filed all material regulatory reports, schedules, statements, documents, filings, submissions, forms, registrations, and other documents, together with any amendments required to be made with respect thereto, that Company was required to file with any Governmental Authority, including any applicable federal regulatory authorities, and all such reports, schedules, statements, documents, filings, submissions, forms, registrations and other documents were true, complete, and accurate in all material respects when filed, and Company has timely paid all Taxes, fees, and assessments due and payable in connection therewith.

(vii) No person has filed or, to Caladrius' or Company's knowledge, has threatened to file against Company, an action under any federal or state whistleblower statute.

(v) **Employees.**

(i) The Disclosure Schedule sets forth (1) a list of all managers, employees, individual contractors, and individual consultants of Company (including title and position) as of the Effective Date and (2) a detailed description of all compensation, including salary, bonus, severance obligations, and deferred compensation paid or payable for each officer, employee, consultant, and independent contractor of Company who received compensation in excess of $100,000 for the fiscal year ended December 31, 2015 or is anticipated to receive compensation in excess of $100,000 for the fiscal year ending December 31, 2016. The employment or engagement of all such Persons may be terminated by Company at any time with or without cause and without any severance or other liability to Company. Company has no policy, practice, plan, or program of paying severance pay or any form of severance compensation in connection with the termination of employment services.

(ii) Company is not a party or subject to any labor union or collective bargaining agreement. There are no pending or, to Caladrius's or Company's Knowledge, threatened, labor disputes, work stoppages, requests for representation, pickets, work slow-downs due to labor disagreements or any actions or arbitrations that involve the labor or employment relations of Company. There is no unfair labor practice, charge, or complaint pending, unresolved or, to Caladrius's or Company's Knowledge, threatened before any Governmental Authority.

(iii) Company is in material compliance with all applicable Law relating to anti-discrimination or equal employment opportunities, and there are, and have been, no material violations of any other Law respecting the hiring, hours, wages, occupational safety and health, employment, promotion, termination, worker classification, collective bargaining, or benefits of any employee or other Person. Company has materially complied with all applicable Laws respecting the hiring, hours, wages, occupational safety and health, employment, promotion, termination, worker classification, collective bargaining, or benefits of any employee or other Person engaged by Company.

(iv) Company has paid or properly accrued in the ordinary course of business all material amounts of wages and compensation due to employees, including all vacations or vacation pay, holidays or holiday pay, sick days or sick pay, and bonuses. Company has withheld and paid to the appropriate Governmental Authority or is holding for payment not yet due to such Governmental Authority all amounts required to be withheld from employees of Company and is not liable for any arrears of wages, taxes, penalties, or other sums for failure to comply with any of the foregoing.

(v) No employee, officer, or manager of Company is a party to, or is otherwise bound by, any Order or Contract, including any confidentiality, noncompetition, or proprietary rights agreement, whether with Company or any other Person, that in any way adversely affects or will affect either such employee's, officer's, or manager's ability to perform his or her duties owed to Company or the ability of Company to conduct its business. Neither the execution or delivery of the Transaction Agreements, nor the carrying on of Company's business by the employees of Company, nor the conduct of Company's business as now conducted and as presently proposed to be conducted, will, to Caladrius's or Company's Knowledge, conflict with or result

in a breach of the terms, conditions, or provisions of, or constitute a default under, any Contract, covenant, or instrument under which any such employee is now obligated.

(vi) To Caladrius's or Company's Knowledge, no Key Employee intends to terminate employment with Company or is otherwise likely to become unavailable to continue as a Key Employee, nor does Company have a present intention to terminate the employment of any of the foregoing.

(vii) Each current and former employee, consultant, and officer of Company has executed an agreement with Company regarding confidentiality and proprietary information substantially in the form or forms delivered to Purchaser (the "Confidential Information Agreements"). No current or former Key Employee has excluded works or inventions from his or her assignment of inventions pursuant to such Key Employee's Confidential Information Agreement. Each Key Employee has executed a non-competition and non-solicitation agreement substantially in the form or forms delivered to Purchaser. Company is not aware that any of its Key Employees is in violation of any Contract covered by this Subsection 4.2(v)(vii). In the last twelve (12) months, each executive officer of Company whose employment was terminated by Company entered into Contract with Company providing for the full release of any claims against Company or any related party arising out of such employment, to the full extent allowed by applicable law.

(viii) To Caladrius's or Company's Knowledge, none of the members, managers, or Key Employees of Company has been (1) subject to voluntary or involuntary petition under the federal bankruptcy Laws or any state insolvency Law or the appointment of a receiver, fiscal agent, or similar officer by a court for his or her business or property; (2) convicted in a criminal Proceeding or named as a subject of a pending criminal Proceeding (excluding traffic violations and other minor offenses); (3) subject to any Order (not subsequently reversed, suspended, or vacated) of any court of competent jurisdiction permanently or temporarily enjoining him or her from engaging, or otherwise imposing limits or conditions on his or her engagement, in any securities, investment advisory, banking, insurance, or other type of business or acting as an officer or director of a public company; or (4) found by a court of competent jurisdiction in a civil action or by the SEC or the Commodity Futures Trading Commission to have violated any federal or state securities, commodities, or unfair trade practices law, which such judgment or finding has not been subsequently reversed, suspended, or vacated.

(w) **Intellectual Property.**

(i) Schedule 4.2(w)(i) of the Disclosure Schedule sets forth a true, accurate, and complete list of the following:

(1) All Patents, registered trademarks, applications for registered trademarks, registered service marks, applications for registered service marks, intent-to-use applications, and other registrations and applications related to trademarks or service marks, registered copyrights, and applications for registered copyrights, registered Internet domain names, and any other Intellectual Property or Intellectual Property Rights that are the subject of an application, certificate, filing, registration, or other document issued, filed with, or recorded by any Governmental Authority owned by, registered, or filed in the name of, Company (the "Registered IP"). Such list includes the jurisdictions in which each such item of Registered IP has been issued or registered or in which any application for such issuance and registration has been filed, or in which any other filing or recordation has been made. The list also sets forth all actions that are required to be taken by Company within 120 days of the Effective Date with respect to any of the Registered IP in order to avoid prejudice to, or impairment or abandonment of any Registered IP.

(2) All unregistered trademarks, unregistered service marks, and unregistered copyrights that are used by Company in connection with the business of Company as currently conducted (the "Unregistered IP").

(ii) Each item of the Registered IP owned by Company is in the name of Company, valid and subsisting, and, to the Knowledge of Company, is enforceable in accordance with its terms. All necessary registration and renewal fees in connection with such registrations have been made, and all necessary documents and certificates in connection with such registrations have been filed with the relevant patent, copyrights, and trademark authorities in the United States and any other jurisdiction where such registrations or applications exist for the purposes of maintaining such Intellectual Property registrations, and applications therefor. Except for any office actions, rulings, opinions, orders, and the like from the USPTO, USCO, and other applicable foreign filing offices that are issued in the ordinary course incident to the applications of the Registered IP, no registrations, or applications for any Registered IP are the subject of any opposition, interference, cancellation, or other Proceeding pending before any Governmental Authority.

(iii) Except as set forth in Schedule 4.2(w)(iii), no Person has any right to use any of the Intellectual Property or Intellectual Property Rights owned, or purported to be owned, by Company ("Company Owned IP"), and Company has not granted to any Person, nor authorized any Person to retain, any rights in the Company Owned IP.

(iv) No Contracts exist pursuant to which Company or any Affiliate of Company has granted exclusive licenses or has committed to grant exclusive licenses with respect to, any Company Owned IP or any Intellectual Property or Intellectual Property Rights necessary for Company to carry on its business as currently conducted. To Caladrius's and Company's Knowledge, no predecessor in title to Company Owned IP has granted exclusive licenses or has committed to grant exclusive licenses with respect to any Company Owned IP or such Intellectual Property or Intellectual Property Rights.

(v) Except for any Company Owned IP that is jointly owned by Company and Caladrius prior to the Closing Date, Company owns all rights, title, and interest in and to all Company Owned IP. Company has the right to use all Company Owned IP, and pursuant to valid and enforceable Contracts (or, with respect to Contracts for object code licenses for commercially available or off-the-shelf software that have not been modified, pursuant to Contracts that are, to Caladrius's and Company's Knowledge, valid and enforceable) for all other Intellectual Property and Intellectual Property Rights used in the conduct of the business of Company as currently conducted, except as set forth in Schedule 4.2(w)(v), free of all Liens, subject only to and except for the terms of the relevant Intellectual Property Contracts in the case of Intellectual Property or Intellectual Property Rights licensed to Company and applicable Laws for Company Owned IP and such other Intellectual Property or Intellectual Property Rights. To Caladrius's and Company's Knowledge with respect to Patents only, Company has the necessary rights to conduct the business of Company as currently conducted in the United States of America.

(vi) The consummation of the transactions contemplated hereby will not result in any loss or impairment of the rights of Company to own or use any Company Owned IP or Intellectual Property or Intellectual Property Rights (other than any Intellectual Property or Intellectual Property Rights used by Company pursuant to Contracts for object code licenses of commercially available or off-the-shelf software that has not been modified) used in the conduct of the business of Company as currently conducted, nor will such consummation require the consent of any third party in respect of any such Intellectual Property or Intellectual Property Rights. To Caladrius's and Company's Knowledge with respect to Patents only, the operation of the business of Company as currently conducted does not infringe the Intellectual Property Rights of any other Person, does not constitute unfair competition or unfair trade practices under the Laws of any jurisdiction to which the Company is subject, and to the Knowledge of Company there is no substantial basis for a claim that the current operation of the business of Company is infringing, or has infringed on or misappropriated any Intellectual Property Rights of a third party or has misappropriated any third-party Intellectual Property, or constitutes or has or will constitute unfair competition or unfair trade practices under the Laws of any jurisdiction to which the Company is subject. The operation of the business includes (1) the operation of the business of Company, as currently conducted; and (2) the design, development, manufacturing, reproduction, marketing, licensing, sale, offer for sale, importation, distribution, provision, and use of any existing Company product or service as of the Closing Date. Neither Caladrius nor Company has received any opinion of counsel that any Company product or service or the operation of the business of Company infringes or misappropriates any third-party Intellectual Property Rights or misappropriates any third-party Intellectual Property. There are no Proceedings pending against Company or, to Caladrius's or Company's Knowledge, currently threatened against Company, alleging the infringement or misappropriation by Company of any Intellectual Property Rights of any Person, and for the past five (5) years from the Effective Date, Company has not received written notice from any Person that the operation of the business of Company infringes the Intellectual Property Rights of any Person. For the past five (5) years from the Effective Date, neither Caladrius nor Company has received any written communication that involves an offer to license or grant any other rights or immunities under any third-party Intellectual Property Rights. There are no Proceedings pending or, to Caladrius's or Company's Knowledge, threatened challenging the validity, use, or enforceability of, any Company Owned IP or to Caladrius's and Company's Knowledge, any Intellectual Property or Intellectual Property Rights used by Company in the conduct of the business of Company as currently conducted. Company has not entered into or is otherwise bound by any consent, forbearance, or any settlement agreement limiting the rights of Company to use the Company Owned IP. To Caladrius's or Company's Knowledge, there is no unauthorized use, unauthorized disclosure, infringement, or misappropriation of any Company Owned IP, by any third party, including any employee or former employee of Company or any Affiliate. Company has not brought any Proceeding for infringement or misappropriation of any Intellectual Property or Intellectual Property Rights or breach of any Company Owned IP or agreement related to Intellectual Property or Intellectual Property Rights.

(vii) Company has secured from all of its consultants, employees, and independent contractors who independently or jointly contributed to the conception, reduction to practice, creation, or development of any Company Owned IP unencumbered and unrestricted exclusive ownership of, all such third party's Intellectual Property Rights in such contribution that Company does not already own by operation of Law, and to the maximum extent permitted under applicable Law, such third party has not retained any rights or licenses with respect thereto. Without limiting the foregoing, Company has obtained proprietary information and invention disclosure and assignment agreements from all current and former employees and consultants of Company.

(viii) To the Knowledge of Company, no current or former employee, consultant or independent contractor of Company (1) is in violation of any term or covenant of any Contract relating to employment, Intellectual Property, Intellectual Property Rights, non-disclosure, or any other Contract with any other party, or using trade secrets or proprietary information of others without permission by virtue of such employee's, consultant's or independent contractor's being employed by, or performing services for, Company or (2) has developed any Intellectual Property for Company that is subject to any Contract under which such employee, consultant or independent contractor has assigned or otherwise granted to any third party any rights in or to such Intellectual Property or Intellectual Property Rights.

(ix) Company has taken all commercially reasonable steps to protect and preserve the confidentiality of all confidential or non-public information included in Company Owned IP and all other Intellectual Property and Intellectual Property Rights used in the operation of the business of Company ("Company Confidential Information"). All use or disclosure, of Company Confidential Information owned by Company by or to a third party has been pursuant to the terms of a written Contract between Company and such third party. All use or disclosure of Company Confidential Information by Company not owned by Company has been pursuant to the terms of a written Contract between Company and the owner of such Company Confidential Information, or is otherwise lawful. All current and former employees and consultants of Company and the Subsidiaries having access to Company Confidential Information or proprietary information of any of their respective customers or business partners have executed and delivered to Company a written Contract regarding the protection of such Company Confidential Information or proprietary information (in the case of proprietary information of Company's customers and business partners, to the extent required by such customers and business partners).

(x) No (1) government funding, (2) facilities of a university, college, other educational institution, or research center, or (3) funding from any Person (other than funds received in consideration for Equity Interests of Company) was used in the development of the Company Owned IP. To the Knowledge of Company, no current or former employee, consultant or independent contractor of Company, who was involved in, or who contributed to, the creation or development of any Company Owned IP, has performed services for any government, university, college, or other educational institution or research center during a period of time during which such employee, consultant, or independent contractor was also performing services for Company.

(xi) All Company products sold, licensed, leased, or delivered by Company and all services provided by or through Company to customers on or prior to the Closing Date substantially conform to applicable contractual commitments, express warranties, and conform in all material respects to packaging, advertising, and marketing materials and to applicable product or service specifications or documentation. Company is not subject to any Order or written Proceeding (and, to the Knowledge of Caladrius and Company, there is no legitimate basis for any present or future Proceeding against Company giving rise to any material liability relating to the foregoing obligations) for replacement or repair of Company products or other damages in connection therewith (including the provision of services) in excess of any reserves therefor reflected on the Balance Sheet.

(xii) In connection with its collection, storage, transfer (including, without limitation, any transfer across national borders), and use of any personally identifiable information or other personal data from any individuals, including any customers, prospective customers, employees, and other third parties (collectively "Personal Information"), for the past five (5) years from the Effective Date, Company is and has been in compliance with all applicable Laws in all relevant jurisdictions, Company's privacy policies and the requirements of any Contract or codes of conduct to which Company is a party. Company has appropriate physical, technical, organizational, and administrative security measures and policies in place intended to protect all Personal Information collected by it or on its behalf from and against unauthorized access, use, and disclosure. For the past five (5) years from the Effective Date, Company is and has been in compliance with all Laws relating to data loss, theft, and breach of security notification obligations to which the Company is subject.

(x) **Foreign Corrupt Practices Act.** Neither Company nor any of Company's members, managers, officers, employees, or agents have, directly or indirectly, made, offered, promised, or authorized any payment or gift of any money or anything of value to or for the benefit of any "foreign official" (as such term is defined in the U.S. Foreign Corrupt Practices Act of 1977, as amended (the "FCPA")), foreign political party, or official thereof, or candidate for foreign political office for the purpose of (i) influencing any official act or decision of such official, party, or candidate, (ii) inducing such official, party, or candidate to use his, her, or its influence to affect any act or decision of a foreign Governmental Authority, or (iii) securing any improper advantage, in the case of (i), (ii) and (iii) above in order to assist Company or any of its Affiliates in obtaining or retaining business for or with, or directing business to, any Person. Neither Company nor any of its members, managers, officers, employees, or agents have made or authorized any bribe, rebate, payoff, influence payment, kickback, or other unlawful payment of funds or received or retained any funds in violation of any Law. Company further represents that it has maintained, and has caused each of its Subsidiaries and Affiliates to maintain, systems of internal controls (including accounting systems, purchasing systems, and billing systems) to ensure compliance with the FCPA or any other applicable anti-bribery or anti-corruption Law. Neither Company, nor, to Caladrius's or Company's Knowledge, any of its members, managers, officers, or employees are the subject of any allegation,

voluntary disclosure, investigation, prosecution, or other enforcement action or Proceeding related to the FCPA or any other anti-corruption Law.

(y) **Solvency.** Neither Company nor Caladrius is entering into the transactions contemplated by this Agreement with the actual intent to hinder, delay, or defraud either present or future creditors. Assuming that the representations and warranties of Company and Caladrius contained in this Agreement are true and correct in all material respects, at and immediately after the Closing Date, and after giving effect to the transactions contemplated hereby, Company (i) will be solvent (in that both the fair value of its assets will not be less than the sum of its liabilities and that the fair saleable value of its assets on a going concern basis will not be less than the amount required to pay its liabilities in the ordinary course and as they become absolute and matured (including contingent liabilities that can reasonably be expected to become actual or matured liability)); (ii) will have adequate capital and liquidity with which to engage in its business; and (iii) will not have incurred debts beyond its ability to pay as they become absolute and matured.

(z) **Prior Transactions; Negotiations.** Company has not, during the past three years, been a party to any merger or consolidation, or acquired all or substantially all of the assets of any Person, or acquired any of its property or assets out of the ordinary course of business.

(aa) **Certain Business Relationships.**

(i) Other than (A) standard employee benefits generally made available to all employees and (B) standard member, manager, and officer indemnification agreements, there are no Contracts or proposed transactions between Company and any of its members, managers, officers, consultants, or Key Employees, or any Affiliate thereof.

(ii) Company is not indebted, directly or indirectly, to any of its members, managers, officers, or employees or to their respective spouses or children or to any Affiliate of any of the foregoing, other than in connection with expenses or advances of expenses incurred in the ordinary course of business or employee relocation expenses and for other customary employee benefits made generally available to all employees. None of Company's members, managers, officers, or employees, or any members of their immediate families, or any Affiliate of the foregoing are, directly or indirectly, indebted to Company or, have any (A) material commercial, industrial, banking, consulting, legal, accounting, charitable, or familial relationship with any of Company's customers, suppliers, service providers, joint venture partners, licensees, and competitors, (B) direct or indirect ownership interest in any Person with which Company is Affiliated or with which Company has a business relationship, or any Person that competes with Company, except that members, managers, officers, and employees of Company may own stock in (but not exceeding 2% of the outstanding capital stock of) publicly traded companies that may compete with Company; or (C) financial interest in any Contract with Company.

(bb) **Subsidiaries.** Company has no Subsidiary and does not own, control, or have any right to acquire, directly or indirectly, any capital stock of, or other equity interest in, any Person. Except as expressly contemplated in the Transaction Agreements, Company is not a participant in any joint venture, partnership, or similar arrangement.

(cc) **Indebtedness.**

(i) Company does not have (A) any indebtedness for borrowed money, (B) any obligations evidenced by bonds, debentures, notes, or other similar instruments, (C) any obligations to pay the deferred purchase price of property or services, except trade accounts payable and other current liabilities arising in the ordinary course of business, (D) any obligations as lessee under capitalized leases in excess of US$150,000 per year, (E) any indebtedness cre-ated or arising under any conditional sale or other title retention agreement with respect to acquired property, or (F) any obligations, contingent or otherwise, under acceptance credit, letters of credit, or similar facilities. Company has no obligation to provide a guaranty with respect to any of the foregoing.

(iii) Neither Company nor any of its Subsidiaries is (A) a party to or otherwise bound by the Oxford Loan Agreement, (B) subject to any Liabilities or other obligations under the Oxford Loan Agreement or (C) subject to any Liabilities or other obligations to Oxford or its Affiliates, including, without limitation, any such Liabilities to repay indebtedness, or obligations to provide any type of guaranty of indebtedness relating to the Oxford Loan Agreement. None of the assets of the Company and its Subsidiaries are subject to any Lien in respect of or relating to the Oxford Loan Agreement.

(dd) **83(b) Elections**. To the Knowledge of Caladrius or Company, all elections and notices under Section 83(b) of the Code have been or will be timely filed by all individuals who have acquired unvested Equity Interests of Company.

(ee) **Real Property Holding Corporation**. Company is not now and has never been a "United States real property holding corporation" as defined in the Code and any applicable regulations promulgated thereunder.

(ff) **Data Privacy.** In connection with its collection storage, transfer (including any transfer across national borders), and use of any Personal Information, Company is and has been in material compliance with all applicable Laws in all relevant jurisdictions, Company's privacy policies, and the requirements of any Contract or codes of conduct to which Company is a party. Company has commercially reasonable physical, technical, organizational, and administrative security measures and policies in place to protect all Personal Information collected by it or on its behalf from and against unauthorized access, use, and disclosure. Company is and has been in compliance in all material respects with all Laws relating to data loss, theft, and breach of security notification obligations.

(gg) **Brokers.** No financial advisor, broker, or finder is entitled to any broker's, finder's, investment banking, or similar fees, commissions, or expenses in connection with this Agreement or the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Caladrius or Company, other than those that will be paid solely by Caladrius.

(hh) **Completeness of Disclosure.** No representation or warranty by Caladrius or Company in this Agreement (as modified by the Disclosure Schedule) or the Disclosure Schedule, or any certificate or other document furnished or to be furnished to Purchaser pursuant hereto, or in connection with the negotiation, execution, or performance of this Agreement, contains or will at the Closing contain any untrue statement of a material fact or omits or will omit to state a material fact required to be stated herein or therein or necessary to make any statement herein or therein not misleading in light of the circumstances under which they were made. Except as specifically set forth in the Agreement or the Disclosure Schedule, there are no facts or circumstances of which either Caladrius or Company has Knowledge that would reasonably be expected to result in a Material Adverse Change. Company has delivered to Purchaser all the information reasonably available to Company and Caladrius that Purchaser has requested for deciding whether to acquire the Units, including certain of Company's projections describing the Business Plan. The Business Plan was prepared in good faith; however, Company does not warrant that it will achieve any results projected in the Business Plan.

Schedule 5.1

Representations and Warranties Concerning Purchaser

(a) **Authorization of Transaction.** Purchaser has full power and authority to execute and deliver this Agreement and to perform its obligations hereunder. This Agreement, when executed and delivered by Purchaser, will constitute the valid and legally binding obligation of Purchaser, enforceable in accordance with its terms, except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance, and any other Laws of general application affecting enforcement of creditors' rights generally, and as limited by Laws relating to the availability of specific performance, injunctive relief, or other equitable remedies, or (ii) to the extent the indemnification provisions contained herein may be limited by applicable federal or state securities Laws. Purchaser is not required to give any notice to, make any filing with, or obtain any authorization, consent, or approval of any Governmental Authority in order to consummate the transactions contemplated by this Agreement. The execution, delivery, and performance of this Agreement and all other agreements contemplated hereby have been duly authorized by Purchaser.

(b) **Non-contravention.** Neither the execution and the delivery of this Agreement, nor the consummation of the transactions contemplated hereby, will (i) violate any Law or Order or other restriction of any Governmental Authority to which Purchaser is subject or any provision of its articles of incorporation, bylaws, or other governing documents or give any Governmental Authority or other Person the right to challenge any of the transactions contemplated by this Agreement or to exercise any remedy, obtain any relief under, or revoke or otherwise modify any rights held under, any such Law or Order, or (ii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any Person the right to accelerate, terminate, modify, or cancel, or require any notice under, any Contract to which Purchaser is a party, a beneficiary, or by which it is bound or to which any of its assets is subject.

(c) **Investment.** Purchaser is acquiring the Units for investment only and not with a view to or for sale in connection with any distribution thereof within the meaning of the Act. Purchaser may not offer to sell or otherwise dispose of, or sell or otherwise dispose of, the Units so acquired by it in violation of any of the registration requirements of the Act.

(d) **No General Solicitation.** Neither Purchaser, nor any of its officers, members, managers, employees, or agents has either directly or indirectly, including, through a broker or finder (i) engaged in any general solicitation, or (ii) published any advertisement in connection with the offer and sale of the Units.

(e) **Residence.** The office or offices of Purchaser in which its principal place of business is identified in the address or addresses of Purchaser set forth in Section 10.5.

(f) **Accredited Investor.** Purchaser is an accredited investor as defined in Rule 501(a) of Regulation D promulgated under the Act.

(g) **Brokers.** No financial advisor, broker, or finder is entitled to any broker's, finder's, investment banking, or similar fees, commissions, or expenses in connection with this Agreement or the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Purchaser, other than those that will be paid solely by Purchaser.

Exhibit 10.2

AMENDED AND RESTATED OPERATING AGREEMENT
OF
PCT, LLC, A CALADRIUS COMPANY
(A DELAWARE LIMITED LIBAILITY COMPANY)

DATED AS OF MARCH 11, 2016

EACH OF THE LIMITED LIABILITY COMPANY INTERESTS ISSUED PURSUANT TO THIS AGREEMENT (EACH A "SECURITY") HAS NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, 15 U.S.C. § 77a ET SEQ., AS AMENDED ("SECURITIES ACT"), IN RELIANCE UPON ONE OR MORE EXEMPTIONS FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. IN ADDITION, THE ISSUANCE OF EACH SECURITY HAS NOT BEEN QUALIFIED UNDER THE CALIFORNIA SECURITIES ACT, THE DELAWARE SECURITIES ACT OR ANY OTHER STATE SECURITIES LAWS (COLLECTIVELY, THE "STATE ACTS"), IN RELIANCE UPON ONE OR MORE EXEMPTIONS FROM THE REGISTRATION PROVISIONS OF THE STATE ACTS. IT IS UNLAWFUL TO CONSUMMATE A SALE OR OTHER TRANSFER OF A SECURITY OR ANY INTEREST THEREIN TO, OR TO RECEIVE ANY CONSIDERATION THEREFOR FROM, ANY PERSON OR ENTITY WITHOUT THE OPINION OF COUNSEL FOR THE COMPANY THAT THE PROPOSED SALE OR OTHER TRANSFER OF A SECURITY DOES NOT AFFECT THE AVAILABILITY TO THE COMPANY OF SUCH EXEMPTIONS FROM REGISTRATION AND QUALIFICATION, AND THAT SUCH PROPOSED SALE OR OTHER TRANSFER IS IN COMPLIANCE WITH ALL APPLICABLE STATE AND FEDERAL SECURITIES LAWS. THE BOARD MAY, IN ITS DISCRETION, WAIVE THE REQUIREMENT FOR SUCH A LEGAL OPINION. THE TRANSFER OF ANY SECURITY IS FURTHER RESTRICTED UNDER THE TERMS OF THIS LIMITED LIABILITY COMPANY AGREEMENT GOVERNING THE COMPANY, A COPY OF WHICH IS ON FILE WITH THE COMPANY.

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EXHIBITS

AMENDED AND RESTATED OPERATING AGREEMENT

OF

PCT, LLC, A CALADRIUS COMPANY

THIS AMENDED AND RESTATED OPERATING AGREEMENT (this "Agreement") of PCT, LLC, a Caladrius Company, a Delaware limited liability company (the "Company" or "PCT"), is made as of this 11th day of March, 2016, by and among Caladrius Biosciences, Inc., a Delaware corporation ("Caladrius"), and Hitachi Chemical Co. America, Ltd., a New York corporation ("HCA"), each as a Member to this Agreement. This Agreement shall be effective as of the Effective Date set forth in Section 2.1. Capitalized terms used herein and not otherwise defined have the meanings assigned to such terms in Section 1.1.

WHEREAS, Caladrius, as the sole member of the Company, previously entered into that certain Limited Liability Company Agreement] of the Company (f/k/a "Progenitor Cell Therapy, LLC"), dated as of January 19, 2011 (the "Prior Agreement");

WHEREAS, the Company and HCA entered into that certain Unit Purchase Agreement, dated as of even date herewith (the "Unit Purchase Agreement"), pursuant to which HCA is purchasing certain Units from the Company, in the amount and in accordance with the terms and subject to the conditions set forth therein; and

WHEREAS, the parties hereto desire to continue the Company as a limited liability company under the Act and to enter into this Agreement, restating and replacing the rights and obligations under the Prior Agreement with the rights and obligations set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing premises and the covenants, agreements and obligations set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 **Definitions**. As used in this Agreement and the Exhibits and Schedules hereto (if any), the following capitalized terms have the meanings set forth below unless the context clearly indicates otherwise. For purposes of this Agreement, terms not defined in this Agreement shall be defined as provided in the Act, and all nouns, pronouns and verbs used in this Agreement shall be construed as masculine, feminine, neuter, singular or plural, whichever shall be applicable.

"Act" means the Delaware Limited Liability Company Act, as amended from time to time.

"Action" is defined in Section 10.1(b).

"Additional Interests" is defined in Section 3.3(a)(ii).

"Affiliate" means, with respect to any Person, any other Person that, directly or indirectly, Controls or is Controlled by or is under Common Control with such Person; provided, however, that "Affiliate" with respect to HCA shall mean HCC and Subsidiaries of HCC only and shall not include Hitachi Ltd. or its Subsidiaries other than Subsidiaries of HCC.

"Agreed Value" means with respect to any noncash asset of the Company its adjusted basis for federal income tax purposes, subject to the following provisions:

(a) The initial Agreed Value of any noncash asset contributed to the capital of the Company by any Member shall be its gross fair market value, as agreed to by the contributing Member and the Board.

(b) The Agreed Value of all the Company's noncash assets, regardless of how those assets were acquired, shall be reduced, if applicable, by depreciation or amortization, as the case may be, determined in accordance with the rules set forth in Treasury Regulations § 1.704-1(b)(2)(iv)(f) and (g).

(c) The Agreed Value of any Company asset distributed to any Member shall be the gross fair market value of such asset on the date of distribution, as determined by the Board.

(d) The Agreed Value of any Company asset shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such asset pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Treasury Regulations Section 1.704-l(b)(2)(iv)(m) and Article 4 hereof; provided, however, that Agreed Value shall not be adjusted pursuant to this clause (d) to the extent the Board determines that an adjustment pursuant to clause (e) below is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this clause (d)..

(e) The Agreed Value, as reduced by depreciation or amortization, of all noncash assets of the Company, regardless of how those assets were acquired, shall be adjusted from time to time in the discretion of the Board, to equal their gross fair market values, if determined by the Board, as of any time permitted by the Treasury Regulations including the following times:

(i) the acquisition of an Interest or an Additional Interest in the Company by any new or existing Member in exchange for more than a de minimis Capital Contribution;

(ii) the issuance of any Units issued in connection with the performance of services;

(iii) the distribution by the Company of more than a de minimis amount of money or other property as consideration for all or part of an Interest in the Company; and

(iv) the liquidation of the Company, including the termination of the Company for federal income tax purposes pursuant to Code § 708(b)(1)(B).

If, upon the occurrence of one of the events described in paragraphs (i), (ii) or (iii) above, the Board does not set the gross fair market value of the Company's assets, it shall be deemed that the fair market value of all the Company's assets equal their respective Agreed Values immediately prior to the occurrence of the event and thus no adjustment to those values shall be made as a result of such event.

"Agreement" is defined in the Preamble.

"Annual Budget" is defined in Section 6.13.

"Asia" means and includes the following countries India, Bangladesh, Sri Lanka, Nepal, Bhutan, Myanmar, Thailand, Laos, Cambodia, Vietnam, Philippines, Malaysia, Singapore, Indonesia, Brunei, East Timor, China, Mongolia, Taiwan, South Korea, North Korea and Japan.

"Assumed Tax Rate" means, with respect to the applicable calendar year and the taxable income in question, a rate determined by the Board in good faith and based on the information available to it, which such rate shall not be less than the highest maximum combined marginal rate of U.S. federal, state and local income tax then applicable to a corporation doing business exclusively in New Jersey, determined as of the last day of each Tax Estimation Period (taking into account any deductibility of state and local income Tax for federal income Tax purposes).

"Bankruptcy" means, with respect to any Person, the occurrence of any of the following: (i) the making of an assignment for the benefit of creditors by such Person; (ii) the filing of a voluntary petition in bankruptcy by such Person; (iii) the adjudication of such Person as bankrupt or insolvent or the entry against such Person of an order for relief in any bankruptcy or insolvency proceeding; (iv) the filing of a petition or answer by such Person seeking for the Person any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any Law; (v) the filing of an answer or other proceeding by such Person admitting or failing to contest the material allegations of a petition filed against such Person in any proceeding of this nature; (vi) such Person seeks, consents to or acquiesces in the appointment of a trustee, receiver or liquidator of the Person or of all or any substantial part of such Person's properties; or (vii) 120 days after the commencement of any proceeding against such Person seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any Law, if such proceeding has not been dismissed or, if within 90 days after the appointment without such Person's consent or acquiescence of a trustee, receiver or liquidator of such Person or of all or any substantial part of such Person's properties, the appointment is not vacated or stayed, or within 90 days after the expiration of any such stay, the appointment is not vacated.

"Board" is defined in Section 6.1.

"Board Committee" is defined in Section 6.7.

"Board Member" is defined in Section 6.3(a).

"Business" means the provision of service solutions for the contract research, development, manufacture, testing, storage, distribution and commercialization of cell-based therapies.

"Business Day" means any day that is not a Saturday, Sunday or other day on which either Member's business is closed pursuant to its official business calendar.

"Caladrius" is defined in the Preamble.

"Caladrius Distribution Units" means Units initially held by Caladrius as of the Effective Date and any Permitted Transferee of such Units.

"Caladrius Entity" means each of Caladrius and the Company.

"Caladrius Managers" is defined in Section 6.3(a).

"Capital Account" is defined in Section 3.4.

"Capital Contribution" means, with respect to any Member, any cash, property, or a promissory note or other obligation to contribute cash or property which shall include any such cash, property, promissory note or other obligation given in return for Additional Interests after the date hereof.

"Certificate" is defined in Section 2.2.

"Certificate of Cancellation" is defined in Section 11.2.

"Closing Date" is defined in Section 7.6(a).

"Chairman" is defined in Section 6.3(b).

"CoC Fair Market Value" is defined in Section 8.8(b).

"CoC Member" is defined in Section 8.8(a).

"CoC Notice" is defined in Section 8.8(a).

"CoC Units" is defined in Section 8.8(a).

"Code" means the Internal Revenue Code of 1986, as amended from time to time. Any reference to any specific provision or the Treasury Regulations thereunder shall be deemed to refer also to any successor provisions thereto.

"Collaboration Member" is defined in Section 7.8(d).

"Company" is defined in the Preamble.

"Company Call Exercise Date" is defined in Section 3.2(b).

"Company Call Option Closing" is defined in Section 3.2(c).

"Company Call Option Closing Date" is defined in Section 3.2(c).

"Company Call Option Exercise Notice" is defined in Section 3.2(b).

"Company Call Option Right" is defined in Section 3.2(a).

"Competing Asian Business" means (i) engaging in the Business in Asia or (ii) establishing any joint venture, partnership or other arrangement with a third party other than HCC or its Affiliates if such joint venture, partnership or other arrangement would compete with HCC or its Affiliates in any aspect of the Business in Asia, other than the Permitted Operations.

"Competing Business" means (i) engaging in the Business in the Territory or any country in Europe, including engaging in the Business with Persons in any country in Europe with respect to the Company's operations in the Territory, in any material respect other than (A) through the Company as long as the Company's revenue for such business is recognized within the U.S. in accordance with GAAP, (B) in accordance with Section 7.8 hereof, or (C) the Marketing Services, or (ii) establishing any joint venture or other arrangement with a third party other than a Member if such joint venture or other arrangement would compete with the Company in any aspect of the Business in the Territory or any country in Europe.

"Conduct the Business" means engaging in the Business, in any material respect, by any means, including, without limitation, investing in or establishing a partnership or joint venture with a Third Party with respect to the Business and/or granting a license or licenses to use the know-how and other Intellectual Property Rights for the manufacture, sale or operation of the products related to Business.

"Confidential Information" is defined in Section 7.3(a).

"Control" (including the terms "Controlling," "Controlled by" and "under Common Control with") means, with respect to any Person, the possession, directly or indirectly, of the power to direct the policies and management of such Person, whether through ownership of voting securities, by contract or otherwise.

"Denied Persons List" means a list of specific persons, or entities, which have violated the Export Administration Act and been denied export privileges by the Department of Commerce. (The complete list is referenced in the Export Administration Regulations under Part 764, Supplement No. 2 and can be accessed on-line at https://www.bis.doc.gov/index.php/policy-guidance/lists-of-parties-of-concern/denied-persons-list).

"Depreciation" means, for each Fiscal Year, an amount equal to the depreciation, amortization or other cost recovery deduction allowable for federal income tax purposes with respect to an asset for such Fiscal Year; provided, however, that if the Agreed Value of an asset differs from its adjusted basis for U.S. federal income tax purposes at the beginning of such Fiscal Year, Depreciation shall be an amount that bears the same ratio to such beginning Agreed Value as the federal income tax depreciation, amortization or other cost recovery deduction with respect to such asset for such Fiscal Year bears to such beginning adjusted tax basis; and, provided, further that if the U.S. federal income tax depreciation, amortization or other cost recovery deduction for such Fiscal Year is zero, Depreciation shall be determined with reference to such beginning Agreed Value using any reasonable method selected by the Board.

"Dissolution Event" is defined in Section 11.1(a).

"Distribution" means any distribution of the Company's cash or other property to a Member; provided that none of the following shall be treated as a Distribution under this Agreement: (i) any redemption or repurchase by the Company of any Units which is either (a) approved by HCA (such approval not to be unreasonably withheld), or (b) which the Company has the express right to undertake pursuant to this Agreement, (ii) any exchange of the securities of the Company, (iii) any subdivision (by split or otherwise) or any combination (by reverse split or otherwise) of any outstanding Units, or (iv) any fees, compensation, remuneration, reimbursements or other payments for services provided the Company made to any Member in such Person's capacity other than as a Member including service as an employee or pursuant to the Management Agreement.

"Distribution Date" means the date established by the Board for the making of any Distribution by the Company permitted under Article V.

"Effective Date" is defined in Section 2.1.

"Employment Agreement" means that certain employment agreement by and between the Company and Mr. Robert A. Preti, dated on or around the date hereof.

"Entity List" means a list of entities that are ineligible to receive any item subject to the Export Administration without a license, as specified in Supplement No. 4 to Part 744 of the Export Administration Regulations.

"Equity Securities" means (i) Units, stock or other equity interests in the Company (including other classes, groups or series thereof having such relative rights, powers, and/or obligations as may from time to time be established by the Board or the

managing member or board of managers of the Company, as the case may be, including rights, powers, and/or duties different from, senior to or more favorable than existing classes, groups and series of units, stock and other equity interests in the Company or any of its Subsidiaries, and including any so-called "profits interests"); (ii) obligations, evidences of indebtedness or other securities or interests convertible or exchangeable into units, stock or other equity interests in the Company and (iii) warrants, options or other rights to purchase or otherwise acquire units, stock or other equity interests in the Company.

"Europe" means the countries comprising the European Union, plus Russia, Ukraine, Georgia, Albania, Armenia, Belarus, Bosnia and Herzegovina, Georgia, Moldova, Serbia, Switzerland, Iceland, Liechtenstein, Norway, Croatia, Macedonia, Montenegro, Azerbaijan, Khazakstan, Kosovo, Monaco, Turkey, San Marino.

"Excluded Opportunity" means any matter, transaction or interest that is presented to, or acquired, created or developed by, or which otherwise comes into the possession of, the Interested Parties.

"EU Collaboration" is defined in Section 7.8(a).

"EU JV" is defined in Section 7.8(d).

"Fair Market Value" means the fair value for an asset as between a willing buyer and a willing seller in an arm's-length transaction occurring on the date of valuation, taking into account all relevant factors determinative of value, as determined in good faith by the Board.

"Fiscal Year" means the 12-month period ending on December 31 of each year; provided that, notwithstanding the foregoing, the first fiscal year of the Company shall commence on the Effective Date and end on December 31, 2016, and the last fiscal year of the Company shall commence on the date immediately following the end of the most recent previous Fiscal Year and shall end on the date on which the Company is dissolved and wound up in accordance with Article XI. Notwithstanding the forgoing, the Fiscal Year may be changed by resolution of the Board.

"GAAP" means United States generally accepted accounting principles, consistently applied throughout the specified period and in the immediately prior comparable period.

"Governmental Entity" means any government or political subdivision or department thereof, any governmental or regulatory body, commission, board, bureau, agency or instrumentality, or any court or arbitrator or alternative dispute resolution body, in each case whether federal, state, local or foreign.

"HCA" is defined in the Preamble.

"HCA Distribution Units" means of the Units initially held by HCA as of the Effective Date and any Permitted Transferee of such Units.

"HCA Manager" is defined in Section 6.3(a).

"HCA Maximum Purchase Price" means an amount equal to the product of (i) the HCA Original Purchase Price (as such amount is increased at the rate of two percent (2.0%) per annum compounded annually from the Effective Date), multiplied by (ii) a number of Units equal to that percentage of the Company's Equity Securities outstanding as of immediately prior to the exercise of Put Option pursuant to Section 8.9 held by HCA; provided however, the minimum percentage for such calculation shall not be less than nineteen and 9/10ths of a percent (19.9%) and the maximum percentage for such calculation shall not be more than twenty-one percent (21%) of the Company's Equity Securities outstanding as of immediately prior to the exercise of Put Option pursuant to Section 8.9.

"HCA Original Purchase Price" means the Purchase Price (as defined in the Unit Purchase Agreement) divided by the number of HCA Distribution Units.

"HCA Units" is defined in Section 8.9(a).

"HCC" means Hitachi Chemical Co., Ltd.

"HCC Secondees" is defined in Section 7.7.

"HCC VP" is defined in Section 6.8(a)(ii).

"Indebtedness" means at a particular time, without duplication: (a) the aggregate principal amount of, and accrued interest and prepayment penalties, premiums or breakage fees with respect to, all indebtedness for borrowed money of the Company and all obligations of the Company evidenced by notes, debentures, bonds or similar instruments; (b) all obligations of the Company in respect of deferred purchase price for property or services, including capital leases, conditional sale agreements and other title retention agreements (but excluding current trade payables and compensation expenses incurred in the ordinary course of business); (c) all obligations of the Company under conditional sale or other title retention agreements; (d) all obligations of the Company in respect of acceptance credit, letters of credit, performance bonds, surety bonds or similar facilities or similar obligations and any reimbursement agreements with respect thereto; (e) all obligations of the Company under any hedging, swaps, collars, caps or similar arrangements or foreign currency exchange contracts (including breakage costs with respect thereto); (f) any indebtedness secured by a Lien on the assets of the Company; and (g) any guaranty or security, pledge or other collateral contract by the Company of the obligations of any Person with respect to any obligations of the type described in clauses (a) through (g).

"Indemnified Losses" is defined in Section 10.1(a).

"Indemnified Party" is defined in Section 10.1(a).

"Initial Consideration" is defined in Section 5.1(b).

"Initiating Party" is defined in Section 7.8(a).

"Instruments of Transfer" means a purchase agreement and related instruments for the purchase and sale of the Requisite Units reasonably acceptable to the parties thereto, which shall include customary purchase and transfer mechanics, interim covenants (such as covenants to use commercially reasonable efforts to obtain all required government and regulatory approvals), representations and warranties (including, without limitation representations and warranties with respect to organization, ownership of and title to the Requisite Units, authority matters and absence of conflicts and consents, and similar fundamental representations), closing conditions, and other customary terms and conditions.

"Intellectual Property" means (i) any and all inventions, invention disclosures, developments, improvements, discoveries, know how, concepts, and ideas, whether patentable or not in any jurisdiction; (ii) any and all non-public information, trade secrets, proprietary or confidential information, know-how, technology, technical data, proprietary processes and formulae, algorithms, specifications, customer lists and supplier lists; (iii) any and all writings and other works of authorship, whether or not copyrighted or copyrightable in any jurisdiction; (iv) any and all software, including files, records and data, all schematics, test methodologies, emulation and simulation tools and reports, hardware development tools, prototypes, and other devices, and all databases and data collections; and (v) all tangible embodiments of any Intellectual Property Rights.

"Intellectual Property Rights" means any and all of the following and any and all rights, title and interest in, arising out of, or associated therewith: (i) trademarks, service marks, brand names, certification marks, trade dress, assumed names, trade names, logos, and other indications of origin, sponsorship, or affiliation, including the name(s) "PCT, LLC, a Caladrius Company™" (and any derivations thereof) together with the goodwill associated therewith (whether the foregoing are registered or unregistered), registrations thereof in any jurisdiction and applications to register any of the foregoing in any jurisdiction, and any extension, modification, or renewal of any such registration or application; (ii) Patents; (iii) mask works and registrations and applications for registrations thereof; (iv) trade secrets, and rights in any jurisdiction to limit the use or disclosure thereof or that of any Intellectual Property by any Person; (v) copyrights, copyright registrations and applications for registration of copyrights in any jurisdiction, and renewals or extensions thereof; (vi) Internet domain name registrations, Internet and World Wide Web URLs and addresses; (vii) industrial designs and registrations and applications therefor; (viii) any and all other industrial, intellectual property, and proprietary rights; (ix) all moral and economic rights of authors and inventors, however denominated; and (x) any similar or equivalent intellectual property or proprietary rights to any of the foregoing.

"Interest" means the interest of a Member in the Company, including the right of such Member to any and all benefits to which such Member may be entitled under this Agreement and, subject to any and all overriding provisions of this Agreement, the Act. The term "Interest" includes any Units or other limited liability company interest that a Member may hold in the Company.

"Interested Parties" is defined in Section 7.5.

"Involuntary Transfer" means a Transfer which occurs (a) upon the Bankruptcy of a Member, (b) in the case of a Member who is a natural person, pursuant to the dissolution of the Member's marriage or such Member's death, (c) in the case of a Member that is a separate entity other than a corporation or limited liability company, upon the dissolution and commencement and winding up of the separate entity, unless the distribution of the Units in the dissolution is a Permitted Transfer, (d) in the case of a Member that is a corporation, upon the filing of articles of dissolution or their equivalent for the corporation, or the revocation of its charter,

unless the distribution of the Units in the dissolution is a Permitted Transfer, or (e) in the case of an estate, upon the distribution by the fiduciary of the estate's entire interest in the Company, unless the distribution of the Units is a Permitted Transfer.

"IRS" means the Internal Revenue Service.

"Issuance Notice" is defined in Section 9.1(c).

"Key Employee" means any executive-level employee (including division director and vice president-level positions) of the Company.

"Law" means any law, statute, ordinance, rule, regulation, code, treaty, or other requirement of any Governmental Entity.

"Liability" or "Liabilities" means all debts, claims, liabilities, costs, obligations, interests, damages and expenses of every kind and nature, whether known or unknown, liquidated or unliquidated, direct or indirect, absolute, accrued, contingent or otherwise, regardless of when such debt, claim, liability, cost, obligation, interest, damage or expense arose or might arise.

"Lien" means any mortgage, pledge, lien, security interest, claim, voting agreement (including any conditional sale agreement, title retention agreement, restriction or option having substantially the same economic effect as the foregoing) or encumbrance of any kind, character or description whatsoever.

"Liquidating Trustee" is defined in Section 11.2.

"Liquidation Event" means any Dissolution Event.

"Liquidation Value" means, with respect to a Unit, the amount of cash that would be distributed to a holder in respect of such Unit if the Company sold all of its assets for an amount of cash equal to their Fair Market Value and distributed the proceeds pursuant to Section 11.3.

"Majority Asset Sale" means the sale, lease, transfer, or other disposition (whether by merger, consolidation or otherwise), in a single transaction or series of related transactions, by the Company or any Subsidiary of the Company of (A) a majority of the assets of the Company and its Subsidiaries taken as a whole, or (B) one or more Subsidiaries of the Company if a majority of the assets of the Company and its Subsidiaries taken as a whole are held by such Subsidiary or Subsidiaries, in each case except where such sale, lease, transfer, exclusive license or other disposition is to a Wholly-Owned Subsidiary of the Company.

"Manufacturing Business" means the manufacture of cell-based therapies.

"Marketable Securities" means securities of a company (i) listed on the New York Stock Exchange, Nasdaq Global Market, or a foreign exchange of similar size and stature in each case with a public float of at least $1,000,000,000 and (ii) that are freely tradable at issuance or within 45 days of issuance.

"Marketing Services" means the worldwide marketing and promotion of the Manufacturing Business.

"Member" means a Person who has been admitted to the Company as a member pursuant to the terms of this Agreement, in its capacity as a member of the Company.

"Member Change of Control" means with respect to a Member, the acquisition, in a single transaction or a series of related transactions, by any Person or group (within the meaning of Section 13(d) or 14(d) of the Exchange Act) (other than such Member's current parent company), of (A) beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of securities of such Member representing at least 50% of (I) the outstanding equity interests of such Member, (II) the combined voting power entitled to vote in the election of the board of directors or equivalent governing body of such Member (including, in each case of (I) and (II) by means of such Member's issuance of its equity securities), or (III) all or substantially all of such Member's assets, or (B) the contractual right to designate or elect 50% or more of the members of the board of directors or equivalent governing body of such Member ((A) and (B) above, each a "CoC Transaction"), if, and only if, in each case, (i) such CoC Transaction would, at the time of such CoC Transaction, reasonably be expected to have a material adverse effect on the Company's ability to conduct its Business in the ordinary course consistent with its past practice and the Annual Budget most-recently approved prior to such CoC Transaction, (ii) the acquiror or Person entitled to designate the members of the board of directors or equivalent governing body of such Member in such CoC Transaction (the "Acquiror") is on the Entity List or any officer of the Acquiror is on the Specially Designated Nationals List or the Denied Persons List, (iii) a Majority Asset Sale or True Sale of the Company is initiated upon or within one year after the CoC Transaction or (iv) the Company breaches

any of its material obligations under the Technology License Agreement (it being understood that the obligations of the Company under Sections 2, 3.1, 3.3, 4.1, and 4.2 of the Technology License Agreement shall be deemed material) or Caladrius or the Company breaches any of their material obligations under this Agreement (it being understood that the obligations of Caladrius and/or the Company under Sections 3.2, 5.1, 6.3(a), 7.7, 8.5, 8.6, 8.8, 8.9, and 9 of this Agreement shall be deemed to be material) within one year after the CoC Transaction and, in each case, such breach is not cured for a period of sixty (60) days after the Company or Caladrius, as applicable, is provided notice of such breach.

"Membership Schedule" means that schedule set forth on Exhibit B hereto, as may be amended and updated from time to time pursuant to the terms and conditions of this Agreement.

"Monthly Reports" is defined in Section 9.2(c).

"Negotiation Notice" is defined in Section 7.8(a).

"Negotiation Period" is defined in Section 7.8(b).

"Net Liquidation Proceeds" is defined in Section 5.1.

"New Securities" is defined in Section 9.1(b).

"Non-CoC Member" is defined in Section 8.8(a).

"Non-Competition Period" means the period from the Effective Date until the earliest of (a) the date that is twenty-four (24) months after the applicable Member no longer holds any Equity Securities, (b) the date that neither HCA nor Caladrius holds any Equity Securities, and (c) the Dissolution Event.

"Non-Independent Board Member" means a Board Member who is an officer, employee or other service provider of the Company.

"Non-Initiating Party" means, (A) if a Caladrius Entity is the Initiating Party, HCA and (B) if HCA or its Subsidiaries or Affiliates is the Initiating Party, Caladrius.

"Non-Transferring Member" is defined in Section 8.1(a).

"Observer" is defined in Section 6.3(a).

"Offer" is defined in Section 8.5(a).

"Officers" is defined in Section 6.8.

"Option Fair Market Value" means, with respect to each applicable share of Caladrius stock (the "Caladrius Security"), the fair market value of such Caladrius Security, as shall be mutually agreed upon by HCA and Caladrius based upon the per share cash consideration that would reasonably be expected to be paid, in a transaction involving a willing buyer under no compulsion to buy and a willing seller under no compulsion to sell, for such Caladrius Security; provided, however, that should HCA and Caladrius fail to agree on the fair market value of such Caladrius Security within fifteen (15) days of the Company Call Exercise Date, then such determination shall be made by two independent investment banking and/or valuation firms of national standing (the "Valuation Firms"), one of which shall be selected by HCA and the other which shall be selected by Caladrius. The Valuation Firms shall be required to determine the Option Fair Market Value of the Caladrius Security within thirty (30) days after being notified and accepting of their selection. If the determinations of the Option Fair Market Value of the Caladrius Security of each Valuation Firm are within ten percent (10%) of each other, the Option Fair Market Value shall be the average of the two determinations. If the determinations of the Option Fair Market Value of the Caladrius Security of each Valuation Firm are not within ten percent (10%) of each other, then the Valuation Firms shall select a third Valuation Firm to make another determination of the Option Fair Market Value of the Caladrius Security within thirty (30) days after being notified of and accepting its selection. In the event that a third Valuation Firm is selected, the Option Fair Market Value of the Caladrius Security shall be the average of the two determinations that are closest in value to each other. In preparing the Option Fair Market Value determinations, each Valuation Firm shall be provided with the same level of access to Caladrius's management and the same source documents and information regarding Caladrius (subject to entering into confidentiality agreements reasonably acceptable to Caladrius). Each Valuation Firm shall determine a single point estimate of the Option Fair Market Value of the Caladrius Security, not a range of values. The fees and expenses of the Valuation Firm selected by HCA and Caladrius to determine the Option Fair Market Value

of the Caladrius Security shall be paid by HCA and Caladrius, respectively. In the event a third Valuation Firm is required to be selected in accordance with this definition, the fees and expenses of such firm shall be split evenly between HCA and Caladrius.

"Option Price" means the Option Fair Market Value as of the date of the Company Call Option Exercise Notice.

"Original Agreement" is defined in Section 2.1.

"Other Business" is defined in Section 7.5.

"Ownership Threshold" is defined in Section 6.3(a).

"Participation Notice" is defined in Section 8.5(b).

"Patents" means all classes or types of U.S. and foreign patents issued by the patent-granting authority in any country in the world, together with any and all patents, divisionals, renewals, provisionals, continuations, continuations-in-part, post-grant reviews, foreign counterparts, extensions or reissues that claim priority to any of the foregoing, and pending applications for these classes or types of patents in all countries of the world.

"Permitted Operations" means the Company's engaging in the Business in Asia to the extent necessary to support its Asian-based customers' activities in the Territory, so long as the revenue for such activities is recognized in the Territory or any country in Europe.

"Permitted Transfer" is defined in Section 8.2.

"Permitted Transferee" is defined in Section 8.2.

"Person" means any natural person, partnership (whether general or limited), trust, estate, association, corporation, custodian, nominee or any other individual or entity in its own or any representative capacity, in each case, whether domestic or foreign, a limited liability company, or any other legal entity.

"Preemptive Rights Member" is defined in Section 9.1(a).

"Preemptive Share" is defined in Section 9.1(a).

"Prior Agreement" is defined in the Recitals.

"Proceeding" means any claim, suit, action, proceeding, arbitration, administrative notice, administrative action or investigation.

"Profits" and "Losses" mean, for each Fiscal Year or other applicable period, the Company's taxable income or loss for such period determined in accordance with Code Section 703(a) (including all items of income, gain, loss or deduction required to be stated separately pursuant to Code Section 703(a)(1)), with the following adjustments:

(f) Any income or expense of the Company that is exempt from U.S. federal income tax shall be added to, or subtracted from, such taxable income or loss;

(g) Any expenditures of the Company described in Code Section 705(a)(2)(B) (or treated as such pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(i)) shall be subtracted from such taxable income or loss;

(h) In lieu of the depreciation, amortization and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Fiscal Year;

(i) Gain or loss resulting from dispositions of Company assets with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Agreed Value of the property disposed of, notwithstanding that the adjusted tax basis of such property differs from its Agreed Value;

(j) To the extent an adjustment to the adjusted tax basis of any property pursuant to Code Section 734(b) is required, pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(m)(4), to be taken into account in determining Capital Accounts as a result of a Distribution other than in liquidation of a Member's Units in the Company, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the property) or loss (if the adjustment decreases such basis) from the disposition of such property and shall be taken into account for purposes of computing Profits or Losses;

(k) Notwithstanding any other provision of this definition, any items specially allocated pursuant to this Agreement shall not be taken into account in computing Profits or Losses; and

(l) In the event the Agreed Value of any Company asset is adjusted in accordance with the definition of "Agreed Value", the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Profits or Losses.

The amounts of the items of Company income, gain, loss or deduction available to be specially allocated pursuant to this Agreement shall be determined by applying rules analogous to those set forth in paragraphs (a) through (g) above.

"Pro Rata Share" means, with respect to each Unit, the proportional amount such Unit would receive if an amount equal to the Total Equity Value as of such time were distributed to all Units in accordance with Section 5.1, and with respect to each Member, such Member's pro rata share of Total Equity Value represented by all Units owned by such Member.

"Public Offering" means any underwritten public offering of any class of securities of the Company or any of its Subsidiaries (or, in each case, any corporate successor thereto) pursuant to an effective registration statement under the Securities Act filed with the Securities and Exchange Commission.

"Purchase and Sale Agreement" is defined in Section 8.6(c).

"Purchase Period" is defined in Section 8.5(b).

"Put Agreement" is defined in Section 8.9(c).

"Put Notice" is defined in Section 8.9(a).

"Put Option" is defined in Section 8.9(a).

"Put Option Closing" is defined in Section 8.9(c).

"Put Period" is defined in Section 8.9(a).

"Put Price" is defined in Section 8.9(a).

"Regulatory Allocations" has the meaning set forth in Exhibit C.

"Responding Member" is defined in Section 8.5(a).

"Requisite Units" is defined in Section 3.2(a).

"Rights Notice" is defined in Section 9.1(c).

"Rules" is defined in Section 12.6(b).

"Section 704(c) Property" has the meaning ascribed such term in Treasury Regulation § 1.704-3(a)(3) and shall include assets treated as Section 704(c) property by virtue of revaluations of Company assets as permitted by Treasury Regulation § 1.704-1(b)(2)(iv)(f).

"Securities Act" means the Securities Act of 1933, as amended from time to time.

"Selling Member" is defined in Section 8.5(a).

"Services Agreement" means that certain Services Agreement by and between the Company and Caladrius, dated on or around the date hereof.

"Specially Designated Nationals List" means a list containing the names of specific persons or entities determined to be associated with governments in targeted foreign countries, terrorism sponsoring organizations and international narcotics traffickers by the Department of the Treasury, Office of Foreign Assets Control. (The complete list can be accessed on-line at https://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx).

"Subsidiary" means, with respect to the Company, a Member or any Person, any legal entity (including a corporation, partnership (whether general or limited), business trust, limited liability company or other organization formed under and recognized as a separate entity under applicable Law) (i) over which the Company, such Member or such Person has Control or (ii) in which the Company, such Member or such Person owns a majority of the outstanding equity securities, whether or not the Company, such Member or such Person has Control over such entity.

"Substitute Member" is defined in Section 8.3.

"Tax Distribution" is defined in Section 5.2(a).

"Tax Estimation Period" means (i) January, February and March, (ii) April, May, and June, (iii) July, August, and September, and (iv) October, November and December of each year during the term of the Company, or other periods for which estimates of corporate federal income tax liability are required to be made under the Code.

"Tax Matters Partner" is defined in Section 7.1(b).

"Tax Payments" is defined in Section 5.3.

"Taxable Year" means the Company's annual accounting period for federal income tax purposes determined pursuant to Section 7.1(e).

"Technology License Agreement" means that certain Technology License Agreement by and between the Company and HCC, of even date herewith.

"Term" is defined in Section 6.8(a).

"Territory" means Antigua and Barbuda, The Bahamas, Barbados, Belize, Canada, Costa Rica, Cuba, Dominica, Dominican Republic, El Salvador, Grenada, Guatemala, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Trinidad and Tobago and the United States and the territories and possessions of the United States.

"Third Party" is defined in Section 7.8(a).

"Third Party Purchaser" means a Person who is not an Affiliate of or related to any Member or the Company. For the purpose of this definition only, as to HCA, Affiliate shall include Hitachi Ltd. and all of its Subsidiaries.

"Third Party Transfer" is defined in Section 8.5(b).

"Total Equity Value" means the aggregate proceeds that would be received by the Members if: (i) the assets of the Company as a going concern were sold at their Fair Market Value; (ii) the Company satisfied and paid in full all obligations and liabilities of the Company; and (iii) the remaining amount were then distributed in accordance with Section 5.1.

"Transfer" means, with respect to any Member or Transferee, the conveyance, sale, exchange, lease, assignment, granting of any Lien on, pledge, mortgage, hypothecation or other transfer or disposition of any Units or other Equity Securities (including to any legal or beneficial interest therein) or any rights to Distributions therefrom. "Transfer" includes any such action, whether voluntary or involuntary, or whether or not it occurs in connection with the transfer of any consideration from one Person to another. The terms "Transfer," "Transferring," and "Transferred" when used as verbs shall have the correlative meanings.

"Transferee" means, with respect to the Units so Transferred, any Person who acquires part or all of the Units held by a Member, whether such Transfer occurs voluntarily or involuntarily, and who is not admitted as a Member as to the Units so Transferred pursuant to the terms of Article VIII. Each Transferee is subject to, and bound by, all restrictions applicable to a Member, as provided in Article VIII.

"Treasury Regulations" means the income tax regulations promulgated under the Code, as amended.

"True Sale of the Company" means:

(a) a merger or consolidation in which (i) the Company is a constituent party or (ii) a Subsidiary of the Company is a constituent party, in each case unless the securities of the Company outstanding immediately prior to

such merger or consolidation continue to represent, or are converted into or exchanged for, securities that represent, immediately following such merger or consolidation, at least a majority, by voting power, of the securities of (A) the surviving or resulting Person, or (B) if the surviving or resulting Person is a Wholly Owned Subsidiary of another Person immediately following such merger or consolidation, the parent entity of such surviving or resulting Person, in which ; or

(b) the direct acquisition, in a single transaction or a series of related transactions, by any Person or group (within the meaning of Section 13(d) or 14(d) of the Exchange Act), of direct ownership of securities of the Company representing at least 50% of (I) the Company Total Equity Value or (II) the combined voting power entitled to vote in the election of the Board (including, in each case of (I) and (II) by means of the Company's issuance of its Equity Securities)

if, and only if, in each case, (i) the transaction in (a) or (b) above (each a "Sale Transaction"), would, at the time of the Sale Transaction, reasonably be expected to have a material adverse effect on the Company's ability to conduct its Business in the ordinary course consistent with its past practice and the Annual Budget most-recently approved prior to such transaction, (ii) the acquiror or Person entitled to designate the members of the board of directors or equivalent governing body of such Member in such Sale Transaction (the "Sale Acquiror") is on the Entity List or any officer of the Sale Acquiror is on the Specially Designated Nationals List or the Denied Persons List, (iii) a Majority Asset Sale or another Sale Transaction is initiated upon or within one year after the Sale Transaction or (iv) the Company breaches any of its material obligations under the Technology License Agreement (it being understood that the obligations of the Company under Sections 2, 3.1, 3.3, 4.1, and 4.2 of the Technology License Agreement shall be deemed material) or Caladrius or the Company breaches any of their material obligations under this Agreement (it being understood that the obligations of Caladrius and/or the Company under Sections 3.2, 5.1, 6.3(a), 7.7, 8.5, 8.6, 8.8, 8.9, and 9 of this Agreement shall be deemed to be material) within one year after the Sale Transaction and, in each case, such breach is not cured for a period of sixty (60) days after the Company or Caladrius, as applicable, is provided notice of such breach.

"Unit" means any of the class or series of limited liability company interests of the Company authorized by the terms of this Agreement (which term, for the avoidance of doubt, includes amendments thereto), entitling the holder thereof (whether a Member or Transferee) to participate in the economic rights of ownership, consisting of the right to share in the Company's Profits and Losses, to receive Distributions and to receive allocations of income, gain, loss, deduction or credit or similar items, as and to the extent defined in this Agreement, and entitling the holder thereof to exercise all rights of a Member under this Agreement. Notwithstanding the forgoing, if Units (or interests therein) are held by a Transferee who is not admitted to the Company as a Member, such holder shall not have any rights of membership other than the rights to receive Distributions, and to be allocated Profits and Losses, with respect to such Units as provided for in this Agreement.

"Valuation Notice" is defined in Section 8.8(a).

"Voluntary Transfer" means any Transfer of Units other than an Involuntary Transfer.

"Wholly Owned Subsidiary" means, with respect to any Person, a Subsidiary of which all of the outstanding capital stock or other membership or ownership interests are owned by such Person or another Wholly Owned Subsidiary of such Person.

Section 1.2 **General Interpretive Principles**. Words in the singular shall be held to include the plural and vice versa. Words of one gender shall be held to include the other genders as the context requires. The terms "hereof," "herein," "hereunder," "hereto" and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement and not to any particular provision of this Agreement. All article, section, paragraph, annex, exhibit and schedule references are to the articles, sections, paragraphs, annexes, exhibits and schedules of this Agreement unless otherwise specified. The word "including" and words of similar import when used in this Agreement shall mean "including, without limitation" unless otherwise specified. All references herein to "dollars" or "$" are to United States dollars. Any accounting term used in this Agreement shall have, unless otherwise specifically provided herein, the meaning customarily given such term in accordance with the Company's historical accounting policies, principles and practices. All references herein to any period of days shall mean the relevant number of calendar days unless otherwise specified. All references herein to a "party" or "parties" are to a party or parties to this Agreement unless otherwise specified.

ARTICLE II
ORGANIZATION AND POWER

Section 2.1 **Organization**. The Company was formed under the Act on July 1, 2004 and the Operating Agreement of the Company was executed on October 7, 2004 (the "Original Agreement"). The Original Agreement was superseded and replaced by the Amended and Restated Operating Agreement of the Company upon its adoption January 19, 2011. Irrespective

of the date on which this Agreement is executed, this Agreement shall be deemed effective among the signatories hereto (including Persons deemed to be bound hereby as provided in Section 2.8) as of the date set forth on the face of this Agreement (the "Effective Date").

Section 2.2 **Name; Business Name**. The name of the Company is "PCT, LLC, a Caladrius Company," which is the name of the Company as set forth in its Certificate of Formation, as amended (the "Certificate"), except that the Board may change the name of the Company in accordance with the Act; provided that any such name shall contain the words "limited liability company" or the abbreviation "LLC" or "L.L.C." The Board may cause the Company to file such fictitious name filings in one or more of the jurisdictions in which it does business, consistent with applicable Law.

Section 2.3 **Registered Office and Registered Agent**. Throughout the term of the Company, the Company shall have and maintain in the State of Delaware a registered office and a registered agent for service of process as and to the extent required by the Act. Such registered office and registered agent for service of process shall be as set forth in the Certificate. The Board may change the registered office of the Company and the registered agent for the Company at any time in accordance with the Act, and may cause the Company to establish other offices and places of business.

Section 2.4 **Business Purpose; Powers**. The purposes of the Company are to engage in any lawful act or activity and to exercise any powers permitted to limited liability companies organized under the laws of the State of Delaware or that are related or incidental to or necessary, convenient or advisable for the accomplishment of the above-mentioned purposes.

Section 2.5 **Term**. The term of the Company commenced on the date of the initial filing of its Certificate and shall be perpetual, unless and until the Company is dissolved as provided in Article XI or otherwise by operation of law.

Section 2.6 **Foreign Qualification**. The Board may cause the Company to be qualified or registered as a foreign limited liability company as necessary under applicable laws of any jurisdiction in which the Company transacts business and shall be authorized to execute, deliver and file any certificates and documents necessary or desirable to effectuate such qualification or registration, including the appointment of agents for service of process in such jurisdictions.

Section 2.7 **Liability to Third Parties**.

a. Except as otherwise provided by the Act, the Liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the Liabilities of the Company, and no Member or Board Member, nor any director, manager, officer, employee or agent of any of the Members, shall be obligated personally for any such Liability of the Company solely by reason of being a Member, acting as a Board Member or serving in a representative capacity on behalf of any of the Members.

b. Notwithstanding the provisions of Section 2.7(a), a Member may agree to be obligated personally for any or all of the Liabilities of the Company; provided, however, that such obligation shall only arise if it is consented to in writing by such Member.

Section 2.8 **Persons Bound by Agreement**. This Agreement shall be binding upon the Company, the Members, the Board Members and Transferees, whether or not the Company, the Members, the Board Members or Transferees execute this Agreement by signing the signature page hereto, or by signing a separate Member Signature Page, in substantially the form attached hereto as Exhibit A, or by executing any other instrument acknowledging such Person's agreement to be so bound. In addition, to the extent this Agreement grants rights in favor of, or imposes liabilities upon, a Person who is not a Member, such terms shall be binding upon such Person if it executes this Agreement or a separate instrument accepting its obligations hereunder or confirms, through its conduct, its willingness to be bound by its terms. Furthermore, this Agreement shall be binding if the Company has at least one Member.

ARTICLE III
COMPANY CAPITAL

Section 3.1 **Capitalization; Members**.

a. Capital Contributions. Exhibit B sets forth, as of the date hereof, after giving effect to the transactions contemplated by the Unit Purchase Agreement, the authorized, issued and outstanding Equity Securities of the Company.

b. A holder of a Unit shall have the rights, powers, duties, obligations, preferences and privileges set forth in this Agreement with respect to such Unit.

c. The Company shall not, unless the Board so elects, issue certificates to evidence the Units issued to the Members under this Agreement. Persons acquiring such Units from the Company shall be admitted as Members, and the Units issued to them shall be reflected in the Company's books and records.

d. The names, residence, business or mailing addresses, Capital Contributions and the Units of the Members are set forth on Exhibit B, as amended from time to time in accordance with the terms and subject to the conditions of this Agreement.

e. The Units to which each Member is entitled shall be automatically deemed issued and outstanding, without further action by or on behalf of the Company, and shall be treated as fully paid and non-assessable.

Section 3.2 **Company Call Option Right**. HCA shall have the irrevocable right to acquire Units from the Company as follows:

a. Subject to the conditions set forth in this Section 3.2, HCA shall have the right to purchase (in the manner set forth in Section 3.2(b)) from the Company (the "Company Call Option Right"), and the Company shall thereupon be required to sell to HCA, the number of Units which would cause HCA to own an aggregate of 21% of the total outstanding Units at such time on a fully-diluted basis, including, without limitation, all issued and outstanding Units, options, warrants, phantom units and instruments convertible or exchangeable into Units and any Units reserved for issuance under any equity or interest incentive plan or like plan (the "Requisite Units") at the Option Price for such Units paid in cash.

b. HCA shall exercise the Company Call Option Right by delivering to the Company a written notice of such exercise, which shall be accompanied by HCA's estimation of the Option Price (the "Company Call Option Exercise Notice"), with a copy of the Company Call Option Exercise Notice delivered to Caladrius. The date of the Company's receipt of the Company Call Option Exercise Notice (the "Company Call Exercise Date") shall be deemed to be the date of HCA's exercise of the Company Call Option Right.

c. Subject to the conditions set forth below in this Section 3.2(c), unless waived by HCA or the Company, as applicable, the closing of the Company Call Option Right (the "Company Call Option Closing") shall occur at 10:00 am (PST) on the tenth Business Day (or such other time and date as HCA and the Company agree) following the later of (a) the satisfaction or (A) waiver by HCA of the conditions set forth in clauses (i), (ii) and (iii)(x) below, to the extent not satisfied, or (B) waiver by the Company of the conditions set forth in clauses (i), (ii) and (iii)(y) below, to the extent not satisfied, and (b) the final determination of the Option Price (the date of such Company Call Option Closing, the "Company Call Option Closing Date"):

i. there shall not be in effect any statute, rule, regulation or order of any court, or governmental authority which prohibits or makes illegal the Company Call Option Closing;

ii. there shall be no litigation pending or threatened in writing by a Governmental Entity which seeks to enjoin, restrain or prohibit the Company Call Option Closing; and

iii. there shall have been obtained all consents and approvals of governmental authorities or other Persons that are required, as the case may be, by (x) HCA to effect the Company Call Option Closing, or (y) the Company (including consent or approval of the stockholders of Caladrius, if and only if, such consent or approval is required under applicable law or the rules of the stock exchange upon which Caladrius' securities trade) to effect the Company Call Option Closing.

d. On or prior to the Company Call Option Closing Date, (a) HCA shall pay to the Company the Option Price; and (b) on or prior to the Company Call Option Closing Date, the Company shall issue to HCA all, but not less than all, of the Requisite Units, free and clear of all liens, encumbrances and other restrictions (other than those set forth in this Agreement) and accompanied by duly executed Instruments of Transfer.

Section 3.3 **Unit Issuances; Changes**.

a. The Board shall have the right to:

i. increase or decrease the number of authorized Units, provided that any such number of authorized Units shall not be reduced below the number of such Units outstanding from time to time; and

ii. Subject to Section 9.1, cause the Company to sell to existing Members (provided such Members approve such purchase), their Affiliates or Third Parties (A) additional Units or other interests in the Company (including other classes or series thereof having different rights), (B) obligations, evidences of indebtedness or other securities or interests convertible into or exchangeable into Units or other interests in the Company and (C) warrants, options or other rights (including Equity Securities) to purchase or otherwise acquire Units or other interests in the Company (the "Additional Interests"), upon which acquisition of Additional Interests, Exhibit B shall be amended to reflect such issuance.

b. If, after admission to the Company as a Member, a Member changes its name or address, or Transfers part or all of its Units in the Company, subject to the restrictions on Transfer contained in this Agreement, such Member shall promptly notify the Board of such event to permit the updating of Exhibit B. The Company shall not be responsible or liable to any Member for any delays in the delivery of a Distribution to which such Member is entitled hereunder, because the Company does not have a current mailing address or account information for such Member. The Company shall, for all purposes, be entitled to rely upon the mailing addresses and account information set forth in the then current version of Exhibit B, unless and until the Person entitled to the Distribution provides written notice of a new mailing address or account information, as applicable, to the Company.

c. Persons who are to be admitted to the Company as Members shall be so admitted effective as of the following dates: (i) if such Persons acquire Units directly from the Company, when they first make Capital Contributions for such Units, and such Capital Contributions are accepted by the Company, provided that such Persons shall have executed this Agreement; and (ii) if such Persons acquire Units from others (whether such acquisitions are due to Voluntary Transfers or Involuntary Transfers), when the Non-Transferring Member approves in writing the admission of such Transferees as Substitute Members pursuant to Section 8.3. Delays in updating Exhibit B will not affect the admission date of Members to the Company.

d. Records of the Capital Contributions shall be kept on the books of the Company and made available to the Members promptly upon request.

e. Each Member who is issued Units by the Company following the date of this Agreement pursuant to the authority of the Board shall make the Capital Contributions to the Company determined by the Board in exchange for such Units.

f. No Member shall be entitled to interest on any Capital Contribution, and no Member shall have the right to withdraw or to demand the return of all or any part of its Capital Contribution, except as specifically provided in this Agreement.

g. No Member shall be required to make additional Capital Contributions or purchase Additional Interests.

h. No Member shall be required to lend any funds to the Company or to make any additional contribution of capital to the Company, except as otherwise required by applicable Law, this Agreement or any other agreement between such Member and the Company. Any Member may, with the prior approval of the Board, make loans to the Company, and any such loan by a Member to the Company shall not be considered a Capital Contribution.

Section 3.4 **Capital Accounts**. A separate Capital Account (the "Capital Account") shall be established and maintained for each Member in accordance with the following provisions:

a. Each Member's Capital Account shall be increased by such Member's Capital Contributions, such Member's Additional Interests, such Member's distributive share of Profits, any items in the nature of income or gain that are allocated pursuant to the Regulatory Allocations and the amount of any Company liabilities that are assumed by such Member or that are secured by Company property distributed to such Member.

b. Each Member's Capital Account shall be decreased by the amount of cash and the Agreed Value of any Company property distributed to such Member pursuant to any provision of this Agreement, such Member's distributive share of Losses, any items in the nature of loss or deduction that are allocated pursuant to the Regulatory Allocations, and the amount of any liabilities of such Member that are assumed by the Company or that are secured by any property contributed by such Member to the Company.

c. In the event all or any portion of an Interest is transferred in accordance with the terms of this Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the portion of the Interest so transferred.

d. In the event the Agreed Value of the Company assets is adjusted pursuant to the definition of Agreed Value contained in this Agreement, the Capital Accounts of all Members shall, subject to Section 3.4(e), be adjusted simultaneously and in accordance with the rules of Treasury Regulations § 1.704-1(b)(2)(iv)(f) and (g) to reflect the aggregate adjustments as if the Company recognized gain or loss equal to the amount of such aggregate adjustment.

e. In the event HCA exercises its Company Call Option Right or any other person exercises a noncompensatory option to acquire Units from the Company, and the sum of the amounts paid for the option privilege and the exercise of the option differs from the Fair Market Value of the Units so acquired, the Members' capital accounts shall be adjusted to reflect the difference in accordance with Treasury Regulation Section 1.704-1(b)(2)(iv)(s).

The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Treasury Regulations § 1.704-1(b), and shall be interpreted and applied in a manner consistent with such regulations.

For U.S. Federal income tax purposes, the parties intend and hereby agree to report the transactions contemplated by the Unit Purchase Agreement as a deemed sale by Caladrius of a proportionate interest in the assets of the Company (immediately prior to the Closing Date) based on the consideration distributed to Caladrius in connection with the admission of HCA to the Company which will be treated as a partnership for US federal income tax purposes. Caladrius and HCA shall mutually determine the allocation of the Purchase Price among the assets deemed sold by Caladrius and purchased by HCA pursuant to the preceding sentence in accordance with the principles of Section 1060 of the Code and Treasury Regulations thereunder (the "***Purchase Price Allocation***") within 90 days following the closing of the Unit Purchase. Caladrius and HCA shall report and file all Tax Returns consistent with the Purchase Price Allocation. Any subsequent adjustments to the Purchase Price shall be reflected in the Purchase Price Allocation in a manner consistent with Section 1060 of the Code and the regulations thereunder. Neither Caladrius nor HCA shall take a position that is inconsistent with the Purchase Price Allocation in any filings, declarations and reports with the IRS, and each of Caladrius and HCA shall make consistent use of such allocation for all Tax purposes.

ARTICLE IV
ALLOCATION

Section 4.1 **Profits and Losses**. Except as otherwise provided in Exhibit C, Profits and Losses for any Taxable Year shall be allocated among the Members, to the extent possible, in such a manner that, as of the end of such Taxable Year, (a) the sum of (i) the Capital Account of each Member, (ii) such Member's share of Company Minimum Gain (as defined in Exhibit C) and (iii) such Member's Member Nonrecourse Debt Minimum Gain (as defined in Exhibit C) shall be equal to (b) the respective net amounts, positive or negative, that would be distributed to them or for which they would be liable to the Company under this Agreement and the Act, determined as if the Company were to (x) liquidate the assets of the Company for an amount equal to their Agreed Values, (y) satisfy the Company's liabilities (limited with respect to each nonrecourse liability to the Agreed Value of the property securing such liability) and (z) distribute the proceeds of such liquidation pursuant to Section 11.3. Notwithstanding the foregoing, all Profits attributable to amounts received by the Company pursuant to Section 4.2 of the Technology License Agreement shall be allocated 100% to Caladrius, or in accordance with the Board's designation, in each case in a manner consistent with the ultimate distribution of such amounts pursuant to Section 5.1(d). Notwithstanding anything herein to the contrary, allocations of profits shall not be made with respect to the distribution pursuant to the Section 5.1(e). For the avoidance of doubt, the distribution made pursuant to Section 5.1(e) shall not be considered to be Profits and Losses for purposes of this Section 4.1.

Section 4.2 **Tax Allocations: Code Section 704(c)**.

a. Except as provided in Section 4.2(b) and (c), for federal, state and local income tax reporting purposes, all items of Company income, gain, loss, deduction and any other allocations not otherwise provided for shall be divided

among the Members in accordance with, and in the same order of priority as, the allocation of such income, gains, losses, deductions and other items among the Members for purposes of adjusting their Capital Accounts.

b. Income, gain, loss and deduction with respect to any Section 704(c) Property shall, solely for U.S. federal, state and local income tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its initial Agreed Value. Any elections or decisions relating to allocations under this Section 4.2(b) shall be determined by the Board; provided however that such allocations with respect to the assets deemed contributed to the Company in connection with the Unit Purchase Agreement shall be made in accordance with the remedial method within the meaning of Treasury Regulation Section 1.704-3(d).

c. If any Members' Capital Accounts are reallocated pursuant to Treasury Regulation Section 1.704-1(b)(2)(iv)(s)(3), corrective allocations of income, gain, loss and deduction shall be made to such Members to take into account the Capital Account reallocation in accordance with Treasury Regulation Section 1.704-1(b)(4)(x).

d. Notwithstanding any other provision of this Agreement, allocations pursuant to this Section 4.2 are solely for purposes of U.S. federal, state and local income taxation and shall not be taken into account in computing any Member's Capital Account, share of Profits, Losses, or distributions pursuant to any provision of this Agreement other than Section 5.2.

Section 4.3 Miscellaneous.

a. Profits and Losses. For purposes of determining the Profits, Losses or any other items allocable to any period, including allocations as between the transferor and transferee of an Interest of the Company, Profits, Losses and any such other items shall be determined on a daily, monthly or other basis, taking into account any varying Interests during the taxable year, as determined by the Board using any permissible method under Code Section 706 and the Treasury Regulations promulgated under such section.

b. Other Items. Any tax item having no equivalent item for purposes of determining Capital Accounts (e.g., credits) shall, to the extent possible, be allocated in accordance with the underlying tax item or items giving rise to such tax item, and otherwise shall be allocated in any reasonable manner determined by the Board (taking into account Treasury Regulations Section 1.704-1(b)(4)(ii) in the case of credits). The allocation of such items under this Section 4.3(b) shall not affect the Capital Account of any Member.

c. Allocation of Recapture Items. In making any allocation among the Members of income or gain from the sale or other disposition of a Company asset, the ordinary income portion, if any, of such income and gain resulting from the recapture of cost recovery or other deductions shall be allocated among those parties who were previously allocated (or whose predecessors-in-interest were previously allocated) the cost recovery deductions or other deductions resulting in the recapture items, in accordance with Treasury Regulation Section 1.1245-1.

d. Tax Consequences. The Members are aware of the income tax consequences of the allocations made by this Article IV and agree to be bound by the provisions of this Article IV in reporting their shares of Company income or loss for income tax purposes.

ARTICLE V
DISTRIBUTIONS

Section 5.1 Distributions.

a. The Company may make periodic Distributions on a Distribution Date established by the Board.

b. Upon a Liquidation Event, a Majority Asset Sale or a True Sale of the Company, after payment of, or other adequate provision for, the liabilities and obligations of the Company, including the expenses of its liquidation and dissolution (to the extent the Company is to be liquidated and dissolved in connection with such transaction) or other transaction expenses, the Company shall distribute the net proceeds or assets available for distribution, if any, whether in cash or in other property ("Net Liquidation Proceeds"), to Members as provided in Section 5.1(c). If any Net Liquidation Proceeds payable to the Members in connection with a Liquidation Event, Majority Asset Sale or True Sale of the Company is placed into escrow and/or is payable to the Members subject to any hold back or contingencies, the applicable definitive agreement shall provide that (A) the portion of such Net Liquidation Proceeds that is not

placed in escrow, held back and/or subject to any contingencies (the "Initial Consideration") shall be allocated among the Members as provided in Section 5.1(c) as if the Initial Consideration were the only consideration payable in connection with such Liquidation Event, Majority Asset Sale or True Sale of the Company, and (B) any additional consideration that becomes payable to the Members upon release from escrow or hold back or satisfaction of contingencies shall be allocated among the Members as provided in Section 5.1(c) after taking into account the previous payment of the Initial Consideration as part of the same transaction.

c. Except as provided in Section 5.1(d), all Distributions (including distributions of Net Liquidation Proceeds) shall be distributed among the holders of Units on a pro rata basis based on the number of Units held by each such holder.

d. Amounts received by the Company pursuant to Section 4.2 of the Technology License Agreement (net of related costs and expenses) shall be distributed to Caladrius, unless the Board designates in writing, at the time such amounts are received, another manner of distribution for such amounts.

e. Notwithstanding the foregoing, fifteen million U.S. dollars (US$15,000,000) of the proceeds received by the Company pursuant to the Unit Purchase Agreement shall immediately upon receipt be distributed to Caladrius.

Section 5.2 **Tax Distributions**.

a. The Company shall, on April 10, June 10, September 10, and December 10 of each Fiscal Year and so long as the Company is treated as a partnership for federal income tax purposes, distribute to each Member out of available cash, but only to the extent that such cash is available without borrowing monies and to the extent deemed appropriate by the Board, an amount of cash (a "Tax Distribution") that in the estimation of the Board is equal to, if positive, (i) the amount of the taxable income allocable to such Member in respect of such Fiscal Year that is apportionable to the applicable Tax Estimation Period (as estimated by the Board), multiplied by (ii) the Assumed Tax Rate or such lower rate as the Board in its sole discretion determines appropriate at any time, which lower rate shall apply, for the avoidance of doubt, to all Members' Tax Distributions for such period. Additionally, in the event that based on the Company's tax returns the Board determines that a Member's allocable share of taxable income computed for any Taxable Year is (A) more than the amount used for purposes of computing such Member's Tax Distributions for such Taxable Year pursuant to the previous sentence, the Company shall distribute to such Member within three months after the end of that Taxable Year an amount equal to (i) such excess multiplied by (ii) the Assumed Tax Rate for the last Tax Estimation Period during that calendar year or (B) less than the amount used for purposes of computing such Member's Tax Distributions for such Taxable Year pursuant to the previous sentence, then either the Member shall promptly repay such excess multiplied by the Assumed Tax Rate for the last Tax Estimation period during that year to the Company upon written request from the Company or, at the Board's election, the Company may offset future Tax Distributions by such amount. Tax Distributions shall be treated as advances of amounts otherwise distributable pursuant to Section 5.1 and the Company shall distribute other amounts to Members as necessary to ensure that at all times distributions are made in accordance with Section 5.1.

b. Solely for purposes of determining whether the Company has satisfied the obligation to make Distributions for taxes pursuant to Section 5.2(a), all Distributions made during the Taxable Year, together with those made during the first calendar quarter thereafter, shall be treated as Distributions made pursuant to Section 5.2(a) in respect of such Taxable Year except to the extent that such Distributions were required to satisfy the obligation to make Distributions pursuant to Section 5.2(a) in respect of the prior Fiscal Year.

c. In the event that the funds available for any Tax Distribution to be made hereunder are insufficient to pay the full amount of the Tax Distribution that would otherwise be required under Section 5.2(a), the amount of funds available shall be distributed to the Members on a pro rata basis (according to the amounts that would have been distributed to each Member pursuant to Section 5.2(a) if available funds existed in a sufficient amount to make such Distribution in full). At any time thereafter when additional funds of the Company are available for Distribution, such funds shall be immediately distributed to the Members on a pro rata basis (according to the amounts that would have been distributed to each Member pursuant to Section 5.2(a) if available funds would have existed in a sufficient amount to make such Tax Distribution in full). The Board, in its discretion, may adjust the amount of Tax Distributions made under Section 5.2(a) consistent with the purposes of this provision, which is to provide the Members with sufficient liquidity to fund their tax liabilities incurred as a result of ownership of the Company.

Section 5.3 **Tax Payments on Behalf of Members**. To the extent that the Company is required by Law to withhold or to make tax payments on behalf of or with respect to any Member ("Tax Payments"), the Board may cause such amounts to be

withheld and such Tax Payments to be made as so required. Each Tax Payment made on behalf of a Member, plus interest thereon at a rate equal to the long-term applicable federal rate under Code Section 1274(d), compounded annually, as of the date of such Tax Payment, shall be promptly paid to the Company by such Member (such payment not to constitute a Capital Contribution) or be deducted from current or future amounts otherwise distributable to such Member pursuant to Section 5.1, as determined by the Board. Each Member hereby agrees to reimburse or otherwise indemnify the Company for any Liability with respect to Tax Payments, interest, additions to tax and penalties required on behalf of or with respect to such Member.

Section 5.4 **Form of Distribution**. The Company shall make to its Members all of its Distributions in cash unless the Board causes the Company to make any in-kind Distributions to its Members. No Member will be forced, over its objection, to accept an in-kind Distribution from the Company to the extent that the percentage of the asset distributed is not equal to the percentage that such Member would share in Distributions in cash from the Company at such time had the asset, which is to be distributed to the Members through an in-kind Distribution, been liquidated at its Fair Market Value (and all related Liabilities discharged) and the cash net liquidation proceeds distributed to the Members in accordance with the terms of this Agreement. No Member, regardless of the nature of the Member's Capital Contribution, has the right to demand and receive any Distribution from the Company in any form other than cash; provided that if a Distribution is made in the form of non-cash or in-kind consideration to any Member, then each other Member shall have the right to receive its pro rata portion of such non-cash or in-kind consideration. To the extent the Company distributes property in kind to the Members, the Company shall be treated as making a Distribution equal to the Fair Market Value of such property (determined as of the date of such Distribution) for purposes of Section 5.1 and such property shall be treated as if it were sold for an amount equal to its Fair Market Value and any resulting gain or loss shall be allocated to the Members' Capital Accounts in accordance with Section 4.1.

Section 5.5 **Limitations on Distribution**
. Notwithstanding any provision to the contrary contained in this Agreement, the Company shall not make a Distribution or similar payment to a Member if such Distribution or similar payment would violate the Act or other applicable Law.

Section 5.6 **Entitlement to Distributions; Reliance Upon Company Records in Making Distributions**.

a. Distributions (including Distributions under Article XI) shall be distributed to the Persons recognized as Members or otherwise entitled thereto on the applicable Distribution Dates.

b. Distributions made by the Company shall be wire transferred or mailed to the account or address, as applicable, of such Member as reflected on the Company's books and records. If, at any time during the term of the Company, any Member shall change its mailing address or account information, it should promptly give written notice of the new mailing address or account information to the Company. The Company shall not be responsible or liable to any Member for any delays in the delivery of a Distribution to which such Member is entitled, because the Company does not have a current mailing address or account information for such Member. The Company shall, for all purposes, be entitled to rely upon the mailing addresses and account information set forth in the then current Membership Schedule maintained under Section 3.1 or in the Company's books and records if such books and records are more current than the Membership Schedule, unless and until the Person entitled to the Distribution provides written notice of a new mailing address or account information, as applicable, to the Company.

Section 5.7 **Members' Obligation to Return Distribution**. The Members shall have no obligation to return Distributions received from the Company except to the extent that the return of such Distributions is statutorily mandated by provisions of the Act requiring the Members to return to the Company all or a portion of previously distributed Distributions.

ARTICLE VI
MANAGEMENT AND OPERATION OF THE COMPANY

Section 6.1 **Authority of Board**. The Company shall be managed by the Board of Managers (the "Board"), which is to be constituted as provided in Section 6.3, and the Board shall have the full right and authority to manage the business and affairs of the Company, including all rights granted to the Board pursuant to other sections of this Agreement. The Board shall not require approval of any of the Members to take action for, on behalf of and in the name of the Company. Action by the Board shall be deemed effective as and to the extent provided in Section 6.5.

Section 6.2 **Actions of the Board**. The Board may act (a) through meetings and written consents pursuant to Section 6.6 and (b) through any Board Committee to whom authority and duties have been delegated pursuant to Section 6.7.

Section 6.3 **Board Composition**.

a. The Board shall consist of five (5) members (each a "Board Member"), each of whom will be regarded as a "manager" under the Act. The initial composition of the Board shall be determined as follows: (i) four (4) individuals designated by Caladrius (the "Caladrius Managers"); and (ii) one (1) individual designated by HCA or its Affiliates (the "HCA Manager"); *provided, however*, that HCA shall have a right to appoint at least one (1) individual manager for so long as HCA and its Affiliates hold at least five percent (5%) of the outstanding Units of the Company, excluding any Equity Securities issued or awarded to employees or service providers in connection with services provided to the Company ("Ownership Threshold"). Each Board Member shall have one vote on all matters submitted to the Board or any committee thereof (whether the consideration of such matter is taken at a meeting, by written consent or otherwise). In the event the Ownership Threshold is not met but HCC and its Affiliates hold at least two percent (2.0%) of the outstanding Units of the Company, HCA shall be permitted to send one designated person to attend all meetings of the Board and any committees thereof in a nonvoting observer capacity (the "Observer"), subject to entering into customary confidentiality arrangements. The Company shall give the Observer the same notice and information with respect to meetings of the Board and all committees thereof that the Company gives to members of the Board, at the same time the Company gives such notice and information to members of the Board.

b. A "Chairman" of the Board shall be elected by the Board for one or more one-year terms, but such "Chairman" of the Board may be removed by the Board at any time (with or without cause) and replaced with another "Chairman" of the Board. The initial Chairman shall be David J. Mazzo.

c. The following persons shall initially be designated to the Board: (i) the Caladrius Managers shall be (a) Robert Preti, (b) David J. Mazzo, (c) Joseph Talamo, and (d) an individual designated by Caladrius (who will have recent direct experience as a director and/or senior executive in organizations engaged in activities included in the Business and/or CMO businesses with characteristics similar to the Company (ii) the HCA Manager shall be designated subsequent to the Effective Date by HCA providing the Company with written notice of its designee. Each such individual is hereby decreed duly appointed to the Board as of the date of this Agreement.

d. The removal from the Board (with or without cause) of any Board Member designated hereunder shall be at the written request of the Member(s) with the right to designate such representative, but only upon such written request and under no other circumstances.

e. Any Board Member may resign at any time by giving written notice to the other Board Members. The resignation of any Board Member shall take effect upon receipt of notice thereof or at such later time as shall be specified in such notice; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary in order to make it effective. The resignation of a Board Member who is also a Member shall not affect the Board Member's rights as a Member and shall not constitute a withdrawal of a Member.

f. In the event that any Board Member ceases to serve as a Board Member, the resulting vacancy on the Board shall be filled by a Board Member designated by the Member(s) originally entitled to designate such Board Member pursuant to Section 6.3(a).

g. Each Member agrees to vote, or cause to be voted, all Units owned by such Member, or over which such Member has voting control, from time to time and at all times, in whatever manner as shall be necessary to ensure that:

i. the Board is maintained at five Board Members;

ii. no Board Member elected pursuant to Section 6.3(a) may be removed from office unless such removal is directed or approved by the affirmative vote of the Person(s) entitled under Section 6.3(d) to remove such Board Member;

iii. any vacancies created by the resignation, removal or death of a Board Member shall be filled pursuant to the provisions of Section 6.3(f); and

iv. upon the request of any Person(s) then entitled to designate a Board Member as provided in Section 6.3(a) to remove such Board Member pursuant to Section 6.3(d), such Board Member shall be removed.

h. The Company shall at all times cause the board of managers or board of directors of each of the Company's Subsidiaries to be comprised of the same persons who are then Board Members pursuant to this Section 6.3.

The voting rights of the board of managers or board of directors of each of the Company's Subsidiaries with respect to the Board Members serving on any such boards shall be commensurate with the voting rights of the Board Members with respect to the Board.

Section 6.4 **Fiduciary Duties**.

a. The purpose of this Section 6.4(a) is to set forth the agreement among the Members with respect to the duties that the Members and Non-Independent Board Members owe to the Members. Subject to Section 7.3, notwithstanding any duty otherwise existing at law or in equity, to the fullest extent permitted by Law, each Member hereby agrees to the elimination of any and all liabilities for breach of duties (including fiduciary duties) of a Member or Non-Independent Board Member to the Company or to another Member or Board Member or to another Person that is a party to or is otherwise bound by this Agreement; provided, however, the foregoing is not intended to limit or eliminate liability for any act or omission that constitutes a bad faith violation of the implied contractual covenant of good faith and fair dealing. Notwithstanding the forgoing, any Non-Independent Board Member to the Company that owes duties (including fiduciary duties) to Caladrius as a director or officer of Caladrius shall continue to have such duties to Caladrius.

b. Notwithstanding any duty otherwise existing at law or in equity, to the fullest extent permitted by Law, without limiting the generality of the foregoing, the Members agree that the foregoing Section 6.4(a) describes in its totality the fiduciary duties of the Non-Independent Board Members to the Company and its Members, and that the fiduciary duties of the Non-Independent Board Members to the Company and its Members shall not be those of a director to a corporation and its stockholders under Delaware corporation Law or those of a partner to a partnership and its partners.

c. Each Board Member who is not a Non-Independent Board Member shall owe, and shall act in a manner consistent with, fiduciary duties to the Company and its Members of the nature, and to the same extent, as those owed by directors of a Delaware corporation.

Section 6.5 **Effective Board Action**.

a. Any decision approved in the following manner shall be deemed approved by the Board:

i. by a majority vote of the Board (in accordance with this Article VI, including with respect to the quorum requirements set forth in Section 6.6(e)), whether such approval is provided at a Board meeting or by written consent; or

ii. by action taken by a Board Member or any Officer, agent or representative of the Company acting within the scope of authority vested in such Person by specific resolutions adopted by the Board.

No other Board vote is sufficient to constitute the act of the Board.

b. No Board Member or Member, acting alone, has the authority to bind the Company, except when such Board Member or Member is acting in accordance with the authority granted to him or her in this Agreement or otherwise pursuant to action authoritatively taken by the Board as provided in Section 6.5(a).

Section 6.6 **Board Meetings and Action**.

a. Board Members, or any committee designated by the Board, may participate in a meeting of the Board or such committee by means of conference telephone or other communications equipment by means of which all Persons participating in the meeting can hear one another, and participation in such a meeting shall constitute presence in person at the meeting.

b. Any action required or permitted to be taken at any meeting of the Board or any Board Committee may be taken without a meeting if a quorum, as described in Section 6.6(e), of Board Members or Board Committee, as the case may be, consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed (via paper or electronic form) with the minutes of proceeding of the Board or the relevant Board Committee and are promptly transmitted to any Board Member or any Member of the relevant Board Committee not present.

c. The Board shall hold regular quarterly meetings to conduct the Company's business. In addition, special meetings of the Board, for any purpose or purposes, may be called any time at the written request of one or more Board Members specifying the reasons for such special meeting. Board meetings may be held at such location, within or outside the United States, as designated by the Board or, if not specifically designated by the Board, at the Company's principal office. Subject to the other provisions of this Article VI, any Board Member unable to attend a meeting of the Board may designate an Affiliate as his, her or its proxy.

d. A Board Member shall be entitled to receive written notice of any regular or special meeting, stating the place, day and hour of the meeting and the purpose or purposes for which the meeting is called to be delivered not less than three (3) days before the date of the meeting, either personally or by mail. Any Board Member may waive the requirement of receiving such advance notice for any such meeting either in advance, after the fact or by virtue of attending the meeting.

e. A simple majority of the voting interests of the Board Members shall constitute a quorum for the transaction of any business at a Board meeting; provided that at least one (1) Caladrius Manager and the HCA Manager must be present for any Board meeting to constitute a quorum; provided further however, in the event the HCA Manager fails to attend two (2) consecutive Board meetings for which proper notice was provided pursuant to the terms of this Agreement and which failure to attend resulted in the failure of a quorum, a quorum may be deemed to be constituted at the following Board meeting for which proper notice was provided pursuant to the terms of this Agreement without the attendance of the HCA Manager. If less than a quorum is present at a meeting, a majority of the Board Members present may adjourn the meeting. Notice of such adjournment shall be promptly given to any Board Members who were not present. Notwithstanding the foregoing, any Board Member may attend a meeting for the purpose of objecting to the notice given of such meeting and, if such objection is stated, presence for such purpose shall not be treated as presence for determining whether a quorum exists.

Section 6.7 **Board Committees**. The Board may, by written resolution, establish, authorize and direct one or more committees to act on behalf of the Board (each a "Board Committee"). Any such written resolution shall: (i) designate the Persons authorized to participate on the Board Committee, one of whom must be the HCA Manager (unless HCA waives such requirement in writing); (ii) establish the procedures, if any, for designating alternate members to serve on the Board Committee if any designated member is absent or otherwise unavailable to serve; (iii) establish the procedures to be followed by the Board Committee in taking action, which procedures, including, without limitation, with respect to the attendance of a quorum, must be the same as the procedures followed by the Board itself; (iv) designate the specific powers, authorities and privileges that are to be vested in the Board Committee and delegate the duties, as applicable, that are to be assigned to the Board Committee; and (v) impose such limitations as the Board deems appropriate upon the conduct of the Board Committee's business. Any such Board Committee shall have and may exercise all the power and authority of the Board in the management of the Company's business and affairs to the extent vested in it, subject to the restrictions in the written resolutions from the Board. Such written authorization may, from time to time, be amended by Board action. Copies of all written resolutions dealing with the conduct of Board Committees shall be submitted to and retained in the Company's books and records. The quorum, voting and other provisions of this Article VI governing the Board shall have equal application to the Board Committees.

Section 6.8 **Appointment of Officers**.

a. The Board may, by written resolution, appoint, authorize and direct one or more officers (collectively the "Officers") to act on behalf of the Company. Such Officers shall have such titles, authority, rights and duties, and be subject to such limitations, as are specified in the written resolutions creating such positions. If one or more such Officers are appointed, one of the Officers shall have the duty to record the proceedings of the meetings of the Board and the Members in a book to be kept for that purpose. Any number of offices may be held by the same Person. Officers shall be chosen in such manner and shall hold their offices for such terms as are prescribed in the written resolutions adopted by the Board. Each Officer shall hold office until such Officer's successor is elected and qualified or until such Officer's earlier resignation or removal. Any Officer may resign at any time upon written notice to the Company. Any vacancy occurring in any office by death, resignation, removal or otherwise shall be filled by action of the Board. Officers shall receive such compensation as may be established from time to time by the Board. In the event the Board does not appoint any Officers, it will appoint one of its Board Members to be responsible for recording the proceedings of the Board's and Members' meetings. At any time, the Board may, by written resolution, change the composition of its Officers or alter their duties, responsibilities or authority, and all such Officers shall be understood to serve at the will of the Board and may at any time be removed, with or without cause, by action of the Board.

i. The Board hereby appoints and authorizes Robert A. Preti to serve as president of the Company for a term of not less than three (3) years from the Effective Date (the "Term"), subject to the terms and conditions

of the Employment Agreement, and in such capacity Mr. Preti shall report to and serve at the pleasure of the Board. Subject to the provisions of this Agreement and the Employment Agreement, and to the direction of the Board, during the Term the president shall have the responsibility for the general management and control of the business and affairs of the Company and the general supervision and direction of all of the officers, employees and agents of the Company and shall perform all duties and have all powers that are commonly incident to the office of president or that are delegated to the president by the Board. The Parties acknowledge and agree that the Company may not amend the Employment Agreement with Mr. Preti above without obtaining the prior written consent of HCA, which shall not be unreasonably withheld, delayed or conditioned.

ii. Assuming HCC has exercised its right to second a HCC Secondee pursuant to Section 7.7 hereof, and upon request from HCC, one (1) HCC Secondee to be designated by HCC, is hereby appointed and authorized to serve as a vice president of the Company (the "HCC VP"), who shall be responsible for coordinating and organizing any employees seconded from HCC to the Company and such other duties that may become required in connection therewith. The HCC VP shall report exclusively to the president of the Company but shall remain an employee of HCC and HCC shall be responsible for the HCC VP's salary and benefits. For the avoidance of doubt, the HCC VP shall not have any line management responsibilities with respect to the operation of the Company.

Section 6.9 **Compensation of Board Members**. The Company shall cover the reasonable expenses incurred by Board Members in managing the Company's business and affairs, including the costs incurred in attending and participating in Board meetings, and initially the Board Members shall serve on the Board without compensation, but the Board may provide compensation to the Board Members as from time to time determined by the Board, except that any Board Member (including an initial Board Member) that is not an HCA Manager or an employee of the Company or Caladrius shall be compensated as determined by the Board.

Section 6.10 **Company Expense**. The Company shall be responsible for, and shall promptly pay, all Liabilities incurred in connection with the conduct of its business.

Section 6.11 **Member Voting Rights; Members' Meeting**.

a. Except as expressly provided for herein and under the Act, the Members are not entitled to vote on, consent to or approve any action affecting the Company.

b. With respect to any matter that is to be voted on, consented to or approved by Members, such Members may take such action without a meeting, without prior notice and without a vote if a consent or consents in writing, setting forth the action so taken, shall be signed by such Members having not less than the minimum number of votes that would be necessary to authorize or to take such action at a meeting at which all such Members entitled to vote thereon were present and voted.

c. Each Member will have one (1) vote per Unit held with respect to any matter on which such Members are entitled to vote. Except as provided herein, (i) the Members shall vote together as a single class on any matter on which such Members are entitled to vote, and (ii) the vote or consent of holders of at least a majority of the Units then outstanding shall be an act of the Members.

d. Members may vote in person or by proxy, and such proxy may be granted in writing, by means of electronic transmission or as otherwise permitted by applicable Law. Consent transmitted by electronic transmission by a Member or a Person or Persons authorized to act for a Member shall be deemed to be written and signed.

e. Meetings of Members or any class thereof may be called at any time by the Board or such Members holding a majority of the aggregate Units held by such Members, upon not less than ten (10) days' but no more than twenty (20) days' written notice to all such Members. Such notice shall set forth the purpose for the meeting and identify any matters that are to be submitted to a vote of such Members at such meeting. A written waiver of notice executed by such Member entitled to receive notice, whether before, at or after the time stated in the notice, shall be equivalent to the giving of such written notice. Furthermore, attendance at the meeting shall constitute a waiver of any required notice, unless, before any business is conducted at the meeting, a Member objects to the meeting because of the failure to provide proper notice to such Members.

f. Notwithstanding anything to the contrary set forth herein, the Company may take the actions set forth in subsections (ii), (iv), (v), and (vi) of the definition of "Bankruptcy" set forth herein with respect to the Company

only upon unanimous written consent of each of the Members; *provided*, *however*, that (i) such consent of HCA or any of its Affiliates that become a Member shall not be required if the Ownership Threshold is not met and (ii) the consent of HCA or any of its Affiliates that become a member may not be unreasonably withheld, delayed or conditioned.

Section 6.12 **Insurance**. The Company will, within ninety (90) days from the date hereof, purchase and maintain (at the Company's expense) a reasonable and customary director and officer's liability insurance policy which provides liability insurance coverage for the individuals who are officers and directors of the Company and its Subsidiaries in an amount of coverage of not less than $10,000,000.

Section 6.13 **Annual Business Plan and Budget**. The Board hereby delegates to management of the Company the creation of an annual business and budget plan, which shall include projected investments required for expansion of the Company's manufacturing capacity and business operations, and an operating and capital expenditures budget for each Fiscal Year of the Company (each such business plan and budget once approved by the Board in accordance with this Agreement and as subsequently modified, amended, revised, supplemented or otherwise altered in accordance with this Agreement, a "Annual Budget"). The Annual Budget shall set forth, on a fiscal quarter basis, all material items of expense, capital expenditures and expected revenue, and any other items which the Board determines are necessary and/or appropriate. A proposed Annual Budget for a Fiscal Year shall be presented to the Board not later than November 15th of the immediately preceding Fiscal Year for its approval pursuant to the terms of this Agreement. A true and correct copy of the Annual Budget for 2016 was provided to the Members contemporaneously with their execution of this Agreement. The management of the Company shall, at the Board's regularly scheduled meetings, notify the Board of the Company's performance against the Annual Budget.

ARTICLE VII
CERTAIN OTHER AGREEMENTS AMONG MEMBERS

Section 7.1 **Tax Matters.**

a. The Company shall, in consultation with its Tax advisors, determine how best to address the law changes made with respect to partnership tax audit rules in subchapter C of chapter 63 of the Code, as amended by the Bipartisan Budget Act of 2015 ("2015 Tax Act"). Such determination shall include, but need not be limited to, the matters described in clauses (i) - (iv) below. All such determinations shall be subject to the approval of the Board.

i. whether to elect out, pursuant to Section 6221(b) of the Code (as amended by the 2015 Tax Act) or any state or local equivalent or any successor to any of the foregoing, of the assessment and collection from the Company of the Members' Taxes and the determination at the Company level of penalties or similar additions to Tax applicable to the Members for tax years of the Company beginning in 2018;

ii. whether to elect, pursuant to Section 1101(g)(4) of the 2015 Tax Act, to apply the provisions of the 2015 Tax Act to tax years beginning in 2016 and 2017; and

iii. if it does not elect out as described in Section 7.1(a)(i), whether to make any elections under the provisions of the 2015 Tax Act, including the election pursuant to Section 6226 of the Code (as so amended) to have the Members take into account partnership audit adjustments.

b. The Members agree that, for so long as Caladrius is a Member of the Company, then Caladrius shall be the "Tax Matters Partner" of the Company as such term is defined in Code Section 6231(a)(7) and "partnership representative" under the 2015 Tax Act and in any similar capacity under the Tax laws of any state or other jurisdiction having Taxing jurisdiction over the Company, and thereafter the Tax Matters Partner shall be designated by the Board. The Tax Matters Partner shall take such action as may be necessary to cause each other Member to become a "notice partner" within the meaning of Code Section 6223. The Tax Matters Partner shall (i) direct the Company's Officers, at the Company's expense, to cause to be prepared and properly filed all tax returns of the Company with the appropriate Taxing authorities; (ii) notify the other Members, within thirty (30) days after it receives any notice from the IRS or any state, local or foreign Taxing authority, and shall forward to each Member copies of all material written communications it may receive in that capacity, of (a) any administrative or judicial Proceedings with respect to an examination of, or proposed adjustments to, the income, deductions, gains, losses or credits of the Company, (b) any extension of the statute of limitations with respect to any Fiscal Year of the Company, (c) filing of a request for administrative adjustment with respect to the Company, (d) filing of a suit concerning any tax refunds or deficiency relating to any Company administrative adjustment or (e) entering into any settlement agreement relating to any Company item of income, gain, loss, deduction or credit for any Fiscal Year of the Company; and (iii) provide each Member (at such Member's own expense) with the opportunity to participate in, but not direct or control, all

administrative and judicial tax Proceedings in which the Company may be involved. The Tax Matters Partner shall be entitled to reimbursement from the Company for costs it incurs in performing its duties as the Tax Matters Partner. Each Member shall be considered to have retained such rights as are provided for under the Code or any other applicable Law with respect to any examination, proposed adjustment or proceeding relating to the Company tax items (including its rights under Section 6224(a) and (c) of the Code and its right to notice of any proposed tax settlements in any court case involving the Company). This Section 7.1(b) is not intended to authorize the Tax Matters Partner to take any action left to the determination of an individual Member under Code Sections 6222 through 6231, and the Tax Matters Partner shall not take any action contemplated by Section 6222 through 6231 of the Code (and the partnership representative shall not take any similar action) that would reasonably be expected to have a disproportionate, material adverse effect on the other Member without such other Member's consent, which such consent shall not be unreasonably withheld, delayed or conditioned. The Tax Matters Partner shall provide the other Member with a draft of the Company's U.S. federal income tax return for the Company's first taxable year ending after the Effective Date hereof at least fifteen (15) business days prior to filing, and shall consider in good faith (and, at the request of the other Member, discuss with the other Member) any comments the other Member may have with respect to such tax return.

c. Each Member shall notify the Tax Matters Partner, within thirty (30) days, after it receives any information document request from the IRS or any state, local or foreign Tax authority, relating to such Member's Interest in the Company.

d. In addition to any indemnification provided by Article X of this Agreement, the Company shall, to the fullest extent permitted by applicable Law, indemnify, defend and hold harmless the Tax Matters Partner, its Affiliates and their respective stockholders, officers, directors, members, partners, managers, agents and employees, and each representative from, against and with respect to any Liabilities arising out of or in connection with the duties of the Tax Matter Partner, except to the extent that it is finally judicially determined that such Liabilities arose out of or were related to actions or omissions constituting bad faith, fraud, violation of Law or intentional, willful or reckless misconduct. The Company shall reimburse the Tax Matters Partner for its reasonable legal and other expenses incurred in connection with defending any claim with respect to such Liabilities if the Tax Matters Partner shall agree to reimburse promptly the Company for such amounts if it is finally judicially determined that the Tax Matters Partner was not entitled to indemnity hereunder.

e. The Taxable Year shall be the Fiscal Year unless the Board shall determine otherwise or unless required by the Code. Subject to Sections 4.2, the Company , with the approval of the Board, shall make any election the Company, or the Board, may deem appropriate and in the best interests of the Members, including an election under Code Section 754 but shall not make an election for the Company to be taxed as a corporation without the approval of the Members. Each Member will upon request supply any information necessary to give proper effect to such elections.

Section 7.2 **Limited Liability Company Under the Act; "Partnership" For Tax Purposes**. The Members intend for the Company to be regarded as a limited liability company under the Act (and not to be considered or deemed any other form of legal entity recognized under the Laws of the State of Delaware). The Members hereby agree that, except to the extent that the provisions of the Act cannot be altered or changed by this Agreement, where the provisions of this Agreement conflict with the provisions of the Act, the provisions of this Agreement shall control. With respect to any matter not provided for in this Agreement, or to the extent that the provisions of the Act cannot be altered or changed by this Agreement, then the provisions of the Act shall apply. Unless the Board determines to the contrary, the Members intend for the Company to be classified as a partnership for federal and, to the extent applicable, state and local income taxation and not as an association taxable as a corporation. No Member shall, unless the Board approves, take any action inconsistent with the treatment of the Company as a "limited liability company" under the Act and as a partnership for tax purposes, and this Agreement shall not be construed to suggest otherwise.

Section 7.3 **Confidentiality**.

a. Subject to Section 7.5, each Member shall, and shall cause its Affiliates, officers, directors, employees, agents, and other representatives to, keep confidential, and not use or disclose in any manner (including by making a press release or any other announcement), (i) any matters relating to this Agreement (including the terms and conditions of this Agreement) or the transactions contemplated by this Agreement; or (ii) any proprietary and non-public information, in any form, relating to the Company or its business (together with the information described in clause (i) above, the ("Confidential Information"); provided, however, that (a) such proprietary and confidential information may be revealed, divulged or made known as allowed by the Board for the purpose of conducting the business of the Company, (b) Members shall be permitted to discuss the contents of reports received by the Members and additional information relating to such Members' Capital Accounts with such Members' advisors, lawyers and accountants, (c) Members (other than Members who are individuals) may disclose any such information to their Affiliates and direct

and indirect investors or to a current or former general or limited partner, shareholder, officer, director, representative, agent, employee, member or beneficiary of such Member consistent with such Member's ordinary course of business (provided that such Persons agree to maintain the confidentiality of such information in accordance herewith), (d) Members (other than Members who are individuals) may disclose such proprietary and confidential information as part of a Member's normal reporting, rating or review procedure (including normal credit rating and pricing process), or, with respect to summary financial data regarding the Company or its performance, in connection with such Member's or such Member's Affiliates normal fund raising, marketing, informational or reporting activities at a customary level of detail(provided that such Persons agree to maintain the confidentiality of such information in accordance herewith), (e) Members shall be permitted to disclose any such information if required by applicable Law, provided such Members provide the Company reasonable prior opportunity to comment upon such disclosure to the extent permitted by Law and agree to cooperate to take reasonable steps to minimize the extent of any such required disclosure, (f) subject to the last sentence of Section 9.3, the HCC Secondees may disclose any such information to HCC and its Affiliates (provided that HCC and such Affiliates agree to maintain the confidentiality of such information in accordance with the agreement described in the last sentence of Section 9.3) and (g) Caladrius may disclose information relating to the Company to the extent required under law (as determined by Caladrius in its sole discretion) in connection with reports, registration statements, prospectuses, proxy statements and other documents it files with the Securities and Exchange Commission.

b. The term "Confidential Information" does not include information that (i) was in the public domain prior to the time it was furnished to recipient or is at the time of the alleged breach (through no willful or improper action or inaction by such recipient) generally available to the public, (ii) was or becomes available to a Member on a non-confidential basis from a source other than one of the other Members or its Affiliates or the Company, provided such other source not be known by the Member to be bound by a confidentiality obligation to the other Members or the Company, (iii) is lawfully known to a Member prior to disclosure of the Confidential Information by the other Members, or (iv) is independently developed by a Member without any use of any Confidential Information.

Section 7.4 **No Contractual Appraisal Rights**. No Member or Transferee shall have any contractual appraisal rights as to its Units in the Company that might arise in connection with any amendment of this Agreement, any merger or consolidation in which the Company is a constituent party to the merger or consolidation, any conversion of the Company into another business form, any transfer to or domestication in any jurisdiction by the Company, or the sale of all or substantially all of the Company's assets.

Section 7.5 **Conflicts of Interest; Other Activities**. Subject to Section 7.6 hereof, the Members expressly acknowledge and agree that Caladrius, HCA and their Affiliates, and each of their respective officers, directors, stockholders, partners, members, managers, agents and employees (collectively, the "Interested Parties") (i) are permitted to have, and may presently or in the future have, investments or other business relationships with entities engaged in any business currently conducted by the Company, including the Business, or as may be conducted in the future, other than through the Company or any of its Subsidiaries (an "Other Business"); (ii) the Interested Parties have and may develop a strategic relationship with businesses that are and may be competitive with or complementary to the Company; (iii) none of the Interested Parties will be prohibited solely by virtue of their investments in the Company or its Subsidiaries from pursuing and engaging in any such activities; (iv) none of the Interested Parties will be obligated to inform or present the Company or its Subsidiaries or the Board of any such opportunity, relationship or investment; (v) the other Members will not acquire or be entitled to any interest or participation in any Other Business as a result of the participation therein of any of the Interested Parties; and (vi) the involvement of the Interested Parties in any Other Business will not constitute a conflict of interest by such Persons with respect to the Company or any of its Subsidiaries. Subject to the foregoing limitations, the Members hereby waive, to the fullest extent permitted by Law, any and all rights and claims that they may otherwise have against the Interested Parties as a result of any such competitive activities, and the Members expressly renounce any interest or expectancy that the Interested Parties offer an opportunity to participate in, or be informed about, any Excluded Opportunity.

Section 7.6 **Non-Competition**.

a. Each Member hereby covenants and agrees that during the Non-Competition Period, no Member, nor any Affiliate thereof, shall, without first obtaining the prior written consent of the other Member, engage in a Competing Business; provided, however, a Member may merge with or acquire a third party that engages in a Competing Business if such Competing Business constitutes five percent (5%) or less of the entire business of such third party in terms of GAAP revenue; provided, further, that, subject to Section 7.8(f), each Member and any Affiliate thereof may engage in a Competing Business in any country in Europe following the second anniversary of the closing of the transactions contemplated by the Unit Purchase Agreement (the "Closing Date"); provided, further however, that, subject to Section 7.8(f), each Member and Affiliate thereof may engage in a Competing Business in any country in Europe following

the first anniversary of the Closing Date if the Initiating Party, Non-Initiating Party and the Company are unable to agree on terms for the EU Collaboration pursuant to Section 7.8(b) by the first anniversary of the Closing Date.

b. Caladrius and the Company hereby covenant and agree that for so long as the Technology License Agreement remains in effect, neither Caladrius nor the Company, nor any Affiliate of the foregoing, shall, without first obtaining the prior written consent of HCA, directly or indirectly engage in a Competing Asian Business. HCC shall not be deemed to be an Affiliate of Caladrius or the Company for purposes of this Section 7.6(b).

c. For the sake of clarity, the covenants set forth in Section 7.6(b) shall terminate upon termination of the Technology License Agreement.

d. Notwithstanding anything to the contrary set forth herein, HCA or its Affiliates shall not be deemed to be engaging in a Competing Business or Competing Asian Business based on its activities with respect to (i) any research, development, distribution, marketing, manufacturing and sales of consumables for regenerative medicine and/or diagnostics and (ii) any equipment business in relation to manufacturing, research, development, evaluation and quality management of cell-based therapies (the "Permitted Activities"); and Caladrius and/or the Company shall not be deemed to be engaging in a Competing Business or Competing Asian Business based on their engaging in the Permitted Activities.

e. The covenants set forth in this Section 7.6 shall terminate immediately with respect to HCA and its Subsidiaries and Affiliates upon (i) the Company's Bankruptcy, (ii) a Majority Asset Sale or a True Sale of the Company, (iii) the Company breaches any of its material obligations under the Technology License Agreement (it being understood that the obligations of the Company under Sections 2, 3.1, 3.3, 4.1, and 4.2 of the Technology License Agreement shall be deemed material) or Caladrius or the Company breaches any of their material obligations under this Agreement (it being understood that the obligations of Caladrius and/or the Company under Sections 3.2, 5.1, 6.3(a), 7.7, 8.5, 8.6, 8.8, 8.9, and 9 of this Agreement shall be deemed to be material), in each ease, such breach is not cured for a period of sixty (60) days after the Company or Caladrius, as applicable, is provided notice of such breach, or (iv) HCA's exercise of its put option pursuant to Section 8.8 in the event Caladrius becomes a CoC Member.

Section 7.7 **HCC Secondees**. HCC may, in its sole discretion, second, at any one time, up to four (4) employees of HCC or its Affiliates to the Company for a period of at least six months, or some other period agreed to by HCC and Caladrius (the "HCC Secondees"). Such HCC Secondees shall work with and be trained (pursuant to a training program prepared by HCC and the Company) under the supervision of Company employees serving in the following roles and performing the following tasks and shall have access to all information relevant to performance of the following roles and tasks such that following the secondment, the HCC Secondees shall have received training in each of the following roles and tasks to reasonably enable the HCC Secondees to perform each of the following roles and tasks:

a. Manager of Manufacturing Operations: Manufacturing operations and inspection technology (managing the entire manufacturing operations process for delivery of cell therapy client services, including manufacturing, quality assurance, quality control, cell product manufacturing and development through the manufacturing sciences and technology (MSAT) functions which include technology transfer and manufacturing process development);

b. Manager of Facilities: Management, development, design and operation of facilities;

c. Manager of Sales and Operations: Lead generation, prospecting, client engagement, negotiation and contracting with customers and general business operations; and

d. Manager of Business Strategy: Client/Alliance Management, management of the relationship and project.

The HCC Secondees shall report exclusively to the president of the Company but shall remain employees of HCC or its Affiliates and HCC shall be responsible for the HCC Secondees' salaries and benefits. For the avoidance of doubt, the HCC Secondees shall not have any line management responsibilities with respect to the operation of the Company.

Section 7.8 **Joint Presence in EU**. Caladrius, the Company and HCA anticipate that they will conduct the Business in Europe in accordance with an agreement reflecting the terms outlined in this Section 7.8. In this regard, until the first anniversary of the Closing Date, Caladrius on the one hand and HCA and its Subsidiaries and Affiliates on the other hand shall have a right of first negotiation, on the terms set forth in this Section 7.8, with respect to any EU Collaboration.

a. In the event that, prior to the first anniversary of the Closing Date, the board of directors, managers, or other applicable governing body of a Caladrius Entity on the one hand or HCA or its Subsidiaries or Affiliates on the other hand (the "Initiating Party"), acting in good faith, authorizes the Initiating Party or any of its officers, directors, managers, representatives, agents to initiate efforts to negotiate a collaboration, joint venture or other agreement with any third party (a "Third Party"), other than Non-Initiating Party, to Conduct the Business in any country in Europe (the "EU Collaboration"), then prior to any such Person initiating any discussions relating to a potential EU Collaboration with any Third Party, the Initiating Party shall promptly give the Non-Initiating Party written notice (the "Negotiation Notice") of the identity of the Third Party with which discussions are contemplated and the proposed terms of the EU Collaboration in a reasonable detail.

b. For a period of 90 days after the Non-Initiating Party's receipt of the Negotiation Notice (the "Negotiation Period") (which Negotiation Period may, subject to the last clause of Section 7.6(a), extend beyond the first anniversary of the Closing Date), the Non-Initiating Party and the Initiating Party shall negotiate in good faith the terms and conditions under which the Initiating Party, Non-Initiating Party and the Company will agree to conduct the EU Collaboration. During the Negotiation Period, neither the Initiating Party nor any of its officers, directors, representatives, agents or Affiliates shall knowingly encourage, solicit, initiate or respond to or participate in any way with respect to any proposal, discussions, negotiations, requests for information or other similar matters from a Third Party with respect to any EU Collaboration.

c. If during the Negotiation Period the Initiating Party, Non-Initiating Party and the Company are unable to agree on terms for the EU Collaboration, the Initiating Party will have the right for a period of 90 days following the end of the Negotiation Period to negotiate terms of and enter into the EU Collaboration with the Third Party on terms not substantially more favorable to the Third Party than the terms last proposed by the Non-Initiating Party during the Negotiation Period. If prior to the first anniversary of the Closing Date, the Initiating Party enters into an EU Collaboration with a Third Party in accordance with this Section 7.8, then the Non-Initiating Party may conduct the Business in Europe free of any restrictions of this Agreement.

d. In the event the Initiating Party, Non-Initiating Party and the Company agree on the terms for the EU Collaboration and determine to establish a joint venture, partnership or other entity for the EU Collaboration (the "EU JV"), the definitive agreement governing the EU Collaboration and EU JV shall include provisions requiring the approval of both Caladrius on the one hand and HCA or its Subsidiary or Affiliate, as applicable, on the other hand (each a "Collaboration Member") for any of the following actions with respect to the EU Collaboration and EU JV:

i. approval of an annual business plan and budget for the EU JV or any variance from an approved budget by more than 5%; provided, however, if the Collaboration Members fail to approve an annual business plan or budget in a timely fashion, those of the previous year shall apply;

ii. change in the dividend policy of the EU JV;

iii. removal of the president of the EU JV;

iv. change in the compensation of directors and senior officers of the EU JV earning an annual salary of $200,000 or more;

v. change in the business of the EU JV;

vi. amendment to constituent documents of the EU JV or the transaction agreements that create the EU JV or EU Collaboration;

vii. issuances or redemptions of equity or debt of the EU JV other than third-party debt as contemplated by a budget approved by the governing body of the EU JV;

viii. granting or creating liens, mortgages or other security interests on any assets of the EU JV other than as contemplated by a budget approved by the governing body of the EU JV;

ix. admission of new members of the EU JV;

x. merger or consolidation involving the EU JV other than for purposes of changing domicile;

xi. equity investments by the EU JV in a third party;

xii. purchase, sale or disposal of assets or capital investments held by the EU JV over $500,000 other than pursuant to a budget approved by the governing body of the EU JV;

xiii. entering into or amending an agreement binding on the EU JV that contemplates expenditures in excess of $500,000 in any 12-month period, or that has a duration of more than 12 months, or that is otherwise material to the EU JV or the EU Collaboration;

xiv. creating, entering into or amending any material employment agreement, severance arrangement or employee benefit plan with respect to the employees of the EU JV;

xv. sale, assignment, abandonment or licensing of material intellectual property of the EU JV or sublicensing of any material intellectual property of the EU JV contemplated to be owned by both parties commensurate to ownership interests in the Company upon entering into the Transaction;

xvi. contracts or transactions between the EU JV and any of its members (or its Affiliates) (other than as provided in the documents governing the EU JV);

xvii. initiating or settling litigation or arbitration involving the EU JV;

xviii. changes in the EU JV's material accounting policies or accountants;

xix. suspension of the business of the EU JV or voluntary bankruptcy, termination or liquidation of the EU JV;

xx. incurrence or guarantee of any debt of the EU JV of $5,000,000 or more; and

xxi. creation of any Subsidiaries or Affiliates of the EU JV.

e. The covenants set forth in this Section 7.8 shall terminate with respect to HCA and its Subsidiaries and Affiliates upon (i) the Company's Bankruptcy, (ii) a Majority Asset Sale or a True Sale of the Company, (iii) the Company breaches any of its material obligations under the Technology License Agreement (it being understood that the obligations of the Company under Sections 2, 3.1, 3.3, 4.1, and 4.2, of the Technology License Agreement shall be deemed material) or Caladrius or the Company breaches any of their material obligations under this Agreement (it being understood that the obligations of Caladrius and/or the Company under Sections 3.2, 5.1, 6.3(a), 7.7, 8.5, 8.6, 8.8, 8.9, and 9 of this Agreement shall be deemed to be material), in each ease, such breach is not cured for a period of sixty (60) days, or (iv) HCA's exercise of its put option pursuant to Section 8.9 in the event Caladrius becomes a CoC Member.

f. In the event (i) HCA and a Caladrius Entity do not enter into a EU Collaboration with each other and (ii) HCA initiates efforts to negotiate a collaboration, joint venture or other agreement with a Third Party to conduct an EU Collaboration with such Third Party or otherwise seeks to conduct the Business in Europe, HCA shall, prior to conducting any Business in Europe, negotiate in good faith with PCT to obtain a license from PCT for the right to use the Company's Intellectual Property, Intellectual Property Rights, and other rights and assets relating to the Business in Europe.

Section 7.9 **No Agreement with Respect to the Conduct of the Business in Geographic Regions Outside of Asia, the Territory and Europe.** Each Member agrees that, other than as set forth herein with respect to the conduct of the Business in Asia and the Territory and the potential collaboration between the Parties in Europe, there is no agreement among the Members with respect to the conduct of the Business (or with respect to Europe, the potential conduct of the Business) outside of Asia, the Territory and Europe.

Section 7.10 **Non-Solicitation**. During the term of this Agreement, (i) neither Member (the "Soliciting Member") may (and each Member shall cause each of its Affiliates, officers, directors and employees and other Persons under its control not to) directly or indirectly, including without limitation through any of its personnel, cause, solicit, entice or induce, or attempt to cause, solicit, entice or induce, any employee or consultant of the other Member (and the Company only in the event HCA or one of its Affiliates is the Soliciting Member) to leave his or her current employment, to accept employment with Soliciting Member

or any of its Affiliates or any other Person, or to interfere in any manner with the business of PCT or Caladrius and (ii) HCA shall not, and will cause its Affiliates to not, hire in any capacity any former employee of PCT that is hired by Hitachi Ltd. and its Affiliates.

Section 7.11 **Share-Based Compensation**. In the event that after the date hereof Caladrius grants awards of options, restricted stock units, stock appreciation rights or restricted stock awards settled in or exercisable for capital stock of Caladrius ("Caladrius Equity Awards") to employees, consultants, service providers of the Company, the Company shall treat such Caladrius Equity Awards as non-cash items.

ARTICLE VIII
TRANSFERS; RESIGNATIONS AND RELATED RIGHTS

Section 8.1 **Restrictions on Transfer**. No Member shall be entitled to Transfer, directly or indirectly, all or any part of its Units or other Equity Securities held by such Member in the Company,

a. unless the Transfer:

(i) is permitted under Section 8.2, which Transfer may be effectuated without the consent of the Board or any Member;

(ii) is approved by the Member not Transferring Units or other Equity Securities (the "Non-Transferring Member") under Section 8.3, and to the extent applicable, is made in compliance with Section 8.5;

(iii) is between HCA and its Affiliates or Subsidiaries (for the purpose of this Section 8.1(a)(iii) only, Hitachi Ltd. and all of its Subsidiaries shall be considered Affiliates of HCA); or

(iv) is permitted pursuant to any of the other terms of Article VIII; and

b. unless the Transfer satisfies each of the conditions in Section 8.4, unless the compliance with such conditions has been waived in writing by the Non-Transferring Member.

Any attempted Transfer in violation of the restrictions set forth in this Section 8.1 shall, to the fullest extent permitted by Law, be null and void *ab initio* and of no force or effect.

Section 8.2 **Permitted Transfers**. Notwithstanding Section 8.1 but subject to the other restrictions in this Article VIII, any Member may make any Transfer of all or any portion of its Units or other Equity Securities pursuant to and in accordance with Sections 3.2, 8.5, 8.6, 8.8, and 8.9 (each such transaction, a "Permitted Transfer" and the recipient thereof, a "Permitted Transferee"). Any Units or other Equity Securities Transferred to a Permitted Transferee pursuant to this Section 8.2 shall be held by such Person as a Transferee, unless (i) the Permitted Transferee is already a Member, in which event it will acquire the Transferred or other Equity Securities Units in its capacity as a Member or (ii) the admission of such Transferee as a Substitute Member is approved by the Board under Section 8.3.

Section 8.3 **Transfers Approved by Member**. The Non-Transferring Member may at any time approve in writing the Transfer of part or all of the Units or other Equity Securities held by a Member. Subject to Section 8.7, Any Person acquiring such Units or other Equity Securities pursuant to a Transfer approved under this Section 8.3 shall be admitted to the Company as a new Member (the "Substitute Member") entitled to exercise all of the rights of a Member under this Agreement upon the execution of this Agreement by the Transferee.

Section 8.4 **Restrictions Applicable to All Transfers**.

a. Written Notice to Company. The Company and the Non-Transferring Member shall receive the following notices of any Voluntary or Involuntary Transfer, unless waived in writing by the Non-Transferring Member:

(i) a Member shall advise the Company and the Non-Transferring Member no later than thirty (30) days prior to any proposed Transfer, if the Transfer is treated as a Permitted Transfer under Section 8.2, or is a Transfer for which the Member seeks the consent of the Non-Transferring Member under Section 8.3; or

(ii) no later than ten (10) days after an Involuntary Transfer, the Person(s) acquiring the Units so involuntarily Transferred shall give written notice to the Company and the Non-Transferring Member.

The written notice provided to the Company and the Non-Transferring Member under this Section 8.4(a) shall provide to the Non-Transferring Member sufficient information to allow it to make the determinations under Section 8.4(b).

b. Generally Applicable Transfer Restrictions. Notwithstanding anything in this Article VIII to the contrary, no Transfer of any Units or other Equity Securities, whether voluntary or involuntary, shall be valid or effective as to the Company, unless the Non-Transferring Member determines in good faith that the Transfer does not (or unless the Non-Transferring Member elects to waive such restriction):

(i) require registration of any Units in the Company under any securities Laws of the United States of America, any state or any other jurisdiction;

(ii) subject the Company or any of its Members to registration under any securities or commodities Laws of the United States of America, any state or any other jurisdiction;

(iii) constitute, alone or when added to other Transfers, trading on an established securities market or a secondary market, or on an equivalent of such market, for purposes of Code Section 7704, 469(k) or 512(c)(2) or any successor provisions;

(iv) result in the taxation of the Company as an association taxable as a corporation for federal income tax purposes;

(v) violate or will be inconsistent with any representation or warranty made by the transferor at the time the transferor subscribed for or acquired the Units being transferred; or

(vi) result in a breach or violation of any Transfer restrictions contained in any loan documentation (and/or guaranty) relative to any indebtedness encumbering all or any portion of the Company's property and/or any other agreement binding upon the Company, unless such Transfer restrictions are waived by the Non-Transferring Member, the applicable lender and/or the parties to such agreement, as the case may be.

c. Designation of Single Representative. If the Transfer would result in the joint or multiple ownership of any Units or other Equity Securities that are to be Transferred, the Non-Transferring Member may require the designation of a single representative to represent the entire Transferred Units or other Equity Securities for the purpose of receiving all notices which may be given and all payments which may be made under this Agreement and for the purpose of exercising all other rights exercisable as to such Transferred Units or other Equity Securities under the provisions of this Agreement.

d. Acceptance of Agreement. The Non-Transferring Member may require that the party to whom the Units or other Equity Securities have been Transferred to execute, acknowledge and deliver to the Company a Transfer agreement, in form and substance satisfactory to the Non-Transferring Member, and the Company acknowledging that such Person is subject to all of the terms and conditions of this Agreement. To the fullest extent permitted by Law, the Person acquiring such Units or other Equity Securities shall, however, be subject to all of the terms and conditions of this Agreement, whether or not such a Transfer agreement is executed.

e. Expenses. The Transferee shall be responsible for paying all expenses incurred by the Company and the Non-Transferring Member in ensuring that the Transfer is in compliance with all the terms and conditions of this Article VIII. Until such amounts have been paid, such Person shall not be entitled to any of the rights, privileges or interests of either a Transferee or Member, as the case may be, under this Agreement.

f. No Release of Liability. The Transfer of Units or other Equity Securities shall not relieve the transferor from any Liability that it may owe to the Company, whether for unpaid Capital Contributions or other obligations, unless the transferor is released in writing by the Non-Transferring Member from such Liability.

Section 8.5 Right of First Negotiation.

a. Subject to the last sentence of this Section 8.5(a), if, at any time following the third (3rd) anniversary of the Effective Date, a Member receives a bona fide offer or indication of interest from a Third Party Purchaser to purchase all, but not less than all, of such Member's Equity Securities held by such Member (such Member, the "Selling Member"), such Selling Member shall notify the other Member (the "Responding Member") in writing that it desires to sell all of its Equity Securities to the Third Party Purchaser (the "Offer") and such notice shall include the proposed terms and conditions in reasonable detail, including the identity of the Third Party Purchaser, the price per Unit and

any other material terms relating to the Offer. Notwithstanding anything herein to the contrary, Caladrius may sell in one or a series of transactions up to 20% of the outstanding Equity Securities (including, for the avoidance of doubt, prior to the third (3rd) anniversary of the Effective Date), subject only to the provisions of this Section of 8.5, other than the three-year restriction on sales set forth in the first sentence of this Section 8.5(a)).

b. To exercise its rights under this Section 8.5, the Responding Member must deliver a written notice (a "Participation Notice") to the Selling Member within ten (10) Business Days of receiving the Offer indicating that it desires to purchase all, but not less than all, of the Selling Member's Equity Securities. If the Responding Member does not timely deliver a Participation Notice, then the Selling Member shall be free to Transfer its Equity Securities on terms and conditions substantially similar to (and in no event more favorable than) the terms and conditions set forth in the Offer to such Third Party Purchaser and shall not have any further obligations under this Section 8.5 or Section 8.6; provided, however, that if such Transfer is not consummated with such Third Party Purchaser within one hundred twenty (120) days after expiration of such ten (10) Business Day period, any Transfer of the Equity Securities of the Selling Member shall again become subject to the rights of first negotiation and co-sale on the terms set forth in Section 8.5 and Section 8.6. Following the receipt by the Selling Member of the Participation Notice, the Selling Member and the Responding Member shall negotiate the Offer in good faith for a period not to exceed seventy-five (75) days after the delivery of the Participation Notice (such seventy-five (75) day period, the "Purchase Period"). If the Responding Member and Selling Member have not entered into a binding agreement with respect to the Transfer of the Equity Securities prior to the expiration of the Purchase Period, then, the Selling Member shall be free to Transfer its Equity Securities to the Third Party Purchaser on terms and conditions substantially similar to (and in no event more favorable than) the terms and conditions set forth in the Offer (a "Third Party Transfer") and shall not have any further obligations under this Section 8.5 or Section 8.6; provided, however, that if such Third Party Transfer is not consummated within one hundred twenty (120) days after expiration of the Purchase Period, any Transfer of the Equity Securities held by the Selling Member shall again become subject to the rights of first negotiation and co-sale on the terms set forth in Section 8.5 and Section 8.6.

Section 8.6 Co-Sale Right.

a. In the event of a proposed Third Party Transfer, in lieu of exercise of the right of first negotiation set forth in Section 8.5, the Responding Member shall have the right to participate in such Third Party Transfer on the same terms and conditions as the Selling Member in accordance with the terms set forth in this Section 8.6.

b. To exercise its rights hereunder, the Responding Member must provide a Participation Notice to the Selling Member within ten (10) Business Days of receiving the Offer indicating that it desires to sell all, but not less than all, of its Equity Securities on the terms and conditions set forth in the Offer (as equitably adjusted to take into account the Equity Securities held by the Responding Member). If the Responding Member does not timely deliver a Participation Notice, then the Selling Member shall be free to Transfer its Equity Securities on terms and conditions substantially similar to (and in no event more favorable than) the terms and conditions set forth in the Offer to such Third Party Purchaser and shall not have any further obligations under Section 8.5 or this Section 8.6; provided, however, that if such Transfer is not consummated within one hundred twenty (120) days after expiration of such ten (10) Business Day period, any Equity Securities proposed to be Transferred by the Selling Member shall again become subject to the rights of first negotiation and co-sale on the terms set forth in Section 8.5 and this Section 8.6.

c. To the extent the Responding Member exercises its right of participation in accordance with the terms and conditions set forth in this Section 8.6, the Responding Member and Selling Member agree that the terms and conditions of such Transfer will be memorialized in, and governed by, a written purchase and sale agreement with the prospective Third Party Purchaser (the "Purchase and Sale Agreement") with customary terms and provisions for such a transaction, and the Responding Member and Selling Member further covenant and agree to negotiate in good faith a Purchase and Sale Agreement reasonably satisfactory to the Responding Member and Selling Member.

d. In the event the Third Party Purchaser refuses to purchase Equity Securities from a Responding Member exercising its rights of co-sale hereunder, the Selling Member shall not sell to such Third Party Purchaser any Equity Securities unless and until, simultaneously with such sale, the Third Party Purchaser shall purchase such Equity Securities from such Responding Member for the same consideration and on the same terms and conditions as the Third Party Transfer described in the Offer.

Section 8.7 Rights and Obligations of Transferee. Any Person who acquires Equity Securities in the Company by Transfer shall hold such Equity Securities as a Transferee, unless the Non-Transferring Member approves the admission of such Person as a Member under Section 8.3 or unless such Person has been previously admitted as a Member, in which event it

shall acquire such Units as a Member. Each Transferee shall be bound and be subject to all of the restrictions applicable to a Member, including the Transfer restrictions of Articles VIII. In addition, a Transferee shall be entitled, as to the Equity Securities acquired (and only to the extent such rights were Transferred), only to share in such Profits and Losses, to receive such Distribution or Distributions, and to receive such allocation of income, gain, loss, deduction or credit, or similar item, to which the prior holder of the Equity Securities was entitled. Such Transferee shall not be entitled to exercise any rights or powers of a Member. Furthermore, if at the time the Transferee acquires any such Equity Securities, the Person previously holding such Equity Securities was obligated to make any further Capital Contributions to the Company with respect to the Equity Securities so Transferred, the Transferee will be similarly obligated to make such Capital Contributions to the Company, when and as required by the terms of this Agreement, and, if failing to do so, will be subject to the same consequences as would have applied to the Member first acquiring such Equity Securities directly from the Company. A Person who permits all or part of its Equity Securities to be Transferred to a Transferee shall remain, unless the Board otherwise provides, liable for any and all obligations due and owing to the Company as to the Equity Securities so Transferred (including the obligation, if any, to make additional Capital Contributions to the Company), even though the Transferee also becomes obligated for the performance of such obligations.

Section 8.8 Member Change of Control

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a. If a Member is subject to a Member Change of Control (a "CoC Member"), then the other Member (the "Non-CoC Member") may offer to Transfer all of its Equity Securities (the "CoC Units") to the CoC Member.As promptly as practical following the effectiveness of such Member Change of Control, such CoC Member shall give written notice (the "CoC Notice") to the Company and to the Non-CoC Member of the effectiveness of the Member Change of Control, and for a period of thirty (30) days following receipt of such CoC Notice, the Non-CoC Member may send a written notice of its intent to Transfer the CoC Units held by the Non-CoC Member to the CoC member and the Company (the "CoC Unit Transfer Notice"). Promptly following receipt by the Company and the CoC Member of the CoC Unit Transfer Notice, the Non-CoC Member and the Company shall determine the CoC Fair Market Value (as defined below) of the CoC Units in accordance with Section 8.8(b). Promptly following determination of the CoC Fair Market Value of the CoC Units, the Non-CoC Member shall issue a second notice containing the CoC Fair Market Value of the CoC Units (the "Valuation Notice") to the CoC Member. The Non-CoC Member shall be obligated to sell all of the Units subject to the CoC Unit Transfer Notice to the CoC Member and the CoC Member shall be obligated to purchase such Units, all in accordance with the terms of this Agreement at the price set forth in the Valuation Notice. If the Non-CoC Member fails to timely deliver the CoC Unit Transfer Notice or Valuation Notice, the CoC Member shall be under no obligation to purchase any CoC Units pursuant to this Section 8.8(a).

b. For purposes of this Agreement, "CoC Fair Market Value" shall mean, with respect to each Equity Security, the fair market value of such Equity Securities, as shall be mutually agreed upon by the Non-CoC Member and the CoC Member based upon the per Equity Security cash consideration that would reasonably be expected to be paid, in a transaction involving a willing buyer under no compulsion to buy and a willing seller under no compulsion to sell, for the CoC Units pursuant to Section 8.8(a); provided, however, that should the Non-CoC Member and CoC Member fail to agree on the fair market value of such Equity Securities within fifteen (15) days of the CoC Unit Transfer Notice, then such determination shall be made by two Valuation Firms, one of which shall be selected by the Non-CoC Member and the other which shall be selected by the CoC Member. The Valuation Firms shall be required to determine the CoC Fair Market Value of the CoC Units within thirty (30) days after being notified and accepting of their selection. If the determinations of the CoC Fair Market Value of the CoC Units of each Valuation Firm are within ten percent (10%) of each other, the CoC Fair Market Value for purposes of Section 8.8 shall be the average of the two determinations. If the determinations of the CoC Fair Market Value of the CoC Units of each Valuation Firm are not within ten percent (10%) of each other, then the Valuation Firms shall select a third Valuation Firm to make another determination of the CoC Fair Market Value of the CoC Units within thirty (30) days after being notified of and accepting its selection. In the event that a third Valuation Firm is selected, the CoC Fair Market Value of the CoC Units shall be the average of the two determinations that are closest in value to each other. In preparing the CoC Fair Market Value determinations, each Valuation Firm shall be provided with the same level of access to the Company's management and the same source documents and information regarding the Company (subject to entering into confidentiality agreements reasonably acceptable to the Company). Each Valuation Firm shall determine a single point estimate of the CoC Fair Market Value of the CoC Units, not a range of values. The fees and expenses of the Valuation Firm selected by the Non-CoC Member and the CoC Member to determine CoC Fair Market Value of the CoC Units shall be paid by such Non-CoC Member and the CoC Member, as applicable. In the event a third Valuation Firm is required to be selected in accordance with this Section 8.8(b), the fees and expenses of such firm shall be split evenly between the Non-CoC Member and the CoC Member.

c. The closing of any purchase and sale of the CoC Units described in this Section 8.8 shall be made pursuant to a customary purchase and sale agreement and shall occur within forty-five (45) days of receipt of the Valuation Notice or at such other time as the participating Members agree; provided, however, that if such Transfer would require the participating Members to obtain regulatory approval or other third party approval pursuant to applicable Law prior to consummating such sale, such forty-five (45) day period shall be extended to the date that is five (5) days after such regulatory or other approval has been obtained. The place for the closing of any purchase and sale described in Section 8.8 shall be the principal office of the Company or at such other place as the participating Members shall agree.

Section 8.9 Put Option.

a. At any time following the tenth (10^{th}) anniversary of the Effective Date (the "Put Period"), HCA shall have the right on one occasion (the "Put Option"), exercisable by delivery of a written notice to Caladrius or the Company, as applicable, at any time during the Put Period (such notice, the "Put Notice" and such date of exercise, the "Put Date"), to require Caladrius or the Company to purchase all or some of the Equity Securities then held by HCA and/or its Affiliates (the "HCA Units") set forth in the Put Notice for an amount per Unit (the "Put Price") equal to the lower of (i) the CoC Fair Market Value of the HCA Units subject to the Put Option as determined in accordance with Section 8.8(b) and (ii) with respect to each HCA Unit subject to the Put Option, the HCA Original Purchase Price plus interest on the HCA Original Purchase Price at a rate of two percent (2.0%) per annum compounded annually; *provided, however*, that, notwithstanding anything to the contrary contained herein, if HCA and its Affiliates offer to sell a number of HCA Units held them in excess of twenty-one percent (21%) of the Company's outstanding Equity Securities pursuant to this Section 8.9, then Caladrius shall be required to purchase all such HCA Units but in no event shall the aggregate purchase price of such HCA Units to be sold pursuant to this Section 8.9 exceed an amount equal to the HCA Maximum Unit Purchase Price.

b. HCA shall, upon delivery of such Put Notice, be obligated to sell all of the Units subject to the Put Option to Caladrius or the Company, as applicable, and Caladrius or the Company, as applicable, shall be obligated to purchase such Units, all in accordance with the terms of this Agreement.

c. The closing of any purchase and sale of Units pursuant to this Section 8.9 (the "Put Option Closing") shall be pursuant to a customary purchase and sale agreement (a "Put Agreement") and take place at the principal office of the Company within ninety (90) days following the determination of the applicable Put Price, or at such other time as HCA and Caladrius or the Company, as applicable, may mutually determine in writing; provided that if such closing would require Caladrius or the Company to obtain regulatory approval or other third party approval pursuant to applicable Law prior to consummating such purchase, such ninety (90)-day period shall be extended to the date that is five (5) days after such regulatory or other approval has been obtained. At the Put Option Closing, HCA, Caladrius and the Company shall have executed and delivered the Put Agreement to each other and HCA shall transfer to Caladrius or the Company, as applicable, all of the HCA Units subject to the applicable Put Option, free and clear of all liens by duly executed purchase and sale agreement, which agreement shall include representations and warranties by HCA solely with respect to due authorization, title, absence of liens and the enforceability of the contemplated transaction (which representations and warranties shall survive such Put Option Closing), in exchange for payment of immediate available funds by Caladrius or the Company, as applicable, to HCA of the purchase price for such HCA Units.

ARTICLE IX
MEMBER RIGHTS

Section 9.1 Preemptive Rights
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a. Purchase Rights. Subject to the terms of this Section 9.1, each Member and holders of Additional Interests (to the extent that the Company has agreed in connection with the issuance of such Additional Interests to grant the holder thereof preemptive rights under this Section 9.1) (each a "Preemptive Rights Member" and, collectively, the "Preemptive Rights Members") shall have a preemptive right to purchase New Securities (as defined below) that the Company may, from time to time, propose to sell and issue or otherwise Transfer. Each such Preemptive Rights Member's preemptive rights shall be pro rata based on the proportion that the Units then held by such Preemptive Rights Member bear to the total number of Units then outstanding (such pro rata portion as to each such Preemptive Rights Member, such Preemptive Rights Member's "Preemptive Share").

b. Definition of New Securities. "New Securities" shall mean any Additional Interests or debt securities, whether now authorized or not, and irrespective of the class and/or series of such equity securities.

c. Exercise of Preemptive Rights. In the event the Company proposes to undertake an issuance of New Securities, it shall give each Preemptive Rights Member prior written notice of its intention, describing the type of New Securities, and the price and other material terms upon which the Company proposes to issue the same (each, an "Issuance Notice"). Each such Preemptive Rights Member shall be entitled to purchase up to its respective Preemptive Share of such New Securities for the same price and upon the same terms specified in the Issuance Notice, by delivery of written notice to the Company of such election within 10 Business Days after receipt of the Issuance Notice and stating therein the quantity of New Securities to be purchased (each, a "Rights Notice"). If a Preemptive Rights Member has elected to purchase any New Securities pursuant to this Section 9.1(c), the sale of such securities shall be consummated when directed by the Board (but in no event shall the electing Member be required to purchase later than 120 days after the delivery of the Rights Notice).

d. Company's Right of Sale. If a Preemptive Rights Member fails to exercise its preemptive right within such 10 Business Day period, the Company shall have 120 days thereafter to sell or enter into an agreement to sell (pursuant to which the sale of New Securities covered thereby shall be closed, if at all, within 30 days from the date of said agreement) the New Securities not elected to be purchased by such Preemptive Rights Member at the price and upon terms no more favorable to the purchasers of such securities than specified in the Issuance Notice. In the event the Company has not sold the New Securities or entered into an agreement to sell the New Securities within said 120-day period (or sold and issued New Securities in accordance with the foregoing 30 days from the date of said agreement), the Company shall not thereafter issue or sell any of such New Securities, without first re-offering such securities in the manner provided above.

e. Right to Defer Preemptive Rights. Notwithstanding the foregoing, if the Board determines that time is of the essence in connection with any issuance of New Securities, the Company may complete such issuance prior to offering the Preemptive Rights Members the preemptive rights set forth in Section 9.1(c); provided that, if and to the extent the Preemptive Rights Members subsequently exercise their purchase rights hereunder, the Company, at its option, shall ensure that either (i) any purchasers of New Securities will be required to sell such New Securities so issued to any Preemptive Rights Member exercising its rights in accordance with Section 9.1(c) as is required to give each such Member the benefit of the rights contained therein, or (ii) the Company shall issue such additional New Securities to any Member exercising its rights in accordance with Section 9.1(c) as is required to give each such Member the benefit of the rights contained therein.

f. Expiration of Preemptive Rights. The rights granted in this Section 9.1 shall not be applicable to and shall expire upon the earlier of the consummation of a Liquidation Event and a Public Offering.

g. Assignability of Preemptive Rights. The preemptive right set forth in this Section 9.1 may only be assigned or transferred by Preemptive Rights Member to a Transferee who has acquired all of the Units held by such Member, which transfer was otherwise permitted by the terms of this Agreement, provided that the Transferee or assignee of such rights assumes, in writing, all of the obligations of the transferor. The foregoing notwithstanding, no Transferee or assignee shall have any preemptive rights for any sale or issuance of securities subject to this Section 9.1 until the Company receives a copy of the executed assumption described in the preceding sentence and any such rights shall not be given retroactive effect.

h. Compliance with Securities Laws. Notwithstanding anything in this Section 9.1 to the contrary, the Company will have no obligation to issue any New Securities to a Preemptive Rights Member unless the Board determines, in its reasonable judgment, that such sale can be made pursuant to an available exemption from the registration requirements of the Securities Act and the registration requirements of applicable state Law, and other requirements of applicable foreign Law. The Board may request that a Preemptive Rights Member deliver to it a legal opinion, in form acceptable to it, confirming the availability of an applicable exemption, with such opinion to be delivered at the Member's cost and expense.

Section 9.2 Basic Financial Information. The Company shall deliver to each Member:

a. within one hundred twenty (120) days after the end of each Fiscal Year, annual consolidated financial statements of the Company on a stand-alone basis for such Fiscal Year reflecting the cost allocations set forth in the Services Agreement, including a consolidated balance sheet (together with comparisons to the balance sheet of the Company at the end of the prior Fiscal Year), a consolidated statement of operations and a consolidated statement of

cash flows of the Company and its Subsidiaries for such year (together with comparisons to the statements of income and cash flows of the Company for the prior Fiscal Year), all prepared in accordance with GAAP, Services Agreement and, to the extent requested and paid for by HCA, audited by independent certified public accountants selected by HCA;

b. within thirty (30) days after the end of each fiscal quarter of the Company (except the last quarter of the Company's fiscal year), quarterly unaudited financial statements on a stand-alone basis for such fiscal quarter reflecting the cost allocations set forth in the Services Agreement, including an unaudited balance sheet, an unaudited statement of operations and an unaudited statement of cash flows, together with a comparison to the Budget, all prepared in accordance with the Company's books and records and GAAP, consistently applied, subject to changes resulting from normal year-end audit adjustments; and

c. within thirty (30) days after the end of each calendar month (except the last month of the Company's fiscal year), commencing with the month ending March 31, 2016, monthly unaudited financial statements on a stand-alone basis for such month reflecting the cost allocations set forth in the Services Agreement, including an unaudited balance sheet, an unaudited statement of operations and an unaudited statement of cash flows, together with a comparison to the Budget (the "Monthly Reports"), all prepared in accordance with the Company's books and records; provided that, the Monthly Reports shall be drafted in accordance with GAAP, consistently applied, and subject to changes resulting from normal year-end audit adjustments.

Section 9.3 Inspection Rights. The Company shall permit each Member and each Member's authorized employees, counsel, consultants, financial advisors and accountants, which, with respect to HCA shall include the HCC Secondees, at such Member's expense, (a) to visit and inspect the Company's properties, (b) to examine its books of account and records, (c) to examine all documents, reports, financial data and other information as the Members may reasonably request (including any information necessary to comply with 22 U.S.C. 3102, 3103 and 3104) and (d) to discuss the Company's affairs, finances and accounts with its officers, all at such reasonable times as may be requested by such Member, provided that no such visits, inspections or examinations shall be allowed insofar as any of them would unreasonably interfere with the operations of the Company. All HCC Secondees shall be subject to confidentiality agreements in a form and substance reasonably acceptable to HCC, which agreements will include restrictions on sharing confidential Company client information with any third party, including HCC.

ARTICLE X
INDEMNIFICATION

Section 10.1 Indemnification.

a. The Company shall, to the fullest extent permitted by applicable Law, indemnify, defend and hold harmless each Board Member, their Affiliates, and all of their respective stockholders, officers, directors, members, managers, partners, agents and employees, and each representative, Officer and employee of the Company (when acting in a capacity for and on behalf of the Company) (each, an "Indemnified Party") from, against and in respect of any Liabilities arising out of or in connection with the business or affairs of the Company (collectively, "Indemnified Losses"), except to the extent that it is finally judicially determined that such Indemnified Losses arose out of or were related to actions or omissions of the Indemnified Party constituting bad faith, fraud, or intentional misconduct. The Company shall advance monies to any Indemnified Party under this Section 10.1 for its reasonable legal and other expenses that have been or may be incurred in connection with defending any claim with respect to such Indemnified Losses if such Indemnified Party shall agree to reimburse promptly the Company for such amounts if it is finally judicially determined that such Indemnified Party was not entitled to indemnity hereunder.

b. Promptly after receipt by an Indemnified Party of notice of any pending or threatened claim against it (an "Action"), such Indemnified Party shall give notice to the Company of the commencement thereof, provided that the failure so to notify the Company shall not relieve it of any liability that it may have to any Indemnified Party hereunder, except to the extent the Company demonstrates that it is materially prejudiced thereby. In case any Action that is subject to indemnification under Section 10.1(a) shall be brought against an Indemnified Party and it shall give notice to the Company of the commencement thereof, the Company shall be entitled to participate therein and, if it so desires, to assume the defense thereof with counsel reasonably satisfactory to such Indemnified Party and, after notice from the Company to the Indemnified Party of its election to assume the defense thereof, the Company shall not be liable to such Indemnified Party under this Section 10.1 for any fees of other counsel or any other expenses, in each case subsequently incurred by such Indemnified Party in connection with the defense thereof, other than reasonable costs of investigation. Notwithstanding the Company's election to assume the defense of any such Action that is subject to indemnification under Section 10.1(a), the Indemnified Party has the right to employ separate counsel and to

participate in the defense of such Action, and the Company shall bear the reasonable fees, costs and expenses of such separate counsel if: (i) the use of counsel chosen by the Company to represent the Indemnified Party could present such counsel with a conflict of interest; (ii) the actual or potential defendants in, or targets of, any such Action include both the Company and the Indemnified Party, and the Indemnified Party has reasonably concluded on the advice of counsel that there may be legal defenses available to it which are different from or additional to those available to the Company (in which case the Company shall not have the right to assume the defense of such Action on the Indemnified Party's behalf); (iii) the Company shall not have employed counsel satisfactory to the Indemnified Party to represent the Indemnified Party within a reasonable time after notice of the institution of such Action; or (iv) the Company shall authorize the Indemnified Party in writing to employ separate counsel at the Company's expense. If the Company assumes the defense of such Action, no compromise or settlement thereof may be effected by the Company without the Indemnified Party's written consent unless (x) there is no finding or admission of any violation of Law or any violation of the rights of any Person and no effect on any other claims that may be made against the Indemnified Party and (y) the sole relief provided is monetary damages that are paid in full by the Company.

c. If any of the Indemnified Parties is uncertain as to the propriety of its actions in respect to the Company's business, such Indemnified Party may consult with legal counsel of its choice and, to the extent that it relies upon advice received from such legal counsel in taking action for and on behalf of the Company, such Indemnified Party shall not be regarded as having acted in bad faith and shall be entitled to indemnification pursuant to the terms of this Article X.

Section 10.2 Duration. The indemnities contained in this Article X shall survive the dissolution and winding up of the Company, and as to a Board Member or an Officer, their resignation or removal.

ARTICLE XI
DISSOLUTION, LIQUIDATION AND TERMINATION

Section 11.1 Dissolution

a. Dissolution Events. Subject to the terms of this Agreement, the Company shall be dissolved and shall wind up its affairs, upon the first to occur of the following events (each a "Dissolution Event"):

(i) a unanimous election by the Board to dissolve the Company;

(ii) at any time the Company has no Members; provided that the Company shall not be dissolved and is not required to be wound up if it is possible to take the actions permitted under Delaware Law to continue the Company; or

(iii) the entry of a final, binding and non-appealable decree of judicial dissolution of the Company.

b. Non-Dissolution Events. Except as otherwise set forth in this Article XI, the Company is intended to have a perpetual existence. The death, retirement, resignation, expulsion, Bankruptcy or dissolution of any Member shall not cause a dissolution of the Company and the Company shall continue in existence subject to the terms and conditions of this Agreement.

c. Notice of Dissolution. Following the occurrence of a Dissolution Event, the Board shall promptly notify in writing the Members of such occurrence.

Section 11.2 Winding Up. Following the occurrence of a Dissolution Event, the winding up of the Company (including the liquidation of assets, discharge of liabilities, and Distribution of any remaining amounts to the Members) shall be under the direction of the Board (the Board, when acting in this capacity, is designated as the "Liquidating Trustee"). Upon the dissolution of the Company, and until the filing of a Certificate of Cancellation as provided under the Act (a "Certificate of Cancellation"), the Liquidating Trustee shall proceed diligently to liquidate the Company, to wind up its affairs and to make final Distributions as provided in this Article XI. In connection therewith, the Liquidating Trustee may, in the name of, for and on behalf of, the Company, prosecute and defend suits, whether civil, criminal or administrative, gradually settle and close the Company's business, dispose of and convey the Company's property, discharge or make reasonable provision for the Company's liabilities, and distribute to the Members any remaining assets, all without affecting the liability of the Members and without imposing liability on the Liquidating Trustee. Such actions shall be taken at the expense of the Company.

Section 11.3 **Distribution**. Following a Dissolution Event, the Liquidating Trustee shall proceed to liquidate the Company's assets expeditiously (together with such delays as the Liquidating Trustee deems prudent to maximize the value of such assets), and shall distribute the proceeds in the following order of priority:

a. to creditors, including Members as creditors, to the extent otherwise permitted by Law, to satisfy the liabilities of the Company (whether by payment or the making of reasonable provision for payment thereof); and

b. the balance, if any, to the Members in accordance with their respective interests in Distributions as provided in Section 5.1.

Any non-cash assets distributed to the Members shall first be written up or down to their Fair Market Value, thus creating Profit or Loss (if any), which shall be allocated in accordance with Section 4.1.

Section 11.4 **No Obligation to Restore Negative Capital Account Balance Upon Liquidation**. Notwithstanding anything to the contrary contained in this Article XI, and notwithstanding any custom or rule of Law to the contrary, to the extent that a deficit, if any, in the Capital Account of any Member results from or is attributable to deductions or losses of the Company (including non-cash items such as amortization, depreciation, or depletion), or Distributions of money or other property pursuant to this Agreement to Members, such deficit shall not be an asset of the Company and such Member shall not be obligated to contribute such amount to the Company to bring the balance of such party's Capital Account to zero.

Section 11.5 **Right of Member Upon Liquidation**. Except as provided by Law or as expressly provided in this Agreement: (i) each Member shall look solely to the assets of the Company for the return of its Capital Contribution and shall have no right or power to demand or receive property other than cash from the Company; (ii) no Member shall have priority over any other Member as to the return of its Capital Contributions, Distributions or allocations; and (iii) if the property remaining after the satisfaction of creditors of the Company is insufficient to return the Capital Contributions of Members, no Member shall have recourse against any Member so long as the assets of the Company have been distributed in accordance with this Article XI.

Section 11.6 **Certificate of Cancellation**. Upon completion of the winding up of the Company, and the Distribution of the Company's proceeds as provided for in this Article XI, the Liquidating Trustee shall (a) file a Certificate of Cancellation, in the form prescribed by the Act, with the office of the Secretary of State of the State of Delaware, (b) cancel any other filings made pursuant to this Agreement that are or should be canceled and (c) take any other such actions as may be necessary to terminate the Company. The Company shall be deemed to continue in existence for all purposes of this Agreement until it is terminated pursuant to this Section 11.6.

ARTICLE XII
GENERAL PROVISIONS

Section 12.1 **Notice**. All notices required or permitted to be given hereunder shall be in writing and may be delivered by hand, by facsimile, by electronic transmission in portable document format (PDF) or similar format, by nationally recognized private courier, or by United States mail. Notices delivered by mail shall be deemed given three (3) Business Days after being deposited in the United States mail, postage prepaid, registered or certified mail, return receipt requested. Notices delivered by hand shall be deemed delivered when actually delivered. Notices given by nationally recognized private courier shall be deemed delivered on the date delivery is promised by the courier. Notices given by facsimile or by electronic transmission shall be deemed given on the first Business Day following receipt; provided, however, that a notice delivered by facsimile or electronic transmission shall only be effective if such notice is also delivered by hand, deposited in the United States mail, postage prepaid, registered or certified mail, or given by nationally recognized private courier on or before two Business Days after its delivery by facsimile or electronic transmission. Such notices shall be sent to the Members at the addresses set forth on Exhibit B, to the Company or Caladrius at the addresses indicated below, or to such other address or to the attention of such other Person as the recipient party has specified by prior written notice to the sending party.

If to the Company:

PCT, LLC, a Caladrius Company
c/o Caladrius Biosciences, Inc.
420 Lexington Ave, Suite 350
New York, New York 10170
Attn.: General Counsel

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

Neil A. Torpey, Esq.
Paul Hastings LLP
75 E. 55th Street
New York, NY 10022

Email: neiltorpey@paulhastings.com

If to Caladrius:

Caladrius Biosciences, Inc.
420 Lexington Ave, Suite 350
New York, New York 10170
Attn.: General Counsel
Email: tgirolamo@caladrius.com

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

If prior to May 1, 2016
Neil A. Torpey, Esq.
Paul Hastings LLP
75 E. 55th Street
New York, NY 10022
Email: neiltorpey@paulhastings.com

If on or following May 1, 2016
Neil A. Torpey, Esq.
Paul Hastings LLP
200 Park Avenue
New York, NY 10166
Email: neiltorpey@paulhastings.com

If to HCA:

Hitachi Chemical Co. America, Ltd.
2150 North First Street Suite #350
San Jose, CA 95131
Attn.: Chief Financial Officer

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

Hitachi Chemical Co., Ltd.
9-2, Marunouchi 1-chome,
Chiyoda-ku, Tokyo 100-6606, Japan
Attn.: Division Manager of Legal Division

Fenwick & West LLP
555 California Street, 12th Floor
San Francisco, CA 94104
Attention: Ralph M. Pais, Esq. and Sam Angus, Esq.
Email: rpais@fenwick.com and sangus@fenwick.com

Nagashima Ohno & Tsunematsu
JP Tower, 2-7-2, Marunouchi,
Chiyoda-ku, Tokyo 100-7036, Japan
Attention: Soichiro Fujiwara, Esq.

Section 12.2 Amendment or Modification

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a. This Agreement may be amended from time to time by the Board, without the consent of any of the Members (i) to cure any ambiguity, (ii) to correct or supplement any provision that may be defective or inconsistent with any other provisions hereof, or (iii) to amend or supplement any provisions herein that shall not adversely affect in any material respect the interest of the Members not consenting thereto.

b. Other than as provided in Section 12.2, this Agreement may only be amended from time to time by the written approval of each Member.

Notwithstanding the preceding paragraph or anything else to the contrary set forth herein (but subject to Section 9.1), (x) the Board may amend and modify the provisions of this Agreement, including Exhibit B hereto, to the extent necessary to reflect the issuance of Additional Interests (including new classes of Additional Interests) in the Company or the admission or substitution of any Member, in each case to the extent permitted under this Agreement and (y) notwithstanding anything to the contrary in this Agreement, this Agreement may be amended or modified by the Board to the extent necessary to effectuate the issuance of Additional Interests as permitted by this Agreement.

Section 12.3 Binding Effect. Subject to the restrictions on Transfers set forth in this Agreement, this Agreement is binding on and inures to the benefit of the parties and their respective heirs, legal representatives, successors, assigns and transferees, if any.

Section 12.4 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable Law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable Law in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, and, for purposes of such jurisdiction, such provision or portion thereof shall be struck from the remainder of this Agreement, which shall remain in full force and effect. This Agreement shall be reformed, construed and enforced in such jurisdiction so as to best give effect to the intent of the parties under this Agreement.

Section 12.5 Governing Law. This Agreement shall be governed and controlled as to validity, enforcement, interpretation, construction, effect and in all other respects by the internal Laws of the State of Delaware applicable to contracts made in that state, without giving effect to any choice of law or conflict of law provision or rule that would cause the application of the Laws of any jurisdiction other than the State of Delaware.

Section 12.6 Disputes among Members.

a. Good Faith Discussions. If any dispute arises between or among any of the Members arising out of, relating to, or in connection with this Agreement or the Company or its organization, formation, business or management (other than claims being brought pursuant to Section 10.1), the Members shall attempt, in fair dealing and in good faith, to settle such dispute through mutual discussions within a period of 60 days. If the Members are not able to reach an amicable settlement within such time period, then any Member may, by written notification to the other Members, require that the dispute be submitted for resolution pursuant to the provisions of Section 12.6(b).

b. Arbitration. All disputes that are not settled pursuant to Section 12.6(a), including any question regarding the existence, validity, or termination or any subsequent amendment of this Agreement, and all claims in connection with it in respect of which no dispute exists but that require enforcement, are to be finally resolved in New York City, New York by and in accordance with the arbitration rules, then in effect, of the International Chamber of Commerce (the "Rules") without recourse to the ordinary courts of Law. The arbitral tribunal is to consist of three arbitrators to be chosen in accordance with the Rules. The language to be used in the arbitration proceedings is to be English. Any Party may, at its own expense, provide for translation of any documents submitted in the arbitration or translation or interpretation of any testimony taken at any hearing before the arbitral tribunal. Judgment on any award may be entered in any court having jurisdiction over a Member or its assets or business.

c. Tolling. All applicable statutes of limitation are to be tolled while the procedures specified in this Section 12.6 are pending. The Members shall take such action, if any, required to effectuate such tolling.

d. Specific Performance. The parties hereto acknowledge and agree that the Company Call Option Right, and the Put Option are unique, and that there will be no adequate remedy at law for a violation of the Company Call Option Right, or the Put Option and the other covenants and agreements set forth in Sections 3.2 and 8.9. Therefore, it is agreed that, in addition to any other remedies that may be available to HCA upon any such violation, HCA shall (without the requirement to post a bond or other security therefor) have the right to enforce such covenants and agreements by, and shall be entitled to, specific performance, injunctive relief or by any other means available to such party at law or in equity and each party hereby waives any and all defenses which could exist in its favor in connection with such enforcement.

Section 12.7 Waiver of Jury Trial. EACH OF THE PARTIES HERETO WAIVES THE RIGHT TO A JURY TRIAL IN CONNECTION WITH ANY LAWSUIT, ACTION OR PROCEEDING SEEKING ENFORCEMENT OF SUCH PARTY'S RIGHTS UNDER THIS AGREEMENT.

Section 12.8 Entire Agreement. This Agreement and the instruments to be delivered by the parties pursuant to the provisions hereof constitute the entire agreement between the parties and supersede all prior agreements, discussions and understanding of the parties with respect to the subject matter hereof, including, but not limited to, the Confidentiality Agreement, effective as of July 13, 2015, by and between Caladrius, the Company and HCC, and shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors and permitted assigns. Each exhibit and schedule to this Agreement shall be considered incorporated into this Agreement. Any amendments, or alternative or supplementary provisions, to this Agreement, must be made in writing and duly executed by an authorized representative or agent of each of the parties hereto.

Section 12.9 Mutual Drafting. The parties acknowledge and agree that each has negotiated and reviewed the terms of this Agreement, assisted by such legal and tax counsel as they desired, and has contributed to its revisions. The parties further agree that the rule of construction that any ambiguities are resolved against the drafting party shall be subordinated to the principle that the terms and provisions of this Agreement shall be construed fairly as to all parties and not in favor of or against any party.

Section 12.10 Further Assurance. In connection with this Agreement and the transactions contemplated hereby, each Member shall execute and deliver such further documents, and perform such further acts, as may be necessary or appropriate to effectuate and perform the provisions of this Agreement and those transactions contemplated hereunder, as requested by the Board.

Section 12.11 Waiver of Certain Right. To the fullest extent permitted by Law, each Member irrevocably waives any right it may have to maintain any action for dissolution of the Company, for an accounting, for appointment of a liquidator, or for partition of the property of the Company. The failure of any Member to insist upon strict performance of a covenant hereunder or of any obligation hereunder, irrespective of the length of time for which such failure continues, shall not be a waiver of such Member's right to demand strict compliance herewith in the future. No consent or waiver, express or implied, to or of any breach or default in the performance of any obligation hereunder, shall constitute a consent or waiver to or of any other breach or default in the performance of the same or any other obligation hereunder.

Section 12.12 Notice to Members of Provisions of This Agreement. By executing this Agreement, each Member acknowledges that such Member has actual notice of all of the provisions of (a) this Agreement; and (b) the Certificate. Each Member hereby agrees that this Agreement constitutes adequate notice of all such provisions, and each Member hereby waives any requirement that any further notice thereunder be given.

Section 12.13 Interpretation. The headings contained in this Agreement are for convenience of reference only and shall not affect the meaning or interpretation of this Agreement. This Agreement shall not be construed more strictly in respect of a party that may have been primarily responsible for the drafting hereof.

Section 12.14 Counterparts. This Agreement may be executed and delivered by each party hereto in separate counterparts (including electronic portable document format (PDF) or similar format and facsimile copies), each of which when so executed and delivered shall be deemed an original and all of which taken together shall constitute one and the same Agreement.

Section 12.15 Power of Attorney. Each Member hereby constitutes and appoints the Board, with full power of substitution, as his true and lawful agent and attorney-in-fact, with full power and authority in his or its name, place and stead, to execute, swear to, acknowledge, deliver, file and record in the appropriate public offices (a) this Agreement, all certificates and other instruments and all amendments thereof approved in accordance with the terms hereof which the Board deems appropriate or necessary to form, qualify, or continue the qualification of, the Company as a limited liability company in the State of Delaware and in all other jurisdictions in which the Company may conduct business or own property; (b) all conveyances and other instruments or documents which the Board deems appropriate or necessary to reflect the dissolution and liquidation of the Company pursuant

to the terms of this Agreement, including a Certificate of Cancellation; and (c) all instruments relating to the admission, withdrawal or substitution of any Member pursuant to this Agreement. The foregoing power of attorney is irrevocable and coupled with an interest, and shall survive the death, disability, incapacity, dissolution, bankruptcy, insolvency or termination of any Member and the Transfer of all or any portion of his, her or its Units and shall extend to such Member's heirs, successors, assigns and personal representatives.

Section 12.16 **Services to Members; Services to the Company**. Each Member hereby acknowledges and recognizes that the Company has retained, and may in the future retain, the services of various professionals, including, general and special legal counsel and accountants for the purposes of representing and providing services to the Company in connection with this Agreement and the operations of the Company. Each Member hereby acknowledges that such persons may have in the past represented and performed and currently and/or may in the future represent or perform services for certain of the Members or their Affiliates. Accordingly, each Member and the Company consents to the performance by such persons of services for the Company and waives, to the fullest extent permitted by Law, any right to claim a conflict of interest based on such past, present or future representation or services other than, in the case of any law firm, in a litigation in which the Member is adverse to such law firm's client.

Section 12.17 **Efforts**. Each of the parties hereto agrees to use its reasonable efforts, and to cooperate with each other party hereto, to take, or cause to be taken, all actions, and to do, or cause to be done, all things necessary, appropriate or desirable to consummate and make effective the transactions contemplated hereby and do and perform such other acts and things as may be necessary or reasonably desirable for effecting completely the consummation of the transactions contemplated hereby.

Section 12.18 **Effect on Prior Agreement**. Upon the effectiveness of this Agreement, the Prior Agreement shall be superseded and replaced in its entirety by this Agreement and shall be of no further force or effect.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date set forth above.

(SIGNATURE PAGES TO FOLLOW)

Exhibit A

Member Signature Page

By the execution of this Member Signature Page, the undersigned hereby (i) acknowledges receipt of the Operating Agreement of PCT, LLC, a Caladrius Company (the "LLC Agreement"), (ii) confirms that this execution constitutes the undersigned's execution of the LLC Agreement, and agrees to continue as a Member of the Company and to be bound by the terms and conditions of the LLC Agreement, and (iii) authorizes this signature page to be attached to a counterpart of the LLC Agreement. In addition, if the undersigned is acquiring an interest in the Company directly from the Company, the undersigned agrees to contribute to the Company the requisite capital, as and per the terms of this Agreement.

FOR CORPORATIONS, LIMITED LIABILITY COMPANIES, PARTNERSHIPS OR TRUSTS

Print Name of Entity	Taxpayer ID No. of Entity
Signature of Person Authorized to Sign for Entity	Street Address
Printed Name and Position of Person Authorized to Sign	CityStateZip
Facsimile Number	Email Address

Exhibit B

Schedule of Members

Member	Number of Units Issued and Outstanding	Capital Contributions
Caladrius Caladrius Biosciences, Inc. 420 Lexington Ave, Suite 350 New York, New York 10170 Attn.: General Counsel	80.1	N/A
HCA Hitachi Chemical Co. America, Ltd. 2150 North First Street Suite #350 San Jose, CA 95131 Attn.: Chief Financial Officer	19.9	$19,400,000

Exhibit C

Regulatory Allocations

This Exhibit contains special rules for the allocation of items of Company income, gain, loss and deduction that override the basic allocations of Profits and Losses in Section 4.1 of the Agreement to the extent necessary to cause the overall allocations of items of Company income, gain, loss and deduction to have substantial economic effect pursuant to Treasury Regulations § 1.704-1(b) and shall be interpreted in light of that purpose. Subsection (a) below contains special technical definitions. Subsections (b) through (g) contain the Regulatory Allocations themselves. Subsections (h) and (i) are special rules applicable in applying the Regulatory Allocations.

a. Definitions Applicable to Regulatory Allocations. For purposes of the Agreement, the following terms shall have the meanings indicated:

(i) "Adjusted Capital Account Deficit" shall mean, with respect to any Partner, the deficit balance, if any, in such Partner's Capital Account as of the end of the relevant Fiscal Year, after giving effect to the following adjustments:

(a) credit to such Capital Account any amounts which such Partner is obligated to restore pursuant to any provision of this Agreement or is deemed to be obligated to restore pursuant to the penultimate sentences of Sections 1.704-2(g)(1) and (i)(5) of the Treasury Regulations; and

(b) debit to such Capital Account the items described in Sections 1.704-1(b)(2)(ii)(d)(4), (5) and (6) of the Treasury Regulations.

The foregoing definition of "Adjusted Capital Account Deficit" is intended to comply with the provisions of Section 1.704-1(b)(2)(ii)(d) of the Treasury Regulations and shall be interpreted consistently therewith..

(ii) "Company Minimum Gain" has the meaning of "partnership minimum gain" set forth in Treasury Regulations Section 1.704-2(b)(2) and (d)and is generally the aggregate gain the Company would realize if it disposed of its property subject to Nonrecourse Liabilities in full satisfaction of each such liability and for no other consideration, with such other modifications as provided in Treasury Regulations § 1.704-2(d).

(iii) "Member Nonrecourse Deductions" shall mean losses, deductions or Code § 705(a)(2)(B) expenditures attributable to Member Nonrecourse Debt under the general principles applicable to "partner nonrecourse deductions" set forth in Treasury Regulations § 1.704-2(i)(2).

(iv) "Member Nonrecourse Debt" means "partner nonrecourse debt" as defined in Treasury Regulations Section 1.704-2(b)(4) and is generally any Company Nonrecourse Liability with respect to which a partner or related person bears the economic risk of loss within the meaning of Treasury Regulations § 1.752-2 as a guarantor, lender or otherwise.

(v) "Member Nonrecourse Debt Minimum Gain" means "partner nonrecourse debt minimum gain" as defined in Treasury Regulations Section 1.704-2(i)(2) and is generally .the minimum gain attributable to Member Nonrecourse Debt as determined pursuant to Treasury Regulations § 1.704-2(i)(3).

(vi) "Nonrecourse Deductions" shall have the meaning set forth in Treasury Regulations Section 1.704-2(b)(1) and are generally the losses, deductions, or Code § 705(a)(2)(B) expenditures attributable to Nonrecourse Liabilities .

(vii) "Nonrecourse Liability" means any Company liability (or portion thereof) for which no Member bears the economic risk of loss under Treasury Regulations § 1.752-2.

b. Nonrecourse Deductions. All Nonrecourse Deductions for any Fiscal Year or other period shall be allocated to the Members in proportion to the Members' Pro Rata Shares. Notwithstanding anything to the contrary in this Agreement, for purposes of determining each Member's proportionate share of the "excess nonrecourse

liabilities" of the Company within the meaning of Treasury Regulations Section 1.752-3(a)(3), such excess nonrecourse liabilities shall be allocated in accordance with the Members' respective Pro Rata Shares.

c. Member Nonrecourse Deductions. All Member Nonrecourse Deductions for any Fiscal Year or other period shall be allocated to the Member who bears the economic risk of loss under Treasury Regulations § 1.752-2 with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable.

d. Minimum Gain Chargeback. If there is a net decrease in Company Minimum Gain for a Fiscal Year or other period, except as otherwise permitted by Treasury Regulations Sections 1.704-2(f)(2), (3), (4) and (5), each Member shall be allocated items of Company income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Member's share of such net decrease in Company Minimum Gain, determined in accordance with Treasury Regulations § 1.704-2(g)(2) and the definition of Company Minimum Gain set forth above. This provision is intended to comply with the minimum gain chargeback requirement in Treasury Regulations § 1.704-2(f) and shall be interpreted consistently therewith.

e. Member Nonrecourse Debt Minimum Gain Chargeback. If there is a net decrease in Member Nonrecourse Debt Minimum Gain attributable to a Member Nonrecourse Debt for any Fiscal Year or other period, except as provided in Treasury Regulations Section 1.704-2(i), each Member who has a share of the Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt as of the beginning of the Fiscal Year, determined in accordance with Treasury Regulations § 1.704-2(i)(5), shall be allocated items of Company income and gain for such year (and, if necessary, subsequent years) in an amount equal to such Member's share of the net decrease in Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Treasury Regulations §§ 1.704-2(i)(4) and (5) and the definition of Member Nonrecourse Debt Minimum Gain set forth above. This subsection is intended to comply with the member nonrecourse debt minimum gain chargeback requirement in Treasury Regulations § 1.704-2(i)(4) and shall be interpreted consistently therewith.

f. Qualified Income Offset. In the event any Member unexpectedly receives any adjustments, allocations, or distributions described in Treasury Regulations §§ 1.704-1(b)(2)(ii)(d)(4), (5), or (6), items of Company income and gain (consisting of a pro rata portion of each item of Company income, including gross income, and gain) shall be allocated to such Member in an amount and manner sufficient to eliminate, to the extent required by the Treasury Regulations, any Adjusted Capital Account Deficit in such Member's Capital Account created by such adjustments, allocations or distributions as quickly as possible. This subsection is intended to constitute a "qualified income offset" within the meaning of Treasury Regulation § 1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

g. Gross Income Allocation. In the event any Member has a deficit in its Adjusted Capital Account at the end of any Fiscal Year, each such Member shall be allocated items of Company gross income and gain, in the amount of such Adjusted Capital Account deficit, as quickly as possible.

h. Ordering. The allocations in this Exhibit to the extent they apply shall be made before the allocations of Profits and Losses under Section 4.1 and in the order in which they appear above.

i. Curative Allocations. The allocations set forth in paragraphs (a), (b) and (c) of this Exhibit (the "Regulatory Allocations") are intended to comply with certain requirements of Treasury Regulations Sections 1.704-1(b) and 1.704-2. Notwithstanding any other provisions hereof (other than the Regulatory Allocations), the Regulatory Allocations shall be taken into account in allocating other Profits, Losses, and items of income, gain, loss and deduction among the Members so that to the extent possible, the net amount of such allocations of other Profits, Losses and other items and the Regulatory Allocations to each Member shall be equal to the net amount that would have been allocated to each such Member if the Regulatory Allocations had not occurred.

j. Section 754 Adjustments. To the extent an adjustment to the adjusted tax basis of any of the Company property, pursuant to Section 734(b) or Section 743(b) of the Code, is required, pursuant to Section 1.704-1(b)(2)(iv)(m)(2) or 1.704-1(b)(2)(iv)(m)(4) of the Treasury Regulations, to be taken into account in determining Capital Accounts, the amount of such adjustment to Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be specially allocated to the Members in accordance with their interests in the Company if Section 1.704-(b)(2)(iv)(m)(2) of the Treasury Regulations applies, or to the Member to whom such distribution was made if Section 1.704-1(b)(2)(iv)(m)(4) of the Treasury Regulations applies. In the event that an adjustment in connection with a transfer of an interest as described in this Section 4.3(f) is to be made, the Board may require that any expense arising as a result of such adjustment will

be borne solely by the transferor and/or the transferee of the affected Interest and that the transferor and the transferee provide such information as may be reasonably requested by the Board in connection with such adjustment.

Exhibit 10.3

TECHNOLOGY LICENSE AGREEMENT

This **TECHNOLOGY LICENSE AGREEMENT** (this **"Agreement"**) is entered into and made effective as of March 11, 2016 (the **"Effective Date"**) by and between **PCT, LLC**, a CALADRIUS Company, a Delaware limited liability company, with a place of business at 4 Pearl Court, Suite C, Allendale, New Jersey 07401 (**"Licensor"**) and **Hitachi Chemical Co. Ltd.**, a Japanese Corporation with a place of business at 9-2, Marunouchi 1-chome, Chiyoda-ku, Tokyo, 100-6606, Japan (**"Licensee"**).

BACKGROUND

WHEREAS, Licensor is the owner of certain technology, know-how and trade secrets related to Licensor's business with respect to the provision of service solutions for the contract research, development, manufacture, testing, storage, distribution and commercialization of cell-based therapies (**"Scope"**); and

WHEREAS, the parties desire for Licensor to license the Licensed Know-How to Licensee under the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the mutual covenants and agreements of the parties set forth below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

AGREEMENT

1. Definitions

1.1 "**Affiliate**" means any entity that Controls, is Controlled by or is under Common Control with a Party.

1.2 "Business Plan" means a high-level Gantt chart with estimated major milestones and major requirements for Licensee to set up a business within the Scope in Japan which is agreed by the parties in writing (such agreement to be in good faith and not to be unreasonably withheld, delayed or conditioned) based on the client list provided by Licensor to Licensee in accordance with Section 2.1.

1.3 "Caladrius" means Caladrius Biosciences, Inc., a Delaware corporation.

1.4 "Confidential Information" means any confidential or proprietary, technical or non-technical information provided by or for either party or its Affiliates to the other party or its Affiliates or obtained by or for either party or its Affiliates through inspection or observation of the other party's or its Affiliates' property or facilities, whether in oral, written, graphic or electronic form, including information regarding technical data, trade secrets, know-how (including research, product plans, products, and partner lists), software, developments, inventions, processes, formulas, proprietary technology, designs, drawings including test fixture drawings, data analysis tools, test protocols, engineering, hardware configuration information, and proprietary marketing, financial or other business information that (i) is labeled as "confidential," "proprietary," or with a similar legend; or (ii) has been identified as confidential or proprietary at the time of disclosure and confirmed as such in writing within thirty (30) days after the disclosure. Notwithstanding the foregoing, information disclosed by either party or its Affiliates in intangible form and which could reasonably be understood to be confidential will, as and between the parties, be treated as Confidential Information of the disclosing party in accordance with the terms of this Agreement. For clarification, as and between the parties, any information disclosed by or on behalf of either Licensor or Caladrius to Licensee and any information disclosed to either Licensor or Caladrius under the Confidentiality Agreement effective as of July 13, 2015 by and between Caladrius, Licensor and Licensee that is subject to the confidentiality obligations therein will be, and will be deemed to be, Confidential Information of Licensor, in the case where Licensor or its Affiliates (including Caladrius) disclose any such information, or Licensee, in the case where Licensee discloses any such information, as applicable, for purposes of this Agreement. For the avoidance of doubt, the Licensed Know-How, Documentation and any Improvements (each as defined below) shall be included in Confidential Information of Licensor without any further marking or designation.

1.5 "Contract Revenue" means Licensee's (and any of its sublicensees') gross revenue recognized in accordance with International Financial Reporting Standards based on each contract between Licensee (and any such sublicensee) and customers who are provided with services and products within the Scope, less any tax directly applicable to the revenue (but not including any tax when assessed on income derived from such revenue), less allowances actually given or actually made by Licensee (or any such sublicensee) on account of return or rejection of the services or products with respect to the Scope, and less any pass-through charges to customers and duties and other governmental charges on the services or products with respect to the Scope, to the extent all of the foregoing are imposed or charged in the ordinary course of business.

1.6 "Control" means possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, ability to appoint a majority of a board of directors or similar governing body, by contract, or otherwise including through direct or indirect ownership of 50% or more of the voting stock or other similar interests of a corporation, company or other entity, or the maximum ownership percentage permitted by a non-resident under applicable law in the case of a foreign corporation, company, or other entity.

1.7 "Documentation" means manuals, specifications, guides and other materials and documentation, whether in written or electronic format embodying the Licensed Know-How and any updates to any of the foregoing.

1.8 "Licensed Know-How" means any know-how, trade secrets and other proprietary information with respect to the Scope which: (a) is solely owned by Licensor and (b) is disclosed or provided by Licensor to Licensee, in each of the foregoing cases, during the term of this Agreement, including, but not limited to, any know-how and trade secrets described in Documentation listed on Exhibit A, but all of the foregoing expressly excluding any know-how, knowledge, methods, techniques, technology, trade secrets, inventions (whether patentable or not) and other information relating to automation and consumables, including the technology for the core disposable assembly and the equipment subsystem that physically operates the core disposable (the exclusions, including any improvements, enhancements, derivative works or modifications thereof, collectively, the "**Cell Cradle Technology**").

1.9 "**Member Change of Control**" means with respect to a Member (as defined in the Operating Agreement) of Licensor, the acquisition, in a single transaction or a series of related transactions, by any Person or group (within the meaning of Section 13(d) or 14(d) of the Exchange Act) (other than such Member's current parent company), of (A) beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of securities of such Member representing at least 50% of (I) the outstanding equity interests of such Member, (II) the combined voting power entitled to vote in the election of the board of directors or equivalent governing body of such Member (including, in each case of (I) and (II) by means of such Member's issuance of its equity securities), or (III) all or substantially all of such Member's assets, or (B) the contractual right to designate or elect 50% or more of the members of the board of directors or equivalent governing body of such Member ((A) and (B) above, each a "**CoC Transaction**"), if, and only if, in each case, (i) such CoC Transaction would, at the time of such CoC Transaction, reasonably be expected to have a material adverse effect on Licensor's ability to conduct its Business in the ordinary course consistent with its past practice and the Annual Budget (as defined in the Operating Agreement) most recently approved prior to such CoC Transaction, (ii) the acquiror or Person entitled to designate the members of the board of directors or equivalent governing body of such Member in such CoC Transaction (the "**Acquiror**") is on the Entity List or any officer of the Acquiror is on the Specially Designated Nationals List or the Denied Persons List, (iii) a Majority Asset Sale or True Sale of the Company (as defined in the Operating Agreement) is initiated upon or within one year after the CoC Transaction, or (iv) the Licensor breaches any of its material obligations under this Agreement (it being understood that the obligations of the Licensor under Sections 2, 3.1, 3.3, 4.1 and 4.2 hereof shall be deemed material) or Caladrius or the Licensor breaches any of their material obligations under the Operating Agreement (it being understood that the obligations of Caladrius and/or Licensor under Sections 3.2, 5.1, 6.3(a), 7.7, 8.5, 8.6, 8.8, 8.9 and 9 of the Operating Agreement shall be deemed to be material) within one year after the CoC Transaction and, in each case, such breach is not cured for a period of sixty (60) days after Licensor or Caladrius, as applicable, is provided notice of such breach.

1.10 "**Operating Agreement**" means the Amended and Restated Operating Agreement of PCT, LLC, a Caladrius Company, dated as of March 11, 2016.

1.11 "Territory" means India, Bangladesh, Sri Lanka, Nepal, Bhutan, Myanmar, Thailand, Laos, Cambodia, Vietnam, Philippines, Malaysia, Singapore, Indonesia, Brunei, East Timor, China (including Hong Kong and Macau), Mongolia, Taiwan, South Korea and Japan.

2. TECHNOLOGY TRANSFER AND TECHNICAL SUPPORT

2.1 Disclosure of Documentation. Licensor will, as a part of the technology transfer contemplated hereby, provide Licensee with Documentation of the Licensed Know-How upon the execution of this Agreement which Licensor owns as of the Effective Date and, as long as Licensor has the authority to disclose, during the term of this Agreement unless such disclosure breaches or would reasonably be likely to breach any confidentiality obligation of Licensor to any of its customers except Caladrius; provided, however, that Licensor shall use commercially reasonable efforts to obtain consent from such customer so that Licensor may disclose the Documentation of the Licensed Know-How to Licensee; provided that any such disclosure shall be subject to any conditions imposed by such customer. For the avoidance of doubt, Licensor hereby warrants that it has obtained Caladrius's consent to disclose to Licensee any part of the Licensed Know-How so that such disclosure does not breach or would not reasonably be likely to breach any confidentiality obligation of Licensor to Caladrius. Licensee shall not remove, and shall affix to any media

on which it is copied, any proprietary markings or legends placed upon or contained within the Documentation and any other Licensed Know-How.

2.2 On-site Training. Licensor will, as a part of the technology transfer contemplated hereby, accept Licensee's trainees and provide on-site training at its site in the US at dates and times mutually agreed by the parties and set forth in the training program mutually agreed by Licensor and Licensee in writing (such agreement to be in good faith and not to be unreasonably withheld, delayed or conditioned) (such dates and times and training program shall be hereinafter collectively referred to as the "**Training Plan**" and such Training Plan may be reasonably amended by mutual agreement between Licensor and Licensee in writing and in good faith from time to time) during Licensor's business hours, Monday through Friday, excluding Licensor holidays, during the term of this Agreement. Such training is designed to enable Licensee trainees to use the Licensed Know-How appropriately. For clarity, Licensee does not need to pay any training fee to Licensor for such training and Licensee will bear its trainees' actual costs, such as travel and accommodation expenses, associated with such training. For the avoidance of doubt, Licensor is not responsible for any costs or expenses incurred by Licensee in connection with the training.

2.3 Dispatch of Expert. As part of the technology transfer contemplated under this Agreement, during the period between December 1, 2016 and November 30, 2017 ("**Dispatch Period**"), Licensor shall dispatch suitable expert employees to Licensee in Japan as provided in this Section 2.3 ("**Dispatch**"). If Licensee provides Licensor with its written request for a Dispatch with the description of the work Licensee needs, Licensor shall within a reasonable period after the receipt of such request provide Licensee with a written plan of how it proposes to address the proposed Dispatch, both in terms of number of employees Licensor believes will be needed and the contemplated duration of the Dispatch, including any combination of such number of employees and duration of the Dispatch for each employee. Upon Licensee's acceptance of the plan proposed by Licensor or upon the parties reaching agreement on some different or modified plan following good faith consultation of both parties' project team members and agreement which shall not be unreasonably withheld, delayed or conditioned by either party, Licensor shall proceed with the Dispatch in accordance with the agreed plan, as may be amended in accordance with this Section 2.3. Licensee will pay Licensor for all out of pocket costs actually incurred in accordance with the agreed plan (including, without limitation, any home leave under the terms of the agreed plan), and will pay twenty eight thousand and two hundred fifteen dollars (U.S. $28,215) per month per employee for the Dispatch to Licensee's location ("**Monthly Dispatch Fee**"). Notwithstanding the foregoing, Licensor may change assigned experts during the term of the Dispatch determined in the agreed plan as needed without any consent of Licensee, provided, however, that the cost allocation of any changes to the agreed plan (including changes in assigned experts) will be as set forth in a document prepared and agreed upon by both parties' project team members based on the reason for such changes. In any such case, either the Dispatch Period or the Monthly Dispatch Fee set forth above shall be adjusted on a per diem basis proportionately according to the actual period of Dispatch and length of any home leave agreed in the original agreed plan or any change thereto made by Licensor through no act or omission of Licensee. The term of the Dispatch Period shall be extended for so long as may reasonably be needed to complete all work covered in the agreed plan, in the event that Licensor has made a change of experts during the term of the Dispatch Period through no act or omission of Licensee.

2.4 Technical Support. In addition to the transfer of Licensed Know-How and training contemplated by Sections 2.1, 2.2 and 2.3, and at any time following the Dispatch Period but during the term of this Agreement, Licensee may, from time to time, request in writing for Licensor to provide the following:

(a) any additional information regarding the manufacturing, plant management, equipment management or customer management which is reasonably necessary for Licensee to conduct business within the Scope with Licensee's customers within the Territory. In the event of such requests, Licensor shall as soon as reasonably practicable in the ordinary course of business, with the objective of responding within approximately 10 days from the Licensee's request, advise Licensee (A) if and to the extent that it has information responsive to the request available and whether Licensor solely owns such information at the time the request is made, and is able to and has the authority to provide Licensee (i) with copies of such requested information, or (ii) the right to access those database(s) at Licensor's premises containing such requested information, provided that for the avoidance of doubt, Licensor will not have the obligation to disclose any such information if such disclosure breaches or would reasonably be likely to breach any confidentiality obligation of Licensor to any of its customers or any other third party; or (B) if it does not have information responsive to the request or does not have the right or authority to disclose such information, in which case Licensor will notify Licensee of such absence of or inability to disclose the requested information and advise Licensee of the effort that would be required to provide the requested information and the parties shall discuss in good faith whether Licensee wishes to have Licensor undertake such effort and to agree upon reasonable terms for the performance of such work, such agreement not to be unreasonably withheld, conditioned or delayed. In the case of (A) above such additional information that can be made available pursuant to such request shall be provided for no additional charge, provided, however, that where customer consent is required to provide any such information Licensor shall use commercially reasonable efforts to obtain consent from such customer so that Licensor may disclose the additional information to Licensee; provided that any such disclosure subject to customer consent shall be subject to any conditions imposed by such customer.

(b) at reasonable times and upon reasonable notice, and subject to agreement on consideration as set forth in this Section 2.4(b), any reasonably necessary technical support to Licensee in order to enable Licensee to conduct business within the Scope with Licensee's customers within the Territory, based on Licensor's knowledge and experience in a manner which shall not unreasonably burden or interfere with Licensor's operation of its business in the ordinary course. If Licensor dispatches its employees to Licensee's location to conduct such technical support, upon mutual agreement by the parties through consultation in good faith in terms of number of employees needed and contemplated duration for such dispatch, Licensee will pay Licensor for all out of pocket costs actually incurred in accordance with such agreement, and will pay the Monthly Dispatch Fee (as such Monthly Dispatch Fee may be reasonably adjusted by agreement of the parties in good faith), or the fee on a per diem or hourly basis calculated based on the Monthly Dispatch Fee and proportionately according to the actual duration if the duration for the dispatch agreed by the parties is shorter than thirty (30) days. For all other technical support, the parties will agree in good faith upon reasonable terms for the performance of such technical support, including any reasonable consideration, through a project team consisting of members of both parties that will be formed to handle all technology transfer, training and support matters set forth in this Section 2.

3. LICENSE; IMPROVEMENTS

3.1 License Grant.

(a) Subject to the terms and conditions of this Agreement, Licensor, on behalf of itself and any subsequent assignee or successor, hereby grants to Licensee a perpetual, irrevocable, fully-paid up (subject to the full and complete payment to Licensor of the entire amount of the Paid-Up Fee set forth in Section 4.1), non-transferable (except as set forth in Section 10.3) license with the right of sublicense to Licensee's Affiliates for so long as any such sublicensee remains Licensee's Affiliate, upon prior written notice to Licensor of any such sublicense and subject to the requirements set forth in Section 3.1(b) below, under Licensor's right, title and interest in and to the Licensed Know-How, to use, make, have made, sell or offer to sell the service or products within the Scope solely in the Territory. Licensor shall not provide the Licensed Know-How or grant a license under the Licensed Know-How to any third party, including any Affiliate of Licensor, within the Scope in the Territory during the term of this Agreement; provided, however, that Licensor may: (i) provide, upon prior written notice to Licensee, a specific part of the Licensed Know-How if and only if requested by a customer of Licensor and used by such customer itself within the scope necessary to accomplish such customer's activity and (ii) engage in Permitted Operations (as defined in the Operating Agreement). For clarity, and except as set forth above, during the term of this Agreement, Licensor, on behalf of itself and any subsequent assignee or successor, will not use, make, have made, sell or offer to sell the service or products within the Scope solely in the Territory under the Licensed Know-How and Improvements by itself.

(b) Licensee shall enter into a binding and enforceable written sublicense agreement with each sublicensee ("**Sublicense Agreement**") that is consistent in all respects with and fully implements the terms and conditions of this Agreement, including Sections 3.1, 3.2, 3.3, 3.4, 4 (except for 4.1) and 8 of this Agreement. Licensee shall be fully responsible for any action or inaction of its sublicensees, including any action or inaction which would constitute a breach of this Agreement if committed by Licensee, as if Licensee had committed such action or inaction itself.

3.2 Brand Usage. Subject to the terms and conditions of this Agreement, as long as Licensee pays the Royalty set forth in Section 4.2, during the term of this Agreement, Licensor will permit Licensee to announce to Licensee's customers that Licensee's technology is licensed and supported by Licensor, and further, Licensor will permit Licensee to mark, at Licensee's discretion, such license or support in its documentation or materials in a manner such as "Powered by PCT, LLC.", "Licensed by PCT, LLC." or similar legend. All goodwill associated with the use of the foregoing legends shall inure to the benefit of Licensor. Upon Licensor's request, from time to time, Licensee shall promptly submit samples of any documentation or materials that contain the foregoing legends to Licensor at Licensee's sole cost and expense and may request Licensee to remove such legends if, in Licensor's reasonable judgment, Licensee fails to comply with each country's governmental laws and regulations in the Territory. For the avoidance of doubt, except for the limited extent provided above in this Section 3.2, nothing in this Agreement will grant Licensee any right, title or interest in or to any trademarks used, adopted or owned by Licensor (or of any third party from whom Licensor has acquired license rights) from time to time, either alone or in association with other words or names.

3.3 Improvements.

(a) Subject to any third party confidentiality and other obligations or restrictions, both Licensor and Licensee will disclose (and Licensee will cause any of its sublicensees to disclose) in writing promptly, but in any event within a reasonable period of time, upon the development thereof, to the other party: (i) any newly developed know-how, knowledge, methods, techniques, technology, trade secrets, inventions (whether patentable or not) and proprietary information that are within the Scope and are developed by or on behalf of such party or jointly by the parties, in each case with or without third parties, and in each case in connection with their activities under this Agreement, and (ii) any improvements, modifications, enhancements, additions, revisions, extensions, upgrades, updates and/or derivatives to the Licensed Know-How that are developed by or on behalf of such

party or jointly by the parties, in each case with or without third parties, and in each case in connection with their activities under this Agreement ((i) and (ii) together, "**Improvements**"); provided that (x) Licensor will not be obligated to disclose any Improvements after the expiration or termination of this Agreement, and (y) Licensor will not be obligated to disclose any Improvements that are outside of the Scope.

(b) Licensor will own all right, title and interest in and to all Improvements. Any (i) Improvements that are developed by or on behalf of Licensee or its sublicensees (independently or with any third parties) ("**Licensee Improvements**"), (ii) Improvements that are developed by or on behalf of Licensor during the term of this Agreement that are within Scope and solely owned by Licensor ("**Licensor Improvements'**) and (iii) Improvements that are developed jointly by Licensor and Licensee will, in each case, be subject to, and licensed to Licensee under, the license set forth in Section 3.1 without additional charge.

(c) Notwithstanding the foregoing, any know-how, trade secrets, technology and proprietary information with respect to automation and consumable for uses within the Scope and any other Cell Cradle Technology ("**Independent Improvement**"); and any Improvement developed solely by Licensee that are outside of Scope ("**Outside Improvement**") are expressly excluded from the stipulations set forth in this Agreement, including Section 3.3; provided, however, that Licensee shall disclose Outside Improvements to Licensor in writing promptly, but in any event within a reasonable period of time, upon the development thereof. The parties will have good faith discussions regarding terms and conditions to use and other exploitation of the Independent Improvements of the other party and the Outside Improvements. Neither party will have the right to use or otherwise exploit any Independent Improvements of the other party or Outside Improvements unless and until the parties reach agreement regarding such use and exploitation, including any reasonable consideration for such use and exploitation.

(d) Licensee will, as a part of the technology transfer of such Licensee Improvements, accept Licensor's trainees and provide training at the site(s), dates and times mutually agreed upon by the parties during Licensee's business hours, Monday through Friday, excluding Licensee holidays, during the term of this Agreement. Such training is designed to enable Licensor trainees to use such Licensee Improvements appropriately. For clarity, Licensor does not need to pay any training fee to Licensee for such training and Licensor will bear its trainees' actual costs, such as travel and accommodation expenses, associated with such training. For the avoidance of doubt, Licensee is not responsible for any costs or expenses incurred by Licensor in connection with the training.

3.4 Ownership. As between the parties, Licensor retains all right, title and interest, including without limitation all intellectual property rights, in and to the Licensed Know-How, Improvements, Documentation and Licensor's Confidential Information, and any feedback provided by or for Licensee or any of its sublicensees in connection with any of the foregoing, including any improvements, enhancements, translations, derivative works and revised summaries and other modifications to or of any of the foregoing (or any portion thereof) (collectively, "**Licensor Intellectual Property**"). In addition, Licensee agrees that all Licensor Intellectual Property shall be the property of Licensor and hereby irrevocably assigns and agrees to assign to Licensor all right, title and interest worldwide in and to the Licensor Intellectual Property (whether currently existing or conceived, created or otherwise developed later), including without limitation all intellectual property rights thereto, effectively immediately upon the inception, conception, creation or development thereof. To the extent, if any, that any Licensor Intellectual Property is not assignable or that Licensee is required to retain any right, title or interest in and to any Licensor Intellectual Property, Licensee (i) unconditionally and irrevocably waives the enforcement of such rights, and all claims and causes of action of any kind against Licensor with respect to such rights; (ii) agrees, at Licensor's request and expense, to consent to and join in any action to enforce such rights; and (iii) hereby grants to Licensor an exclusive, perpetual, irrevocable, fully paid-up, royalty-free, transferable, sublicensable (through multiple levels of sublicensees), worldwide right and license to use, reproduce, distribute, display and perform (whether publicly or otherwise), prepare derivative works of and otherwise modify, make, sell, offer to sell, import and otherwise use and exploit (and have others exercise such rights on behalf of Licensor) all or any portion of such Licensor Intellectual Property, in any form or media (now known or later developed). The foregoing license includes, without limitation, the right to make any modifications to such Licensor Intellectual Property regardless of the effect of such modifications on the integrity of such Licensor Intellectual Property, and to identify Licensee, or not to identify Licensee, as one or more authors of or contributors to such Licensor Intellectual Property or any portion thereof, whether or not such Licensor Intellectual Property or any portion thereof have been modified. Licensee irrevocably waives any "moral rights" or other rights with respect to attribution of authorship or integrity of such Licensor Intellectual Property that Licensee may have under any applicable law under any legal theory. Licensee hereby waives and quitclaims to Licensor any and all claims, of any nature whatsoever, which Licensee now or may hereafter have for infringement of any Licensor Intellectual Property assigned and/or licensed hereunder to Licensor. Licensee shall have only those rights in or to the Licensor Intellectual Property specifically and expressly granted to it pursuant to this Agreement.

3.5 Efforts to Exploit by Licensee. Licensee shall, and shall cause its sublicensees to, use commercially reasonable efforts in accordance with the terms and conditions of this Agreement and all applicable law to enter into contracts with customers to utilize the Licensed Know-How and provide such customers with services and products within the Scope in the Territory during

the term of this Agreement. Any failure by Licensee to use such commercially reasonable efforts shall be, and shall be deemed to be, a breach of a material provision of this Agreement by Licensee.

4. Fees, Royalty and Audits

4.1 Paid-up Fee. Licensee will pay to Licensor five million six hundred thousand dollars (U.S. $5,600,000) as a paid-up fee ("**Paid-up Fee**") for the Licensed Know-How and such Paid-Up Fee is not refundable and is in addition to and not creditable against any Royalties or any other amounts payable to Licensor under this Agreement. For clarity, Licensee does not need to pay any additional fee for the Licensed Know-How after the completion of payment of the Paid-up Fee. The Paid-up Fee will be paid in three separate installments. The first installment payment of three million one hundred thousand dollars (U.S. $3,100,000) is due two (2) weeks after the execution of this Agreement. The second installment of one million and two hundred fifty thousand dollars (U.S. $1,250,000) is due two (2) weeks after Licensor's delivery to Licensee of: (a) their mutually agreed Training Plan (such agreement to be in good faith and not to be unreasonably withheld, delayed or conditioned) for the United States as described in Section 2.2, (b) the Licensor's client list, but only for those clients who are interested in doing business within the Scope in the Territory and for whom Licensor, with commercially reasonable efforts pursuant to Section 2.1, has obtained such clients' written consent within the first three (3) months from the date of Licensor's written request to such clients to disclose their names to Licensee and (c) a mutually agreed Business Plan (such agreement to be in good faith and not to be unreasonably withheld, delayed or conditioned); provided that, in any event, (a), (b) and (c) above shall have been agreed by not later than June 3, 2016 and the second payment shall be made within two weeks of such conditions having been satisfied. The third installment of one million and two hundred fifty thousand dollars (U.S. $1,250,000) is due two (2) weeks after delivery of full Documentation as stated in nos. 1, 2, 6 and 7 of Exhibit A in the form as they exist as of the Effective Date provided that, in any event, such third installment will be paid on December 31, 2016 if not already paid before such date; provided that the delivery of Documentation described above shall have been made by December 15, 2016.

4.2 Royalty. For the first five (5) years following the Effective Date, Licensee will pay to Licensor [***] of the Contract Revenue as a business collaboration Royalty. Thereafter, and for the remaining term of this Agreement, but, in any event, no less than ten (10) years, unless this Agreement is earlier terminated due to Licensor's uncured material breach pursuant to Section 9.2, Licensee will pay to Licensor [***] of the Contract Revenue as a business collaboration royalty ("**Royalty**"). In the event that Licensor believes that Licensee's termination pursuant to Section 9.2 for uncured material breach is not valid, it may contest such termination by invoking arbitration pursuant to Section 10.7 and in the event that Licensor is the prevailing party in any such arbitration (as determined by the arbitrator(s), who shall be required to determine which party is "prevailing") it shall be entitled to recover its legal fees and other costs associated with such arbitration and in addition Licensee will pay interest in the amount of [***] per annum on any royalties determined in such arbitration to otherwise be due and payable to Licensor as a result of any invalid termination by Licensee.

4.3 Reports and Payment. Within thirty (30) days after the end of September and March in each year, Licensee will provide Licensor with a written report showing the Contract Revenue during the half year before such month-end and a calculation of the Royalty accrued from the Contract Revenue during such half-year period ("**Royalty Report**"). Licensee will make Royalty payments due to Licensor pursuant to Section 4.2 within thirty (30) calendar days from the furnishing of the Royalty Report.

4.4 Audit Rights. Licensee will keep and maintain accurate and detailed books and records adequate for Licensor to ascertain the amount of Royalty payable hereunder and to otherwise confirm Licensee's compliance with this Agreement during the term of this Agreement, and for at least three (3) years after the expiration or termination of this Agreement. Licensor will have the right to audit Licensee's books and records for the purpose of verifying the amounts due and payable hereunder during Licensee's regular business hours and upon reasonable advance written notice. Any such audit may be performed by an independent certified public accountant or equivalent (**"Auditor"**) selected by Licensor and approved by Licensee, which approval shall not be unreasonably withheld or delayed. If the audit reveals that Licensee has underpaid the amount due to Licensor by five percent (5%) or more in any quarter, Licensee will reimburse Licensor for all costs and expenses incurred by Licensor in connection with such audit including the fees and expenses of the Auditor (if any). Licensee will promptly pay Licensor any amount shown by an audit to be owing to Licensor, plus interest at a rate of 12% per annum on the underpaid amount from the date such underpaid amount was initially due until the date actually paid. In addition, Licensor will have the right, during normal business hours and upon reasonable notice to Licensee, to audit Licensee's and its sublicensee's operations to confirm their compliance with this Agreement.

4.5 Currency. All payments will be made in US Dollars without deductions except as expressly permitted herein.

4.6 Taxes. Licensee shall make the payment of the Paid-up Fee and Royalty without deduction of any withholding tax payable for the account of Licensor; provided, however, that if any deduction or withholding is required by any applicable law, Licensee shall provide notice of such withholding to Licensor, withhold the required amount, and provide Licensor with official

receipts evidencing the payment of such withholding taxes for its account at the time of the payment or without unreasonable delay thereafter.

5. Warranty

5.1 Warranty. Each party represents and warrants that it has full legal right, power, and authority to enter into this Agreement and to perform its obligations and duties under this Agreement, and that the performance of such obligations and duties does not and will not conflict with or result in a breach of any other agreements of such party or any judgment, order, or decree by which such party is bound.

5.2 Non-Infringement. To Licensor's knowledge with respect to third party patents only, as of the date of this Agreement, none of the Licensed Know-How or Documentation infringes or misappropriates any intellectual property right of any third party and Licensor has no knowledge of any third party who could claim any right or interest in any Licensed Know-How or Documentation that would have a material adverse effect on Licensee's rights under this Agreement.

5.3 Disclaimer. EXCEPT AS EXPRESSLY PROVIDED IN THIS SECTION 5 ABOVE, NO REPRESENTATIONS OR WARRANTIES OF ANY KIND ARE GIVEN BY LICENSOR WITH RESPECT TO THE LICENSED KNOW-HOW, IMPROVEMENTS, DOCUMENTATION AND OTHER LICENSOR INTELLECTUAL PROPERTY, INFORMATION, MATERIALS AND SERVICES PROVIDED BY OR FOR LICENSOR, AND SUCH LICENSED KNOW-HOW, IMPROVEMENTS, DOCUMENTATION AND OTHER LICENSOR INTELLECTUAL PROPERTY, INFORMATION, MATERIALS AND SERVICES ARE PROVIDED ON AN "AS IS" BASIS. LICENSOR MAKES NO AND HEREBY EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE AND ACCURACY, AND ALL WARRANTIES THAT MAY ARISE OUT OF COURSE OF DEALING, COURSE OF PERFORMANCE OR USAGE OF TRADE. THE PARTIES HEREBY ACKNOWLEDGE AND AGREE THAT THE DOCUMENTATION MAY CONTAIN INFORMATION THAT IS CREATED BY OR FOR CUSTOMERS OR OTHER THIRD PARTIES. WITHOUT LIMITING THE GENERALITY OF THE DISCLAIMER OF REPRESENTATIONS AND WARRANTIES SET FORTH HEREIN, AND NOTWITHSTANDING ANYTHING ELSE SET FORTH IN THIS AGREEMENT OR OTHERWISE, LICENSOR DOES NOT GIVE ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND OR ASSUME ANY LEGAL LIABILITY OR RESPONSIBILITY FOR ANY INFORMATION THAT IS CREATED BY OR FOR THE CUSTOMERS OR OTHER THIRD PARTIES, INCLUDING, WITHOUT LIMITATION, WITH RESPECT TO THE ACCURACY, RELEVANCY, COMPLETENESS, OR USEFULNESS OF SUCH INFORMATION. ALL LICENSEE IMPROVEMENTS OR ANY MATERIALS OR INFORMATION MADE AVAILABLE TO LICENSOR WILL BE PROVIDED ON AN "AS IS" BASIS. EXCEPT AS EXPRESSLY PROVIDED IN THIS SECTION 5, LICENSEE MAKES NO AND HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE AND ACCURACY, AND ALL WARRANTIES THAT MAY ARISE OUT OF COURSE OF DEALING, COURSE OF PERFORMANCE OR USAGE OF TRADE.

6. **Indemnification**

6.1 Indemnification by Licensor. Except to the extent Licensee is obligated to indemnify Licensor pursuant to Section 6.2 or Section 10.8 hereof, Licensor will defend at its own expense any claim, action, suit, or proceeding (collectively, **"Action"**) against Licensee, and its officers, directors, employees, agents, and contractors, brought by a third party to the extent the Action arises out of or results from any third party claim arising from (a) a breach of or inaccuracy in any representations or warranties made by Licensor in this Agreement, (b) negligence, intentional wrongdoing or willful misconduct by Licensor or any third parties for whom Licensor is responsible and (c) a violation of any national or local laws and regulations, statutes or ordinances applicable to Licensor or any third parties for whom Licensor is responsible. Licensor will pay those costs and damages awarded against Licensee in any such Action or those costs and damages agreed to in a monetary settlement of such Action.

6.2 Indemnification by Licensee. Except to the extent Licensor is obligated to indemnify Licensee pursuant to Section 6.1 or Section 10.8 hereof, Licensee shall defend at its own expense any Action against Licensor and its Affiliates, and the respective officers, directors, employees, agents, and contractors of any of the foregoing, brought by a third party to the extent the Action arises out of or results from any third party claim arising from: (a) a breach of or inaccuracy in any representations or warranties made by Licensee in this Agreement, (b) the exercise or practice by Licensee or its sublicensees of the license or sublicense, as applicable, granted under this Agreement other than as expressly and specifically provided in this Agreement and, following termination of this Agreement by Licensor under Section 9.2 any exercise or practice by Licensee or its sublicensees of the license or sublicense hereunder, as applicable, (c) product liability, bodily injury, death, property damage or other torts to the extent arising out of the negligence of Licensee, any of its sublicensees or other parties for whom Licensee is responsible; (d) negligence, intentional wrongdoing or willful misconduct by Licensee or any third parties for whom Licensee is responsible and

(e) a violation of any national or local laws and regulations, statutes or ordinances applicable to Licensee or any third parties for whom Licensee is responsible.

6.3 Sole Indemnification Obligations. THE FOREGOING AND THE INDEMNIFICATION OBLIGATIONS SET FORTH IN SECTION 10.8 CONSTITUTE THE SOLE INDEMNIFICATION OBLIGATIONS OF EACH PARTY IN CONNECTION WITH THIS AGREEMENT.

6.4 Indemnification Procedure. Each party ("**Indemnitee**") will give the other party ("**Indemnifying Party**") prompt written notice of any claim for which it seeks indemnification ("**Indemnification Claim**"), provided that the failure to give such notice will not relieve the Indemnifying Party of its indemnification obligations except to the extent that the Indemnifying Party was actually and materially prejudiced by such failure. The Indemnitee will give the Indemnifying Party sole authority to defend and/or resolve any such Indemnification Claim and will provide the Indemnifying Party with reasonable assistance reasonably requested by the Indemnifying Party in connection with the defense and/or resolution of any such Indemnification Claim at the Indemnifying Party's sole cost and expense; provided that the Indemnifying Party may not settle any Indemnification Claim without the Indemnitee's prior written consent, which will not be unreasonably withheld. Notwithstanding the foregoing, the Indemnitee will have the right, in its absolute discretion and at its sole cost, to employ attorneys of its own choice and to institute or defend any Indemnification Claim for which it seeks indemnification.

7. Limitation of Liability.

7.1 Limitation of Liability. EXCEPT FOR EACH PARTY'S INDEMNIFICATION OBLIGATIONS UNDER THIS AGREEMENT, IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER PARTY OR ANY THIRD PARTY FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY, PUNITIVE OR RELIANCE DAMAGES, INCLUDING FOR ANY LOST PROFITS ARISING FROM OR RELATING TO THIS AGREEMENT, EVEN IF SUCH PARTY KNEW OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF, OR COULD REASONABLY HAVE PREVENTED, SUCH DAMAGES. EXCEPT FOR EACH PARTY'S INDEMNIFICATION OBLIGATIONS UNDER THIS AGREEMENT AND LICENSEE'S PAYMENT OBLIGATIONS UNDER THIS AGREEMENT, IN NO EVENT WILL EITHER PARTY'S TOTAL AGGREGATE LIABILITY UNDER THIS AGREEMENT EXCEED $ 5 MILLION DOLLARS.

8. Confidentiality

8.1 Protection of Confidential Information. Each party (the **"Disclosing Party"**) may from time to time during the term of this Agreement disclose to the other party (the **"Receiving Party"**) certain Confidential Information. Except as otherwise expressly permitted by this Agreement, the Receiving Party will not use any Confidential Information of the Disclosing Party for any purpose not expressly permitted by this Agreement, and will disclose the Confidential Information only to the officers, directors, employees, subcontractors, agents and Advisors of the Receiving Party or Affiliates thereof who have a need to know such Confidential Information for purposes of this Agreement or as permitted by this Agreement, and who are under a duty of confidentiality to the Receiving Party no less protective of Confidential Information than the Receiving Party's duties hereunder. "**Advisors**" under this Agreement means any counsels, accountants and other professional advisors including financial advisors and legal advisors. The Receiving Party will protect the Confidential Information from unauthorized use, access, or disclosure in the same manner as the Receiving Party protects its own confidential or proprietary information of a similar nature and with no less than reasonable care. The Receiving Party will promptly notify the Disclosing Party upon discovery of any unauthorized use or disclosure of the Confidential Information. Each party shall be fully responsible to the other for the acts and omissions of its and its Affiliates and their respective officers, directors, employees, and agents with respect to the confidentiality and non-use obligations set forth in this Section 8.

8.2 Exceptions. The Receiving Party's obligations under Section 8.1 with respect to any Confidential Information will terminate to the extent that the Receiving Party can demonstrate that such information: (a) was already known to the Receiving Party at the time of disclosure by the Disclosing Party as evidenced by the Receiving Party's contemporaneous written records; (b) is disclosed to the Receiving Party by a third party who had the right to make such disclosure without breach of any confidentiality restrictions; (c) is, or through no fault of the Receiving Party has become, generally available to the public; or (d) is independently developed by the Receiving Party without access to, or use of, the Confidential Information as evidenced by the Receiving Party's contemporaneous written records. In addition, (i) the Receiving Party will be allowed to disclose: (x) the Confidential Information of the Disclosing Party to the extent that such disclosure is previously and expressly approved in writing by the Disclosing Party on a case-by-case basis or required by applicable law or by the order of a court or similar judicial or administrative body, provided that the Receiving Party notifies the Disclosing Party of such required disclosure promptly and in writing prior to such disclosure and cooperates with the Disclosing Party, at the Disclosing Party's reasonable request and expense, in any lawful action to contest or limit the scope of such required disclosure and (y) the key terms of this Agreement as part of such Receiving Party's normal reporting, rating, or review procedure (including normal credit rating and pricing process), or, in connection with such Receiving

Party's or its Affiliates' normal fund raising activities or, to the extent applicable, the Receiving Party's discussions with third parties regarding possible strategic alternatives (provided that, in each case, the persons receiving such Confidential Information agree in writing to maintain the confidentiality of such information), but and in no event will any such third party be provided any Licensed Know-How, Improvements or Documentation, and (ii) Licensor may disclose Confidential Information, including this Agreement, to its parent company, Caladrius, and Caladrius may disclose such Confidential Information to the extent required under law (as determined by Caladrius in its sole discretion) in connection with reports, registration statements, prospectuses, proxy statements and other documents it files with the Securities and Exchange Commission.

8.3 Return of Confidential Information. At the Disclosing Party's option, or upon expiration or termination of this Agreement, the Receiving Party will immediately cease to use and return to the Disclosing Party or destroy all Confidential Information of the Disclosing Party (except to the extent that: (a) any Confidential Information of Licensor is included in the Documentation or the Licensed Know-How, including the Improvements, in the case of Licensee as the Receiving Party, and (b) any Confidential Information of Licensee is included in the Licensee Improvements, in the case of Licensor as the Receiving Party) in the Receiving Party's possession or control and erase all electronic copies of such Confidential Information promptly upon the written request of the Disclosing Party or the expiration or termination of this Agreement, whichever comes first. For the avoidance with doubt, Licensee will have the right to continue to use any of the Documentation and to use, make, have made, sell or offer to sell the service or products within the Scope solely in the Territory under the Licensed- Know-How, including the Improvements in accordance with Section 3.1 without additional charge after any expiration or termination of this Agreement and Licensor will have the right to continue to use and exercise its ownership rights to the Improvements in accordance with Section 3.4 above without additional charge after any expiration or termination of this Agreement. The disclosure of Confidential Information shall not result in any obligation to grant the Receiving Party any rights therein except to the extent expressly and specifically set forth in this Agreement.

8.4 Non-Solicitation. Both parties agree that during the term of this Agreement, neither party ("**Soliciting Member**") may (and each party shall cause each of its Affiliates, officers, directors and employees not to) directly or indirectly, including without limitation through any of its personnel, cause, solicit, entice or induce, or attempt to cause, solicit, entice or induce, any employee or consultant of the other party or any of its Affiliates to leave his or her current employment, to accept employment with the other party or any of its Affiliates, or to interfere in any manner with the business of Licensor or any of its Affiliates. Notwithstanding the foregoing, a recruitment offer made to, or employment of, any person who contacts a Soliciting Member or any of its Affiliates solely on his or her own initiative, or in response to a bona fide employment advertisement that is not directed at such person shall not constitute a breach of this Section. For the purpose of this provision only, as to Licensee, Affiliate shall not include Hitachi Ltd. or any of its Subsidiaries (other than HCC and its Subsidiaries), provided, however, that Licensee agrees to cause Hitachi Ltd. and its Subsidiaries (other than HCC or its Subsidiaries) not to have any former employee or consultant of the Licensor or Caladrius employed by Hitachi Ltd. or any of its Subsidiaries (other than HCC or its Subsidiaries) provide any services for the direct benefit of Licensee or its Affiliates. The covenants set forth in this Section 8.4 shall terminate upon Licensor's Bankruptcy.

9. Term And Termination

9.1 Term. The initial term of this Agreement will begin on the Effective Date and, unless terminated earlier pursuant to Section 9.2, will continue for ten (10) years thereafter ("**Initial Term**"); provided, however, that at the end of the Initial Term the term will be automatically extended for successive additional two (2) year terms (each an "**Extended Term**") unless earlier terminated pursuant to Section 9.3 or either party provides the other written notice to the other party of its intention not to extend the term which notice must be sent ninety (90) days prior to the scheduled end of the then current term.

9.2 Termination for Breach. Either party may terminate the Agreement, effective immediately, upon written notice to the other party, if one or more of the following events occur with regard to the other party:

(a) if the other party breaches any material provision of this Agreement and does not cure the breach within sixty (60) days after receiving such notice, and the parties agree that for purposes of this section, Sections 2 (Technology Transfer and Technical Support), 3.1 (License Grant), 3.2 (Brand Usage), 3.3 (Improvements), 3.4 (Ownership), 4.1 (Paid-up Fee), 4.2 (Royalty) and 8 (Confidentiality) are material provisions of this Agreement;

(b) if the other party files a petition in bankruptcy, or a petition in bankruptcy is filed against it that has not been dismissed within sixty (60) days after the filing thereof, or the other party becomes insolvent, bankrupt, or makes a general assignment for the benefit of creditors, or issues an order for the attachment of its assets or property, or goes into liquidation or receivership; or

(c) if the other party ceases to carry on business for ninety (90) days or more or disposes of the whole or any substantial part of its undertaking or its assets; or

(d) if, where Licensee is the terminating Party, (i) a Majority Asset Sale occurs, or (ii) a Member Change of Control occurs with respect to Caladrius and Licensee exercises its put option pursuant to Section 8.8 of the Operating Agreement pursuant to such Section 8.8.

9.3 Termination of Agreements. Each party may terminate this Agreement, effective immediately upon thirty (30) days prior written notice to the other party, during the Extended Term.

9.4 Survival. Sections 8.1 and 8.2 will remain in effect for an additional five (5) years after any termination or expiration of this Agreement (except that notwithstanding the foregoing, Section 8 will remain in effect for any trade secrets for as long as such Confidential Information is a trade secret). In addition, Sections 1, 3.1, 3.3(a)-(c), 3.4, 4, 5.3, 6, 7.1, 8.3, 9.4 and 10 will remain in effect without any limitation following any termination or expiration of this Agreement. Upon the expiration or termination of this Agreement: (a) notwithstanding anything to the contrary in this Agreement, all licenses granted by Licensor to Licensee shall be non-exclusive, and (b) the due dates of all outstanding payments owed by Licensee to Licensor under this Agreement shall be accelerated so they become due and payable within thirty (30) days after the effective date of expiration or termination. Neither party shall be liable to the other for damages of any kind solely as a result of that party terminating this Agreement in accordance with its terms.

10. General Provisions

10.1 Force Majeure. Neither party shall be liable to the other in any way whatsoever for any failure or delay in performance of any of the obligations under this Agreement (other than obligations to make payment), arising out of any event or circumstance beyond the reasonable control of such party (including, without limitation, war, rebellion, civil commotion, strikes, lock-outs or industrial disputes; fire, explosion, earthquake, acts of God, flood, drought or bad weather; acts of terror; the unavailability of deliveries, supplies, software, disks or other media or the requisitioning or other act or order by any government department, council or other constituted body).

10.2 Relationship. It is agreed and understood that neither party is the agent, employee or representative of the other party and neither party has the authority or power to bind or contract in the name of or to create any liability against the other party in any way or for any purpose. It is understood that each party is an independent contractor.

10.3 Assignment. This Agreement or any rights or obligations hereunder shall not be assigned by either party, in whole or in part, to any party without the prior written consent of the other party, which consent may be granted or refused at the other party's sole discretion; provided, however, that: (a) Licensor may assign this Agreement or any of its rights or obligations under this Agreement without the prior written consent of Licensee in connection with a merger, consolidation, corporate reorganization, sale of all or substantially all of its assets, sale of stock, change of name or like event subject to Section 9.2(d) and (b) either party may assign this Agreement to its Affiliates without obtaining consent from the other party; provided that such party gives written notice to the other party of such assignment and its Affiliate is bound by a written agreement to comply with all of the terms and conditions of this Agreement. Any assignment in violation of this Section 10.3 shall be null and void from the beginning, and shall be deemed a material breach of this Agreement.

10.4 Waiver. Failure or neglect by either party to enforce at any time any of the provisions hereof shall not be construed nor shall be deemed to be a waiver of such party's rights hereunder nor in any way affect the validity of the whole or any part of this Agreement nor prejudice such party's rights to take subsequent action.

10.5 Severability. In the event that any clause, sub-clause or other provision contained in this Agreement shall be determined by any competent authority to be invalid, unlawful or unenforceable to any extent, such clause, sub-clause or other provision shall to that extent be severed from the remaining clauses and provisions, or the remaining part of the clause in question, which shall continue to be valid and enforceable to the fullest extent permitted by law.

10.6 Headings; Construction. The headings to the clauses, sub-clause and parts of this Agreement are inserted for convenience of reference only and are not intended to be part of or to affect the meaning or interpretation of this Agreement. Any ambiguity in this Agreement shall be interpreted equitably without regard to which party drafted the Agreement or any provision thereof. The terms "this Agreement," "hereof," "hereunder" and any similar expressions refer to this Agreement and not to any particular Section or other portion hereof. The parties hereto agree that any rule of construction to the effect that ambiguities are to be resolved against the drafting party will not be applied in the construction or interpretation of this Agreement. As used in this Agreement, the words "include" and "including," and variations thereof, will be deemed to be followed by the words "without limitation" and "discretion" means sole discretion.

10.7 Governing Law; Venue. This Agreement is governed by and construed in accordance with the laws of New York, without regard to conflicts of law principles. Should any disputes arise between the parties in connection with this Agreement, the parties shall use their best efforts to resolve the dispute through negotiation between the parties. Any such dispute not satisfactorily settled by the parties shall be settled by arbitration in New York City, New York in accordance with the rules of the International Chamber of Commerce in the place of the respondent by three arbitrators appointed in accordance with such rules. The arbitration shall be conducted in English and all documents provided by a party shall be in English (or contain the translation thereof into English). Any award thereof shall be final and binding upon the parties hereto.

10.8 Compliance with Law. In performing its duties under this Agreement, each party shall at all times comply with all applicable international, federal, state and local laws and shall not engage in any illegal or unethical practices, including without limitation the Foreign Corrupt Practices Act of 1977 and any anti-boycott laws, as amended, and any implementing regulations and shall at its own expense undertake all necessary actions to ensure that the agreement is enforceable. Without limiting any of the foregoing, each party agrees that it shall not download, export, or re-export any technology, software or technical data received hereunder, regardless of the manner in which received, (a) into, or to a national or resident of, any country to which the United States has embargoed goods, technologies, and/or services, or in contravention of trade sanctions imposed by the United States, or (b) to anyone on the United States Treasury Department's list of Specially Designated Nationals, the U.S. Commerce Department's Table of Denial Orders or other similar published lists by the U.S. government. Each party shall indemnify and hold the other party harmless from and against any liabilities, damages, costs and expenses, including reasonably attorneys' fees and costs, resulting from any breach by it of this Section 10.8. Licensee will be responsible for obtaining the appropriate licenses, permits and governmental approvals necessary to export and import the Licensed Know-How, Documentation and any Improvements by or for Licensee, including shipping, transport, customs and other clearances, at its sole cost and expense.

10.9 Remedies. The rights and remedies of the parties will be cumulative (and not alternative). If any legal action is brought to enforce this Agreement, the prevailing party will be entitled to receive its attorneys' fees, court costs, and other collection expenses, in addition to any other relief it may receive. Each party acknowledges and agrees that any actual or threatened breach of this Agreement by it may constitute immediate and irreparable harm to the other party for which monetary damages would be an inadequate remedy and that injunctive relief is an appropriate remedy for such breach.

10.10 Entire Agreement. This Agreement dated as of the Effective Date, supersedes any arrangements, understandings, promises or agreements made or existing between the parties hereto prior to or simultaneously with this Agreement and constitute the entire understanding between the parties hereto with respect to the subject matter hereof. Except as otherwise provided herein, no addition, amendment to or modification of this Agreement shall be effective unless it is in writing and signed by and on behalf of both parties. It is acknowledged that the terms of this Agreement have been negotiated between the parties.

10.11 Notices. All notices required or permitted to be given under this Agreement shall be in delivered in accordance with Section 12.1 of the Operating Agreement.

10.12 Language. All documents and communications, whether written or oral, shall be provided in English. In the event that any Japanese or other translation of this Agreement is prepared, then in the event of any ambiguity or discrepancy between the Japanese (or any other language except English) and English provisions of this Agreement, the English language provisions shall govern.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this License Agreement to be signed in duplicate by duly authorized officers or representatives as of the Effective Date.

PCT, LLC, a CALADRIUS Company	**Hitachi Chemical Co. Ltd.**
By:	By:
Name:	Name:
Title:	Title:

Exhibit A
Licensed Know-How

1. Quality System Documentation
2. The current PCT Quality Plan (as of the Effective Date) and any future versions for the term of this Agreement
3. Basic Training in cGMP (current Good Manufacturing Practice) for Operators
4. Technical training for unit operations/procedure (client project(s))
5. Facility planning, operation, equipment (including Japan plan)
6. Standard operational procedures (SOPs)
7. Business operations (Practices and processes for Contracting, Sales, Finance, Customer Relationship Management)

For clarity, the above identified Licensed Know-How includes the technology with respect to the Scope which will be developed in the future (including the Licensor Improvement stated in Section 3.3), but all of the foregoing expressly excluding the Cell Cradle Technology and other Independent Improvements.

Exhibit 10.4

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this "Agreement"), dated and effective as of March 11, 2016 (the "Effective Date") is by and between Caladrius Biosciences, Inc. (the "Company") and Robert A. Preti, Ph.D. (the "Executive").

W I T N E S S E T H:

WHEREAS, prior to entering into this Agreement, the Executive served as Senior Vice President, Manufacturing and Technical Operations and Chief Technology Officer of the Company pursuant to the terms of a certain Employment Agreement dated and effective as of December 22, 2015 between Company and Executive ("Prior Agreement");

WHEREAS, the Company and the Executive each believe it is in their respective best interests to amend and restate the Prior Agreement so that the terms of Executive's employment with the Company is set forth in this Agreement; and

WHEREAS, the Company and the Executive acknowledge that the Executive shall also enter into an employment agreement with the Company's subsidiary, PCT, LLC, a Caladrius Company of even date herewith (the "PCT Employment Agreement");

NOW, THEREFORE, in consideration of the promises and the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

Section 1. ***Employment***. The Company agrees to employ the Executive, and the Executive agrees to continue to be employed by the Company, on an at will basis commencing on the Effective date;

Section 2. ***Position and Duties***. The Executive shall be employed as the Company's Senior Vice President, Manufacturing and Technical Operations and Chief Technology Officer and shall perform duties consistent with such positions and such other related duties as the Company's Chief Executive Officer ("CEO") otherwise shall reasonably request; *provided, however*, that Executive's primary employment shall be with PCT, a Caladrius Company ("PCT"), in accordance with the PCT Employment Agreement, and Executive shall spend no less than ninety percent (90%) of Executive's business time working on PCT matters.

Section 3. ***Compensation***. For all services rendered by the Executive in any capacity required hereunder, Executive shall be compensated as follows:

(a) The Company shall pay the Executive a base salary (the "Base Salary") at the annualized rate of $1,000, which shall be subject to customary withholdings and authorized deductions and be payable in equal installments in accordance with the Company's customary payroll practices in place from time to time.

(b) The Executive shall be granted a $150,000 sign on bonus which is to be paid no later than April 1, 2016, subject to customary withholdings and authorized deductions.

(c) Upon the Effective Date, all grants of securities as awarded under the provisions of section 3(c) of the Prior Agreement shall remain in effect and will continue to vest in accordance with the vesting schedule currently applicable thereto, contingent on Executive's continued employment at Company.

Section 4. ***Binding Agreement; No Assignment***. This Agreement shall be binding upon, and shall inure to the benefit of, the Executive and the Company and their respective permitted successors, assigns, heirs, beneficiaries and representatives. This Agreement is personal to the Executive and may not be assigned by him. This Agreement may not be assigned by the Company except in connection with a sale of all or substantially all of its assets or a merger or consolidation of the Company, and the acquiring Company or entity expressly assumes this Agreement. Any attempted assignment in violation of this Section 4 shall be null and void.

Section 5. ***Governing Law; Consent to Jurisdiction***. The validity, interpretation, performance, and enforcement of this Agreement shall be governed by the laws of the State of New York. In addition, the Executive and the Company irrevocably

submit to the exclusive jurisdiction of the courts of the State of New York and the United States District Court sitting in New York County for the purpose of any suit, action, proceeding or judgment relating to or arising out of this Agreement and the transactions contemplated hereby. Service of process in connection with any such suit, action or proceeding may be served on the Executive or the Company anywhere in the world by the same methods as are specified for the giving of notices under this Agreement. The Executive and the Company irrevocably consent to the jurisdiction of any such court in any such suit, action or proceeding and to the laying of venue in such court. In any such action or proceeding, the court shall have the authority to award reasonable costs, expenses, and attorneys' fees to the party that substantially prevails.

Section 6. ***Entire Agreement; Amendments.*** This Agreement (including Exhibit A, attached hereto) embodies the entire agreement between Executive and the Company with respect to the subject matter hereof and may only be amended or otherwise modified by a writing executed by all of the parties hereto.

Section 7. ***Counterparts***. This Agreement may be executed in any number of counterparts, each of which when executed shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

Section 8. ***Severability; Blue-Penciling.*** The provisions, sections and paragraphs, and the specific terms set forth therein, of this Agreement are severable, except as specifically provided to the contrary herein. If any provision, section or paragraph, or specific term contained therein, of this Agreement or the application thereof is determined by a court to be illegal, invalid or unenforceable, that provision, section, paragraph or term shall not be a part of this Agreement, and the legality, validity and enforceability of remaining provisions, sections and paragraphs, and all other terms therein, of this Agreement shall not be affected thereby.

Section 9. ***Prior Agreements and Release of Obligations.*** This Agreement supersedes all prior agreements and understandings (including verbal agreements and the Prior Agreement) between Executive and the Company regarding the terms and conditions of Executive’s employment with the Company. In addition, upon the Effective Date, Executive hereby releases Company from any and all obligations under the Prior Agreement, including, without limitation, all terms relating to obligations pursuant to Section 3(d) and Section 7 of the Prior Agreement, other than those obligations expressly perpetuated by the terms of this Agreement.

[Signatures follow on next page]

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer and the Executive has signed this Agreement, all as of the first date above written and effective as of the Effective Date.

CALADRIUS BIOSCIENCES, INC.

By: _____

Name:

Title:

_____

Robert Preti, Ph.D.

Exhibit A to Employment Agreement

CALADRIUS BIOSCIENCES, INC.

Employee Confidentiality, Non-Compete and Inventions Assignment Agreement

I (the "Employee") recognize that Caladrius Biosciences, Inc., a Delaware corporation (the "Company"), is engaged in the business of proprietary development of cell therapy products, including a T Regulatory Cell Program in immune modulation, a CD34 Cell Program in Ischemic Repair, a very small embryonic like (VSEL) stem cell program in Tissue Regeneration and a Targeted Immunotherapy Program in cancer (the "Business"). The "Business" also includes any other regenerative medicine, proprietary cellular therapies or stem cell product initiatives which are or become a part of the Company's business during my employment tenure with the Company. Any company with which the Company enters into, or seeks or considers entering into, a business relationship in furtherance of the Business is referred to as a "Business Partner."

I understand that as part of my performance of duties as an employee of the Company (the "Engagement"), I will have access to confidential or proprietary information of the Company and the Business Partners, and I may make new contributions and inventions of value to the Company. I further understand that my Engagement creates in me a duty of trust and confidentiality to the Company with respect to any information: (1) related, applicable or useful to the business of the Company, including the Company's anticipated research and development or such activities of its Business Partners; (2) resulting from tasks performed by me for the Company; (3) resulting from the use of equipment, supplies or facilities owned, leased or contracted for by the Company; or (4) related, applicable or useful to the business of any partner, client or customer of the Company, which may be made known to me or learned by me during the period of my Engagement.

Notwithstanding anything herein, I understand that the terms of this agreement are subject to the PCT Employment Agreement, which includes the Employee Confidentiality, Non-Compete and Inventions Assignment Agreement attached thereto. This agreement is subsidiary to the PCT Employment Agreement, and in the event of conflict between the PCT Employment Agreement and this agreement, the terms of the PCT Employment Agreement shall control and govern.

For purposes of this Agreement, the following definitions apply:

"Proprietary Information" shall mean information relating to the Business or the business of any Business Partner and generally unavailable to the public that has been created, discovered, developed or otherwise has become known to the Company or in which property rights have been assigned or otherwise conveyed to the Company or a Business Partner, which information has economic value or potential economic value to the business in which the Company is or will be engaged. Proprietary Information shall include, but not be limited to, trade secrets, processes, formulas, writings, data, know-how, negative know-how, improvements, discoveries, developments, designs, inventions, techniques, technical data, patent applications, customer and supplier lists, financial information, business plans or projections and any modifications or enhancements to any of the above.

"Inventions" shall mean all Business-related discoveries, developments, designs, improvements, inventions, formulas, software programs, processes, techniques, know-how, writings, graphics and other data, whether or not patentable or registrable under patent, copyright or similar statutes, that are related to or useful in the business or future business of the Company or its Business Partners or result from use of premises or other property owned, leased or contracted for by the Company. Without limiting the generality of the foregoing, Inventions shall also include anything related to the Business that derives actual or potential economic value from not being generally known to the public or to other persons who can obtain economic value from its disclosure or use.

As part of the consideration for my Engagement pursuant to the terms of the employment agreement between the Company and me effective of even date herewith the "Employment Agreement"), and the base salary, stock options and/or other compensation and benefits to be received by me from the Company pursuant to the Employment Agreement, I hereby agree as follows:

Proprietary Information and Inventions. The Company, its Business Partners or their respective assigns, as the case may be, are and shall be the sole owner of all Proprietary Information and Inventions related to the Business and the sole owner of all patents, trademarks, service marks, copyrights, mask rights and other rights (collectively referred to herein as "Rights") pertaining to any Proprietary Information or Inventions. I hereby acknowledge that all original works of authorship that are made by me (solely or jointly with others) within the scope of my Engagement and which are protectable by copyright are "works for hire" as that term is defined in the United States Copyright Act (17 USCA, Section 101). I further hereby assign to the Company, any Rights I may have or acquire in any Proprietary Information or Inventions which arise in the course of my Engagement. Consistent with the third paragraph of this agreement and without limitation thereof, it is expressly agreed and acknowledged by Company that no services to be performed by me in my employ by Company shall include work within the Scope as that term is

defined in the License Agreement of even date herewith between Hitachi Chemical Corporation, Ltd. and PCT, LLC, a Caladrius Company ("PCT") and that any such Inventions or Proprietary Information within the Scope is, and shall be, solely owned by PCT. I further agree to assist the Company or any person designated by it in every proper way (but at the Company's expense) to obtain and from time to time enforce Rights relating to said Proprietary Information or Inventions in any and all countries. I will execute all documents for use in applying for, obtaining and enforcing such Rights in such Proprietary Information or Inventions as the Company may desire, together with any assignments thereof to the Company or persons designated by it. My obligation to assist the Company or any person designated by it in obtaining and enforcing Rights relating to Proprietary Information or Inventions shall continue beyond the cessation of my Engagement ("Cessation of my Engagement"). In the event the Company is unable, after reasonable effort, to secure my signature on any document or documents needed to apply for or enforce any Right relating to Proprietary Information or to an Invention, whether because of my physical or mental incapacity or for any other reason whatsoever, I hereby irrevocably designate and appoint the Company and its duly authorized officers and agents as my agents and attorneys-in-fact to act for and in my behalf and stead in the execution and filing of any such application and in furthering the application for and enforcement of Rights with the same legal force and effect as if such acts were performed by me.

Confidentiality. At all times, both during my Engagement and after the Cessation of my Engagement, whether the cessation is voluntary or involuntary, for any reason or no reason, or by disability, I will keep in strictest confidence and trust all Proprietary Information, and I will not disclose or use or permit the use or disclosure of any Proprietary Information or Rights pertaining to Proprietary Information, or anything related thereto, without the prior written consent of the Company, except as may be necessary in the ordinary course of performing my duties for the Company or to enforce any of my rights under my Employment Agreement. I recognize that the Company has received and in the future will receive from third parties (including Business Partners) their confidential or proprietary information subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. I agree that I owe the Company and such third parties (including Business Partners), during my Engagement and after the Cessation of my Engagement, a duty to hold all such confidential or proprietary information in the strictest confidence, and I will not disclose or use or permit the use or disclosure of any such confidential or proprietary information without the prior written consent of the Company, except as may be necessary in the ordinary course of performing my duties for the Company consistent with the Company's agreement with such third party or to enforce any of my rights under my Employment Agreement or otherwise.

Noncompetition and Nonsolicitation.

During my Engagement, and for a period of one (1) year after the Cessation of my Engagement, should the cessation of my engagement be as a result of termination with cause or resignation without good reason as defined in the Employment Agreement, I will not directly or indirectly, whether alone or in concert with others or as a partner, officer, director, consultant, agent, employee or stockholder of any company or commercial enterprise, engage in any activity in the United States, Canada, Asia and Europe that is in Competition with the Company concerning its work or any Business Partner's work in the Business. Further during my Engagement and for a period of one (1) year after the Cessation of my Engagement, I agree not to plan or otherwise take any preliminary steps, either alone or in concert with others to set up or reengage in any business enterprise that would be in Competition with the Company in the Business; provided, however, that the foregoing shall not restrict my ability to seek other employment following the Cessation of my Engagement (whether or not I am receiving or have received any Additional Payments) as long as I do not actually commence such employment. In addition, nothing in this Agreement shall preclude me from providing services to an entity which operates multiple businesses including indirectly, through its affiliates, a business that is in Competition with the Company's Business, if that competitive affiliate is not a material part of the business of such entity and if I do not provide services, directly or indirectly, with respect to, or have supervisory or executive authority with respect to, any such affiliate which is itself directly engaged in such business that is in Competition with the Company's work in the Business. For purposes of this Agreement, "Competition" shall mean any involvement in any project competitive with the Business (as defined above) or the therapies being developed as part of the Business.

During my Engagement and for a period of two (2) years after the Cessation of my Engagement, I will not directly or indirectly, whether alone or in concert with others or as a partner, officer, director, consultant, agent, employee or stockholder of any company or commercial enterprise, either alone or in concert with others, take any of the following actions:

persuade or attempt to persuade any Business Partner, Customer, Prospective Customer or Supplier to cease doing business with the Company, or to reduce the amount of business it does with the Company;

persuade or attempt to persuade any Service Provider to cease providing services to the Company or any Business Partner; or

solicit for hire or hire for myself or for any Person any Service Provider.

The following definitions are applicable to this Section 3(b):

"Customer" means any Person that purchased goods or services from the Company, or engages in a collaborative arrangement with the Company, at any time within 1 year prior to the date of the solicitation prohibited by Section 3(b)(i) or (ii).

"Prospective Customer" means any Person with whom the Company met or to whom the Company presented for the purpose of soliciting the Person to become a Customer of the Company within 6 months prior to the date of the solicitation prohibited by Section 3(b)(i) or (ii).

"Service Provider" means any Person who is an employee or independent contractor of the Company or the Company or who was within twelve (12) months preceding the solicitation prohibited by Section 3(b)(iii) or (iv) an employee or independent contractor of the Company or the Company.

"Supplier" means any Person that sold goods or services to the Company, or engages in a collaborative arrangement with the Company at any time within twelve (12) months prior to the date of the solicitation prohibited by Section 3(b)(i) or (ii).

"Person" means an individual, a sole proprietorship, a corporation, a limited liability company, a partnership, an association, a trust, or other business entity, whether or not incorporated.

The following shall not be deemed to breach the foregoing obligations: my ownership of stock, partnership interests or other securities of any entity not in excess of two percent (2%) of any class of such interests or securities which is publicly traded.

Employee acknowledges that (i) the restrictions contained in this section are reasonable and necessary to protect the legitimate business interests of the Company, (ii) that the term of this obligation is reasonable in scope, and (iii) that this obligation is a material term, without which the Company would be unwilling to enter into an employment relationship with the Employee.

Delivery of Company Property and Work Product. In the event of the Cessation of my Engagement, I will deliver to the Company all biological materials, devices, records, sketches, reports, memoranda, notes, proposals, lists, correspondence, equipment, documents, photographs, photostats, negatives, undeveloped film, drawings, specifications, tape recordings or other electronic recordings, programs, data, marketing material and other materials or property of any nature belonging to the Company or its clients or customers, and I will not take with me, or allow a third party to take, any of the foregoing or any reproduction of any of the foregoing.

No Conflict. I represent, warrant and covenant that my performance of all the terms of this Agreement and the performance of my duties for the Company does not and will not breach any agreement to keep in confidence proprietary information acquired by me in confidence or in trust prior to my Engagement. I have not entered into, and I agree that I will not enter into, any agreement, either written or oral, in conflict herewith.

No Use of Confidential Information. I represent, warrant and covenant that I have not brought and will not bring with me to the Company or use in my Engagement any materials or documents of a former employer, or any person or entity for which I have acted as an independent contractor or consultant, that are not generally available to the public, unless I have obtained written authorization from any such former employer, person or firm for their possession and use. I understand and agree that, in my service to the Company, I am not to breach any obligation of confidentiality that I have to former employers or other persons.

Enforcement; Equitable Relief. Employee acknowledges that any breach or threatened breach by Employee of any provision of this Agreement may result in immediate and irreparable injury to the Company, and that such injury may not be readily compensable by monetary damages. In the event of any such breach or threatened breach, Employee acknowledges that, in addition to all other remedies available at law and equity, the Company shall be entitled to seek equitable relief (including a temporary restraining order, a preliminary injunction and/or a permanent injunction), and an equitable accounting of all earnings, profits or other benefits arising from such breach and will be entitled to receive such other damages, direct or consequential, as may be appropriate. In addition, and not instead of, those rights, Employee further acknowledges that Employee shall be responsible for payment of the fees and expenses of the Company's attorneys and experts, as well as the Company's court costs, pertaining to any suit, action, or other proceeding, arising directly or indirectly out of Employee's violation or threatened violation of any of the provisions of this section. The Company shall not be required to post any bond or other security in connection with any proceeding to enforce this section.

Severability. If any provision of this Agreement shall be determined by any court of competent jurisdiction to be unenforceable or otherwise invalid as written, the same shall be enforced and validated to the extent permitted by law. All provisions of this Agreement are severable, and the unenforceability or invalidity of any single provision hereof shall not affect the remaining provisions.

Miscellaneous. This Agreement shall be governed by and construed under the laws of the State of New York applied to contracts made and performed wholly within such state. No implied waiver of any provision within this Agreement shall arise in the absence of a waiver in writing, and no waiver with respect to a specific circumstance, event or occasion shall be construed as a continuing waiver as to similar circumstances, events or occasions. This Agreement, together with the employment agreement between the Company and myself, contains the sole and entire agreement and understanding between the Company and myself with respect to the subject matter hereof and supersedes and replaces any prior agreements to the extent any such agreement is inconsistent herewith. This Agreement can be amended, modified, released or changed in whole or in part only by a written agreement executed by the Company and myself. This Agreement shall be binding upon me, my heirs, executors, assigns and administrators, and it shall inure to the benefit of the Company and each of its successors or assigns. This Agreement shall be effective as of the first day of my being retained to render services to the Company, even if such date precedes the date I sign this Agreement.

Thorough Understanding of Agreement. I have read all of this Agreement and understand it completely, and by my signature below I represent that this Agreement is the only statement made by or on behalf of the Company upon which I have relied in signing this Agreement.

IN WITNESS WHEREOF, I have caused this Employee Confidentiality, Non-Compete and Inventions Assignment Agreement to be signed on the date written below**.**

DATED: _____

_____

Robert Preti, Ph.D.

Exhibit 10.5

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT (this "Agreement"), dated and effective as of March 11, 2016, (the "Effective Date") is by and between PCT, LLC, a Caladrius Company ("the Company") and Robert A. Preti, Ph.D. (the "Executive").

W I T N E S S E T H:

WHEREAS, the Executive currently serves as President of the Company and desires to continue his employment in that capacity pursuant to this Agreement;

WHEREAS, the Company and the Executive each believe it is in their respective best interests to enter into this Agreement setting forth the mutual understandings and agreements reached between the Company and the Executive with respect to the Executive's employment with the Company and certain restrictions on the Executive's conduct benefitting the Company during such time and thereafter, all as set forth herein, which Agreement hereby cancels, terminates and supersedes in all respects any other employment agreement that may exist between Company and Executive, provided that the Company and the Executive acknowledge that the Executive shall also enter into an employment agreement with Caladrius Biosciences, Inc. of even date herewith (the "Caladrius Agreement"); and

NOW, THEREFORE, in consideration of the promises and the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

Section 1. ***Employment***. The Company agrees to employ the Executive, and the Executive agrees to continue to be employed by the Company for the period commencing on the Effective Date and, subject to earlier termination pursuant to Section 6 below, continuing until March 10, 2019 (the "Initial Term"). Effective upon the expiration of the Initial Term and of each Renewal Term, if any, this Agreement and the Executive's employment hereunder may be extended by mutual agreement between the Company's Board of Managers (the "Board) and the Executive for an additional period of one (1) year, subject to earlier termination pursuant to Section 6 below (each, a "Renewal Term"), in each such case, commencing upon the expiration of the Initial Term or the then-current Renewal Term, as the case may be, but only if, at least ninety (90) calendar days prior to the expiration of the Initial Term or the then-current Renewal Term, as the case may be, the Company shall have given written notice to the Executive of the Company's intention to extend the Term (the "Extension Notice"). In the event that the Company does not provide an Extension Notice in the manner and within the time period set forth in the preceding sentence, the Term automatically shall expire at the end of the Initial Term or the then-current Renewal Term, as the case may be. As used in this Agreement, the "Term" shall refer to the period beginning on the Effective Date and ending on the effective date of the termination of this Agreement and the Executive's employment hereunder (the "Termination Date") in accordance with this Section 1 or Section 6 below. The Executive hereby represents and warrants to the Company that he has the legal capacity to execute and perform this Agreement, and that its execution and performance by him will not violate the terms of any existing agreement or understanding to which the Executive is a party; and the Company hereby represents and warrants to the Executive that the person executing this Agreement on its behalf has the authority to do so and to bind the Company.

Section 2. ***Position and Duties***. During the Term, the Executive shall be employed as the President of PCT and shall perform duties consistent with such position and such other related duties as the Board shall otherwise reasonably request. The Board shall have the power to direct, control and supervise the duties to be performed hereunder, the means and the manner of performing such duties, and the terms and time for performing said duties as are reasonable in keeping with Executive's office and positions. Executive shall report to the Board or such other person as may be mutually agreed upon, and shall have direct responsibility for all day-to-day operations of the Company, and such other related duties as the Board shall reasonably request. During the Term, and except for vacation in accordance with Section 5(a) below, the Executive shall devote his full business time, attention, skill and efforts to the business and affairs of the Company and shall comply with the Company's code of conduct, policies and procedures in place from time to time; provided, however; the foregoing shall not prevent the Executive from (a) serving as Caladrius Biosciences, Inc.'s Senior Vice President, Manufacturing and Technical Operations and Chief Technology Officer pursuant to the Caladrius Agreement; (b) engaging in not-for-profit activities (e.g., board membership with charitable, educational, or religious organizations), (c) serving on the board of directors of the Alliance for Regenerative Medicine, or in the event that the Executive ceases to serve on such boards, then, subject to the prior written approval of the Board, which shall not be unreasonably withheld, serving on the board of directors (or similar governing body) of not more than two (2) other business entities that are not competitors of the Company (as determined in good faith by the Board, it being understood that a failure to approve if service would be inconsistent with Institutional Shareholder Services Governance standards is reasonable), or (d)

managing the Executive's personal and immediate family member's passive investments, as long as, in each case, such activities individually or in the aggregate do not materially interfere or conflict with the Executive's duties hereunder or create a potential business or fiduciary conflict (in each case, as determined in good faith by the Board). Executive shall initially be based in Allendale, New Jersey; provided, however, it is understood that the Executive shall be required to travel (both within the US and abroad) as reasonably necessary to perform his duties hereunder.

Section 3. ***Compensation***. For all services rendered by the Executive in any capacity required hereunder during the Term, the Executive shall be compensated as follows:

(a) The Company shall pay the Executive a base salary (the "Base Salary") at the annualized rate of $475,000, which shall be subject to customary withholdings and authorized deductions and be payable in equal installments in accordance with the Company's customary payroll practices in place from time to time. The Executive's Base Salary shall be subject to review by the Board at least annually and may be increased, but not decreased, from time to time. As used in this Agreement, the term "Base Salary" shall refer to base salary as may be adjusted from time to time.

(b) The Executive shall be entitled to participate in all compensation and employee benefit plans or programs and to receive all other benefits and perquisites that are approved by the Board and are generally made available by the Company to other senior executives of the Company and to the extent permissible under the general terms and provisions of such plans or programs and in accordance with the provisions thereof. Notwithstanding any of the foregoing, nothing in this Agreement shall require the Company or any subsidiary or affiliate thereof to establish, maintain or continue any particular plan or program nor preclude the amendment, rescission or termination of any such plan or program that may be established from time to time.

(c) Upon the Effective Date, the Executive shall be granted a $350,000 sign on bonus payable in 2 equal annual installments payable on the first and second anniversaries of the Effective Date.

(d) The Executive shall be eligible to receive an annual cash bonus for each full calendar year ending during the Term ("Annual Bonus"). The Executive's target Annual Bonus starting in 2016 will equal 40% of his Base Salary (the "Target Bonus). Annual Bonus will be determined by the Board based upon the level of achievement of the Company's corporate goals and objectives for the calendar year with respect to which the Annual Bonus relates and the Executive's individual performance (in each case, as reasonably determined by the Board). Notwithstanding anything to contrary contained herein, to the extent the rules of the Nasdaq Stock Market (or other securities exchange upon which Caladrius' securities are trading) require that Mr. Preti's compensation be determined by the Compensation Committee of the board of directors of Caladrius (the "Caladrius Compensation Committee"), then the terms of Mr. Preti's compensation (including the amount of his bonus) shall be determined by the Caladrius Compensation Committee.

Section 4. ***Business Expenses***. The Company shall pay or reimburse the Executive for all reasonable travel (it being understood that travel shall be arranged by the Company when practicable) and other reasonable expenses incurred by the Executive in connection with the performance of his duties and obligations under this Agreement, subject to the Executive's presentation of appropriate vouchers or receipts in accordance with such policies and approval procedures as the Company may from time to time establish for employees (including but not limited to prior approval of extraordinary expenses) and to preserve any deductions for Federal income taxation purposes to which the Company may be entitled.

Section 5. ***Benefits; Perquisites; Expense Reimbursement.*** In addition to those payments and benefits set forth above or elsewhere herein, Executive shall be entitled to the following other benefits and payments:

(a) Vacation. Executive shall be entitled to four (4) weeks paid vacation per calendar year (pro-rated in the event of a service year which is shorter than a calendar year), in addition to Company-observed holidays. Any vacation time not used during a calendar year shall be treated in accordance with the Company's policies relating to unused vacation.

(b) D&O Insurance. The Executive shall be covered by the Directors and Officers Liability Insurance policy that generally covers the directors and officers of the Company, provided by the Company at its expense.

(c) Indemnification. The Executive shall be entitled to the benefit of the indemnification provisions contained in the Company's Amended and Restated Operating Agreement of even herewith, as it may be amended from time to time, to the extent permitted by applicable law, at the time of the assertion of any liability against the Executive.

Section 6. ***Termination of Employment.***

(a) Events of Termination. The Executive's employment hereunder may be terminated upon the occurrence of any of the following events:

(i) Termination for Cause. The Company may terminate the Executive's employment hereunder for Cause at any time. For purposes of this Agreement, "Cause" shall mean that the Executive has: (A) committed gross negligence in connection with his duties as set forth herein or otherwise with respect to the business and affairs of the Company, its subsidiaries and/or its other affiliates; (B) committed fraud in connection with his duties as set forth herein or otherwise with respect to the business and affairs of the Company, its subsidiaries and/or its other affiliates; (C) engaged in personal dishonesty, willful misconduct, willful violation of any law, or breach of fiduciary duty, in each instance, with respect to the business and affairs of the Company, its subsidiaries and/or its other affiliates; (D) been indicted for, or has been found by a court of competent jurisdiction to have committed or plead guilty to, (1) a felony (or state law equivalent) or (2) any other serious crime involving moral turpitude or that has (or is reasonably likely to have) a material adverse effect either on (x) the Executive's ability to perform his duties under the Agreement or (y) the reputation and goodwill of the Company, regardless of whether or not such other crime is related or unrelated to the business of the Company, its subsidiaries or other affiliates; (E) shown chronic use of alcohol, drugs or other similar substances that materially affects the Executive's work performance; (F) breached his obligations under (1) this Agreement, (2) the Confidentiality, Non-Compete and Inventions Assignment Agreement attached hereto as Exhibit A (the "Covenants Agreement") or (3) any other agreement executed by the Executive for the benefit of the Company, its subsidiaries and/or other affiliates, provided, that, if such breach described in this clause (F) is susceptible to cure, the Executive shall have thirty (30) days after notice to cure such breach; (G) failed to materially perform the Executive's duties or to follow the lawful directives of the CEO; provided, that, if such failure described in this clause (G) is susceptible to cure, the Executive shall have thirty (30) days after notice to cure such failure; or (H) materially violated the Company's written code of conduct or other written or established policies and/or procedures in place from time to time; provided, that, if such violation described in this clause (H) is susceptible to cure, the Executive shall have thirty (30) days after notice from the Board to cure such violation. Any notice to the Executive under this Section 6(a)(i) shall be in writing and shall specify in reasonable detail the Executive's acts or omissions that the Company alleges constitute "Cause."

(ii) Termination without Cause. The Company may terminate the Executive's employment hereunder without Cause at any time upon notice to Executive, *provided, however*, that Hitachi Chemical Company America, Ltd. ("HCA") a significant member of the Company, must consent to such termination, which consent may not be unreasonably withheld, delayed or conditioned, and as regards such right to consent to such amendments or termination HCA shall be deemed to be a third-party beneficiary hereof.

(iii) Resignation for Good Reason. The Executive may voluntarily terminate his employment hereunder for Good Reason (as defined below) upon written notice to the Company in accordance with the definition thereof. For purposes of this Agreement, "Good Reason" shall mean the occurrence of any of the following events: (A) material breach by the Company of its obligations under this Agreement; (B) the Executive's position, duties, responsibilities, or authority have been materially reduced or the Executive has repeatedly been assigned duties that are materially inconsistent with his duties set forth herein, in each case, without the Executive's consent or (C) the relocation of the Executive's principal place of employment, without the Executive's consent, in a manner that lengthens his one-way commute distance by fifty (50) or more miles. "Good Reason" shall not be deemed to exist, however, unless (1) the Executive shall have given written notice to the Company specifying in reasonable detail the Company's acts or omissions that the Executive alleges constitute "Good Reason" within sixty (60) days after the first occurrence of such circumstances and the Company shall have failed to cure any such act or omission within sixty (60) days of receipt of such written notice, and (2) the Executive actually terminates employment within one hundred eighty (180) days following the initial occurrence of the of any of the foregoing conditions that he considers to be "Good Reason." If the Executive fails to provide this notice and cure period prior to his resignation, or resigns more than one hundred eighty (180) days after the initial existence of the condition, his resignation will not be deemed to be for "Good Reason."

(iv) Resignation without Good Reason. The Executive may voluntarily terminate his employment hereunder for any reason at any time, including for any reason that does not constitute Good Reason, upon six (6) months' prior written notice to the Company, provided, however, the Company reserves the right, upon written notice to the Executive, to accept the Executive's notice of resignation and to accelerate such notice and make the Executive's resignation effective immediately, or on such other date prior to the Executive's intended last day of work as the Company deems appropriate. It is understood and agreed that the Company's election to accelerate Executive's notice of resignation shall not be deemed a termination by the Company without Cause for purposes of Section 6(a)(ii) of this Agreement, Section 7(a) of this Agreement or otherwise, or constitute Good Reason for purposes of Section 6(a)(iii) of this Agreement, Section 7(a) of this Agreement or otherwise.

(v) Disability. The Executive's employment hereunder shall terminate upon his Disability. For purposes of this Agreement, "Disability" shall mean that the Executive has been unable to perform his duties to the Company on account of physical or mental illness or incapacity for a period of ninety (90) consecutive calendar days or one hundred twenty (120) calendar days (whether or not consecutive) during any 365-day period, as a result of a condition that is treated as a total or permanent disability under the long-term disability insurance policy of the Company that covers the Executive.

(vi) Death. The Executive's employment hereunder shall automatically terminate upon his death.

(vii) Expiration of Term. As set forth in Section 1 above, the Executive's employment hereunder shall automatically terminate upon the expiration of the Term. If the Executive's employment hereunder terminates upon the expiration of the Term because the Executive elects not to extend the Term, then the Company's obligations to the Executive shall, in full discharge of all the Company's obligations to the Executive hereunder or otherwise pay and/or provide the Executive with any Accrued Rights under Section 7(a)(i) hereof. If the Executive's employment hereunder terminates upon expiration of the Term because the Company does not offer to extend the Term in accordance with Section 1, then, in full discharge of all of the Company's obligations to the Executive hereunder, or otherwise, the Executive shall be entitled to receive the Accrued Rights under Section 7(a)(i) and other benefits described in Section 7(a)(ii) and 7(a)(iii), subject to Sections 7(e) and 7(f). In either case, all stock options shall be treated in accordance with the 2009 or 2015 Equity Compensation Plans, as applicable.

(b) Resignation from Directorships, Officerships and Committees. The termination of the Executive's employment for any reason shall constitute the Executive's resignation from (i) any director, officer, employee or committee position the Executive has with the Company or any of its affiliates and (ii) all fiduciary positions the Executive holds with respect to any employee benefit plans or trusts established by the Company. The Executive agrees that this Agreement shall serve as written notice of resignation in this circumstance; provided, however, the Executive agrees to take any additional actions that are deemed reasonably necessary by the Company to effectuate or evidence such resignations.

Section 7. ***Compensation upon Termination of Employment.*** All defined terms used in this Section 7 but not defined in this Section 7 or elsewhere in this Agreement shall have the meanings ascribed to such terms in the Covenants Agreement:

(a) Resignation for Good Reason; Termination without Cause. In the event that, during the Term, the Company terminates Executive's employment without Cause (other than by reason of death or Disability) or the Executive voluntarily terminates his employment for Good Reason, the Company shall, in full discharge of all of the Company's obligations to the Executive hereunder or otherwise, provide the Executive with the following payments and benefits:

(i) Accrued Rights. The Company shall pay the Executive a lump-sum amount, within thirty (30) days following the Termination Date (or earlier if required by law), equal to the sum of (A) his earned but unpaid Base Salary through the last day of the Executive's employment ("Termination Date"), (B) any bonus amount earned and vested but not paid for periods ending on or prior to the Termination Date, (C) any accrued and unused vacation time, (D) any unreimbursed business expenses or other amounts due to the Executive from the Company as of the Termination Date, and (E) all other payments and benefits to which the Executive then may be entitled under the terms of any applicable compensation arrangement or benefit, equity or perquisite plan or program or grant or this Agreement, including but not limited to any applicable insurance benefits (the "Accrued Rights").

(ii) Additional Payments. Subject to Sections 7(e) and 7(f) below, the Company shall make additional payments to Executive in the form of continuation of the Executive's then-current Base Salary (the "Additional Payments") for a period beginning on the Termination Date and ending on the twelve (12) month anniversary of the Termination Date (the "Severance Period"), payable in accordance with the Company's regular payroll practices, commencing on the Company's first regular payroll date that occurs on or immediately after the 60th day following the Termination Date, or, alternatively, paid in whole or in part in a single payment, at Company's sole discretion; provided, however, the first installment payment of the Additional Payments shall include the cumulative amount of payments that would have been paid to the Executive during the period of time between the Termination Date and the date the Additional Payments commence had such payments commenced immediately following the Termination Date.

(iii) COBRA Assistance. If Executive then participates in the Company's medical and/or dental plans and Executive timely elects to continue and maintain group health plan coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), then, subject to Sections 7(e) and 7(f) below, the Company will pay monthly, on the Executive's behalf, a portion of the cost of such coverage for the Severance Period, which payments will be equal to the amount of the monthly premium for such coverage, less the amount that Executive would have been required to pay if Executive had remained an active Executive of the Company (the "COBRA Assistance"); provided, however, that if and to the extent that the Company may not provide such COBRA Assistance without incurring tax penalties or violating any requirement

of the law, the Company shall use its commercially reasonable best efforts to provide substantially similar assistance in an alternative manner provided that the cost of doing so does not exceed the cost that the Company would have incurred had the COBRA Assistance been provided in the manner described above or cause a violation of Section 409A (as defined in Section 19 below).

(b) Resignation without Good Reason; Termination for Cause or upon Death or Disability.

(i) In the event that during the Term the Company terminates Executive's employment for Cause or the Executive voluntarily terminates his employment other than for Good Reason, the Company shall have no further obligations to the Executive other than to pay and/or provide the Executive with any Accrued Rights under Section 7(a)(i) hereof.

(ii) In the event that during the Term the Executive's employment is terminated due to the Executive's death or Disability, the Company shall, in full discharge of all of the Company's obligations to the Executive (or his estate, if applicable) hereunder or otherwise, (A) pay and/or provide the Executive (or his estate with) with any Accrued Rights under Section 7(a)(i) hereof and (B) subject to Sections 7(e) and 7(f) below, provide the COBRA Assistance under Section 7(a)(iii).

(c) No Further Rights; Continued Obligations under the Covenants Agreement. The Executive shall have no further rights under this Agreement or otherwise to receive any other compensation or benefits after such termination or resignation of employment under the Company's severance arrangements or otherwise, except with respect to the payments and benefits specifically provided for under this Section 7. The Executive acknowledges and agrees that, on the expiration of the Term or the earlier termination of his employment for any reason or no reason (whether initiated by the Executive or the Company), the Executive shall continue to be bound by his obligations pursuant to the Covenants Agreement.

(d) Release of Claims. Notwithstanding anything contained in this Agreement to the contrary, the Company's provision of the payments and benefits under Sections 7(a)(ii) and 7(a)(iii) and 7(b)(ii) hereof shall be contingent in all respects on the Executive (or, if applicable, his estate) executing (and not revoking) a general release of claims against the Company, its affiliates and related parties, in a form reasonably satisfactory to the Company (the "Release") and the Release becoming effective (and no longer subject to revocation) within sixty (60) days following the Termination Date.

(e) Breach of Release or Covenants Agreement. Notwithstanding anything set forth in this Agreement to the contrary, in the event of a breach by the Executive of his obligations under the Covenants Agreement or the Release Agreement and in addition to any other remedies under the Covenants Agreement, the Release Agreement or at law or in equity, the Company shall have no further obligations under Sections 7(a)(ii) and 7(a)(iii), or 7(b)(ii) (if and as applicable) and the Executive shall be required, upon demand, to return to the Company any payments previously made by the Company pursuant to Section 7(a)(ii), 7(a)(iii), or 7(c)(ii).

(f) Mitigation of Damages. In no event shall the Executive be obliged to seek other employment or take any other action by way of mitigation of the severance benefits payable to the Executive under any of the provisions of this Agreement, nor shall the amount of any severance benefit hereunder be reduced by any compensation earned by the Executive as a result of employment by another employer, except as set forth in this Agreement.

Section 8. ***Covenants Agreement; Corporate Policies.***

(a) Covenants Agreement. The Executive acknowledges that Executive, as a condition to (and a material inducement for) the Company entering into this Agreement, is simultaneously executing the Covenants Agreement, which is attached hereto as Exhibit A, the terms of which are incorporated herein by reference, and that the terms of the Covenants Agreement will be in full force and effect as of the Effective Date and shall survive the expiration of this Agreement or the earlier termination of Executive's employment hereunder.

(b) Corporate Policies. The Executive acknowledges and agrees that during the Term, he will be bound by, and comply with, the Company's various written corporate policies applicable to other senior executives of the Company, including but not limited to its expense reimbursement policies.

Section 9. ***Withholding Taxes***. The Company may directly or indirectly withhold from any payments made under this Agreement all Federal, state, city or other taxes and all other deductions as shall be required pursuant to any law or governmental regulation or ruling or pursuant to any contributory benefit plan maintained by the Company in which the Executive may participate.

Section 10. ***Notices***. All notices, requests, demands and other communications required or permitted hereunder shall be given in writing and shall be deemed to have been duly given if delivered or mailed, postage prepaid, by certified or

registered mail or by use of an independent third party commercial delivery service for same day or next day delivery and providing a signed receipt as follows:

To the Company:

PCT, LLC, a Caladrius Company
4 Pearl Court
Suite C
Allendale, New Jersey 07401
Attention: Michael Vitolo, Esq.

and a copy (which shall not constitute notice) shall also be sent to:

Caladrius Biosciences, Inc.
c/o Todd Girolamo, Esq
420 Lexington Avenue
Suite 350
New York, New York 10170

To the Executive:

Robert Preti, Ph.D.
80 Nursery Road

Ridgefield, CT 06877

or to such other address as either party shall have previously specified in writing to the other. Notice by mail shall be deemed effective on the second business day after its deposit with the United States Postal Service, notice by same day courier service shall be deemed effective on the day of deposit with the delivery service and notice by next day delivery service shall be deemed effective on the day following the deposit with the delivery service.

Section 11. ***No Attachment***. Except as required by law, no right to receive payments under this Agreement shall be subject to anticipation, commutation, alienation, sale, assignment, encumbrance, charge, pledge, or hypothecation or to execution, attachment, levy, or similar process or assignment by operation of law, and any attempt, voluntary or involuntary, to effect any such action shall be null, void and of no effect; provided, however, that nothing in this Section 11 shall preclude the assumption of such rights by executors, administrators or other legal representatives of the Executive or his estate and their conveying any rights hereunder to the person or persons entitled thereto.

Section 12. ***Source of Payment***. All payments provided for under this Agreement shall be paid in cash from the general funds of the Company. The Company shall not be required to establish a special or separate fund or other segregation of assets to assure such payments, and, if the Company shall make any investments to aid it in meeting its obligations hereunder, the Executive shall have no right, title or interest whatever in or to any such investments except as may otherwise be expressly provided in a separate written instrument relating to such investments. Nothing contained in this Agreement, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind, or a fiduciary relationship, between the Company and the Executive or any other person. To the extent that any person acquires a right to receive payments from the Company hereunder, such right, without prejudice to rights which Executives may have, shall be no greater than the right of an unsecured creditor of the Company.

Section 13. ***Binding Agreement; No Assignment***. This Agreement shall be binding upon, and shall inure to the benefit of, the Executive and the Company and their respective permitted successors, assigns, heirs, beneficiaries and representatives. This Agreement is personal to the Executive and may not be assigned by him. This Agreement may not be assigned by the Company except in connection with a sale of all or substantially all of its assets or a merger or consolidation of the Company, and the acquiring Company or entity expressly assumes this Agreement. Any attempted assignment in violation of this Section 13 shall be null and void.

Section 14. ***Governing Law; Consent to Jurisdiction***. The validity, interpretation, performance, and enforcement of this Agreement shall be governed by the laws of the State of New York. In addition, the Executive and the Company irrevocably submit to the exclusive jurisdiction of the courts of the State of New York and the United States District Court sitting in New York County for the purpose of any suit, action, proceeding or judgment relating to or arising out of this Agreement and the transactions

contemplated hereby. Service of process in connection with any such suit, action or proceeding may be served on the Executive or the Company anywhere in the world by the same methods as are specified for the giving of notices under this Agreement. The Executive and the Company irrevocably consent to the jurisdiction of any such court in any such suit, action or proceeding and to the laying of venue in such court. In any such action or proceeding, the court shall have the authority to award reasonable costs, expenses, and attorneys' fees to the party that substantially prevails.

Section 15. ***Entire Agreement; Amendments.*** This Agreement (including Exhibit A) embodies the entire agreement between Executive and the Company with respect to the subject matter hereof and may only be amended or otherwise modified by a writing executed by all of the parties hereto.

Section 16. ***Counterparts***. This Agreement may be executed in any number of counterparts, each of which when executed shall be deemed to be an original and all of which together shall be deemed to be one and the same instrument.

Section 17. ***Severability; Blue-Penciling.*** The provisions, sections and paragraphs, and the specific terms set forth therein, of this Agreement (including Exhibit A) are severable, except as specifically provided to the contrary herein. If any provision, section or paragraph, or specific term contained therein, of this Agreement or the application thereof is determined by a court to be illegal, invalid or unenforceable, that provision, section, paragraph or term shall not be a part of this Agreement, and the legality, validity and enforceability of remaining provisions, sections and paragraphs, and all other terms therein, of this Agreement shall not be affected thereby. The Executive acknowledges and agrees that as to himself, the restrictive covenants contained in the Covenants Agreement (the "Restrictive Covenants") are reasonable and valid in geographical and temporal scope and in all other respects. If any court determines that any of such Restrictive Covenants, or any part thereof, is invalid or unenforceable, the remainder of the Restrictive Covenants shall not thereby be affected and shall be given full effect, without regard to the invalid portions. It is the desire and intent of the parties that the Restrictive Covenants will be enforced to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, if any Restrictive Covenant shall be adjudicated to be invalid or unenforceable, such Restrictive Covenant shall be deemed amended to the extent necessary in order that such provision be valid and enforceable, such amendment to apply only with respect to the operation of such Restrictive Covenant in the particular jurisdiction in which such adjudication is made.

Section 18. ***Prior Agreements.*** This Agreement supersedes all prior agreements and understandings (including verbal agreements) between Executive and the Company or between Executive and PCT regarding the terms and conditions of Executive's employment with the Company.

Section 19. ***409A Compliance.***

(a) Notwithstanding anything to the contrary contained herein, if necessary to comply with the restriction in Section 409A(a)(2)(B) of the Internal Revenue Code of 1986, as amended (the "Code") concerning payments to "specified Executives," any payment on account of the Executive's separation from service that would otherwise be due hereunder within six months after such separation shall nonetheless be delayed until the first business day of the seventh month following the Executive's date of termination and the first such payment shall include the cumulative amount of any payments that would have been paid prior to such date if not for such restriction, together with interest on such cumulative amount during the period of such restriction at a rate, per annum, equal to the applicable federal short-term rate (compounded monthly) in effect under Section 1274(d) of the Code on the date of termination. If the Executive dies during the six-month postponement period prior to the payment, the amount of the payment deferred on account of Section 409A of the Code shall be paid to the personal representative of the Executive's estate within 30 days after the date of the Executive's death. For purposes of Section 7 hereof, the Executive shall be a "specified Executive" for the 12-month period beginning on the first day of the fourth month following each "Identification Date" if he is a "key Executive" (as defined in Section 416(i) of the Code without regard to Section 416(i)(5) thereof) of the Company at any time during the 12-month period ending on the "Identification Date." For purposes of the foregoing, the Identification Date shall be December 31.

(b) This Agreement is intended to comply with the requirements of Section 409A of the Code and regulations promulgated thereunder ("Section 409A"). To the extent that any provision in this Agreement is ambiguous as to its compliance with Section 409A, the provision shall be read in such a manner so that no payments due under this Agreement shall be subject to an "additional tax" as defined in Section 409A(a)(1)(B) of the Code. To the extent any payment under this Agreement may be classified as a "short-term deferral" within the meaning of Section 409A, such payment shall be deemed a short-term deferral, even if it may also qualify for an exemption from Section 409A under another provision of Section 409A. For purposes of Section 409A, each payment made under this Agreement shall be treated as a separate payment. In no event may the Executive, directly or indirectly, designate the calendar year of payment. Notwithstanding anything contained herein to the contrary, the Executive shall not be considered to have terminated employment with the Company for purposes of Section 7 hereof unless he would be

considered to have incurred a “separation from service” from the Company within the meaning of Treasury Regulation §1.409A-1(h)(1)(ii).

(c) All reimbursements provided under this Agreement shall be made or provided in accordance with the requirements of Section 409A, including, where applicable, the requirement that (i) any reimbursement is for expenses incurred during the Executive’s lifetime (or during a shorter period of time specified in this Agreement), (ii) the amount of expenses eligible for reimbursement during a calendar year may not affect the expenses eligible for reimbursement in any other calendar year, (iii) the reimbursement of an eligible expense will be made on or before the last day of the calendar year following the year in which the expense is incurred, and (iv) the right to reimbursement is not subject to liquidation or exchange for another benefit.

(d) In no event whatsoever shall the Company be liable for any additional tax, interest or penalty that may be imposed on Executive by Section 409A or damages for failing to comply with Section 409A.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer and the Executive has signed this Agreement, all as of the first date above written and effective as of the Effective Date.

PCT, LLC, A CALADRIUS COMPANY.

By: _____

Name:

Title:

_____

Robert Preti, Ph.D.

Exhibit A to Employment Agreement

Employee Confidentiality, Non-Compete and Inventions Assignment Agreement

This agreement ("Agreement") is by and between Robert Preti, Ph.D. (the "Employee") and PCT, LLC, a Caladrius Company (the "Company");

WHEREAS, Employee has previously entered into an Employee Confidentiality, Non-Solicitation and Inventions Assignment Agreement with Caladrius Biosciences, Inc. (formerly known as NeoStem, Inc.) and its subsidiaries, including but not limited to PCT, LLC a Caladrius Company (the "Prior EIAA").

NOW, THEREFORE, Employee acknowledges that this Agreement is a condition of employment or continued employment at Company, and further, in consideration of the promises and the mutual covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Employee hereby agrees as follows:

Employee understands that the Company is engaged in the business of providing service solutions for the contract research, development, manufacture, testing, storage and commercialization of cell-based therapies (the "Business"). The Business includes any additional regenerative medicine initiative which becomes a significant part of the Company's business during Employee's employment tenure with the Company. Any company with which the Company enters into, or seeks or considers entering into, a business relationship in furtherance of the Business is referred to as a "Business Partner";

Employee understands that as part of Employee's performance of duties as an employee of the Company (the "Engagement"), Employee will have access to confidential or proprietary information of the Company and third parties, and Employee may make new contributions and inventions of value to the Company. Employee further understand that Employee's Engagement creates in Employee a duty of trust and confidentiality to the Company with respect to any information: (1) related, applicable or useful to the business of the Company, including the Company's anticipated research and development; (2) resulting from tasks performed by Employee for the Company; (3) resulting from the use of equipment, supplies or facilities owned, leased or contracted for by the Company; or (4) related, applicable or useful to the business of any partner, client or customer of the Company, which may be made known to Employee or learned by Employee during the period of Employee's Engagement; and

For purposes of this Agreement, the following definitions apply:

"Proprietary Information" shall mean information or materials relating to the Business or the business of any Business Partner and generally unavailable to the public, or information that has been created, discovered, developed or otherwise has become known to the Company or in which property rights have been assigned or otherwise conveyed to the Company or a Business Partner, which information has economic value or potential economic value to the business in which the Company is or will be engaged, or information or materials in relation to any other party with whom Company agrees to hold such information or materials in confidence. Proprietary Information shall include, but not be limited to, Inventions, laboratory notebooks, samples, prototypes, specimens, test protocols, patent applications, customer and supplier lists, the non-public names and addresses of the Company's customers and suppliers, their buying and selling habits and special needs, marketing plans, forecasts, personnel information, contact information, financial information, business plans or projections and any modifications or enhancements to any of the above.

"Inventions" shall mean all discoveries, developments, designs, improvements, inventions, formulas, software programs, databases, processes, compositions of matter, techniques, know-how, negative know-how, confidential information, trade secrets, writings, original works of authorship, graphics, mask works and other data, whether or not patentable or registerable under patent, copyright or similar statutes.

"Assigned Inventions" means Inventions that are related to or useful in the business or future business of the Company or its Business Partners, result from use of premises, equipment, facilities, trade secrets or other property owned, leased or contracted for by the Company, or result from work performed for the Company. Without limiting the generality of the foregoing, Assigned Inventions shall also include anything related to the Business that derives actual or potential economic value from not being generally known to the public or to other persons who can obtain economic value from its disclosure or use.

1. Proprietary Information and Inventions. The Company, is and shall be the sole owner of all Proprietary Information and Assigned Inventions and the sole owner of all patents, trademarks, service marks, copyrights, mask rights and other rights, including but not limited to intellectual property rights, worldwide, along with any registrations of or applications to register such rights (collectively referred to herein as "Rights"), pertaining to any Proprietary Information or Assigned Inventions.

Employee hereby acknowledges that all original works of authorship that are made by me (solely or jointly with others) within the scope of Employee's Engagement and which are protectable by copyright are "works for hire" as that term is defined in the United States Copyright Act (17 USCA, Section 101). Employee further hereby assigns and irrevocably transfers to the Company, any Assigned Inventions and Rights Employee may have or acquire in any Proprietary Information or Assigned Inventions. Employee further agrees to assist the Company or any person designated by it in every proper way (but at the Company's expense) to obtain and from time to time enforce Rights relating to said Proprietary Information or Assigned Inventions in any and all countries. Employee will execute all documents for use in applying for, obtaining and enforcing such Rights in such Proprietary Information or Assigned Inventions as the Company may desire, together with any assignments thereof to the Company or persons designated by it. Employee's obligation to assist the Company or any person designated by it in obtaining and enforcing Rights relating to Proprietary Information or Assigned Inventions shall continue beyond the cessation of Employee's Engagement ("Cessation of Employee's Engagement"). In the event the Company is unable, after reasonable effort, to secure Employee's signature on any document or documents needed to apply for or enforce any Right relating to Proprietary Information or to an Invention, whether because of Employee's physical or mental incapacity or for any other reason whatsoever, Employee hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as Employee's agents and attorneys-in-fact to act for and on Employee's behalf and stead in the execution and filing of any such application and in furthering the application for and enforcement of Rights with the same legal force and effect as if such acts were performed by me. Employee agrees that this appointment is coupled with an interest and will not be revocable. Employee also hereby forever waives and agrees never to assert any Moral Rights Employee may have in or with respect to any Assigned Inventions and any Excluded Inventions or Other Inventions licensed to the Company under Section 2, even after termination of employment with the Company. "Moral Rights" means any rights to claim authorship of a work, to object to or prevent the modification or destruction of a work, to withdraw from circulation or control the publication or distribution of a work, and any similar right, regardless of whether or not such right is denominated or generally referred to as a "moral right."

Notwithstanding the foregoing, the above paragraph does not apply to an Invention which qualifies fully as a non-assignable Invention under Section 2870 of the California Labor Code. This Agreement does not require Employee to assign or offer to assign to the Company any invention that Employee developed entirely on Employee's own time without using the Company's equipment, supplies, facilities or trade secret information except for those inventions that either: (i) relate to the Business, or actual or demonstrably anticipated research or development of the Company, at the time of conception, or reduction to practice of the invention, or (ii) result from any work performed by Employee for the Company.

2. Other Inventions. Employee represents and agrees that it is because Employee has no rights in any existing Inventions that may relate to the Company's business or actual or demonstrably anticipated research or development. For purposes of this Agreement, "Other Inventions" means Inventions in which Employee has or may have an interest, as of the date of employment Assigned Inventions. Employee acknowledges and agrees that if, in the scope of Engagement, Employee uses any Other Inventions, or if Employee includes any Excluded Inventions or Other Inventions in any product or service of the Company or if rights in any Other Inventions may block or interfere with, or may otherwise be required for, the exercise by the Company of any rights assigned to the Company under this Agreement, Employee will immediately so notify the Company in writing. Unless the Company and Employee agree otherwise in writing as to particular Excluded Inventions or Other Inventions, Employee hereby grant to the Company, in such circumstances (whether or not Employee gives the Company notice as required above), a perpetual, irrevocable, nonexclusive, transferable, world-wide, royalty-free license to use, disclose, make, sell, offer for sale, import, copy, distribute, modify and create works based on, perform, and display such Other Inventions, and to sublicense third parties in one or more tiers of sublicensees with the same rights.

3. Disclosure of Inventions. Employee will promptly disclose in confidence to the Company, or to any person designated by it, all Inventions that Employee makes, creates, conceives or first reduces to practice, either alone or jointly with others, during the period of employment, whether or not in the course of Employee's employment, and whether or not patentable, copyrightable or protectable as trade secrets

4. Confidentiality. Employees obligations and responsibilities regarding confidentiality under the Prior EIAA, including, but not limited to those obligations in Section 2 of the Prior EIAA remain in effect. In addition, at all times, both during the period of Employee's Engagement and after the Cessation of Employee's Engagement, whether the cessation is voluntary or involuntary, for any reason or no reason, or by disability, Employee will keep in strictest confidence and trust all Proprietary Information, and Employee will not disclose or use or permit the use or disclosure of any Proprietary Information or Rights pertaining to Proprietary Information, or anything related thereto, without the prior written consent of the Company, except as may be necessary in the ordinary course of performing Employee's duties for the Company. Employee recognizes that the Company has received and in the future will receive from third parties (including Business Partners) their confidential or proprietary information subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. Employee agrees that Employee owes the Company and such third parties (including Business Partners), during Employee's Engagement and after the Cessation of Employee's Engagement, a duty to hold all such confidential or

proprietary information in the strictest confidence, and Employee will not disclose or use or permit the use or disclosure of any such confidential or proprietary information without the prior written consent of the Company, except as may be necessary in the ordinary course of performing Employee's duties for the Company consistent with the Company's agreement with such third party.

5. Non-Competition and Non-Solicitation.

(a) During my Engagement, and for a period of one (1) year after the Cessation of my Engagement I will not directly or indirectly, whether alone or in concert with others or as a partner, officer, director, consultant, agent, employee or stockholder of any company or commercial enterprise, engage in any activity in the United States, Asia or Canada that the Company or Company's licensee, Hitachi Chemical Co., Ltd., shall determine in good faith is in competition with the Company concerning its work or any Business Partner's work in the Business. Further during my Engagement and for a period of one (1) year after the Cessation of my Engagement, I agree not to plan or otherwise take any preliminary steps, either alone or in concert with others, to set up or engage in any business enterprise that would be in competition with the Company in the Business.

(b) During my Engagement and for a period of one (1) year after the Cessation of my Engagement, I will not directly or indirectly, whether alone or in concert with others or as a partner, officer, director, consultant, agent, employee or stockholder of any company or commercial enterprise, either alone or in concert with others, take any of the following actions:

(i) persuade or attempt to persuade any Business Partner, Customer, Prospective Customer or Supplier to cease doing business with the Company, or to reduce the amount of business it does with the Company;

(ii) solicit or service for himself or for any Person a Business Partner, a Customer or a Supplier in order to provide goods or services that are competitive with the goods and services provided by the Company in connection with the Business;

(iii) persuade or attempt to persuade any Service Provider to cease providing services to the Company or any Business Partner or;

(iv) solicit for hire or hire for himself or for any Person any Service Provider.

(v) The following definitions are applicable to this Section 5(b):

(A) "Customer" means any Person that purchased goods or services from the Company at any time within 2 years prior to the date of the solicitation prohibited by Section 5(b)(i) or (ii).

(B) "Prospective Customer" means any Person with whom the Company met or to whom the Company presented for the purpose of soliciting the Person to become a Customer of the Company within 6 months prior to the date of the solicitation prohibited by Section 5(b)(i) or (ii).

(C) "Service Provider" means any Person who is an employee or independent contractor of the Company or who was within twelve (12) months preceding the solicitation prohibited by Section 5(b)(iii) or (iv) an employee or independent contractor of the Company.

(D) "Supplier" means any Person that sold goods or services to the Company at any time within twelve (12) months prior to the date of the solicitation prohibited by Section 5(b)(i) or (ii).

(E) "Person" means an individual, a sole proprietorship, a corporation, a limited liability company, a partnership, an association, a trust, or other business entity, whether or not incorporated.

(c) The following shall not be deemed to breach the foregoing obligation: (i) my ownership of stock, partnership interests or other securities of any entity not in excess of two percent of any class of such interests or securities which is publicly traded. It is understood and agreed that the restrictions contained in this Section 5 shall immediately cease to be of force and effect in the event the Company and its Business Partner ceases to be engaged in the Business.

(d) Employee acknowledges that (i) the restrictions contained in this section are reasonable and necessary to protect the legitimate business interests of the Company, (ii) that the one (1) year term of this obligation is reasonable in scope, and (iii) that this obligation is a material term, without which the Company would be unwilling to enter into an employment relationship with the Employee.

6. Company Opportunities; Duty Not to Compete. During the period of Engagement, Employee will at all times devote Employee's best efforts to the interests of the Company, and Employee will not, without the prior written consent of the Company, engage in, or encourage or assist others to engage in, any other employment or activity that: (i) would divert from the Company any business opportunity in which the Company can reasonably be expected to have an interest; (ii) would directly compete with, or involve preparation to compete with, the current or future business of the Company; or (iii) would otherwise conflict with the Company's interests or could cause a disruption of its operations or prospects.

7. Delivery of Company Property and Work Product. In the event of the Cessation of Employee's Engagement, Employee will deliver to the Company all biological materials, devices, records, sketches, reports, memoranda, notes, proposals, lists, correspondence, equipment, documents, photographs, photostats, negatives, undeveloped film, drawings, specifications, tape recordings or other electronic recordings, programs, data, marketing material and other materials or property of any nature belonging to the Company or its clients or customers, and Employee will not take, or allow a third party to take, any of the foregoing or any reproduction of any of the foregoing.

8. No Conflict. Employee represents, warrants and covenants that Employee's performance of all the terms of this Agreement and the performance of Employee's duties for the Company does not and will not breach any agreement to keep in confidence proprietary information acquired by Employee in confidence or in trust prior to Employee's Engagement. Employee has not entered into, and Employee agrees that Employee will not enter into, any agreement, either written or oral, in conflict herewith.

9. No Use of Confidential Information. Employee represents, warrants and covenants that Employee has not brought and will not bring to the Company or use in Employee's Engagement any materials or documents of a former employer, or any person or entity for which Employee has acted as an independent contractor or consultant, that are not generally available to the public, or have not been legally transferred to the Company. Employee understands and agrees that, in Employee's service to the Company, Employee is not to breach any obligation of confidentiality that Employee has to former employers or other persons.

10. Use of Name & Likeness. Employee hereby authorizes the Company to use, reuse, and to grant others the right to use and reuse, Employee's name, photograph, likeness (including caricature), voice, and biographical information, and any reproduction or simulation thereof, in any form of media or technology now known or hereafter developed, both during and after my employment, for any purposes related to the Company's business, such as marketing, advertising, credits, and presentations.

11. Notification. Employee hereby authorizes the Company, during and after the termination of Engagement with the Company, to notify third parties, including, but not limited to, actual or potential customers or employers, of the terms of this Agreement and Employee's responsibilities hereunder.

12. Enforcement; Equitable Relief. Employee acknowledges that any breach or threatened breach by Employee of any provision of this Agreement may result in immediate and irreparable injury to the Company, and that such injury may not be readily compensable by monetary damages. In the event of any such breach or threatened breach, Employee acknowledges that, in addition to all other remedies available at law and equity, the Company shall be entitled to seek equitable relief (including a temporary restraining order, a preliminary injunction and/or a permanent injunction), and an equitable accounting of all earnings, profits or other benefits arising from such breach and will be entitled to receive such other damages, direct or consequential, as may be appropriate. In addition, and not instead of, those rights, Employee further acknowledges that Employee shall be responsible for payment of the fees and expenses of the Company's attorneys and experts, as well as the Company's court costs, pertaining to any suit, action, or other proceeding, arising directly or indirectly out of Employee's violation or threatened violation of any of the provisions of this section. The Company shall not be required to post any bond or other security in connection with any proceeding to enforce this section.

13. Severability. If any provision of this Agreement shall be determined by any court of competent jurisdiction to be unenforceable or otherwise invalid as written, the same shall be enforced and validated to the extent permitted by law. All provisions of this Agreement are severable, and the unenforceability or invalidity of any single provision hereof shall not affect the remaining provisions.

14. Miscellaneous. This Agreement shall be governed by and construed under the laws of the State of New Jersey applied to contracts made and performed wholly within such state. No implied waiver of any provision within this Agreement shall arise in the absence of a waiver in writing, and no waiver with respect to a specific circumstance, event or occasion shall be construed as a continuing waiver as to similar circumstances, events or occasions. This Agreement, together with the offer letter or employment agreement (if any) between the Company and Employee, contains the sole and entire agreement and understanding between the Company and Employee with respect to the subject matter hereof and supersedes and replaces any prior agreements

to the extent any such agreement is inconsistent herewith, including, but not limited to, the Prior EIAA. This Agreement can be amended, modified, released or changed in whole or in part only by a written agreement executed by the Company and Employee. This Agreement shall be binding upon Employee, Employee's heirs, executors, assigns and administrators, and it shall inure to the benefit of the Company and each of its successors or assigns. The Company may assign any of its rights and obligations under this Agreement. Employee understands that Employee will not be entitled to assign or delegate this Agreement or any of my rights or obligations hereunder, whether voluntarily or by operation of law, except with the prior written consent of the Company. This Agreement shall be effective as of the date Employee signs this Agreement ("Effective Date").

15. Further Assurances. The Company and Employee will execute such further documents and instruments and take such further actions as may be reasonably necessary to carry out the purposes and intent of this Agreement. Upon Cessation of Engagement, Employee will execute and deliver a document or documents in a form reasonably requested by the Company confirming Employee's agreement to comply with the post-employment obligations contained in this Agreement.

16. Thorough Understanding of Agreement. Employee has read all of this Agreement and understands it completely, and by Employee's signature below Employee represents that this Agreement is the only statement made by or on behalf of the Company upon which Employee has relied in signing this Agreement.

IN WITNESS WHEREOF, Employee has caused this Employee Confidentiality, Non-Solicitation and Inventions Assignment Agreement to be signed on the date written below.

DATED: _____ _____

Robert Preti, Ph.D.

Exhibit 10.6

CONSENT AND THIRD AMENDMENT TO

LOAN AND SECURITY AGREEMENT

THIS **CONSENT AND THIRD AMENDMENT** to Loan and Security Agreement (this "**Amendment**") is entered into as of March 11, 2016, by and between OXFORD FINANCE LLC, a Delaware limited liability company with an office located at 133 North Fairfax Street, Alexandria, Virginia 22314 ("**Oxford**"), as collateral agent (in such capacity, "**Collateral Agent**"), the Lenders listed on Schedule 1.1 of the Loan Agreement (as defined below) or otherwise a party thereto from time to time including Oxford in its capacity as a Lender (each a "**Lender**" and collectively, the "**Lenders**"), CALADRIUS BIOSCIENCES, INC. (fka NEOSTEM, INC.), a Delaware corporation with offices located at 420 Lexington Avenue, Suite 350, New York, NY 10170 ("**Parent**") and the other borrowers listed on the signature page of the Loan Agreement (individually and collectively, jointly and severally, "**Borrower**").

Recitals

A. Collateral Agent, Lenders and Borrower have entered into that certain Loan and Security Agreement dated as of September 26, 2014 (as amended from time to time, including by that certain First Amendment to Loan and Security Agreement dated as of June 17, 2015 and that certain Second Amendment to Loan and Security Agreement dated as of September 15, 2015, collectively the "**Loan Agreement**").

B. Lenders have extended credit to Borrower for the purposes permitted in the Loan Agreement.

C. Borrower has requested that Collateral Agent and Lenders amend the Loan Agreement to (i) consent to Parent's entry into, execution, delivery of and performance of the Hitachi Transaction Documents (as defined below), (ii) remove PCT, LLC, A CALADRIUS COMPANY ("PCT") as a "Borrower" under the Loan Agreement upon execution of the Hitachi Transaction Documents and (iii) make certain revisions to the Loan Agreement as more fully set forth herein.

D. Collateral Agent and Lenders have agreed to amend certain provisions of the Loan Agreement, but only to the extent, in accordance with the terms, subject to the conditions and in reliance upon the representations and warranties set forth below.

Agreement

Now, Therefore, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

1. Definitions. Capitalized terms used but not defined in this Amendment shall have the meanings given to them in the Loan Agreement.

2. Consent to Unit Purchase Agreement. Parent intends to enter into (i) a Unit Purchase Agreement dated as of March 11, 2016 (the "**Unit Purchase Agreement**") by and between Parent, PCT and Hitachi Chemical Co. America, Ltd. ("**Hitachi**"), and (ii) such other documents, instruments and agreements as Parent, PCT, and/or Hitachi shall enter into in connection with such Unit Purchase Agreement (in each case, all in form and substance reasonably satisfactory to Collateral Agent and the Lenders, and substantially in the forms attached hereto as Annex I; collectively, the "**Hitachi Transaction Documents**"), pursuant to which Parent will (1) sell to Hitachi, 19.9% of Parent's equity interest in PCT, and (2) enter into certain other arrangements all as more particularly described in the Hitachi Transaction Documents. Pursuant to Section 7.1 of the Loan Agreement, Borrower shall not Transfer all or any part of its business or property, except for certain specifically enumerated permitted Transfers. Notwithstanding anything to the contrary contained in Section 7.1 of the Loan Agreement, subject to the terms and conditions of this Amendment, Collateral Agent and the Lenders hereby consent to Parent's entry into, execution, delivery of and performance under the Hitachi Transaction Documents.

3. Amendments to Loan Agreement.

3.1 Removal of Borrowers. Upon the execution of the Hitachi Transaction Documents and Collateral Agent's receipt of the Prepayment Amount (as hereafter defined), (i) each of PCT, PCT Allendale, LLC and Neostem Family Storage, LLC (collectively, the "Removed Borrowers") shall be deemed to be removed as Borrowers under the Loan Documents and (ii) all references in the Loan Documents to "Borrower" thereafter shall no longer include the Removed Borrowers and shall

mean and refer only to Parent, NEOSTEM ONCOLOGY, LLC, ATHELOS CORPORATION, AMORCYTE, LLC, and STEM CELL TECHNOLOGIES, INC., all without any further action by any party hereto.

3.2 **Release of Liens**. Upon the execution of the Hitachi Transaction Documents and Collateral Agent's receipt of the Prepayment Amount, (i) Collateral Agent's security interest in any and all assets of the Removed Borrowers shall be deemed to be released and (ii) at the sole cost and expense of Borrower, Collateral Agent shall promptly file evidence reflecting the release of its Liens against the Removed Borrowers, including without limitation, the termination of UCC Financing Statements filed with respect to the Removed Borrowers; provided that, notwithstanding the foregoing, no later than ten (10) Business Days from the date after the execution of the Hitachi Transaction Documents and Collateral Agent's receipt of the Prepayment Amount, Collateral Agent shall cause to be delivered to Parent a Reconveyance of Deed of Trust (or similar) with respect to the real property of PCT which is currently part of the Collateral.

3.3 Section 2.2(b) of the Loan Agreement hereby is amended and restated in its entirety as follows:

"(b) Repayment. Borrower shall make monthly payments of interest only commencing on the first (1st) Payment Date following the Funding Date of each Term Loan, and continuing on the Payment Date of each successive month thereafter through and including the Payment Date immediately preceding the Amortization Date. Borrower agrees to pay, on the Funding Date of each Term Loan, any initial partial monthly interest payment otherwise due for the period between the Funding Date of each Term Loan and the first Payment Date thereof. Commencing on the Amortization Date, and continuing on the Payment Date of each month thereafter, Borrower shall make consecutive equal monthly payments of principal and interest, in arrears, to each Lender, as calculated by Collateral Agent (which calculations shall be deemed correct absent manifest error) based upon: (1) the amount of such Lender's Term Loan, (2) the effective rate of interest, as determined in Section 2.3(a), and (3) a repayment schedule equal to twenty-one (21) months. All unpaid principal and accrued and unpaid interest with respect to the Term Loan is due and payable in full on the Maturity Date. The Term Loan may only be prepaid in accordance with Sections 2.2(c), 2.2(d) and 2.2(e)."

3.4 New Section 2.2(e) hereby is added to the Loan Agreement in its entirety as follows:

"(e) Excess Cash Flow Recapture. In the event Borrower receives any Excess Cash Flow from the Third Amendment Effective Date through the date on or before the ECF Termination Date, Borrower shall, within five (5) Business Days of Borrower's receipt of the same, Borrower shall immediately pay to Lenders, payable to each Lender in accordance with its respective Pro Rata Share, an amount equal to the sum of: (i) twenty percent (20.00%) of such Excess Cash Flow, as a principal prepayment of the Term Loans (the "**Principal Reduction**"), plus accrued and unpaid interest on such principal amount through and including the prepayment date, (ii) the Final Payment, (iii) the Prepayment Fee, plus (iv) all other Obligations that are due and payable, including Lenders' Expenses and interest at the Default Rate with respect to any past due amounts. Any such prepayment shall be accompanied by a certificate signed by a Responsible Officer of the Borrower certifying in reasonable detail the source and amount of the Excess Cash Flow, and the manner in which the Excess Cash Flow and the resulting prepayment were calculated, which certificate shall be in form and substance reasonably satisfactory to the Collateral Agent. Notwithstanding the foregoing, the Principal Reduction amount required to be prepaid from Excess Cash Flow under this Section 2.2(e) shall not exceed Three Million Dollars ($3,000,000.00); provided that, in the event Borrower does not receive, on or before the ECF Termination Date, an amount of Excess Cash Flow sufficient to prepay the principal amount of Three Million Dollars ($3,000,000.00), Borrower shall pay to Lenders, payable to each Lender in accordance with its respective Pro Rata Share, within five (5) Business Days of the ECF Termination Date, an amount equal to the sum of (x) the difference between Three Million Dollars ($3,000,000.00) and the actual amount of the Principal Reduction prepaid hereunder, as a principal prepayment of the Term Loans, plus accrued and unpaid interest on such principal amount through the prepayment date, plus (y) the amounts referred to in clauses (ii) through (iv) above."

3.5 The following defined terms set forth in Exhibit A of the Agreement are added or amended and restated in their entirety, as applicable, as follows:

"Amortization Date" is January 1, 2017.

"ECF Termination Date" means March 31, 2017.

"Excess Cash Flow" means gross proceeds from: the sale or issuance of any equity securities or Subordinated Debt, or any partnership, license, collaboration, dividend, grant or asset sale.

"Principal Reduction" is defined in Section 2.2(e).

"Third Amendment Effective Date" is March 11, 2016.

3.6 Exhibit E to the Agreement hereby is replaced with Exhibit E attached hereto.

4. Limitation of Amendments.

4.1 The amendments set forth in **Section 3** are effective for the purposes set forth herein and shall be limited precisely as written and shall not be deemed to (a) be a consent to any amendment, waiver or modification of any other term or condition of any Loan Document, or (b) otherwise prejudice any right or remedy which Collateral Agent or any Lender may now have or may have in the future under or in connection with any Loan Document.

4.2 This Amendment shall be construed in connection with and as part of the Loan Documents and all terms, conditions, representations, warranties, covenants and agreements set forth in the Loan Documents, except as herein amended, are hereby ratified and confirmed and shall remain in full force and effect.

5. Representations and Warranties. To induce Collateral Agent and Lenders to enter into this Amendment, Borrower hereby represents and warrants to Collateral Agent and Lenders as follows:

5.1 Immediately after giving effect to this Amendment (a) the representations and warranties contained in the Loan Documents, to the best of Borrower's knowledge, are true, accurate and complete in all material respects as of the date hereof (except to the extent such representations and warranties relate to an earlier date, in which case they are true and correct as of such date), and (b) no Event of Default has occurred and is continuing;

5.2 Borrower has the power and authority to execute and deliver this Amendment and to perform its obligations under the Loan Agreement, as amended by this Amendment;

5.3 The organizational documents of Borrower delivered to Collateral Agent and Lenders on the Effective Date, or subsequent thereto, remain true, accurate and complete and have not been amended, supplemented or restated (except for the amendments delivered pursuant to Section 6(iii) below) and are and continue to be in full force and effect;

5.4 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, have been duly authorized;

5.5 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not and will not contravene (a) any law or regulation binding on or affecting Borrower, (b) any contractual restriction with a Person binding on Borrower, (c) any order, judgment or decree of any court or other governmental or public body or authority, or subdivision thereof, binding on Borrower, or (d) the organizational documents of Borrower;

5.6 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not require any order, consent, approval, license, authorization or validation of, or filing, recording or registration with, or exemption by any governmental or public body or authority, or subdivision thereof, binding on Borrower, except as already has been obtained or made; and

5.7 This Amendment has been duly executed and delivered by Borrower and is the binding obligation of Borrower, enforceable against Borrower in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, liquidation, moratorium or other similar laws of general application and equitable principles relating to or affecting creditors' rights.

6. Release by Borrower.

6.1 FOR GOOD AND VALUABLE CONSIDERATION, Borrower hereby forever relieves, releases, and discharges Collateral Agent and Lenders and their present or former employees, officers, directors, agents, representatives, attorneys, and each of them, from any and all claims, debts, liabilities, demands, obligations, promises, acts, agreements, costs and expenses, actions and causes of action, of every type, kind, nature, description or character whatsoever, whether known or unknown, suspected or unsuspected, absolute or contingent, arising out of or in any manner whatsoever connected with or related to facts, circumstances, issues, controversies or claims existing or arising from the beginning of time through and including the

date of execution of this Amendment (collectively "Released Claims"). Without limiting the foregoing, the Released Claims shall include any and all liabilities or claims arising out of or in any manner whatsoever connected with or related to the Loan Documents, the Recitals hereto, any instruments, agreements or documents executed in connection with any of the foregoing or the origination, negotiation, administration, servicing and/or enforcement of any of the foregoing.

6.2 In furtherance of this release, Borrower expressly acknowledges and waives any and all rights under Section 1542 of the California Civil Code, which provides as follows:

"**A general release** does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor." (Emphasis added.)

6.3 By entering into this release, Borrower recognizes that no facts or representations are ever absolutely certain and it may hereafter discover facts in addition to or different from those which it presently knows or believes to be true, but that it is the intention of Borrower hereby to fully, finally and forever settle and release all matters, disputes and differences, known or unknown, suspected or unsuspected; accordingly, if Borrower should subsequently discover that any fact that it relied upon in entering into this release was untrue, or that any understanding of the facts was incorrect, Borrower shall not be entitled to set aside this release by reason thereof, regardless of any claim of mistake of fact or law or any other circumstances whatsoever. Borrower acknowledges that it is not relying upon and has not relied upon any representation or statement made by Collateral Agent or any Lender with respect to the facts underlying this release or with regard to any of such party's rights or asserted rights.

6.4 This release may be pleaded as a full and complete defense and/or as a cross-complaint or counterclaim against any action, suit, or other proceeding that may be instituted, prosecuted or attempted in breach of this release. Borrower acknowledges that the release contained herein constitutes a material inducement to Collateral Agent and Lenders to enter into this Amendment, and that Collateral Agent and Lenders would not have done so but for Collateral Agent and Lenders' expectation that such release is valid and enforceable in all events.

7. Counterparts. This Amendment may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

8. Effectiveness. This Amendment shall be deemed effective upon (i) the due execution and delivery to Collateral Agent and Lenders of this Amendment by each party hereto, (ii) Collateral Agent's receipt of (x) fully executed copies of the Hitachi Transaction Documents and the partial prepayment amount set forth in Annex II attached hereto (the "**Prepayment Amount**"), the principal portion of which permanently shall reduce the amount of the Term Loans under the Loan Documents, (y) a Warrant to Purchase Stock in form and content reasonably acceptable to Collateral Agent dated as of the Third Amendment Effective Date and duly executed by Parent, and (iii) Borrower's payment of all Lenders' Expenses incurred through the date of this Amendment.

9. Removed Borrowers. Upon the Collateral Agent's receipt of the Prepayment Amount, Collateral Agent hereby acknowledges that with respect to the Removed Borrowers no liabilities or Obligations (as defined in the Loan Agreement) exist.

[*Balance of Page Intentionally Left Blank*]

In Witness Whereof, the parties hereto have caused this Amendment to be duly executed and delivered as of the date first written above.

BORROWER:

CALADRIUS BIOSCIENCES, INC. (F/K/A NEOSTEM, INC.)
By
Name:
Title:

ATHELOS CORPORATION
By
Name:
Title:

NEOSTEM ONCOLOGY, LLC
By
Name:
Title:

PCT, LLC, A CALADRIUS COMPANY (F/K/A PROGENITOR CELL THERAPY, LLC)
By:
Its:

By
Name:
Title:

AMORCYTE, LLC
By:
Its:

By
Name:
Title:

STEM CELL TECHNOLOGIES, INC.
By:
Its:

By
Name:
Title:

COLLATERAL AGENT AND LENDER:
OXFORD FINANCE LLC

By
Name:
Title:

ANNEX I
(Hitachi Transaction Documents)

[hard copies to be attached]

ANNEX II
(the Prepayment Amount)

Amounts due to Oxford Finance LLC
(based upon a receipt-date of March 11, 2016):[1]

Amount: $3,733,333.32
Bank Name: U.S. Bank N.A.
ABA: 091000022
DDA: 104790840805
Account Name: Oxford Finance Funding VI
REF: Oxford Finance
Location: 101 E BROADWAY
LITTLE FALLS, MN 56345, US

Amount: $1,866,666.66
Bank Name: U.S. Bank N.A.
ABA: 091000022
DDA: 104791348840
Account Name: Oxford Finance Funding 2014-1 LLC
REF: Oxford Finance
Location: 101 E BROADWAY
LITTLE FALLS, MN 56345, US

Amount: $1,400,000.02
Bank Name: SunTrust Bank
ABA: 061000104
DDA: 1000143045168
SWIFT: SNTRUS3A
Account Name: Oxford Finance Funding IV LLC
REF: Oxford Finance
Location: 25 PARK PLACE NE
ATLANTA, GA 30303, UNITED STATES

TOTAL TOTAL AMOUNT DUE TO OXFORD FINANCE: $7,000,000.00

[1] Additional amounts may be due if funds are received after March 11, 2016.

EXHIBIT E

"Shares" as of the execution of the Hitachi Transaction Documents

Entity	Location	Ownership
CALADRIUS BIOSCIENCES, INC.	United States	57,273,131 shares of common stock issued and outstanding
Stem Cell Technologies, Inc.	United States	100% owned by CALADRIUS BIOSCIENCES, INC.
Amorcyte, LLC	United States	100% owned by CALADRIUS BIOSCIENCES, INC.
PCT, LLC, A CALADRIUS COMPANY	United States	80.1% owned by CALADRIUS BIOSCIENCES, INC.
NeoStem Family Storage, LLC	United States	80.1% owned by CALADRIUS BIOSCIENCES, INC.
Athelos Corporation	United States	97% (1,788 shares) owned by CALADRIUS BIOSCIENCES, INC.
PCT Allendale, LLC	United States	80.1% owned by CALADRIUS BIOSCIENCES, INC.
NeoStem Oncology, LLC	United States	100% owned by CALADRIUS BIOSCIENCES, INC.

Exhibit 10.7

CALADRIUS BIOSCIENCES, INC.

SECURITIES PURCHASE AGREEMENT

This Securities Purchase Agreement ("Agreement") is made as of March 10, 2016 (the "Effective Date"), by and among Caladrius Biosciences, Inc., a Delaware corporation (the "Company"), and each of those persons and entities, severally and not jointly, listed as a Purchaser on the Schedule of Purchasers attached as Exhibit A hereto (the "Schedule of Purchasers"). Such persons and entities are hereinafter collectively referred to herein as "Purchasers" and each individually as a "Purchaser."

AGREEMENT

In consideration of the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Company and each Purchaser (severally and not jointly) hereby agree as follows:

SECTION 1. AUTHORIZATION OF SALE OF SECURITIES.

The Company has authorized the sale and issuance of 1,418,440 shares of its Common Stock, par value $0.001 per share (the "Common Stock") and warrants in the form of Exhibit B hereto to purchase an aggregate of 1,418,440 shares of Common Stock (each a "Warrant" and collectively the "Warrants"), on the terms and subject to the conditions set forth in this Agreement. The shares of Common Stock sold hereunder at the Closing (as defined below) shall be referred to as the "Shares." The Shares and the Warrants are referred to collectively as the "Securities."

SECTION 2. AGREEMENT TO SELL AND PURCHASE THE SECURITIES.

2.1 Sale of Securities. At the Closing (as defined in Section 3), the Company will sell to each Purchaser, and each Purchaser will purchase from the Company, (a) the number of Shares set forth opposite such Purchaser's name on the Schedule of Purchasers and (b) a Warrant to purchase the number of shares of Common Stock set forth opposite such Purchaser's name on the Schedule of Purchasers (such shares of Common Stock, the "Underlying Shares"). The purchase price of one share of Common Stock and one Warrant to purchase one share of Common Stock is $0.705 and the aggregate purchase price for the Shares and Warrants purchased by each Purchaser is set forth opposite such Purchaser's name on the Schedule of Purchasers.

2.2 Separate Agreement. Each Purchaser shall severally, and not jointly, be liable for only the purchase of the Securities that appear on the Schedule of Purchasers that relate to such Purchaser. The Company's agreement with each of the Purchasers is a separate agreement, and the sale of Securities to each of the Purchasers is a separate sale. The obligations of each Purchaser hereunder are expressly not conditioned on the purchase by any or all of the other Purchasers of the Securities such other Purchasers have agreed to purchase.

SECTION 3. CLOSING AND DELIVERY.

3.1 Closing. The closing of the purchase and sale of the Securities (which Securities are set forth in the Schedule of Purchasers) pursuant to this Agreement (the "Closing") shall be held on March 10, 2016 at the offices of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., 666 Third Avenue, New York, New York 10017, or on such other date and place as may be agreed to by the Company and the Purchasers. At or prior to the Closing, each Purchaser shall execute any related agreements or other documents required to be executed hereunder, dated as of the date of the Closing (the "Closing Date").

3.2 Issuance of the Securities at the Closing. At the Closing, the Company shall issue or deliver to each Purchaser (a) evidence of a book entry position evidencing the Shares purchased by such Purchaser hereunder, registered in the name of such Purchaser, or in such nominee name(s) as designated by such Purchaser, representing the number of Shares to be purchased by such Purchaser at such Closing as set forth in the Schedule of Purchasers against payment of the purchase price for such Shares and (b) a Warrant registered in the name of such Purchaser, or in such nominee name(s) as designated by such Purchaser, representing the number of Underlying Shares as set forth in the Schedule of Purchasers. The name(s) in which the shares and Warrant are to be issued to each Purchaser are set forth in the Purchaser Questionnaire and the Selling Stockholder Notice and Questionnaire in the form attached hereto as Appendix I and II (the "Purchaser Questionnaire" and the "Selling Stockholder Questionnaire", respectively), as completed by each Purchaser, which shall be provided to the Company no later than the Closing Date. The Warrants shall be issued and mailed to each Purchaser on the Closing Date.

3.3 Delivery of the Registration Rights Agreement. At the Closing, the Company and each Purchaser shall execute and deliver the Registration Rights Agreement in the form attached hereto as Appendix III (the "Registration Rights Agreement"), with respect to the registration of the Shares and the Underlying Shares under the Securities Act of 1933, as amended (the "Securities Act").

SECTION 4. REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE COMPANY.

Except as set forth on the Schedule of Exceptions delivered to the Purchasers concurrently with the execution of this Agreement (the "Schedule of Exceptions") or as otherwise described in the SEC Documents (as defined below), which disclosures qualify these representations and warranties in their entirety, the Company hereby represents and warrants as of the date hereof to, and covenants with, the Purchasers as follows:

4.1 Organization and Standing. The Company (i) has been duly incorporated and is validly existing as a corporation in good standing under the laws of Delaware, has with full corporate power and authority to own or lease, as the case may be, and to operate its properties and conduct its business as presently conducted, and (ii) is duly qualified to do business as a foreign corporation and is in good standing under the laws of each jurisdiction which requires such qualification, except in the case of clause (ii) above, to the extent that the failure to be so qualified or be in good standing would not reasonably be expected to have a material adverse effect on the condition (financial or otherwise), earnings, business, results of operations, prospects or properties of the Company (a "Material Adverse Effect").

4.2 Corporate Power; Authorization. The Company has all requisite corporate power, and has taken all requisite corporate action, to execute and deliver this Agreement, the Warrants and the Registration Rights Agreement (as defined below and collectively, the "Transaction Documents"), sell and issue the Securities and carry out and perform all of its obligations under the Transaction Documents. Each Transaction Document constitutes the legal, valid and binding obligation of the Company, enforceable in accordance with its terms, except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the enforcement of creditors' rights generally, (ii) as limited by equitable principles generally, including any specific performance and (iii) with respect to the Registration Rights Agreement, as rights to indemnity or contribution may be limited by state or federal laws or public policy underlying such laws. The Company has not received a written notification that any proceeding has been instituted in any such jurisdiction, revoking, limiting or curtailing, or seeking to revoke, limit or curtail, such power and authority or qualification, and to the Company's knowledge, no proceeding has been instituted in any such jurisdiction, revoking, limiting or curtailing, or seeking to revoke, limit or curtail, such power and authority or qualification. Except as disclosed in the SEC Documents the Company does not own or control, directly or indirectly, any corporation, association or other entity. Complete and correct copies of the certificate of incorporation and bylaws of the Company as in effect on the Effective Date have been filed by the Company with the SEC.

4.3 Issuance and Delivery of the Securities. The Securities have been duly authorized and, when issued and paid for in compliance with the provisions of this Agreement, will be validly issued, fully paid and nonassessable. The Underlying Shares have been duly authorized and, upon exercise of the Warrants in accordance with their terms, including payment of the exercise price therefore, will be validly issued, fully paid and nonassessable. Assuming the accuracy of the representations made by each Purchaser in Section 5, the offer and issuance by the Company of the Securities is exempt from registration under the Securities Act. No further approval or authorization of any stockholder, the Board of Directors of the Company or others is required for the issuance and sale or transfer of the Securities, except as may be required (i) under state or other securities or blue sky laws or (ii) pursuant to the Registration Rights Agreement.

4.4 SEC Documents; Financial Statements. The Company has filed in a timely manner all documents that the Company was required to file with the Securities and Exchange Commission (the "Commission") under Sections 13, 14(a) and 15(d) the Securities Exchange Act of 1934, as amended (the "Exchange Act") in the past 12 calendar months. As of their respective filing dates (or, if amended prior to the date of this Agreement, when amended), all documents filed by the Company with the Commission (the "SEC Documents") complied in all material respects with the requirements of the Exchange Act and the rules and regulations of the Commission promulgated thereunder. None of the SEC Documents as of their respective dates contained any untrue statement of material fact or omitted to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading. The financial statements of the Company included in the SEC Documents (the "Financial Statements") present fairly in all material respects the financial condition, results of operations and cash flows of the Company as of the dates and for the periods indicated, comply as to form with the applicable accounting requirements of the Act and have been prepared in conformity with generally accepted accounting principles applied on a consistent basis throughout the periods involved (except as otherwise noted therein).

4.5 Capitalization. The authorized capital stock of the Company consists of 500,000,000 shares of common stock and 20,000,000 shares of undesignated Preferred Stock. As of the Effective Date, there are 10,000 shares of Preferred Stock issued

and outstanding and there are 57,272,321 shares of Common Stock issued and outstanding and 110,799 shares issued and held by the Company as treasury shares. There are no other shares of any other class or series of capital stock of the Company issued or outstanding. The Company has no capital stock reserved for issuance, except that, as of the Effective Date, there are 7,309,076 shares of Common Stock reserved for issuance pursuant to options outstanding on such date pursuant to the Company's 2015 Equity Compensation Plan, 2009 Amended & Restated Equity Compensation Plan and 2003 Equity Participation Plan (as well as any automatic increases in the number of shares of the Company's common stock reserved for future issuance under these plans) and 3,187,033 shares of Common Stock reserved for issuance pursuant to existing warrants to purchase shares of Common Stock. The issuance of Common Stock or other securities pursuant to any provision of this Agreement or the Warrants will not give rise to any preemptive rights, subscriptions or other rights, agreements, arrangements or commitments of any character obligating the Company to issue, transfer or sell, or cause to be issued, transferred or sold, any shares of the capital stock of the Company or other equity interests in the Company or any securities convertible into or exchangeable for such shares of capital stock or other equity interests, and there are no outstanding contractual obligations of the Company to repurchase, redeem or otherwise acquire any shares of its capital stock or other equity interests. There are no agreements or arrangements under which the Company or any of its Subsidiaries is obligated to register the sale of any of their securities under the Securities Act. There are no voting agreements or other similar arrangements with respect to the Common Stock to which the Company is a party.

4.6 Litigation. No action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or its property is pending or, to the best knowledge of the Company, threatened that will have a Material Adverse Effect or that would otherwise be required to be disclosed in the SEC Documents, whether or not arising from transactions in the ordinary course of business.

4.7 Governmental Consents. No consent, approval, order or authorization of, or registration, qualification, designation, declaration or filing with, any federal, state, or local governmental authority on the part of the Company is required in connection with the consummation of the transactions contemplated by the Transaction Documents except for (a) the filing of a Form D with the Commission under the Securities Act and compliance with the securities and blue sky laws in the states and other jurisdictions in which shares of Common Stock are offered and/or sold, which compliance will be effected in accordance with such laws, (b) the rules of the NASDAQ Capital Market ("NASDAQ") with respect to the listing of the Shares and the Underlying Shares and (c) the filing of one or more registration statements and all amendments thereto with the Commission as contemplated by the Registration Rights Agreement.

4.8 No Default or Consents. Neither the execution, delivery or performance of the Transaction Documents by the Company nor the consummation of any of the transactions contemplated thereby (including, without limitation, the issuance and sale by the Company of the Securities and the Underlying Shares) will conflict with, result in a breach or violation of, or imposition of any lien, charge or encumbrance upon any property or assets of the Company pursuant to, (i) the charter or by-laws of the Company, (ii) the terms of any indenture, contract, lease, mortgage, deed of trust, note agreement, loan agreement or other agreement, obligation, condition, covenant or instrument to which the Company is a party or bound or to which its or their property is subject, or (iii) any statute, law, rule, regulation, judgment, order or decree applicable to the Company of any court, regulatory body, administrative agency, governmental body, arbitrator or other authority having jurisdiction over the Company or any of its properties, except in the case of clauses (ii) and (iii) above, for any conflict, breach or violation of, or imposition that would not, individually or in the aggregate, have a Material Adverse Effect.

4.9 No Material Adverse Change. Since September 30, 2015, except as disclosed in Schedule 4.9 to the Schedule of Exceptions, and except as disclosed in the SEC Documents, there have not been any changes, or developments that would reasonably be expected to result in changes, in the authorized capital, assets, liabilities, financial condition, business, Material Agreements or operations of the Company from that reflected in the Financial Statements as of that date, except changes in the ordinary course of business which have not been, either individually or in the aggregate, materially adverse to the business, properties, financial condition or results of operations of the Company.

4.10 No General Solicitation. Neither the Company nor, to the knowledge of the Company, any person acting for the Company, has conducted any "general solicitation" (as such term is defined in Regulation D) with respect to any of the Securities being offered hereby. The Company will not distribute any offering material in connection with the sale of the Securities prior to the Closing Date, other than this Agreement, the Registration Rights Agreement and the SEC Documents.

4.11 No Integrated Offering. Neither of the Company, nor any of its affiliates nor any Person acting on their behalf has, directly or indirectly, made any offers or sales of any security or solicited any offers to buy any Company security, under circumstances that would adversely affect reliance by the Company on Section 4(a)(2) of the Securities Act or require registration of any of the Securities under the Securities Act or cause this offering of the Securities to be integrated with prior offerings by the Company for purposes of the Securities Act.

4.12 Sarbanes-Oxley Act. There is and has been no failure on the part of the Company and any of the Company's directors or officers, in their capacities as such, to comply with any applicable provision of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated in connection therewith, including, without limitation, Section 402 relating to loans.

4.13 Intellectual Property. The Company owns, possesses, licenses or has other rights to use, on reasonable terms, all patents, patent applications, trade and service marks, trade and service mark registrations, trade names, copyrights, licenses, inventions, trade secrets, technology, know-how and other intellectual property (collectively, the "Intellectual Property") necessary for the conduct of the Company's business as now conducted or as proposed in the SEC Documents to be conducted (the "Company Intellectual Property"). To the knowledge of the Company, there are no rights of third parties to any Company Intellectual Property, other than as licensed by the Company. To the knowledge of the Company, there is no infringement by third parties of any Company Intellectual Property. There is no pending or, to the Company's knowledge, threatened material action, suit, proceeding or claim by others challenging the Company's rights in or to any Company Intellectual Property. There is no pending or, to the Company's knowledge, threatened material action, suit, proceeding or claim by others challenging the validity or scope of any Company Intellectual Property. There is no pending or, to the Company's knowledge, threatened material action, suit, proceeding or claim by others that the Company infringes or otherwise violates any patent, trademark, copyright, trade secret or other proprietary rights of others. The Company is not aware of any facts required to be disclosed to the U.S. Patent and Trademark Office ("USPTO") which have not been disclosed to the USPTO and which would preclude the grant of a patent in connection with any patent application of the Company Intellectual Property or could form the basis of a finding of invalidity with respect to any issued patents of the Company Intellectual Property.

4.14 Compliance with NASDAQ Continued Listing Requirements. The Common Stock is registered pursuant to Section 12(g) of the Exchange Act and is listed on the NASDAQ and the Company has taken no action designed to, or likely to have the effect of, terminating the registration of the Common Stock under the Exchange Act or delisting the Common Stock from the NASDAQ. Other than as disclosed in the SEC Documents, the Company is in compliance with applicable NASDAQ continued listing requirements. Other than as disclosed in the SEC Documents, there are no proceedings pending or, to the Company's knowledge, threatened against the Company relating to the continued listing of the Common Stock on NASDAQ and the Company has not received any notice of, nor to the Company's knowledge is there any reasonable basis for, the delisting of the Common Stock from NASDAQ. The Company has taken all actions necessary to list the Securities and the Underlying Shares for quotation on NASDAQ, if necessary. The Company is in compliance with all corporate governance requirements of the NASDAQ except for such non-compliance as would not, individually or in the aggregate, have a Material Adverse Effect. The Company shall comply with all requirements of NASDAQ with respect to the issuance of the Shares and the listing of the Shares on the NASDAQ and such other securities exchange or automated quotation system, as applicable. The sale and issuance of the Securities does not require stockholder approval, including, without limitation, pursuant to the rules and regulations of NASDAQ.

4.15 Disclosure. The Company understands and confirms that the Purchasers will rely on the foregoing representations in effecting transactions in securities of the Company. To the knowledge of the executive officers of the Company, all due diligence materials regarding the Company, its business and the transactions contemplated hereby, furnished by or on behalf of the Company to the Purchasers upon their request are, when taken together with the SEC Documents and the Schedule of Exceptions, true and correct in all material respects and do not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

4.16 Contracts. Each franchise, contract or other document of a character required to be described in the SEC Documents or to be filed as an exhibit to the SEC Documents under the Securities Act and the rules and regulations promulgated thereunder (collectively, the "Material Contracts") is so described or filed.

4.17 Properties and Assets. The Company owns or leases all such properties as are necessary to the conduct of its operations as presently conducted or proposed to be conducted. Except as set forth in the SEC Documents: (i) the Company has good and marketable title to all properties and assets described in the SEC Documents as owned by it free and clear of any pledge, lien, security interest, encumbrance, claim or equitable interest, whether imposed by agreement, contract, understanding, law, equity or otherwise, except for Permitted Liens (as defined below) or where any failure to have good and marketable title to such properties and assets, individually or in the aggregate, would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect; and (ii) the Company has valid and enforceable leases, including without limitation any leases that are the subject of any sale and leaseback arrangement, for all properties described in the SEC Documents as leased by it, except as the enforcement thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting creditors' rights generally or by general equitable principles. A "Permitted Lien" shall mean (i) liens for taxes not yet due, (ii) mechanics liens and similar liens for labor, materials or supplies incurred in the ordinary course of business for amounts that are not delinquent and (iii) any liens that individually or in the aggregate are not material.

4.18 Compliance. Except as would not, individually or in the aggregate, result in a Material Adverse Effect: (i) the Company is and has been in compliance with statutes, laws, ordinances, rules and regulations applicable to the Company for the ownership, testing, development, manufacture, packaging, processing, use, labeling, storage, or disposal of any product manufactured by or on behalf of the Company or out-licensed by the Company (a "Company Product"), including without limitation, the Federal Food, Drug, and Cosmetic Act, 21 U.S.C. § 301, et seq., the Public Health Service Act, 42 U.S.C. § 262, similar laws of other governmental entities and the regulations promulgated pursuant to such laws (collectively, "Applicable Laws"); (ii) the Company possesses all licenses, certificates, approvals, authorizations, permits and supplements or amendments thereto required by any such Applicable Laws and/or for the ownership of its properties or the conduct of its business as it relates to a Company Product and as described in the SEC Documents (collectively, "Authorizations") and such Authorizations are valid and in full force and effect and the Company is not in violation of any term of any such Authorizations; (iii) the Company has not received any written notice of adverse finding, warning letter or other written correspondence or notice from the U.S. Food and Drug Administration (the "FDA") or any other governmental entity alleging or asserting noncompliance with any Applicable Laws or Authorizations relating to a Company Product; (iv) the Company has not received written notice of any ongoing claim, action, suit, proceeding, hearing, enforcement, investigation, arbitration or other action from any governmental entity or third party alleging that any Company Product, operation or activity related to a Company Product is in violation of any Applicable Laws or Authorizations or has any knowledge that any such governmental entity or third party is considering any such claim, litigation, arbitration, action, suit, investigation or proceeding, nor, to the Company's knowledge, has there been any noncompliance with or violation of any Applicable Laws by the Company that would reasonably be expected to require the issuance of any such written notice or result in an investigation, corrective action, or enforcement action by the FDA or similar governmental entity with respect to a Company Product; (v) the Company has not received written notice that any governmental entity has taken, is taking or intends to take action to limit, suspend, modify or revoke any Authorizations or has any knowledge that any such governmental entity has threatened or is considering such action with respect to a Company Product; and (vi) the Company has filed, obtained, maintained or submitted all reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments as required by any Applicable Laws or Authorizations and that all such reports, documents, forms, notices, applications, records, claims, submissions and supplements or amendments were complete, correct and not misleading on the date filed (or were corrected or supplemented by a subsequent submission). To the Company's knowledge, neither the Company nor any of its directors, officers, employees or agents, has made, or caused the making of, any false statements on, or material omissions from, any other records or documentation prepared or maintained to comply with the requirements of the FDA or any other governmental entity.

4.19 Taxes. The Company has filed all tax returns that are required to be filed or has requested extensions thereof (except in any case in which the failure so to file would not have a Material Adverse Effect, whether or not arising from transactions in the ordinary course of business, except as contemplated in the SEC Documents) and has paid all taxes required to be paid by it and any other assessment, fine or penalty levied against it, to the extent that any of the foregoing is due and payable, except for any such assessment, fine or penalty that is currently being contested in good faith or as would not have a Material Adverse Effect, whether or not arising from transactions in the ordinary course of business, except as contemplated in the SEC Documents.

4.20 Transfer Taxes. There are no transfer taxes or other similar fees or charges under Federal law or the laws of any state, or any political subdivision thereof, required to be paid in connection with the execution and delivery of this Agreement or the issuance by the Company or sale by the Company of the Securities.

4.21 Investment Company. The Company is not and, after giving effect to the offering and sale of the Securities, will not be an "investment company" as defined in the Investment Company Act of 1940, as amended.

4.22 Insurance. The Company is insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are reasonable and customary in the business in which it is engaged; all policies of insurance and fidelity or surety bonds insuring the Company or its businesses, assets, employees, officers and directors are in full force and effect; the Company is in compliance with the terms of such policies and instruments in all material respects; and there are no claims by the Company under any such policy or instrument as to which any insurance company is denying liability or defending under a reservation of rights clause; the Company has not been refused any insurance coverage sought or applied for; and the Company has no reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have a Material Adverse Effect, whether or not arising from transactions in the ordinary course of business.

4.23 Price of Common Stock. Neither the Company nor, to its knowledge, any of its affiliates has taken, directly or indirectly, any action designed to or which has constituted or which would reasonably be expected to cause or result, under the Exchange Act or otherwise, in the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Shares, Underlying Shares and the Warrants.

4.24 Governmental Permits, Etc. The Company possesses all licenses, certificates, permits and other authorizations issued by all applicable authorities necessary to conduct its business, and the Company has not received any notice of proceedings relating to the revocation or modification of any such certificate, authorization or permit which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would have a Material Adverse Effect, whether or not arising from transactions in the ordinary course of business.

4.25 Internal Control over Financial Reporting; Sarbanes-Oxley Matters. The Company maintains a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. The Company's internal controls over financial reporting are effective to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and the Company is not aware of any material weakness in its internal controls over financial reporting. The Company maintains "disclosure controls and procedures" (as such term is defined in Rule 13a-15(e) under the Exchange Act); such disclosure controls and procedures are effective.

4.26 Foreign Corrupt Practices. The Company is not nor, to the knowledge of the Company, any director, officer, agent, or employee of the Company is aware of or has taken any action, directly or indirectly, that would result in a violation by such persons of the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder (the "FCPA"), including, without limitation, making use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay or authorization of the payment of any money, or other property, gift, promise to give, or authorization of the giving of anything of value to any "foreign official" (as such term is defined in the FCPA) or any foreign political party or official thereof or any candidate for foreign political office, in contravention of the FCPA.

4.27 Labor. No labor problem or dispute with the employees of the Company exists or, to the knowledge of the Company, is threatened, and the Company is not aware of any existing or imminent labor disturbance by the employees of any of its principal suppliers or contractors, that could have a Material Adverse Effect, whether or not arising from transactions in the ordinary course of business, except as contemplated in the SEC Documents.

4.28 ERISA. None of the following events has occurred or exists: (i) a failure to fulfill the obligations, if any, under the minimum funding standards of Section 302 of the United States Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and the regulations and published interpretations thereunder with respect to a Plan that is required to be funded, determined without regard to any waiver of such obligations or extension of any amortization period; (ii) an audit or investigation by the Internal Revenue Service, the U.S. Department of Labor, the Pension Benefit Guaranty Corporation or any other federal or state governmental agency or any foreign regulatory agency with respect to the employment or compensation of employees by any of the Company that could have a Material Adverse Effect; (iii) any breach of any contractual obligation, or any violation of law or applicable qualification standards, with respect to the employment or compensation of employees by the Company that would reasonably be expected to have a Material Adverse Effect. None of the following events has occurred or is reasonably likely to occur: (i) a material increase in the aggregate amount of contributions required to be made to all Plans in the current fiscal year of the Company compared to the amount of such contributions made in the most recently completed fiscal year of the Company; (ii) a material increase in the "accumulated post-retirement benefit obligations" (within the meaning of Statement of Financial Accounting Standards 106) of the Company compared to the amount of such obligations in the most recently completed fiscal year of the Company; (iii) any event or condition giving rise to a liability under Title IV of ERISA that could have a Material Adverse Effect; or (iv) the filing of a claim by one or more employees or former employees of the Company related to their employment that could have a Material Adverse Effect. For purposes of this paragraph, the term "Plan" means a plan (within the meaning of Section 3(3) of ERISA) subject to Title IV of ERISA with respect to which the Company may have any liability.

4.29 Environmental Laws. The Company (i) is in compliance with any and all applicable foreign, federal, state and local laws and regulations relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants ("Environmental Laws"), (ii) has received and is in compliance with all permits, licenses or other approvals required of them under applicable Environmental Laws to conduct its business and (iii) has not received notice of any actual or potential liability under any environmental law, except where such non-compliance with Environmental Laws, failure to receive required permits, licenses or other approvals, or liability would not, individually or in the aggregate, have a Material Adverse Effect, whether or not arising from transactions in the ordinary course of business. The Company has not been named as a "potentially responsible party" under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended.

4.30 Money Laundering Laws. The operations of the Company are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements and the money laundering statutes and the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "Money Laundering Laws") and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company with respect to the Money Laundering Laws is pending or, to the knowledge of the Company, threatened.

4.31 OFAC. The Company is not nor, to the knowledge of the Company, any director, officer, agent or employee of the Company (i) is currently subject to any sanctions administered or imposed by the United States (including any administered or enforced by the Office of Foreign Assets Control of the U.S. Treasury Department, the U.S. Department of State, or the Bureau of Industry and Security of the U.S. Department of Commerce), the United Nations Security Council, the European Union, or the United Kingdom (including sanctions administered or controlled by Her Majesty's Treasury) (collectively, "Sanctions" and such persons, "Sanction Persons") or (ii) will, directly or indirectly, use the proceeds of this offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person in any manner that will result in a violation of any economic Sanctions by, or could result in the imposition of Sanctions against, any person (including any person participating in the offering, whether as underwriter, advisor, investor or otherwise). The Company is not nor, to the knowledge of the Company, any director, officer, agent, or employee of the Company or any of its subsidiaries, is a person that is, or is 50% or more owned or otherwise controlled by a person that is: (i) the subject of any Sanctions; or (ii) located, organized or resident in a country or territory that is, or whose government is, the subject of Sanctions that broadly prohibit dealings with that country or territory (currently, Cuba, Iran, North Korea, Sudan, and Syria) (collectively, "Sanctioned Countries" and each, a "Sanctioned Country"). Except as has been disclosed to the Purchasers or is not material to the analysis under any Sanctions, the Company has not engaged in any dealings or transactions with or for the benefit of a Sanctioned Person, or with or in a Sanctioned Country, in the preceding 3 years, nor does the Company have any plans to increase its dealings or transactions with Sanctioned Persons, or with or in Sanctioned Countries.

SECTION 5. REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE PURCHASERS.

5.1 Each Purchaser, severally and not jointly, represents and warrants to and covenants with the Company that:

(a) Such Purchaser (if an entity) is a validly existing corporation, limited partnership or limited liability company and has all requisite corporate, partnership or limited liability company power and authority to enter into and consummate the transactions contemplated by the Transaction Documents and to carry out its obligations hereunder and thereunder, and to invest in the Securities pursuant to this Agreement.

(b) Such Purchaser acknowledges that it can bear the economic risk and complete loss of its investment in the Securities and has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of the investment contemplated hereby. Such Investor has had an opportunity to receive, review and understand all information related to the Company requested by it and to ask questions of and receive answers from the Company regarding the Company, its business and the terms and conditions of the offering of the Securities, and has conducted and completed its own independent due diligence. Such Purchaser acknowledges that the Company has made available the SEC Documents. Based on the information such Purchaser has deemed appropriate, and without reliance upon any Placement Agent, it has independently made its own analysis and decision to enter into the Transaction Documents. Such Purchaser is relying exclusively on its own sources of information, investment analysis and due diligence (including professional advice it deems appropriate) with respect to the execution, delivery and performance of the Transaction Documents, the Securities and the business, condition (financial and otherwise), management, operations, properties and prospects of the Company, including but not limited to all business, legal, regulatory, accounting, credit and tax matters.

(c) The Securities to be received by such Purchaser hereunder will be acquired for such Purchaser's own account, not as nominee or agent, and not with a view to the resale or distribution of any part thereof in violation of the Securities Act. Such Purchaser understands that the Securities are characterized as "restricted securities" under the U.S. federal securities laws inasmuch as they are being acquired from the Company in a transaction not involving a public offering and that under such laws and applicable regulations such securities may be resold without registration under the Securities Act only in certain limited circumstances. Purchaser will not, directly or indirectly, offer, sell transfer or otherwise dispose of (or solicit any offers to buy, purchase or otherwise acquire or take a pledge of) any of the securities purchased hereunder except in compliance with the Securities Act, applicable blue sky laws, and the rules and regulations promulgated thereunder.

(d) Such Purchaser is an "accredited investor" within the meaning of Rule 501(a) under the Securities Act. Such Purchaser has determined based on its own independent review and such professional advice as it deems appropriate that its purchase of the Securities and participation in the transactions contemplated by the Transaction Documents (i) have been duly

authorized and approved by all necessary action and (ii) do not and will not violate or constitute a default under such Purchaser's charter, by-laws or other constituent document by which such Purchaser is bound.

(e) The execution, delivery and performance by such Purchaser of the Transaction Documents to which such Purchaser is a party have been duly authorized and each has been duly executed and when delivered will constitute the valid and legally binding obligation of such Purchaser, enforceable against such Purchaser in accordance with their respective terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability, relating to or affecting creditors' rights generally and by general equitable principles.

(f) Purchaser is not a broker or dealer registered pursuant to Section 15 of the Exchange Act (a "registered broker-dealer") and is not affiliated with a registered broker dealer. Purchaser is not party to any agreement for distribution of any of the Securities.

(g) Purchaser shall have completed or caused to be completed and delivered to the Company at no later than the Closing Date, the Purchaser Questionnaire and the Selling Stockholder Questionnaire for use in preparation of the Registration Statement, and the answers to the Purchaser Questionnaire and the Selling Stockholder Questionnaire are true and correct in all material respects as of the date of this Agreement and will be true and correct as of the Closing Date and the effective date of the Registration Statement; provided that the Purchasers shall be entitled to update such information by providing notice thereof to the Company before the effective date of such Registration Statement.

(h) Such Purchaser has no present intent to effect a "change of control" of the Company as such term is understood under the rules promulgated pursuant to Section 13(d) of the Exchange Act.

(i) Such Purchaser has not taken any of the actions set forth in, and is not subject to, the disqualification provisions of Rule 506(d)(1) of the Securities Act.

(j) Such Purchaser did not learn of the investment in the Securities as a result of any general solicitation or general advertising.

(k) Such Purchaser's residence (if an individual) or offices in which its investment decision with respect to the Securities was made (if an entity) are located at the address immediately below such Purchaser's name on its signature page hereto.

5.2 Other than consummating the transactions contemplated hereunder, such Purchaser has not, nor has any person acting on behalf of or pursuant to any understanding with such Purchaser, directly or indirectly executed any purchases or sales, including all "short sales" as defined in Rule 200 of Regulation SHO under the Exchange Act (but shall not be deemed to include the location and/or reservation of borrowable shares of Common Stock) ("Short Sales"), of the securities of the Company during the period commencing as of the time that such Purchaser discussed with the Company the transactions contemplated hereby and ending immediately prior to the Effective Date. Notwithstanding the foregoing, in the case of a Purchaser that is a multi-managed investment vehicle whereby separate portfolio managers manage separate portions of such Purchaser's assets and the portfolio managers have no direct knowledge of the investment decisions made by the portfolio managers managing other portions of such Purchaser's assets, the representation set forth above shall only apply with respect to the portion of assets managed by the portfolio manager that made the investment decision to purchase the Securities covered by this Agreement. Other than to other persons party to this Agreement, such Purchaser has maintained the confidentiality of all disclosures made to it in connection with this transaction (including the existence and terms of this transaction). Notwithstanding the foregoing, for avoidance of doubt, nothing contained herein shall constitute a representation or warranty, or preclude any actions, with respect to the identification of the availability of, or securing of, available shares to borrow in order to effect Short Sales or similar transactions in the future.

5.3 Purchaser understands that nothing in this Agreement or any other materials presented to Purchaser in connection with the purchase and sale of the Securities constitutes legal, tax or investment advice. Purchaser has consulted such legal, tax and investment advisors as it, in its sole discretion, has deemed necessary or appropriate in connection with its purchase of the Securities.

5.4 Legends.

(a) Purchaser understands that, until such time as the Shares have been sold pursuant to the Registration Statement or the Securities may be sold pursuant to Rule 144 under the Securities Act ("Rule 144") without any restriction as to the number of securities as of a particular date that can then be immediately sold, the book entry notations evidencing the Shares and the Underlying Shares may bear one or more legends in substantially the following form and substance:

"THESE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY OTHER APPLICABLE SECURITIES LAWS AND HAVE BEEN ISSUED IN RELIANCE UPON AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND SUCH OTHER SECURITIES LAWS. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED, HYPOTHECATED OR OTHERWISE DISPOSED OF, EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO A TRANSACTION WHICH IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS, AND IN THE CASE OF A TRANSACTION EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION, UNLESS THE COMPANY HAS RECEIVED AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO IT THAT SUCH TRANSACTION DOES NOT REQUIRE REGISTRATION UNDER THE SECURITIES ACT AND SUCH OTHER APPLICABLE LAWS."

It is understood that the Warrants may bear one or more legends in substantially the following form and substance:

"THE SECURITIES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY OTHER APPLICABLE SECURITIES LAWS AND HAVE BEEN ISSUED IN RELIANCE UPON AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND SUCH OTHER SECURITIES LAWS. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED, HYPOTHECATED OR OTHERWISE DISPOSED OF, EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO A TRANSACTION WHICH IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS, AND IN THE CASE OF A TRANSACTION EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION, UNLESS THE COMPANY HAS RECEIVED AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO IT THAT SUCH TRANSACTION DOES NOT REQUIRE REGISTRATION UNDER THE SECURITIES ACT AND SUCH OTHER APPLICABLE LAWS."

(b) The Company agrees that at such time as such legend is no longer required under this Section, it will, no later than five business days following the delivery by a Purchaser to the Company, or the Company's transfer agent, of a certificate representing Shares or Underlying Shares, as applicable, bearing a restrictive legend, together with such representations and covenants of such Purchaser or such Purchaser's executing broker as the Company may reasonably require in connection therewith, deliver or cause to be delivered to such Purchaser a book entry position representing such shares or, at the Purchaser's request, a certificate that is free from any legend referring to the Securities Act. For the avoidance of doubt, the Company shall have the same foregoing requirement and obligations in the event the Shares or Underlying Shares, as applicable, are initially issued in book entry form with "stop transfer" or similar restricting instructions. The Company shall not make any notation on its records or give instructions to any transfer agent of the Company that enlarge the restrictions on transfer set forth in this Section. Certificates for Securities subject to legend removal hereunder shall be transmitted by the transfer agent of the Company to the Purchasers by crediting the account of such Purchaser's prime broker with the Depository Trust Company. All costs and expenses related to the removal of the legends and the reissuance of any Securities shall be borne by the Company.

(c) The restrictive legend set forth in this section above shall be removed and the Company shall issue a certificate or book entry position without such restrictive legend or any other restrictive legend to the holder of the applicable shares upon which it is stamped or issue to such holder by electronic delivery with the applicable balance account at the Depository Trust Company ("DTC") or in physical certificated shares, if appropriate, if (i) such Shares and Underlying Shares are registered for resale under the Securities Act (provided that, if the Purchase is selling pursuant to the effective registration statement registering the Securities for resale, the Purchaser agrees to only sell such Shares during such time that such registration statement is effective and such Purchaser is not aware or has not been notified by the Company that such registration statement has been withdrawn or suspended, and only as permitted by such registration statement); (ii) such Shares are sold or transferred pursuant to Rule 144 (if the transferor is not an affiliate of the Company); or (iii) such Shares are eligible for sale without the requirement for the Company to be in compliance with the current public information required under Rule 144 as to such securities and without volume or manner-of-sale restrictions. Subject to receipt of such representations, and covenants as are contemplated hereby, following the earlier of (i) the effective date of the Registration Statement or (ii) Rule 144 becoming available for the resale of the Shares and

Underlying Shares, without the requirement for the Company to be in compliance with the current public information required under Rule 144 as to the Shares and Underlying Shares and without volume or manner-of-sale restrictions, the Company shall issue to the Company's transfer agent the instructions with respect to legend removal consistent with this Section. Any fees (with respect to the transfer agent, the Company's counsel or otherwise) associated with the issuance of such opinion or the removal of such legend shall be borne by the Company.

5.5 Restricted Securities. Purchaser understands that the Securities are characterized as "restricted securities" under the federal securities laws inasmuch as they are being acquired from the Company in a transaction not involving a public offering and that under such laws and applicable regulations such Securities may be resold without registration under the Securities Act only in certain limited circumstances. In this connection, such Purchaser represents that it is familiar with Rule 144, as presently in effect, and understands the resale limitations imposed thereby and by the Securities Act.

SECTION 6. CONDITIONS TO COMPANY'S OBLIGATIONS AT THE CLOSING.

The Company's obligation to complete the sale and issuance of the Securities and deliver Securities to each Purchaser, individually, as set forth in the Schedule of Purchasers at the Closing shall be subject to the following conditions to the extent not waived by the Company:

6.1 Receipt of Payment. The Company shall have received payment, by wire transfer of immediately available funds, in the full amount of the purchase price for the number of Securities being purchased by such Purchaser at the Closing as set forth in the Schedule of Purchasers.

6.2 Representations and Warranties. The representations and warranties made by the Purchasers in Section 5 hereof shall be true and correct in all material respects when made, and shall be true and correct in all material respects on the Closing Date with the same force and effect as if they had been made on and as of said date. The Purchaser shall have performed in all material respects all obligations and covenants herein required to be performed by them on or prior to the Closing Date.

6.3 Receipt of Executed Documents. Such Purchaser shall have executed and delivered to the Company the Registration Rights Agreement, the Purchaser Questionnaire and the Selling Stockholder Questionnaire.

SECTION 7. CONDITIONS TO PURCHASERS' OBLIGATIONS AT THE CLOSING.

Each Purchaser's obligation to accept delivery of the Securities and to pay for the Securities shall be subject to the following conditions to the extent not waived by such Purchaser:

7.1 Representations and Warranties Correct. The representations and warranties made by the Company in Section 4 hereof shall be true and correct as of, and as if made on, the date of this Agreement and as of the Closing Date, except to the extent any such representation or warranty expressly speaks as of an earlier date, in which case such representation or warranty shall be true and correct as of such earlier date. The Company shall have performed in all material respects all obligations and covenants herein required to be performed by it on or prior to the Closing Date.

7.2 Receipt of Executed Registration Rights Agreement and Warrants. The Company shall have executed and delivered to the Purchasers the Registration Rights Agreement and the Warrants.

7.3 Judgments. No judgment, writ, order, injunction, award or decree of or by any court, or judge, justice or magistrate, including any bankruptcy court or judge, or any order of or by any governmental authority, shall have been issued, and no action or proceeding shall have been instituted by any governmental authority, enjoining or preventing the consummation of the transactions contemplated hereby.

7.4 Stop Orders. No stop order or suspension of trading shall have been imposed by the NASDAQ Capital Market, the SEC or any other governmental regulatory body with respect to public trading in the Common Stock.

SECTION 8. TERMINATION OF OBLIGATIONS TO EFFECT CLOSING; EFFECTS.

8.1 The obligations of the Company, on the one hand, and the Purchasers, on the other hand, to effect the Closing shall terminate as follows:

(a) upon the mutual written consent of the Company and Purchasers that agreed to purchase a majority of the Securities to be issued and sold pursuant to this Agreement;

(b) by the Company if any of the conditions set forth in Section 6 shall have become incapable of fulfillment, and shall not have been waived by the Company; or

(c) by a Purchaser (with respect to itself only) if any of the conditions set forth in Section 7 shall have become incapable of fulfillment, and shall not have been waived by the Purchaser;

provided, however, that, except in the case of clauses (b) and (c) above, the party seeking to terminate its obligation to effect the Closing shall not then be in breach of any of its representations, warranties, covenants or agreements contained in this Agreement or the other Transaction Documents if such breach has resulted in the circumstances giving rise to such party's seeking to terminate its obligation to effect the Closing.

8.2 Nothing in this Section 8 shall be deemed to release any party from any liability for any breach by such party of the terms and provisions of this Agreement or the other Transaction Documents or to impair the right of any party to compel specific performance by any other party of its obligations under this Agreement or the other Transaction Documents.

SECTION 9. BROKER'S FEES.

The Company and each Purchaser (severally and not jointly) hereby represent that there are no brokers or finders entitled to compensation in connection with the sale of the Securities.

SECTION 10. INDEMNIFICATION.

10.1 Indemnification by the Company. The Company agrees to indemnify and hold harmless each of the Purchasers, each of their respective directors, members, officers, employees, representatives, agents and advisors and each Person, if any, who controls any Purchaser within the meaning of the Securities Act (each, an "Indemnified Party"), against any losses, claims, damages, liabilities or expenses, joint or several, to which such Indemnified Party may become subject under the Securities Act, the Exchange Act, or any other federal or state statutory law or regulation, or at common law (including in settlement of any litigation, if such settlement is effected with the written consent of the Company), insofar as such losses, claims, damages, liabilities or expenses (or actions in respect thereof as contemplated below) arise out of or are based in whole or in part on any inaccuracy in the representations and warranties of the Company contained in this Agreement or any failure of the Company to perform its obligations hereunder, and will reimburse each Indemnified Party for legal and other expenses reasonably incurred as such expenses are reasonably incurred by such Indemnified Party in connection with investigating, defending, settling, compromising or paying such loss, claim, damage, liability, expense or action; provided, however, that the Company will not be liable in any such case to the extent that any such loss, claim, damage, liability or expense arises out of or is based upon (i) the failure of such Indemnified Party to comply with the covenants and agreements contained in Section 6 above respecting sale of the Securities (including the Underlying Shares), or (ii) the inaccuracy of any representations made by such Indemnified Party herein.

10.2 Indemnification by Purchasers. Each Purchaser shall severally, and not jointly, indemnify and hold harmless the Company, each of its directors and each Person, if any, who controls the Company within the meaning of the Securities Act, against any losses, claims, damages, liabilities or expenses to which the Company, each of its directors or each of its controlling Persons may become subject, under the Securities Act, the Exchange Act, or any other federal or state statutory law or regulation, or at common law or otherwise (including in settlement of any litigation, if such settlement is effected with the written consent of such Purchaser) insofar as such losses, claims, damages, liabilities or expenses (or actions in respect thereof as contemplated below) arise out of or are based upon (i) any failure by such Purchaser to comply with the covenants and agreements contained in Section 7 above respecting the sale of the Securities (including the Underlying Shares) unless such failure by such Purchaser is directly caused by the Company's failure to provide written notice of a Suspension to such Purchaser or (ii) the inaccuracy of any representation made by such Purchaser herein, in each case only to the extent of its investment made herein, and will reimburse the Company, each of its directors, and each of its controlling Persons for any legal and other expense reasonably incurred, as such expenses are reasonably incurred by the Company, each of its directors, and each of its controlling Persons in connection with investigating, defending, settling, compromising or paying any such loss, claim, damage, liability, expense or action. No Purchaser shall be liable for the indemnification obligations of any other Purchaser.

SECTION 11. NOTICES.

All notices, requests, consents and other communications hereunder shall be in writing, shall be sent by confirmed facsimile or electronic mail, or mailed by first-class registered or certified airmail, or nationally recognized overnight express courier, postage prepaid, and shall be deemed given when so sent in the case of facsimile or electronic mail transmission, or when so received in the case of mail or courier, and addressed as follows:

if to the Company, to:

Caladrius Biosciences, Inc.
106 Allen Road, Fourth Floor
Basking Ridge, New Jersey 07920
Attention: General Counsel
Facsimile: (xxx) xxx-xxxx
E-Mail: tgirolamo@caladrius.com

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

Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.
666 Third Avenue
New York, New York 10017
Attention: Jeffrey P. Schultz, Esq.
Facsimile: (212) 983-3115
E-Mail: JSchultz@mintz.com

or to such other person at such other place as the Company shall designate to the Purchasers in writing; and

(a) if to the Purchasers, at the address as set forth at the end of this Agreement, or at such other address or addresses as may have been furnished to the Company in writing.

SECTION 12. MISCELLANEOUS.

12.1 Waivers and Amendments. Neither this Agreement nor any provision hereof may be changed, waived, discharged, terminated, modified or amended except upon the written consent of the Company and holders of at least a majority of the Shares and the Underlying Shares (assuming the exercise of the then-outstanding Warrants).

12.2 Headings. The headings of the various sections of this Agreement have been inserted for convenience of reference only and shall not be deemed to be part of this Agreement.

12.3 Severability. In case any provision contained in this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

12.4 Replacement of Shares or Warrants. If the Shares are certificated and any certificate or instrument evidencing any Shares or Warrants is mutilated, lost, stolen or destroyed, the Company shall issue or cause to be issued in exchange and substitution for and upon cancellation thereof, or in lieu of and substitution therefor, a new certificate or instrument, but only upon receipt of evidence reasonably satisfactory to the Company and the Company's transfer agent of such loss, theft or destruction and the execution by the holder thereof of a customary lost certificate affidavit of that fact and an agreement to indemnify and hold harmless the Company and the Company's transfer agent for any losses in connection therewith or, if required by the transfer agent, a bond in such form and amount as is required by the transfer agent. The applicants for a new certificate or instrument under such circumstances shall also pay any reasonable third-party costs associated with the issuance of such replacement Shares or Warrant. If a replacement certificate or instrument evidencing any Shares or Warrant is requested due to a mutilation thereof, the Company may require delivery of such mutilated certificate or instrument as a condition precedent to any issuance of a replacement.

12.5 Independent Nature of Purchasers' Obligations and Rights. The obligations of each Purchaser under this Agreement are several and not joint with the obligations of any other Purchaser, and no Purchaser shall be responsible in any way for the performance of the obligations of any other Purchaser under this Agreement. Nothing contained herein and no action taken by any Purchaser pursuant hereto, shall be deemed to constitute the Purchasers as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Purchasers are in any way acting in concert or as a group, or are deemed affiliates (as such term is defined under the Exchange Act) with respect to such obligations or the transactions contemplated by this Agreement. Each Purchaser shall be entitled to independently protect and enforce its rights, including without limitation the rights arising out of this Agreement, and it shall not be necessary for any other Purchaser to be joined as an additional party in any proceeding for such purpose.

12.6 Governing Law; Waiver of Jury Trial. All questions concerning the construction, validity, enforcement and interpretation of the Transaction Documents shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. Each party agrees that all legal proceedings

concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement and any other Transaction Documents (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, employees or agents) shall be commenced exclusively in the state and federal courts sitting in the City of New York, District of Manhattan. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of New York, District of Manhattan for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of any of the Transaction Documents), and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is improper or is an inconvenient venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this 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 other manner permitted by law. **EACH OF THE PARTIES HERETO WAIVES ANY RIGHT TO REQUEST A TRIAL BY JURY IN ANY LITIGATION WITH RESPECT TO THIS AGREEMENT OR ANY OF THE TRANSACTION DOCUMENTS AND REPRESENTS THAT COUNSEL HAS BEEN CONSULTED SPECIFICALLY AS TO THIS WAIVER.**

12.7 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute an original, but all of which, when taken together, shall constitute but one instrument, and shall become effective when one or more counterparts have been signed by each party hereto and delivered to the other parties.

12.8 Successors and Assigns. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the parties hereto.

12.9 Entire Agreement. This Agreement and other documents delivered pursuant hereto, including the exhibit and the Schedule of Exceptions, constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof and thereof.

12.10 Payment of Fees and Expenses. Each of the Company and the Purchasers shall bear its own expenses and legal fees incurred on its behalf with respect to this Agreement and the transactions contemplated hereby, except that the Company agrees to reimburse the Purchasers for documented fees and expenses, including expenses of counsel, incurred in connection with the transactions contemplated hereby in an amount not to exceed $25,000 in the aggregate. If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

12.11 Survival. The representations, warranties, covenants and agreements made in this Agreement shall survive any investigation made by the Company or the Purchasers and the Closing.

12.12 Assignment. The rights and obligations of the parties hereto shall inure to the benefit of and shall be binding upon the authorized successors and permitted assigns of each party. No party may assign its rights or obligations under this Agreement or designate another person (i) to perform all or part of its obligations under this Agreement or (ii) to have all or part of its rights and benefits under this Agreement, in each case without the prior written consent of the other party, provided, however, that a Purchaser may assign its rights hereunder with respect to any Securities transferred to a "Qualified Holder" pursuant to and in compliance with Section 7(g) of the Registration Rights Agreement, and may designate such Qualified Holder to perform the duties of the Purchaser hereunder with respect to such transferred Securities; provided further that irrespective of such transfer and designation the Purchaser shall remain obligated hereunder with respect to all of such Purchaser's purchased Securities. In the event of any assignment in accordance with the terms of this Agreement, the assignee shall specifically assume and be bound by the provisions of the Agreement by executing and agreeing to an assumption agreement reasonably acceptable to the other party.

12.13 Material Non-public Information. The Company shall by 8:30 a.m. Eastern time on the fourth business day following the Closing Date, file a Current Report on Form 8-K, copies of each of which shall be provided to the Purchasers for review, disclosing the transactions contemplated hereby and make such other filings and notices in the manner and time required by the SEC. The Company acknowledges and agrees that neither the Company nor any person or entity acting on its behalf has provided the Purchasers or their agents or counsel with any information that constitutes or might constitute material, non-public information, other than the terms of the transactions contemplated hereby, except as may have been provided pursuant to confidentiality agreements with certain of the Purchasers. In the event the Company believes it may have provided any Purchaser material non-public information pursuant to the terms of a confidentiality agreement or otherwise, or if any Purchaser reasonably believes it may be in possession of material, non-public information regarding the Company acquired pursuant to a confidentiality

agreement or otherwise, at such Purchaser's request, the Company will disclose any such material, non-public information no later than 5:30 p.m. Eastern time on the tenth business day following the Closing Date by way of press release and file a Current Report on Form 8-K attaching the press release as an exhibit thereto.

12.14 Warrant Valuations. For so long as the Warrants are outstanding, the Company shall promptly provide each Purchaser a copy of any financial accounting valuation with respect to the Warrants conducted by the Company, if any.

[signature pages follow]

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

CALADRIUS BIOSCIENCES, INC.

By:
Name:
Title:

PURCHASERS:

By: _____
Name: _____
Title: _____

Address:

Fax: _____
E-Mail: _____

SIGNATURE PAGES TO
SECURITIES PURCHASE AGREEMENT

EXHIBIT A
SCHEDULE OF PURCHASERS

Purchaser	Consideration Paid to the Company	Shares Purchased from the Company	Warrants Purchased from the Company
TJP Opportunities Fund L.L.C.	$375,000.00	531,915	531,915
GPP Opportunities Fund L.L.C.	$125,000.00	177,305	177,305
IEA Private Investments Ltd	$500,000.00	709,220	709,220

SCHEDULE OF EXCEPTIONS
March 10, 2016

This Schedule of Exceptions is being furnished by Caladrius Biosciences, Inc., a Delaware corporation, (the "Company"), to the Purchasers listed on Exhibit A to that certain Securities Purchase Agreement of even date herewith by and among the Company and such Purchasers (the "Agreement") in connection with the execution and delivery of the Agreement, pursuant to Section 4 of the Agreement. Unless the context otherwise requires, all capitalized terms used in this Schedule of Exceptions shall have the respective meanings ascribed to such terms in the Agreement.

This Schedule of Exceptions and the information, descriptions and disclosures included herein is intended to set forth exceptions to the representations and warranties of the Company contained in the Agreement. The contents of all agreements and other documents referred to in a particular section of this Schedule of Exceptions are incorporated by reference into such particular section as though fully set forth in such section.

Schedule 4.9

- In 4Q15, the Company expects approximately $34.3 million of IPR&D impairments, $18.2 million of goodwill impairment, the reversal of $13.9 million of deferred tax liabilities, and the reversal of $13.9 million of contingent liabilities.
- The Company may receive a going concern opinion from its auditors as of December 31, 2015.
- If a going concern opinion is issued, the Company will be in default of its debt covenants with Oxford Finance.
- The Company is in advanced negotiations with Hitachi Chemical and Oxford Finance.

Exhibit 10.8

REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (this "Agreement") is made and entered into as of March 10, 2016, by and among Caladrius Biosciences, Inc., a Delaware corporation (the "Company"), the investors signatory hereto (each an "Initial Purchaser" and collectively, the "Initial Purchasers") and (iii) each person or entity that subsequently becomes a party to this Agreement pursuant to, and in accordance with, the provisions of Section 7(g) hereof (collectively, the "Purchaser Permitted Transferees" and each individually a "Purchaser Permitted Transferee").

This Agreement is made pursuant to the Securities Purchase Agreement, dated as of March 10, 2016, among the Company and the Initial Purchasers (the "Purchase Agreement").

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants contained in this Agreement, and for other good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the Company and the Purchasers agree as follows:

1. Definitions. Capitalized terms used and not otherwise defined herein that are defined in the Purchase Agreement shall have the meanings given such terms in the Purchase Agreement. As used in this Agreement, the following terms shall have the respective meanings set forth in this Section 1:

"Affiliate" means, with respect to any Person, any other Person that, directly or indirectly through one or more intermediaries, Controls, is controlled by or is under common control with such Person, as such terms are used in and construed under Rule 405 under the Securities Act.

"Advice" shall have the meaning set forth in Section 7(d).

"Commission" means the United States Securities and Exchange Commission, or any successor entity or entities, including, if applicable, the staff of the Commission.

"Common Stock" means the common stock, par value $0.001 per share, of the Company.

"Control" (including the terms "controlling", "controlled by" or "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"Effectiveness Date" means: (a) with respect to the Initial Registration Statement required to be filed hereunder, the 60th day following the Closing Date (or the 90th day following the Closing Date in the event the Initial Registration Statement is reviewed by the Commission), (b) with respect to any additional Registration Statements which may be required pursuant to Section 2, the 60th day following the date on which the Company first knows, or reasonably should have known, that such additional Registration Statement is required under such Section (or the 90th day following such date in the event such additional Registration Statement is reviewed by the Commission). If the Effectiveness Date falls on a Saturday, Sunday or other date that the Commission is closed for business, the Effectiveness Date shall be extended to the next day on which the Commission is open for business.

"Effectiveness Period" shall have the meaning set forth in Section 2(a).

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Holder" or "Holders" means Purchasers that hold, as the case may be, from time to time of Registrable Securities.

"Indemnified Party" shall have the meaning set forth in Section 6(c).

"Indemnifying Party" shall have the meaning set forth in Section 6(c).

"Initial Registration Statement" shall mean the initial Registration Statement required to be filed to cover the resale by the Holders of the Registrable Securities pursuant to Section 2(a).

"Losses" shall have the meaning set forth in Section 6(a).

"Person**"** means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

"Proceeding" means an action, claim, suit, investigation or proceeding (including, without limitation, an investigation or partial proceeding, such as a deposition), whether commenced or threatened.

"Prospectus" means the prospectus included in a Registration Statement (including, without limitation, a prospectus that includes any information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A or Rule 430B promulgated by the Commission pursuant to the Securities Act), as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Registrable Securities covered by a Registration Statement, and all other amendments and supplements to the Prospectus, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such Prospectus.

"Purchasers" shall mean, collectively, the Initial Purchasers and the Purchaser Permitted Transferees; provided, however, that the term "Purchaser" shall not include any of the Initial Purchaser or any of the Purchaser Permitted Transferees that does not own or hold any Registrable Shares.

"Reduction Securities" shall have the meaning set forth in Section 2(b).

"Registrable Securities" means (i) the Shares issued pursuant to the Purchase Agreement, (ii) the Underlying Shares issuable upon exercise of the Warrants issued pursuant to the Purchase Agreement and (iii) any other shares of Common Stock issued as (or issuable upon conversion or exercise of any warrant, right or other security which is issued as) a dividend or other distribution with respect to, in exchange for or in replacement of the Shares or the Underlying Shares; provided, however, that any such Registrable Securities shall cease to be Registrable Securities (and the Company shall not be required to maintain the effectiveness of any, or file another, Registration Statement hereunder with respect thereto) for so long as (a) a Registration Statement with respect to the sale of such Registrable Securities is declared effective by the Commission under the Securities Act and such Registrable Securities have been disposed of by the Holder in accordance with such effective Registration Statement, (b) such Registrable Securities have been previously sold in accordance with Rule 144, or (c) after a Registration Statement registering the resale of all Registered Securities has been effective for three consecutive years (subject to suspensions permitted by Section 2 hereof), if such securities are or become eligible for resale without volume or manner-of-sale restrictions and without current public information pursuant to Rule 144 as set forth in a written opinion letter to such effect, addressed, delivered and acceptable to the Company's transfer agent and the affected Holders (assuming that such securities and any securities issuable upon exercise, conversion or exchange of which, or as a dividend upon which, such securities were issued or are issuable, were at no time held by any Affiliate of the Company), as reasonably determined by the Company, upon the advice of counsel to the Company, in which case, certificates evidencing such securities will be delivered to the Holders thereof upon their request without restrictive legends or, if in book entry form, any related trading restrictions will be lifted.

"Registration Statement" means each of the following: (i) an initial registration statement which is required to register the resale of the Registrable Securities, and (ii) each additional registration statement, if any, contemplated by Section 2, and including, in each case, the Prospectus, amendments and supplements to each such registration statement or Prospectus, including pre- and post-effective amendments, all exhibits thereto, and all material incorporated by reference or deemed to be incorporated by reference in such registration statement.

"Rule 144" means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

"Rule 415" means Rule 415 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

"Rule 424" means Rule 424 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

"Securities Act" means the Securities Act of 1933, as amended.

"Shares" shall have the meaning set forth in the Purchase Agreement.

"Trading Day" means any day on which the Common Stock is traded on The NASDAQ Capital Market, or, if The NASDAQ Capital Market is not the principal trading market for the Common Stock, then on the principal securities exchange or securities market on which the Common Stock is then traded or quoted, as applicable.

"Transaction Documents" shall have the meaning set forth in the Purchase Agreement.

"Underlying Shares" shall have the meaning set forth in the Purchase Agreement.

"Warrants" shall have the meaning set forth in the Purchase Agreement.

2. Registration.

(a) The Company shall prepare and file with the Commission a Registration Statement covering the resale of all of the Registrable Securities that are not then registered on an existing and effective Registration Statement for an offering to be made on a continuous basis pursuant to Rule 415, which Registration Statement shall only register the resale of secondary securities and, for the avoidance of doubt, shall not register the primary sale of securities by the Company. The Registration Statement filed hereunder shall be on Form S-3 (except if the Company is not then eligible to register for resale the Registrable Securities on Form S-3, in which case such registration shall be on another appropriate form in accordance herewith) and shall contain (except if otherwise required pursuant to written comments received from the Commission upon a review of such Registration Statement) the "Plan of Distribution" in substantially the form attached hereto as Annex A. The Company shall use its commercially reasonable efforts to cause a Registration Statement filed under this Agreement to be declared effective under the Securities Act promptly but, in any event, no later than the Effectiveness Date for such Registration Statement, and shall, subject Section 7(d) hereof, use its commercially reasonable efforts to keep the Registration Statement continuously effective under the Securities Act until the date on which all securities under such Registration Statement have ceased to be Registrable Securities (the "Effectiveness Period"). Notwithstanding the foregoing, upon reasonable notice to the Holders, the Company shall be entitled to suspend the effectiveness of the Registration Statement at any time prior to the expiration of the Effectiveness Period for up to an aggregate of 45 Trading Days in any given 360-day period. It is agreed and understood that the Company shall, from time to time, be obligated to file one or more additional Registration Statements to cover any Registrable Securities which are not registered for resale pursuant to a pre-existing Registration Statement.

(b) Notwithstanding anything contained herein to the contrary, in the event that the Commission limits the amount of Registrable Securities that may be included and sold by Holders in any Registration Statement, including the Initial Registration Statement, pursuant to Rule 415 or any other basis, the Company may reduce the number of Registrable Securities included in such Registration Statement on behalf of the Holders in whole or in part (in case of an exclusion as to a portion of such Registrable Securities, such portion shall be allocated pro rata among such Holders first in proportion to the respective numbers of Registrable Securities represented by Underlying Shares requested to be registered by each such Holder over the total amount of Registrable Securities represented by Underlying Shares, and second in proportion to the respective numbers of Registrable Securities represented by Shares requested to be registered by each such Holder over the total amount of Registrable Securities represented by Shares) (such Registrable Securities, the "Reduction Securities"). In such event the Company shall give the Holders prompt notice of the number of such Reduction Securities excluded and the Company will not be liable for any damages under this Agreement in connection with the exclusion of such Reduction Securities. The Company shall use its commercially reasonable efforts at the first opportunity that is permitted by the Commission to register for resale the Reduction Securities. Such new Registration Statement shall be on Form S-3 (except if the Company is not then eligible to register for resale the Reduction Securities on Form S-3, in which case such registration shall be on another appropriate form for such purpose) and shall contain (except if otherwise required pursuant to written comments received from the Commission upon a review of such Registration Statement) the "Plan of Distribution" in substantially the form attached hereto as Annex A. The Company shall use its commercially reasonable efforts to cause each such Registration Statement to be declared effective under the Securities Act as soon as possible but, in any event, no later than the Effectiveness Date, and shall use its commercially reasonable efforts to keep such Registration Statement continuously effective under the Securities Act during the entire Effectiveness Period, subject to Section 7(d) hereof. Notwithstanding the foregoing, the Company shall be entitled to suspend the effectiveness of such Registration Statement concurrently with any suspension pursuant to Section 2(a).

(c) If (i) the Initial Registration Statement is not declared effective by the Commission (or otherwise does not become effective) on or prior to the Effectiveness Date, (ii) after the date it is declared effective by the Commission and, except as provided in Sections 2(e) and (f) and Section 3(h), such Registration Statement ceases for any reason (including without limitation by reason of a stop order, or the Company's failure to update the Registration Statement), to remain continuously effective as to all Registrable Securities included in such Registration Statement for more than an aggregate of forty-five (45) Trading Days in any given 360-day period (other than as a result of a breach of this Agreement by a Holder), or (iii) the Company fails to satisfy the current public information requirement pursuant to Rule 144(c)(1) as a result of which the Holders who are not affiliates are

unable to sell Registrable Securities without restriction under Rule 144 (or any successor thereto), (any such failure or breach in clauses (i) through (iii) above being referred to as an "Event," and, for purposes of clauses (i) or (iii), the date on which such Event occurs, or for purposes of clause (ii), the date on which such forty-five (45) Trading Day period is exceeded, being referred to as an "Event Date"), then in addition to any other rights the Holders may have hereunder or under applicable law, on each such Event Date and on each monthly anniversary of each such Event Date (if the applicable Event shall not have been cured by such date) until the earlier of (1) the applicable Event is cured or (2) the Registrable Securities are eligible for resale pursuant to Rule 144 without manner of sale or volume restrictions or the current public information requirement, the Company shall pay to each Holder an amount in cash, as liquidated damages and not as a penalty ("Liquidated Damages"), equal to one percent (1%) of the aggregate purchase price paid by such Holder pursuant to the Purchase Agreement for any unregistered Registrable Securities then held by such Holder. The parties agree that (1) notwithstanding anything to the contrary herein or in the Purchase Agreement, no Liquidated Damages shall be payable with respect to any period after the expiration of the Effectiveness Period (except in respect of an Event described in Section 2(c)(iii) herein), (it being understood that this sentence shall not relieve the Company of any Liquidated Damages accruing prior to the Effectiveness Deadline) and in no event shall, the aggregate amount of Liquidated Damages (excluding Liquidated Damages payable in respect of an Event described in Section 2(c)(iii) herein) payable to a Holder exceed, in the aggregate, three percent (3%) of the aggregate purchase price paid by such Holder pursuant to the Purchase Agreement) and (2) in no event shall the Company be liable in any forty-five (45) day period for Liquidated Damages under this Agreement in excess of one percent (1%) of the aggregate purchase price paid by the Holders pursuant to the Purchase Agreement. The Liquidated Damages pursuant to the terms hereof shall apply on a daily pro-rata basis for any portion of a month prior to the cure of an Event, except in the case of the first Event Date. The Company shall not be liable for Liquidated Damages under this Agreement as to any Registrable Securities which are not permitted by the Commission to be included in a Registration Statement. In such case, the Liquidated Damages shall be calculated to only apply to the percentage of Registrable Securities which are permitted to be included in such Registration Statement. The Effectiveness Deadline for a Registration Statement shall be extended without default or Liquidated Damages hereunder in the event that the Company's failure to obtain the effectiveness of the Registration Statement on a timely basis results from the failure of a Purchaser to timely provide the Company with information requested by the Company and necessary to complete the Registration Statement in accordance with the requirements of the Securities Act (in which the Effectiveness Deadline would be extended with respect to Registrable Securities held by such Purchaser).

3. Registration Procedures.

In connection with the Company's registration obligations hereunder, the Company shall:

(a) Not less than three Trading Days prior to the filing of a Registration Statement or any related Prospectus or any amendment or supplement thereto, the Company shall furnish to the Holders copies of all such documents proposed to be filed (other than those incorporated by reference). Notwithstanding the foregoing, the Company shall not be required to furnish to the Holders any prospectus supplement being prepared and filed solely to name new or additional selling securityholders unless such Holders are named in such prospectus supplement. In addition, in the event that any Registration Statement is on Form S-1 (or other form which does not permit incorporation by reference), the Company shall not be required to furnish to the Holders any prospectus supplement containing information included in a report or proxy statement filed under the Exchange Act that would be incorporated by reference in such Registration Statement if such Registration Statement were on Form S-3 (or other form which permits incorporation by reference). The Company shall duly consider any comments made by Holders and received by the Company not later than two Trading Days prior to the filing of the Registration Statement, but shall not be required to accept any such comments to which it reasonably objects.

(b) (i) Prepare and file with the Commission such amendments, including post-effective amendments, to each Registration Statement and the Prospectus used in connection therewith as may be necessary to keep such Registration Statement continuously effective as to the applicable Registrable Securities for its Effectiveness Period and prepare and file with the Commission such additional Registration Statements in order to register for resale under the Securities Act all of the Registrable Securities; (ii) cause the related Prospectus to be amended or supplemented by any required Prospectus supplement, and as so supplemented or amended to be filed pursuant to Rule 424; (iii) respond as promptly as reasonably possible to any comments received from the Commission with respect to each Registration Statement or any amendment thereto and, as promptly as reasonably possible provide the Holders true and complete copies of all correspondence from and to the Commission relating to such Registration Statement that pertains to the Holders as Selling Stockholders but not any comments that would result in the disclosure to the Holders of material and non-public information concerning the Company; and (iv) comply in all material respects with the provisions of the Securities Act and the Exchange Act with respect to the Registration Statements and the disposition of all Registrable Securities covered by each Registration Statement.

(c) Notify the Holders as promptly as reasonably possible (and, in the case of (i)(A) below, not less than three Trading Days prior to such filing, and, in the case of (i)(C) below, prior to the commencement of the immediately following Trading Day) and (if requested by any such Person) confirm such notice in writing no later than one Trading Day following the

day: (i)(A) when a Prospectus or any prospectus supplement (but only to the extent notice is required under Section 3(a) above) or post-effective amendment to a Registration Statement is proposed to be filed; (B) when the Commission notifies the Company whether there will be a "review" of such Registration Statement and whenever the Commission comments in writing on such Registration Statement (in which case the Company shall provide true and complete copies thereof and all written responses thereto to each of the Holders that pertain to the Holders as a Selling Stockholder or to the Plan of Distribution, but not information which the Company believes would constitute material and non-public information); and (C) with respect to each Registration Statement or any post-effective amendment, when the same has been declared effective; (ii) of any request by the Commission or any other federal or state governmental authority for amendments or supplements to a Registration Statement or Prospectus or for additional information that pertains to the Holders as Selling Stockholders or the Plan of Distribution; (iii) of the issuance by the Commission of any stop order suspending the effectiveness of a Registration Statement covering any or all of the Registrable Securities or the initiation of any Proceedings for that purpose; (iv) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction, or the initiation or threatening of any Proceeding for such purpose; (v) of the occurrence of any event or passage of time that makes the financial statements included or incorporated by reference in a Registration Statement ineligible for inclusion or incorporation by reference therein or any statement made in such Registration Statement or Prospectus or any document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires any revisions to such Registration Statement, Prospectus or other documents so that, in the case of such Registration Statement or the Prospectus, as the case may be, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and (vi) of the occurrence or existence of any pending corporate development with respect to the Company that the Company believes may be material and that, in the determination of the Company, makes it not in the best interest of the Company to allow continued availability of a Registration Statement or Prospectus; provided, that any and all of such information shall remain confidential to each Holder until such information otherwise becomes public, unless disclosure by a Holder is required by law; provided, further, that notwithstanding each Holder's agreement to keep such information confidential, each such Holder makes no acknowledgement that any such information is material, non-public information. In the event the Company, inadvertently or otherwise, provides a Holder material, non-public information pursuant to this Section 3, the Company shall promptly inform the Holder and publicly disclose such material, non-public information upon the Holder's request.

(d) Use its reasonable best efforts to avoid the issuance of, or, if issued, obtain the withdrawal of (i) any order suspending the effectiveness of a Registration Statement, or (ii) any suspension of the qualification (or exemption from qualification) of any of the Registrable Securities for sale in any jurisdiction, at the earliest practicable moment.

(e) Furnish to each Holder, without charge, at least one conformed copy of each Registration Statement and each amendment thereto and all exhibits to the extent reasonably requested by such Person (including those previously furnished or incorporated by reference) promptly after the filing of such documents with the Commission; provided, that the Company shall have no obligation to provide any document pursuant to this clause that is available on the EDGAR system.

(f) Promptly deliver to each Holder, without charge, as many copies of each Prospectus or Prospectuses (including each form of prospectus) and each amendment or supplement thereto as such Persons may reasonably request. Subject to Section 7(d) hereof, the Company hereby consents to the use of such Prospectus and each amendment or supplement thereto by each of the selling Holders in connection with the offering and sale of the Registrable Securities covered by such Prospectus and any amendment or supplement thereto.

(g) Prior to any public offering of Registrable Securities, use its commercially reasonable efforts to register or qualify or cooperate with the selling Holders in connection with the registration or qualification (or exemption from such registration or qualification) of such Registrable Securities for offer and sale under the securities or Blue Sky laws of those jurisdictions within the United States as any Holder reasonably requests in writing to keep each such registration or qualification (or exemption therefrom) effective during the Effectiveness Period and to do any and all other acts or things necessary or advisable to enable the disposition in such jurisdictions of the Registrable Securities covered by the Registration Statements; provided, that the Company shall not be required to qualify generally to do business in any jurisdiction where it is not then so qualified or subject the Company to any material tax in any such jurisdiction where it is not then so subject.

(h) Cooperate with the Holders to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be delivered to a transferee pursuant to the Registration Statements, which certificates shall be free, to the extent permitted by the Purchase Agreement, of all restrictive legends, and to enable such Registrable Securities to be in such denominations and registered in such names as any such Holders may request. For the avoidance of doubt, the Company shall have the same requirement with respect to book entry shares subject to stop transfer or similar restricting instructions.

(i) Upon the occurrence of any event contemplated by Section 3(c)(v), as promptly as reasonably possible, prepare a supplement or amendment, including a post-effective amendment, to the affected Registration Statements or a supplement to the related Prospectus or any document incorporated or deemed to be incorporated therein by reference, and file any other required document so that, as thereafter delivered, no Registration Statement nor any Prospectus will contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(j) The Company may require each selling Holder to furnish to the Company a certified statement as to the number of shares of Common Stock beneficially owned by such Holder and any Affiliate thereof, the natural persons thereof that have voting and dispositive control over the shares and any other information with respect to such Holder as the Commission requests.

(j) The Company shall (i) comply with all requirements of the NASDAQ Capital Market with regard to the issuance of the Registrable Securities and the listing thereof on the NASDAQ Capital Market and such other securities exchange or automated quotation system, as applicable, and (ii) engage a transfer agent and registrar to maintain the Company's stock ledger for all Registrable Shares covered by a Registration Statement not later than the effective date of such Registration Statement.

4. Holder's Obligations. It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Agreement that a selling Holder shall furnish to the Company such information regarding them and the securities held by them as the Company shall reasonably request and as shall be required in order to effect any registration by the Company pursuant to this Agreement. Each Holder shall promptly notify the Company of any changes in the information furnished to the Company.

5. Registration Expenses. In addition to fee and expense reimbursement pursuant to Section 12.10 of the Purchase Agreement, all fees and expenses incident to the Company's performance of or compliance with its obligations under this Agreement (excluding any underwriting discounts and selling commissions and all legal fees and expenses of legal counsel for any Holder) shall be borne by the Company whether or not any Registrable Securities are sold pursuant to a Registration Statement. The fees and expenses referred to in the foregoing sentence shall include, without limitation, (i) all registration and filing fees (including, without limitation, fees and expenses (A) with respect to filings required to be made with the principal trading market on which the Common Stock is then listed for trading, and (B) in compliance with applicable state securities or Blue Sky laws), (ii) printing expenses (including, without limitation, expenses of printing certificates for Registrable Securities and of printing prospectuses if the printing of prospectuses is reasonably requested by the holders of a majority of the Registrable Securities included in the Registration Statement), (iii) messenger, telephone and delivery expenses, (iv) fees and disbursements of counsel for the Company, (v) Securities Act liability insurance, if the Company so desires such insurance, and (vi) reasonable fees and expenses of all other Persons retained by the Company in connection with the consummation of the transactions contemplated by this Agreement. In addition, the Company shall be responsible for all of its internal expenses incurred in connection with the consummation of the transactions contemplated by this Agreement (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expense of any annual audit and the fees and expenses incurred in connection with the listing of the Registrable Securities on any securities exchange as required hereunder. In no event shall the Company be responsible for any broker or similar commissions of any Holder or any legal fees or other costs of the Holders.

6. Indemnification.

(a) Indemnification by the Company. The Company shall, notwithstanding any termination of this Agreement, indemnify and hold harmless each Holder, the officers, directors, agents, partners, members, stockholders and employees of each Holder, each Person who controls any such Holder (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) and the officers, directors, agents, partners, members, stockholders and employees of each such controlling Person, to the fullest extent permitted by applicable law, from and against any and all losses, claims, damages, liabilities, costs (including, without limitation, reasonable costs of preparation and reasonable attorneys' fees) and expenses (collectively, "Losses"), as incurred, arising out of or relating to any untrue or alleged untrue statement of a material fact contained in any Registration Statement, any Prospectus or any form of prospectus or in any amendment or supplement thereto, including any documents incorporated by reference therein, (it being understood that the Holder has approved Annex A hereto for this purpose), or arising out of or relating to any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus or form of prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading, except to the extent, but only to the extent, that (1) such untrue statements, alleged untrue statements, omissions or alleged omissions are based solely upon information regarding such Holder furnished to the Company by such Holder expressly for use therein (it being understood that, with respect to each Holder, such information is limited to the information provided by the Holder in its Selling Stockholder Questionnaire, the "Selling Stockholder Information") or (2) in the case of an occurrence of an event of the type specified in Section 3(c)(ii)-(v), the use by such Holder of an outdated

or defective Prospectus after the Company has notified such Holder in writing that the Prospectus is outdated or defective and prior to the receipt by such Holder of an Advice (as defined below) or an amended or supplemented Prospectus, but only if and to the extent that following the receipt of the Advice or the amended or supplemented Prospectus the misstatement or omission giving rise to such Loss would have been corrected. The Company shall notify the Holders promptly of the institution, threat or assertion of any Proceeding of which the Company is aware in connection with the transactions contemplated by this Agreement.

(b) Indemnification by Holders. Each Holder shall, notwithstanding any termination of this Agreement, severally and not jointly, indemnify and hold harmless the Company, its the officers, directors, agents, partners, members, stockholders and employees, each Person who controls the Company (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, agents, partners, members, stockholders or employees of such controlling Persons, to the fullest extent permitted by applicable law, from and against all Losses, as incurred, arising solely out of or based solely upon any untrue statement of a material fact contained in any Registration Statement, any Prospectus, or any form of prospectus, or in any amendment or supplement thereto, or arising solely out of or based solely upon any omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus, or any form of prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading to the extent, but only to the extent that, (1) such untrue statements or omissions are based solely upon and made in conformity with such Holder's Selling Stockholder Information or (2) in the case of an occurrence of an event of the type specified in Section 3(c)(ii)-(v), the use by such Holder of an outdated or defective Prospectus after the Company has notified such Holder in writing that the Prospectus is outdated or defective and prior to the receipt by such Holder of an Advice or an amended or supplemented Prospectus, but only if and to the extent that following the receipt of the Advice or the amended or supplemented Prospectus the misstatement or omission giving rise to such Loss would have been corrected. In no event shall the liability of any selling Holder hereunder be greater in amount than the dollar amount of the net proceeds received by such Holder upon the sale of the Registrable Securities giving rise to such indemnification obligation.

(c) Conduct of Indemnification Proceedings. If any Proceeding shall be brought or asserted against any Person entitled to indemnity hereunder (an "Indemnified Party"), such Indemnified Party shall promptly notify the Person from whom indemnity is sought (the "Indemnifying Party") in writing, and the Indemnifying Party shall assume the defense thereof, including the employment of counsel reasonably satisfactory to the Indemnified Party and the payment of all fees and expenses incurred in connection with defense thereof; provided, that the failure of any Indemnified Party to give such notice shall not relieve the Indemnifying Party of its obligations or liabilities pursuant to this Agreement, except (and only) to the extent that it shall be finally determined by a court of competent jurisdiction (which determination is not subject to appeal or further review) that such failure shall have proximately and materially adversely prejudiced the Indemnifying Party.

An Indemnified Party shall have the right to employ separate counsel in any such Proceeding and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or Parties unless: (1) the Indemnifying Party has agreed in writing to pay such fees and expenses; (2) the Indemnifying Party shall have failed promptly to assume the defense of such Proceeding and to employ counsel reasonably satisfactory to such Indemnified Party in any such Proceeding; or (3) the named parties to any such Proceeding (including any impleaded parties) include both such Indemnified Party and the Indemnifying Party, and such Indemnified Party shall have been advised by counsel that a conflict of interest is likely to exist if the same counsel were to represent such Indemnified Party and the Indemnifying Party (in which case, if such Indemnified Party notifies the Indemnifying Party in writing that it elects to employ separate counsel at the expense of the Indemnifying Party, the Indemnifying Party shall not have the right to assume the defense thereof and such counsel shall be at the expense of the Indemnifying Party); provided, that the Indemnifying Party shall not be liable for the fees and expenses of more than one separate firm of attorneys at any time for all Indemnified Parties pursuant to this Section 6(c). The Indemnifying Party shall not be liable for any settlement of any such Proceeding effected without its written consent, which consent shall not be unreasonably withheld. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any settlement of any pending Proceeding in respect of which any Indemnified Party is a party, unless such settlement includes an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such Proceeding. Each Indemnified Party shall furnish such information regarding itself or the claim in question as an Indemnifying Party may reasonably request in writing and as shall be reasonably required in connection with defense of such claim and litigation resulting therefrom.

All fees and expenses of the Indemnified Party (including reasonable fees and expenses to the extent incurred in connection with investigating or preparing to defend such Proceeding in a manner not inconsistent with this Section) shall be paid to the Indemnified Party, as incurred, within ten Trading Days of written notice thereof to the Indemnifying Party (regardless of whether it is ultimately determined that an Indemnified Party is not entitled to indemnification hereunder; provided, that the Indemnifying Party may require such Indemnified Party to undertake to reimburse all such fees and expenses to the extent it is finally judicially determined that such Indemnified Party is not entitled to indemnification hereunder).

(d) Contribution. If a claim for indemnification under Section 6(a) or 6(b) is unavailable to an Indemnified Party (by reason of public policy or otherwise), then each Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such Losses, in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party and Indemnified Party in connection with the actions, statements or omissions that resulted in such Losses as well as any other relevant equitable considerations. The relative fault of such Indemnifying Party and Indemnified Party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission of a material fact, has been taken or made by, or relates to information supplied by, such Indemnifying Party or Indemnified Party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action, statement or omission. The amount paid or payable by a party as a result of any Losses shall be deemed to include, subject to the limitations set forth in Section 6(c), any reasonable attorneys' or other reasonable fees or expenses incurred by such party in connection with any Proceeding to the extent such party would have been indemnified for such fees or expenses if the indemnification provided for in this Section was available to such party in accordance with its terms.

The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 6(d) were determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to in the immediately preceding paragraph. Notwithstanding the provisions of this Section 6(d), no Holder shall be required to contribute, in the aggregate, any amount in excess of the amount by which the proceeds actually received by such Holder from the sale of the Registrable Securities subject to the Proceeding exceeds the amount of any damages that such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Holders' obligations in this subsection to contribute are several in proportion to their sales of Registrable Shares to which such loss relates and not joint.

The indemnity and contribution agreements contained in this Section 6 are in addition to any liability that the Indemnifying Parties may have to the Indemnified Parties and are not in diminution or limitation of the indemnification provisions under the Purchase Agreement.

7. Miscellaneous.

(a) Remedies. In the event of a breach by the Company or by a Holder, of any of their obligations under this Agreement, each Holder or the Company, as the case may be, in addition to being entitled to exercise all rights granted by law and under this Agreement, including recovery of damages, will be entitled to specific performance of its rights under this Agreement. The Company and each Holder agree that monetary damages would not provide adequate compensation for any losses incurred by reason of a breach by it of any of the provisions of this Agreement and hereby further agree that, in the event of any action for specific performance in respect of such breach, it shall waive the defense that a remedy at law would be adequate.

(b) Compliance. Each Holder covenants and agrees that it will comply with the prospectus delivery requirements of the Securities Act as applicable to it in connection with sales of Registrable Securities pursuant to the Registration Statement.

(c) Subsequent Registration Rights. Until the Initial Registration Statement required hereunder is declared effective by the Commission, the Company shall not enter into any agreement granting any registration rights with respect to any of its securities to any Person without the written consent of Holders representing no less than a majority of the then outstanding Registrable Securities; provided, that this Section 7(c) shall not prohibit the Company from fulfilling its obligations under any other registration rights agreements existing as of the date hereof.

(d) Discontinued Disposition. Each Holder agrees by its acquisition of such Registrable Securities that, upon receipt of a notice from the Company of the occurrence of any event of the kind described in Section 3(c), such Holder will forthwith discontinue disposition of such Registrable Securities under the Registration Statement until such Holder's receipt of the copies of the supplemented Prospectus and/or amended Registration Statement or until it is advised in writing (the "Advice") by the Company that the use of the applicable Prospectus may be resumed, and, in either case, has received copies of any additional or supplemental filings that are incorporated or deemed to be incorporated by reference in such Prospectus or Registration Statement. The Company may provide appropriate stop orders to enforce the provisions of this paragraph.

(e) Exchange Act Reports. With a view to making available to each Purchaser the benefits of Rule 144 and any other rule or regulation of the Commission that may at any time permit the Purchaser to sell Registrable Securities to the

public without registration, the Company agrees to use commercially reasonable efforts: (i) to make and keep public information available as those terms are understood in Rule 144, (ii) to file with the Commission in a timely manner all reports and other documents required to be filed by an issuer of securities registered under the Securities Act or the Exchange Act pursuant to Rule 144, (iii) as long as any Holder owns any Registrable Securities, to furnish in writing upon such Holder's request a written statement by the Company that it has complied with the reporting requirements of Rule 144 and of the Securities Act and the Exchange Act, and to furnish to such Holder a copy of the most recent annual or quarterly report of the Company, and such other reports and documents so filed by the Company as may be reasonably requested in availing such Holder of any rule or regulation of the Commission permitting the selling of any such Registrable Securities without registration and (iv) undertake any additional actions reasonably necessary to maintain the availability of the Registration Statement or the use of Rule 144.

(f) Furnishing of Information. Each Holder shall furnish in writing to the Company such information regarding itself, the Registrable Securities held by it and the intended method of disposition of the Registrable Securities held by it, as shall be reasonably requested by the Company to effect the registration of such Registrable Securities and shall execute such documents in connection with such registration as the Company may reasonably request.

(g) Transfer of Registration Rights. None of the rights of any Holder under this Agreement shall be transferred or assigned to any person unless (i) such person is a Qualifying Holder (as defined below), and (ii) such person agrees to become a party to, and bound by, all of the terms and conditions of, this Agreement by duly executing and delivering to the Company an Instrument of Adherence in the form attached as Annex B hereto. For purposes of this Section 7(g), the term "Qualifying Holder" shall mean, with respect to any Holder, (i) any partner or member thereof, (ii) any corporation, partnership or limited liability company controlling, controlled by, or under common control with, such Holder or any partner or member thereof, or (iii) any other direct transferee from such Holder of at least 25% of those Registrable Securities held by such Holder. None of the rights of any Holder under this Agreement shall be transferred or assigned to any person (including, without limitation, a Qualifying Holder) that acquires Registrable Securities in the event that and to the extent that such person is eligible to resell such Registrable Securities pursuant to Rule 144 of the Securities Act or may otherwise resell such Registrable Securities pursuant to an exemption from the registration provisions of the Securities Act. After any transfer in accordance with this Section 7(g), the rights and obligations of a Holder as to any transferred Registrable Securities shall be the rights and obligations of the Purchaser Permitted Transferee holding such Registrable Securities.

(h) Amendments and Waivers. No provision of this Agreement may be waived or amended except in a written instrument signed by the Company and the Holder or Holders (as applicable) of no less than a majority of the then outstanding Registrable Securities. The Company shall provide prior notice to all Holders of any proposed waiver or amendment. No waiver of any default with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of either party to exercise any right hereunder in any manner impair the exercise of any such right.

(i) Termination of Registration Rights. For the avoidance of doubt, it is expressly agreed and understood that (i) in the event that there are no Registrable Securities outstanding, then the Company shall have no obligation to file, caused to be declared effective or to keep effective any Registration Statement hereunder (including any Registration Statement previously filed pursuant to this Agreement) and (ii) all registration rights granted to the Holders hereunder (including the rights set forth in Sections 6(c) and 6(f)), shall terminate in their entirety effective on the first date on which there shall cease to be any Registrable Securities outstanding.

(j) Notices. All notices, requests, consents and other communications hereunder shall be in writing, shall be sent by confirmed facsimile or electronic mail, or mailed by first-class registered or certified airmail, or nationally recognized overnight express courier, postage prepaid, and shall be deemed given when so sent in the case of facsimile or electronic mail transmission, or when so received in the case of mail or courier, and addressed as follows:

if to the Company, to:

Caladrius Biosciences, Inc.
106 Allen Road, Fourth Floor
Basking Ridge, New Jersey 07920
Attention: General Counsel
Facsimile: (646) 417-6860
E-Mail: tgirolamo@caladrius.com

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

Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.
666 Third Avenue
New York, New York 10017
Attention: Jeffrey P. Schultz, Esq.
Facsimile: (212) 983-3115
E-Mail: JSchultz@mintz.com

If to a Purcheser: To the address set forth under such Purchaser's name on the signature pages hereto

If to any other Person who is then the registered Holder: To the address of such Holder as it appears in the stock transfer books of the Company.

or such other address as may be designated in writing hereafter, in the same manner, by such Person.

(k) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of each of the parties and shall inure to the benefit of each Holder. Each Holder may assign its respective rights hereunder in the manner and to the Persons as permitted under the Purchase Agreement.

(l) Execution and Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and, all of which taken together shall constitute one and the same Agreement. In the event that any signature is delivered by facsimile transmission, such signature shall create a valid binding obligation of the party executing (or on whose behalf such signature is executed) the same with the same force and effect as if such facsimile signature were the original thereof.

(m) Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. Each party agrees that all legal proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement and any other Transaction Documents (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, employees or agents) shall be commenced exclusively in the state and federal courts sitting in the City of New York, District of Manhattan. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of New York, District of Manhattan, for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of any of the Transaction Documents), and hereby irrevocably waives, and agrees not to assert in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is improper or is an inconvenient venue for such proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such suit, action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this 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 other manner permitted by law.

(n) Cumulative Remedies. The remedies provided herein are cumulative and not exclusive of any remedies provided by law.

(o) Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their reasonable best efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

(p) Use of Terms. The parties agree and acknowledge that when, in this Agreement, the Company is required to use its reasonable best efforts to perform any covenant under this Agreement, such requirement shall not obligate the Company, in the reasonable judgment of the disinterested members of its Board of Directors, to perform any act that will have a material adverse effect on the Company.

(q) Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(r) Independent Nature of Purchasers' Obligations and Rights. The obligations of each Purchaser hereunder is several and not joint with the obligations of any other Purchaser hereunder, and no Purchaser shall be responsible in any way for the performance of the obligations of any other Purchaser hereunder. The decision of each Purchaser to purchase Securities pursuant to the Transaction Documents has been made independently of any other Purchaser. Nothing contained herein or in any other agreement or document delivered at any closing, and no action taken by any Purchaser pursuant hereto or thereto, shall be deemed to constitute the Purchasers as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Purchasers are in any way acting in concert with respect to such obligations or the transactions contemplated by this Agreement. Each Purchaser acknowledges that no other Purchaser has acted as agent for such Purchaser in connection with making its investment hereunder and that no Purchaser will be acting as agent of such Purchaser in connection with monitoring its investment in the Securities or enforcing its rights under the Transaction Documents. Each Purchaser shall be entitled to protect and enforce its rights, including without limitation the rights arising out of this Agreement, and it shall not be necessary for any other Purchaser to be joined as an additional party in any proceeding for such purpose.

IN WITNESS WHEREOF, the parties have executed this Registration Rights Agreement as of the date first written above.

CALADRIUS BIOSCIENCES, INC.

By:_____
Name:
Title:

PURCHASERS:

By: _____

Name: _____

Title: _____

Address:

Fax: _____

E-Mail: _____

ANNEX A

PLAN OF DISTRIBUTION

The selling stockholders and any of their pledgees, donees, transferees, assignees or other successors-in-interest may, from time to time, sell, transfer or otherwise dispose of any or all of their shares of common stock or interests in shares of common stock on any stock exchange, market or trading facility on which the shares are traded or in private transactions. These dispositions may be at fixed prices, at prevailing market prices at the time of sale, at prices related to the prevailing market price, at varying prices determined at the time of sale, or at negotiated prices. The selling stockholders may use one or more of the following methods when disposing of the shares or interests therein:

- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- block trades in which the broker-dealer will attempt to sell the shares as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- through brokers, dealers or underwriters that may act solely as agents;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- an exchange distribution in accordance with the rules of the applicable exchange;
- privately negotiated transactions;
- through the writing or settlement of options or other hedging transactions entered into after the effective date of the registration statement of which this prospectus is a part, whether through an options exchange or otherwise;
- broker-dealers may agree with the selling stockholders to sell a specified number of such shares at a stipulated price per share;
- a combination of any such methods of disposition; and
- any other method permitted pursuant to applicable law.

The selling stockholders may also sell shares under Rule 144 under the Securities Act of 1933, as amended, or Securities Act, if available, rather than under this prospectus.

Broker-dealers engaged by the selling stockholders may arrange for other broker-dealers to participate in sales. Broker-dealers may receive commissions or discounts from the selling stockholders (or, if any broker-dealer acts as agent for the purchaser of shares, from the purchaser) in amounts to be negotiated. The selling stockholders do not expect these commissions and discounts to exceed what is customary in the types of transactions involved.

The selling stockholders may from time to time pledge or grant a security interest in some or all of the shares of common stock owned by them and, if they default in the performance of their secured obligations, the pledgees or secured parties may offer and sell shares of common stock from time to time under this prospectus, or under a supplement or amendment to this prospectus under Rule 424(b)(3) or other applicable provision of the Securities Act amending the list of selling stockholders to include the pledgee, transferee or other successors in interest as selling stockholders under this prospectus.

Upon being notified in writing by a selling stockholder that any material arrangement has been entered into with a broker-dealer for the sale of common stock through a block trade, special offering, exchange distribution or secondary distribution or a purchase by a broker or dealer, we will file a supplement to this prospectus, if required, pursuant to Rule 424(b) under the Securities Act, disclosing (i) the name of each such selling stockholder and of the participating broker-dealer(s), (ii) the number of shares involved, (iii) the price at which such shares of common stock were sold, (iv) the commissions paid or discounts or concessions allowed to such broker-dealer(s), where applicable, (v) that such broker-dealer(s) did not conduct any investigation to verify the information set out or incorporated by reference in this prospectus, and (vi) other facts material to the transaction. In addition, upon being notified in writing by a selling stockholder that a donee or pledge intends to sell more than 500 shares of common stock, we will file a supplement to this prospectus if then required in accordance with applicable securities law.

The selling stockholders also may transfer the shares of common stock in other circumstances, in which case the transferees, pledgees or other successors in interest will be the selling beneficial owners for purposes of this prospectus.

In connection with the sale of the shares of common stock or interests in shares of common stock, the selling stockholders may enter into hedging transactions after the effective date of the registration statement of which this prospectus is a part with broker-dealers or other financial institutions, which may in turn engage in short sales of the common stock in the course of hedging the positions they assume. The selling stockholders may also sell shares of common stock short after the effective date of the registration statement of which this prospectus is a part and deliver these securities to close out their short positions, or loan or pledge the common stock to broker-dealers that in turn may sell these securities. The selling stockholders may also enter into option or other transactions after the effective date of the registration statement of which this prospectus is a part with broker-dealers or other financial institutions or the creation of one or more derivative securities which require the delivery to such broker-dealer or other financial institution of shares offered by this prospectus, which shares such broker-dealer or other financial institution may resell pursuant to this prospectus (as supplemented or amended to reflect such transaction).

The selling stockholders and any broker-dealers or agents that are involved in selling the shares may be deemed to be “underwriters” within the meaning of the Securities Act in connection with such sales. In such event, any commissions received by such broker-dealers or agents and any profit on the resale of the shares purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act and the rules of the Financial Industry Regulatory Authority (FINRA).

We have advised the selling stockholders that they are required to comply with Regulation M promulgated under the Securities and Exchange Act during such time as they may be engaged in a distribution of the shares. The foregoing may affect the marketability of the common stock.

The aggregate proceeds to the selling securityholders from the sale of the common stock offered by them will be the purchase price of the common stock less discounts or commissions, if any. Each of the selling securityholders reserves the right to accept and, together with their agents from time to time, to reject, in whole or in part, any proposed purchase of common stock to be made directly or through agents. We will not receive any of the proceeds from this offering.

We are required to pay all fees and expenses incident to the registration of the shares. We have agreed to indemnify the selling stockholders against certain losses, claims, damages and liabilities, including liabilities under the Securities Act or otherwise.

We have agreed with the selling stockholders to keep the registration statement of which this prospectus constitutes a part effective until the date on which all securities under such Registration Statement have ceased to be Registrable Securities.

ANNEX B

INSTRUMENT OF ADHERENCE

Reference is hereby made to that certain Registration Rights Agreement, dated as of March 10, 2016, among Caladrius Biosciences, Inc., a Delaware corporation (the "Company"), and the Purchasers party thereto, as amended and in effect from time to time (the "Registration Rights Agreement"). Capitalized terms used herein without definition shall have the respective meanings ascribed thereto in the Registration Rights Agreement.

The undersigned, in order to become the owner or holder of 1,418,440 shares of Common Stock of the Company, hereby agrees that, from and after the date hereof, the undersigned has become a party to the Registration Rights Agreement in the capacity of an Purchaser Permitted Transferee, and is entitled to all of the benefits under, and is subject to all of the obligations, restrictions and limitations set forth in, the Registration Rights Agreement that are applicable to Purchaser Permitted Transferees. This Instrument of Adherence shall take effect and shall become a part of the Registration Rights Agreement immediately upon execution.

Executed as of the date set forth below under the laws of the State of New York.

Signature: _____
Name:
Title:

Accepted:

[ ]

By: _____
Name:
Title:

Date: _____, 200__

Exhibit 31.1

CERTIFICATION

I, David J. Mazzo,PhD, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Caladrius Biosciences, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2016

/s/ David J. Mazzo, PhD
Name: David J. Mazzo, PhD
Title: Chief Executive Officer of Caladrius Biosciences, Inc.

A signed original of this written statement required by Section 302 has been provided to Caladrius Biosciences, Inc. and will be retained by Caladrius Biosciences, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 31.2

CERTIFICATION

I, Joseph Talamo, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Caladrius Biosciences, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 5, 2016

/s/ Joseph Talamo
Name: Joseph Talamo
Title: Senior Vice President and Chief Financial Officer of Caladrius Biosciences, Inc.

A signed original of this written statement required by Section 302 has been provided to Caladrius Biosciences, Inc. and will be retained by Caladrius Biosciences, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Caladrius Biosciences, Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2016 filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David J. Mazzo, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to my knowledge that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition of the Company as of the dates presented and the results of operations of the Company for the periods presented.

Dated: May 5, 2016

/s/ David J. Mazzo, PhD
David J. Mazzo, PhD
Chief Executive Officer

The foregoing certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code) and is not being filed as part of the Form 10-Q or as a separate disclosure document.

A signed original of this written statement required by Section 906 has been provided to Caladrius Biosciences, Inc. and will be retained by Caladrius Biosciences, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Caladrius Biosciences, Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2016 filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Joseph Talamo, Senior Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to my knowledge that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition of the Company as of the dates presented and the results of operations of the Company for the periods presented.

Dated: May 5, 2016

/s/ Joseph Talamo
Joseph Talamo
Senior Vice President and Chief Financial Officer

The foregoing certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code) and is not being filed as part of the Form 10-Q or as a separate disclosure document.

A signed original of this written statement required by Section 906 has been provided to Caladrius Biosciences, Inc. and will be retained by Caladrius Biosciences, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.