UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

# FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 13, 2007

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

| | | |
|---|---|---|
| Delaware | 0-10909 | 22-2343568 |
| (State or Other Jurisdiction of Incorporation) | (Commission File Number) | (IRS Employer Identification No.) |

| | |
|---|---|
| 420 Lexington Avenue, Suite 450 New York, New York | 10170 |
| (Address of principal executive offices) | (Zip Code) |

Registrant's telephone number, including area code: (212) 584-4180

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))



Item 1.01. Entry into a Material Definitive Agreement.

On November 13, 2007, the Company entered into an acquisition agreement with UTEK Corporation ("UTEK") and Stem Cell Technologies, Inc., a wholly-owned subsidiary of UTEK ("SCTI"), pursuant to which the Company acquired all the issued and outstanding common stock of SCTI in a stock-for-stock exchange. Pursuant to a license agreement (the "License Agreement") between SCTI and the University of Louisville Research Foundation ("ULRF"), SCTI owns an exclusive, worldwide license to a technology developed by researchers at the University of Louisville to identify and isolate rare stem cells from adult human bone marrow, called VSELs (very small embryonic like) stem cells. Concurrent with the SCTI acquisition, NeoStem entered into a sponsored research agreement (the "Sponsored Research Agreement" or "SRA") with ULRF under which NeoStem will support further research in the laboratory of Mariusz Ratajczak, M.D., Ph.D., a co-inventor of the VSEL technology and head of the Stem Cell Biology Program at the James Graham Brown Cancer Center at the University of Louisville. SCTI was funded by UTEK in amounts sufficient to pay certain near-term costs under the License Agreement and the SRA. In consideration for the acquisition, the Company issued to UTEK 400,000 unregistered shares of its common stock, par value $0.001 per share for all the issued and outstanding common stock of SCTI. The value of the transaction is estimated to be $940,000.

VSELs have many characteristics typically found in embryonic stem cells, including the ability to differentiate into specialized cells found in different types of tissue that would be able to interact with the specific organ in order to repair degenerated, damaged or diseased tissue (the three "Ds" of aging). NeoStem has the ability to harvest and cryopreserve these VSELs from individual patients, setting the stage for their use in personalized regenerative medicine. If VSELs can be expanded from individual patients and their potential to develop into different types of tissue cells maintained, it would represent a significant step toward overcoming the two major limitations in the development of stem cell therapies today, the ethical dilemma regarding use of embryonic stem cells and the immunological problems associated with using cells from a third party donor.

Under the License Agreement, SCTI agrees to engage in a diligent program to develop the VSEL technology with the goal of public utilization resulting therefrom. SCTI has the right to sublicense the VSEL technology in accordance with the terms of the License Agreement. It further sets forth the parties rights and obligations with regard to patent prosecution, including that SCTI will take the lead in connection therewith. Certain license fees, royalties and milestone payments are to be paid to ULRF from SCTI in connection with the acquisition and development of the VSEL technology, and SCTI is responsible for all payments for patent filings and related applications. The License Agreement also contains certain provisions relating to "stacking," permitting SCTI to pay royalties to ULRF at a reduced rate in the event it is required to also pay royalties to third parties exceeding a specified threshold for other technology in furtherance of the exercise of its patent rights or the manufacture of products using the VSEL technology. ULRF retained the right under the License Agreement to license and practice the VSEL Technology for noncommercial purposes only, such as education, academic research, teaching and public service, and also retained the right of publication subject to certain confidentiality limitations. The License Agreement contains confidentiality and other standard provisions, limits ULRF liability and provides for indemnification of ULRF and to the extent allowed by law, indemnification of SCTI, and requires SCTI to maintain certain minimum insurance levels.

The License Agreement, which was entered into on November 12, 2007 as a condition to the acquisition, has a term of twenty years, and may continue to be in effect for a longer period of time if a valid claim under a patent or patent pending application covered thereby still exists. SCTI can terminate the agreement for any reason upon 60 days' prior written notice, and either party can terminate the agreement upon 30 days' prior written notice upon certain uncured material breaches of the agreement or immediately upon certain bankruptcy related events. Additionally, portions of the license may be converted to a non-exclusive license if SCTI does not diligently develop the VSEL Technology or terminated entirely if SCTI chooses to not pay for the filing and maintenance of any patents thereunder. Upon termination of the License Agreement for any reason, certain obligations of the parties survive for periods of time including confidentiality, limitation of liability and indemnification, insurance obligations, accrued royalty reporting and accounting.

The License Agreement also contemplates that the Company and ULRF will enter into an adult stem cell collection center agreement. Pursuant to this agreement, stem cells would be provided to Dr. Ratajczak's laboratory in connection with the performance of the research under the Sponsored Research Agreement and certain of SCTI's diligence obligations with respect to developing the VSEL Technology commence upon receipt of these cells.

Concurrently with the License Agreement, the Company entered into the Sponsored Research Agreement with ULRF. Pursuant to the SRA, the Company will support additional research relating to the VSEL technology to be carried out in the laboratory of Mariusz Ratajczak, M.D., Ph.D. as principal investigator, a co-inventor of the VSEL Technology and head of the Stem Cell Biology Program at the James Graham Brown Cancer Center at the University of Louisville. In return, the Company will receive the first option to negotiate a license to the research results. The prior funding of SCTI by UTEK will pay for a portion of the research costs.

Under the Sponsored Research Agreement, the Company agrees to support the research as set forth in a research plan in an amount of $375,000. Such costs are to be paid by the Company in accordance with a payment schedule which sets forth the timing and condition of each such payment over the term of the SRA. Under the SRA, ULRF retains the rights to intellectual property developed by its employees in performance of the research relating to the VSEL Technology and the Company and ULRF jointly own intellectual property developed jointly by employees of ULRF and the Company in performance of the research. So long as the Company continues to support and fund the filing of patent applications and other intellectual property protection for the same, the Company has the first option to negotiate for an exclusive, worldwide commercial license to ULRF's interest in any such developed or jointly developed intellectual property. The SRA also establishes rates for royalties and revenue sharing between the parties in the event no license agreement is executed with regard to joint intellectual property but one party chooses to develop or license it to a third party.

The term of the research is two and one-half years and shall commence after all applicable institution (e.g., institutional review board ("IRB")) and Federal approvals are obtained and upon the adult stem cell specimens required for the research being provided to the laboratory.

The SRA further sets out the parties respective rights and responsibilities relating to patent prosecution, contains confidentiality provisions, limits ULRF liability and provides for indemnification of ULRF. Either party may terminate the SRA if Dr. Ratajczak is unable to perform the research and an acceptable successor is not available, or if required approval of a review committee at the University of Louisville or ULRF is not given or is withdrawn. The Company may terminate the SRA upon 90 days' written notice to ULRF and either party may terminate the SRA on 30 days' written notice in the event of uncured defaults or breaches. Upon termination of the SRA for any reason, certain obligations of the parties survive including confidentiality, disclosure, rights regarding publications and ownership of intellectual property.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this Form 8-K constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. For this purpose, any statements contained herein that relate to future events or conditions, including without limitation, statements regarding our financial position, potential, business strategy, plans and objectives for future operations, may be deemed to be forward-looking statements. All such statements, which are all statements other than of historical fact, involve risks and uncertainties. These statements are commonly identified by the use of such terms and phrases as "intends," "expects," "anticipates," "estimates," "seeks" and "believes." Additionally, statements concerning our ability to develop the adult stem cell business, the future of regenerative medicine and the role of adult stem cells in that future, the future use of adult stem cells as a treatment option and the role of VSELs in that future, and the potential revenue growth of such business are forward-looking statements. Our ability to enter the adult stem cell arena and future operating results are dependent upon many factors, including but not limited to: (i) our ability to obtain sufficient capital or a strategic business arrangement to fund our expansion plans; (ii) our ability to build the management and human resources and infrastructure necessary to support the growth of our business; (iii) competitive factors and developments beyond our control; (iv) scientific and medical developments beyond our control; (v) our inability to obtain appropriate state licenses or any other adverse effect or limitations caused by government regulation of the business; (vi) whether any of the Company's current or future patent applications result in issued patents; and (vii) other risk factors discussed in the Company's periodic filings with the Securities and Exchange Commission which are available for review at www.sec.gov under "Search for Company Filings." We cannot guarantee future results or achievements, and readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Except as required by law, the Company undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

Item 3.02 Unregistered Sales of Equity Securities

On November 13, 2007, the Company effected the issuance of 400,000 shares of its unregistered common stock, par value $0.001 per share, to UTEK Corporation in connection with the acquisition of SCTI described in Item 1.01 above.

The offer and sale by the Company of the securities described above were made in reliance upon the exemption from registration provided by Section 4(2) of the Securities Act of 1933, as amended (the "Securities Act"), for transactions by an issuer not involving a public offering. The offer and sale of such securities were made without general solicitation or advertising to an "accredited investor," as such term is defined in Rule 501(a) of Regulation D promulgated under the Securities Act.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

| | |
|---|---|
| Exhibit 10.1 | Agreement and Plan of Acquisition among NeoStem, Inc., Stem Cell Technologies, Inc. and UTEK Corporation. |
| Exhibit 10.2 | License Agreement between Stem Cell Technologies, Inc. and the University of Louisville Research Foundation, Inc. (1) |
| Exhibit 10.3 | Sponsored Research Agreement between NeoStem, Inc. and the University of Louisville Research Foundation, Inc. (2) |

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(1) Certain portions of Exhibit 10.2 were omitted based upon a request for confidential treatment, and the omitted portions were filed separately with the Securities and Exchange Commission on a confidential basis.

(2) Certain portions of Exhibit 10.3 were omitted based upon a request for confidential treatment, and the omitted portions were filed separately with the Securities and Exchange Commission on a confidential basis.

SIGNATURE

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 hereunto duly authorized.

NEOSTEM, INC.

By: /s/ Catherine M. Vaczy
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Catherine M. Vaczy
Vice President and General Counsel

Dated: November 19, 2007

Exhibit 10.1

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ACQUISITION OF STEM CELL TECHNOLOGIES, INC.
by
NEOSTEM, INC.

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# AGREEMENT AND PLAN OF ACQUISITION

This Agreement and Plan of Acquisition ("Agreement") is entered into by and between Stem Cell Technologies, Inc., a Florida corporation, ("SCTI"), UTEK CORPORATION, a Delaware corporation, ("UTEK"), and NeoStem, Inc., a Delaware corporation, ("NBS").

WHEREAS, UTEK owns 100% of the issued and outstanding shares of common stock of SCTI ("SCTI Shares"); and

WHEREAS, prior to the Closing Date, SCTI will acquire the license for the fields of use as described in the License Agreement as described and which are attached hereto as part of Exhibit A and made a part of this Agreement ("License Agreement") and the rights to develop and market a proprietary technology for the fields of uses specified in the License Agreement ("Technology").

WHEREAS, the parties desire to provide for the terms and conditions upon which SCTI will be acquired by NBS in a stock-for-stock exchange ("Acquisition") in accordance with the respective corporation laws of their state, upon consummation of which all SCTI Shares will be owned by NBS, and all issued and outstanding SCTI Shares will be exchanged for common stock of NBS with terms and conditions as set forth in this Agreement; and

WHEREAS, for federal income tax purposes, it is intended that the Acquisition qualifies within the meaning of Section 368 (a)(1)(B) of the Internal Revenue Code of 1986, as amended.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt, adequacy and sufficiency of which are by this Agreement acknowledged, the parties agree as follows:

## ARTICLE 1
## THE STOCK-FOR-STOCK ACQUISITION

1.01 The Exchange. At the closing of the transactions contemplated by this Agreement ("Closing"), UTEK shall receive 400,000 common shares of the issued and outstanding stock of NBS (the "NBS Shares") and in exchange, NBS shall receive all of the SCTI Shares.

1.02 Closing Date. The Closing of the Acquisition shall take place at the latest on November 15, 2007 or on such other date the parties hereto may mutually agree; provided that the parties have complied with the obligations required in Article 3 hereof and all conditions set forth in Article 4 have been fulfilled or waived in writing. The Closing shall be held at the offices of NBS, 420 Lexington Avenue, Suite 450, New York, NY 10170 or such other place as the parties may mutually agree. The date upon which such Closing shall occur shall be referred to as the "Closing Date."



## ARTICLE 2
## REPRESENTATIONS AND WARRANTIES

2.01 Representations and Warranties of UTEK and SCTI. UTEK and SCTI represent and warrant to NBS that the facts set forth below are true and correct:

(a) Organization. SCTI and UTEK are corporations duly organized, validly existing and in good standing under the laws of their respective states of incorporation, and they have the requisite power and authority to conduct their business and consummate the transactions contemplated by this Agreement. True, correct and complete copies of the articles of incorporation, bylaws and all corporate minutes of SCTI have been provided to NBS and such documents are presently in effect and have not been amended or modified. SCTI has no subsidiaries and no interest in any other corporation, partnership, joint venture or other entity.

(b) Authorization. The execution of this Agreement and the consummation of the Acquisition and the transactions contemplated by this Agreement have been duly authorized by the board of directors and shareholders of SCTI and the board of directors of UTEK; no other corporate action by the respective parties is necessary in order to execute, deliver, consummate and perform their respective obligations hereunder; and SCTI and UTEK have all requisite corporate and other authority to execute and deliver this Agreement and consummate the transactions contemplated by this Agreement.

(c) Capitalization. The authorized capital of SCTI consists of 1,000,000 shares of common stock with a par value $0.01 per share. At the date of this Agreement and at the Closing Date, all issued and outstanding shares of SCTI have been duly and validly issued and are fully paid and non-assessable shares and have not been issued in violation of any preemptive or other rights of any other person or any applicable laws. SCTI is not authorized to issue any preferred stock. All dividends on SCTI Shares which have been declared prior to the date of this Agreement have been paid in full. There are no outstanding (i) rights to purchase or subscribe for any shares, or other ownership interests of SCTI, (ii) obligations of SCTI, whether absolute or contingent, to issue any equity securities or other ownership interests, (iii) debt or equity securities directly or indirectly convertible into any equity securities of SCTI or (iv) any agreements, options, rights of first refusal or other similar rights with respect to the shares of SCTI. None of the SCTI Shares are subject to any change, claim, condition, interest, lien, pledge, option, security interest or other encumbrance or restriction, including any restriction on use, voting, transfer, receipt of income or exercise of any other attribute of ownership. At the date of this Agreement, 1,000 SCTI Shares are issued and outstanding as follows:

| Shareholder | Number of SCTI Shares |
|---|---|
| Utek | 1,000 |
| Total | 1,000 |

(d) Binding Effect. The execution, delivery, performance and consummation of this Agreement, the Acquisition and the transactions contemplated by this Agreement will not violate any obligation to which SCTI or UTEK is a party and will not create a default under any such obligation or under any agreement to which SCTI or UTEK is a party. This Agreement constitutes a legal, valid and binding obligation of SCTI, enforceable in accordance with its terms, except as the enforcement may be limited by bankruptcy, insolvency, moratorium, or similar laws affecting creditor's rights generally and by the availability of injunctive relief, specific performance or other equitable remedies.

(e) Litigation Relating to this Agreement. There are no suits, actions or proceedings pending or to SCTI's and UTEK's knowledge threatened which seek to enjoin the Acquisition or the transactions contemplated by this Agreement or which, if adversely decided, would have a materially adverse effect on its business, assets, prospects or the results of its operations of SCTI.

(f) No Conflicting Agreements. Neither the execution and delivery of this Agreement nor the fulfillment of or compliance by SCTI or UTEK with the terms or provisions of this Agreement nor all other documents or agreements contemplated by this Agreement and the consummation of the transactions contemplated by this Agreement will result in a breach of the terms, conditions or provisions of, or constitute a default under, or result in a violation of, SCTI or UTEK's articles of incorporation or bylaws, the Technology, the License Agreement or any agreement, contract, instrument, order, judgment or decree to which SCTI or UTEK is a party or by which SCTI or UTEK or any of their respective assets is bound, or violate any provision of any applicable law, rule or regulation or any order, decree, writ or injunction of any court or government entity which materially affects their respective assets or businesses.

(g) Consents. No consent from or approval of any court, governmental entity or any other person is necessary in connection with execution and delivery of this Agreement by SCTI and UTEK or performance of the obligations of SCTI and UTEK hereunder or under any other agreement to which SCTI or UTEK is a party; and the consummation of the transactions contemplated by this Agreement will not require the approval of any entity or person in order to prevent the termination of the Technology, the License Agreement or any other material right, privilege, license or agreement relating to SCTI or its assets or business.

(h) Title to Assets/SCTI Shares. SCTI has or has agreed to enter into the agreements as listed on Exhibit A attached hereto. These agreements and the assets shown on the balance sheet of attached Exhibit B are the sole assets of SCTI. SCTI has or will by the Closing Date have good and marketable title to its assets, free and clear of all liens, claims, charges, mortgages, options, security agreements and other encumbrances of every kind or nature whatsoever. As of the date hereof and the Closing Date, UTEK is the record and beneficial owner of the SCTI Shares free and clear of all liens and restrictions of any kind.

(i) Intellectual Property

(1) The University of Louisville Research Foundation ("ULRF") owns the Technology and has all right, power, authority and ownership and entitlement to file, prosecute and maintain in effect the Patent application with respect to the Inventions listed in Exhibit A hereto.

(2) The License Agreement between ULRF and SCTI covering the Inventions is legal, valid, binding and will be enforceable in accordance with its terms as contained in Exhibit A.

(3) Except as otherwise set forth in this Agreement, NBS acknowledges and understands that SCTI and UTEK make no representations and provide no assurances that the rights to the Technology and Intellectual Property contained in the License Agreement do not, and will not in the future, infringe or otherwise violate the rights of third parties.

(4) Except as otherwise expressly set forth in this Agreement, SCTI and UTEK make no representations and extend no warranties of any kind, either express or implied, including, but not limited to warranties of merchantability, fitness for a particular purpose, non-infringement and validity of the Intellectual Property.

(j) Liabilities of SCTI. SCTI has no assets (except as set forth in Section 2.01(h)), no liabilities or obligations of any kind, character or description except those listed on the attached exhibits.

(k) Financial Statements. The unaudited financial statements of SCTI, including a balance sheet, attached as Exhibit B and made a part of this Agreement, are, in all respects, complete and correct and present fairly SCTI's financial position and the results of its operations on the dates and for the periods shown in this Agreement; provided, however, that interim financial statements are subject to customary year-end adjustments and accruals that will not have a material adverse effect on the overall financial condition or results of its operations. SCTI has not engaged in any business not reflected in its financial statements. There have been no material adverse changes in the nature of its business, prospects, the value of assets or the financial condition since the date of its financial statements. There are no, and on the Closing Date there will be no, outstanding obligations or liabilities of SCTI except as specifically set forth in the financial statements and the other attached schedules and exhibits. There is no information known to SCTI or UTEK that would prevent the financial statements of SCTI from being audited in accordance with generally accepted accounting principles.

(l) Taxes. All returns, reports, statements and other similar filings required to be filed by SCTI with respect to any federal, state, local or foreign taxes, assessments, interests, penalties, deficiencies, fees and other governmental charges or impositions have been timely filed with the appropriate governmental agencies in all jurisdictions in which such tax returns and other related filings are required to be filed; all such tax returns properly reflect all liabilities of SCTI for taxes for the periods, property or events covered by this Agreement; and all taxes, whether or not reflected on those tax returns, and all taxes claimed to be due from SCTI by any taxing authority, have been properly paid, except to the extent reflected on SCTI's financial statements, where SCTI has contested in good faith by appropriate proceedings and reserves have been established on its financial statements to the full extent if the contest is adversely decided against it. SCTI has not received any notice of assessment or proposed assessment in connection with any tax returns, nor is SCTI a party to or to the best of its knowledge, expected to become a party to any pending or threatened action or proceeding, assessment or collection of taxes. SCTI has not extended or waived the application of any statute of limitations of any jurisdiction regarding the assessment or collection of any taxes. There are no tax liens (other than any lien which arises by operation of law for current taxes not yet due and payable) on any of its assets. There is no basis for any additional assessment of taxes, interest or penalties. SCTI has made all deposits required by law to be made with respect to employees' withholding and other employment taxes, including without limitation the portion of such deposits relating to taxes imposed upon SCTI. SCTI is not and has never been a party to any tax sharing agreements with any other person or entity.

(m) Absence of Certain Changes or Events. From the date of the full execution of the Term Sheet dated February 20, 2007 between UTEK and NBS until the Closing Date, SCTI has not, and without the written consent of NBS, it will not have:

(1) Sold, encumbered, assigned let lapsed or transferred any of its assets, including without limitation the Intellectual Property, the License Agreement or any other material asset;

(2) Amended or terminated the License Agreement or other material agreement or done any act or omitted to do any act which would cause the breach of the License Agreement or any other material agreement;

(3) Suffered any damage, destruction or loss whether or not in control of SCTI;

(4) Made any commitments or agreements for capital expenditures or otherwise;

(5) Entered into any transaction or made any commitment not disclosed to NBS;

(6) Incurred any material obligation or liability for borrowed money;

(7) Suffered any other event of any character, which is reasonable to expect, would adversely affect the future condition (financial or otherwise) assets or liabilities or business or prospects of SCTI; or

(8) Taken any action, which could make any of the representations or warranties made by SCTI or UTEK untrue as of the date of this Agreement or as of the Closing Date.

(n) Material Agreements. Exhibit A attached contains a true and complete list of all contemplated and executed agreements between SCTI and a third party. A complete and accurate copy of all material agreements, contracts and commitments of the following types, whether written or oral to which it is a party or is bound (Contracts), has been provided to NBS and such agreements are or will be at the Closing Date, in full force and effect without modifications or amendment and constitute the legally valid and binding obligations of SCTI in accordance with their respective terms and will continue to be valid and enforceable following the Acquisition. SCTI is not in default of any of the Contracts. In addition:

(1) There are no outstanding unpaid promissory notes, mortgages, indentures, deed of trust, security agreements and other agreements and instruments relating to the borrowing of money by or any extension of credit to SCTI;

(2) There are no outstanding operating agreements, lease agreements or similar agreements by which SCTI is bound;

(3) The complete final draft of the License Agreement has been provided to NBS;

(4) Except as set forth in (3) above, there are no outstanding licenses to or from others of any intellectual property and trade names;

(5) There are no outstanding agreements or commitments to sell, lease or otherwise dispose of any of SCTI's property; and

(6) There are no breaches of any agreement to which SCTI is a party.

(o) Compliance with Laws. SCTI is in compliance with all applicable laws, rules, regulations and orders promulgated by any federal, state or local government body or agency relating to its business and operations.

(p) Litigation. There is no suit, action or any arbitration, administrative, legal or other proceeding of any kind or character, or any governmental investigation pending or to the best knowledge of SCTI or UTEK, threatened against SCTI, the Technology, or the License Agreement affecting its assets or business (financial or otherwise) or prospects, and neither SCTI nor UTEK is in violation of or in default with respect to any judgment, order, decree or other finding of any court or government authority relating to the assets, business or properties of SCTI or the transactions contemplated hereby. There are no pending or threatened actions or proceedings before any court, arbitrator or administrative agency, which would, if adversely determined, individually or in the aggregate, materially and adversely affect the assets or business of SCTI or the transactions contemplated.

(q) Employees. SCTI has no and never had any employees. SCTI is not a party to or bound by any employment agreement or any collective bargaining agreement with respect to any employees. SCTI is not in violation of any law, regulation relating to employment of employees.

(r) Adverse Effect. Neither SCTI nor UTEK has any knowledge of any or threatened existing occurrence, action or development that could cause a material adverse effect on SCTI or its business, assets or condition (financial or otherwise) or prospects.

(s) Employee Benefit Plans. SCTI has never had any employee benefit plans, and there are no commitments to create any, including without limitation as such term is defined in the Employee Retirement Income Security Act of 1974, as amended, in effect, and there are no outstanding or un-funded liabilities nor will the execution of this Agreement and the actions contemplated in this Agreement result in any obligation or liability to any present or former employee.

(t) Books and Records. The books and records of SCTI are complete and accurate in all material respects, fairly present its business and operations, have been maintained in accordance with good business practices, and applicable legal requirements, and accurately reflect in all material respects its business, financial condition and liabilities.

(u) No Broker's Fees. Neither UTEK nor SCTI has incurred any investment banking, advisory or other similar fees or obligations in connection with this Agreement or the transactions contemplated by this Agreement.

(v) Full Disclosure. All representations or warranties of UTEK and SCTI are true, correct and complete in all material respects on the date of this Agreement and shall be true, correct and complete in all material respects as of the Closing Date as if they were made on such date. No statement made by UTEK or SCTI in this Agreement or in the exhibits to this Agreement or any document delivered by them or on their behalf pursuant to this Agreement contains an untrue statement of material fact or omits to state all material facts necessary to make the statements in this Agreement not misleading in any material respect in light of the circumstances in which they were made.

2.02 Representations and Warranties of NBS. NBS represents and warrants to UTEK and SCTI that the facts set forth below are true and correct.

(a) Organization. NBS is a corporation duly organized, validly existing and in good standing under the laws of Delaware, is qualified to do business as a foreign corporation in other jurisdictions in which the conduct of its business or the ownership of its properties require such qualification, to the extent that a failure to do so will have a Material Adverse Effect (as defined below), and has all requisite power and authority to conduct its business and operate properties. "Material Adverse Effect" means any event, change or effect that, when taken individually or together with all other adverse events, changes and effects, is likely to be materially adverse to the condition (financial or otherwise), properties, assets, liabilities, business, operations, results of operations or prospects of the business of NBS.

(b) Authorization. The execution of this Agreement and the consummation of the Acquisition and the other transactions contemplated by this Agreement have been duly authorized by the board of directors of NBS; no other corporate action on their respective parts is necessary in order to execute, deliver, consummate and perform their obligations hereunder; and they have all requisite corporate and other authority to execute and deliver this Agreement and consummate the transactions contemplated by this Agreement.

(c) Capitalization. The authorized capital of NBS consists of 500,000,000 (Five Hundred Million) shares of common stock with a par value $0.001 per share (NBS Common Shares). All issued and outstanding shares of NBS have been duly and validly issued and are fully paid and non-assessable shares and have not been issued in violation of any preemptive or other rights of any other person or any applicable laws.

(d) Binding Effect. The execution, delivery, performance and consummation of the Acquisition and the transactions contemplated by this Agreement will not violate any obligation to which NBS is a party and will not create a default hereunder, and this Agreement constitutes a legal, valid and binding obligation of NBS, enforceable in accordance with its terms, except as the enforcement may be limited by bankruptcy, insolvency, moratorium, or similar laws affecting creditor's rights generally and by the availability of injunctive relief, specific performance or other equitable remedies.

(e) Litigation Relating to this Agreement. There are no suits, actions or proceedings pending or to its knowledge threatened which seek to enjoin the Acquisition or the transactions contemplated by this Agreement or which, if adversely decided, would have a materially adverse effect on its business, assets, prospects or the results of its operations of NBS.

(f) No Conflicting Agreements. Neither the execution and delivery of this Agreement nor the fulfillment of or compliance by NBS with the terms or provisions of this Agreement will result in a breach of the terms, conditions or provisions of, or constitute default under, or result in a violation of, their respective corporate charters or bylaws, or any agreement, contract, instrument, order, judgment or decree to which it is a party or by which it or any of its assets are bound, or violate any provision of any applicable law, rule or regulation or any order, decree, writ or injunction of any court or governmental entity which materially affects its assets or business.

(g) Consents. Assuming the correctness of UTEK and SCTI's representations, no consent from or approval of any court, governmental entity or any other person is necessary in connection with its execution and delivery of this Agreement except as has already been obtained; and the consummation of the transactions contemplated by this Agreement will not require the approval of any entity or person in order to prevent the termination of any material right, privilege, license or agreement relating to NBS or its assets or business.

(h) Financial Statements. The financial statements included in the Form 8-K filed pursuant to the Securities Exchange Act of 1934, as amended on September 11, 2007, are true and complete copies of the financial statements of NBS. These financial statements (i) have been prepared from the books and records of NBS in accordance with generally accepted accounting principles as applicable in the United States, consistently applied with prior periods, and (ii) are complete and correct and fairly reflect, in each case in all material respects, the financial condition and results of operations of NBS as of the dates and for the periods indicated thereon.

(i) Full Disclosure. All representations or warranties of NBS are true, correct and complete in all material respects on the date of this Agreement and shall be true, correct and complete in all material respects as of the Closing Date as if they were made on such date. No statement made by them in this Agreement or in the exhibits to this Agreement or any document delivered by them or on their behalf pursuant to this Agreement contains an untrue statement of material fact or omits to state all material facts necessary to make the statements in this Agreement not misleading in any material respect in light of the circumstances in which they were made.

(j) Compliance with Laws. NBS will comply with all applicable laws, rules, regulations and orders promulgated by any federal, state or local government body or agency relating to its business and operations, to the extent that a failure to do so will have a Material Adverse Effect.

(k) Litigation. There is no suit, action or any arbitration, administrative, legal or other proceeding of any kind or character, or any governmental investigation pending or, to the best knowledge of NBS, threatened against NBS materially affecting its assets or business (financial or otherwise), and NBS is not in violation of or in default with respect to any judgment, order, decree or other finding of any court or government authority. There are no pending or threatened actions or proceedings before any court, arbitrator or administrative agency, which would, if adversely determined, individually or in the aggregate, materially and adversely affect its assets or business.

(l) Investment Company Status. NBS is not an investment company, either registered or unregistered.

2.03 Investment Representations of UTEK. UTEK represents and warrants to NBS that:

(a) General. It has such knowledge and experience in financial and business matters as to be capable of evaluating the risks and merits of an investment in NBS Shares pursuant to the Acquisition. It is able to bear the economic risk of the investment in NBS Shares, including the risk of a total loss of the investment in NBS Shares. The acquisition of NBS Shares is for its own account and is for investment and not with a view to the distribution of NBS Shares. Except as permitted by law, it has a no present intention of selling, transferring or otherwise disposing in any way of all or any portion of the shares at the present time. All information that it has supplied to NBS is true and correct. It has conducted all investigations and due diligence concerning NBS to evaluate the risks inherent in accepting and holding the shares which it deems appropriate, and it has found all such information obtained fully acceptable. It has had an opportunity to ask questions of the officer and directors of NBS concerning NBS Shares and the business and financial condition of and prospects for NBS, and the officers and directors of NBS have adequately answered all questions asked and made all relevant information available to them. UTEK is an accredited investor, as the term is defined in Regulation D, promulgated under the Securities Act of 1933, as amended, and the rules and regulations thereunder.

(b) Stock Transfer Restrictions. UTEK acknowledges that the NBS Shares will not be registered and UTEK will not be permitted to sell or otherwise transfer the NBS Shares in any transaction in contravention of the following legend, which will be imprinted in substantially the following form on the stock certificate representing NBS Shares:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE ACT), OR UNDER THE SECURITIES LAWS OF ANY STATE. THESE SECURITIES MAY NOT BE SOLD, OFFERED FOR SALE, ASSIGNED, TRANSFERRED OR OTHERWISE DISPOSED OF UNLESS REGISTERED PURSUANT TO THE PROVISIONS OF THE ACT AND THE LAWS OF SUCH STATES UNDER WHOSE LAWS A TRANSFER OF SECURITIES WOULD BE SUBJECT TO A REGISTRATION REQUIREMENT, UNLESS UTEK CORPORATION HAS OBTAINED AN OPINION OF COUNSEL STATING THAT SUCH DISPOSITION IS IN COMPLIANCE WITH AN AVAILABLE EXEMPTION FROM SUCH REGISTRATION.

## ARTICLE 3
## TRANSACTIONS PRIOR TO CLOSING / COVENANTS

3.01. Corporate Approvals. Prior to the Closing Date, each of the parties shall submit this Agreement to its board of directors and when necessary, its respective shareholders and obtain approval of this Agreement. Copies of corporate actions taken shall be provided to each party.

3.02 Access to Information. Each party agrees to permit, upon reasonable notice, the attorneys, accountants, and other representatives of the other party's reasonable access during normal business hours to its properties and its books and records to make reasonable investigations with respect to its affairs, and to make its officers and employees available to answer questions and provide additional information as reasonably requested.

3.03 Expenses. Each party agrees to bear its own expenses in connection with the negotiation and consummation of the Acquisition and the transactions contemplated by this Agreement.

3.04 Covenants. Except as permitted in writing, each party agrees that it will:

(a) Use its good faith efforts to obtain all requisite licenses, permits, consents, approvals and authorizations necessary in order to consummate the Acquisition; and

(b) Notify the other parties upon the occurrence of any event which would have a materially adverse effect upon the Acquisition or the transactions contemplated by this Agreement or upon the business, assets or results of operations; and

(c) Not modify its corporate structure, except as necessary or advisable in order to consummate the Acquisition and the transactions contemplated by this Agreement.

## ARTICLE 4
## CONDITIONS PRECEDENT

The obligation of the parties to consummate the Acquisition and the transactions contemplated by this Agreement are subject to the following conditions that may be waived, to the extent permitted by law:

4.01. Each party must obtain the approval of its board of directors and such approval shall not have been rescinded or restricted.

4.02. Each party shall obtain all requisite licenses, permits, consents, authorizations and approvals required to complete the Acquisition and the transactions contemplated by this Agreement.

4.03. There shall be no claim or litigation instituted or threatened in writing by any person or government authority seeking to restrain or prohibit any of the contemplated transactions contemplated by this Agreement or challenges the right, title and interest of UTEK in the SCTI Shares or the right of SCTI or UTEK to consummate the Acquisition contemplated hereunder.

4.04. The representations and warranties of the parties shall be true and correct in all material respects at the date hereof and at the Closing Date.

4.05. The Technology and Intellectual Property has been prosecuted in good faith with reasonable diligence.

4.06. NBS shall have received a certificate of the chief executive officer of SCTI that the License Agreement: (i) is in full force and effect, (ii) has not been amended in any way.

4.07. SCTI shall provide to NBS the written opinion of its legal counsel in substantially the form of opinion attached hereto as Exhibit C.

4.08. All documents that are necessary to be filed prior to the closing of the transactions contemplated hereby shall have been filed with the applicable governmental and regulatory authorities, including, without limitation, the United States Securities and Exchange Commission.

4.09. NBS shall have received, within five (5) business days of the Closing Date, each of the following:

(a) the stock certificates representing the SCTI Shares, duly endorsed (or accompanied by duly executed stock powers) by UTEK for cancellation;

(b) all documentation relating to SCTI's business, all in a form and substance satisfactory to NBS;

(c) such agreements, files and other data and documents pertaining to SCTI's business as NBS may reasonably request;

(d) copies of the general ledgers and books of account of SCTI, and all federal, state and local income, franchise, property and other tax returns filed by SCTI since the inception of SCTI;

(e) certificates of the Secretary of State of the State of Florida as to the legal existence and good standing, as applicable, (including tax) of SCTI in Florida;

(f) the original corporate minute books of SCTI, including the articles of incorporation and bylaws of SCTI, and all other documents filed in this Agreement;

(g) all consents, assignments or related documents of conveyance to give NBS the benefit of the transactions contemplated hereunder;

(h) such documents as may be needed to accomplish the Closing under the corporate laws of the states of incorporation of NBS and SCTI, and

(i) such other documents, instruments or certificates as NBS, or their counsel may reasonably request.

4.10. NBS shall have completed due diligence investigation of SCTI to NBS's satisfaction in their sole discretion.

4.11. NBS shall receive the resignation effective the Closing Date of each director and officer of SCTI.

## ARTICLE 5
## SURVIVAL OF REPRESENTATIONS AND WARRANTIES /

5.01. Survival of Representations and Warranties of UTEK and SCTI. The representations and warranties made by UTEK and SCTI shall survive for a period of one year after the Closing Date, and thereafter all such representation and warranties shall be extinguished, except with respect to claims then pending for which specific notice has been given during such one-year period.

5.02. Survival of Representations and Warranties of NBS. The representations and warranties made by NBS shall survive for a period of one year after the Closing Date, and thereafter all such representations and warranties shall be extinguished, except with respect to claims then pending for which specific notice has been given during such one-year period.

5.03. Limitations on Liability. NBS agrees that UTEK shall not be liable under this agreement to NBS or their respective successor's, assigns or affiliates except where damages result directly from the gross negligence or willful misconduct of UTEK or its employees. In no event shall UTEK's liability exceed the total amount of the fees paid to UTEK under this agreement, nor shall UTEK be liable for incidental or consequential damages of any kind. NBS shall indemnify UTEK, and hold UTEK harmless against any and all claims by third parties for losses, damages or liabilities, including reasonable attorneys fees and expenses ("Losses"), arising in any manner out of or in connection with the rendering of services by UTEK under this Agreement, unless it is finally judicially determined that such Losses resulted from the gross negligence or willful misconduct of UTEK. The terms of this paragraph shall survive the termination of this agreement and shall apply to any controlling person, director, officer, employee or affiliate of UTEK.

5.04. Indemnification. NBS agrees to indemnify and hold harmless UTEK and its subsidiaries and affiliates and each of its and their officers, directors, principals, shareholders, agents, independent contactors and employees (collectively "Indemnified Persons") from and against any and all claims, liabilities, damages, obligations, costs and expenses (including reasonable attorneys' fees and expenses and costs of investigation) arising out of or relating to matters or arising from this Agreement, except to the extent that any such claim, liability, obligation, damage, cost or expense shall have been determined by final non-appealable order of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the Indemnified Person or Persons in respect of whom such liability is asserted.

5.05. Limitations on Liability. UTEK agrees that NBS shall not be liable under this agreement to UTEK or their respective successor's, assigns or affiliates except where damages result directly from the gross negligence or willful misconduct of NBS or its employees. In no event shall NBS's liability exceed the total amount of the fees paid to NBS under this agreement, nor shall NBS be liable for incidental or consequential damages of any kind. UTEK shall indemnify NBS, and hold NBS harmless against any and all claims by third parties for losses, damages or liabilities, including reasonable attorneys fees and expenses ("Losses"), arising in any manner out of or in connection with the rendering of services by NBS under this Agreement, unless it is finally judicially determined that such Losses resulted from the gross negligence or willful misconduct of NBS. The terms of this paragraph shall survive the termination of this agreement and shall apply to any controlling person, director, officer, employee or affiliate of NBS.

5.06. Indemnification. UTEK agrees to indemnify and hold harmless NBS and its subsidiaries and affiliates and each of its and their officers, directors, principals, shareholders, agents, independent contactors and employees (collectively "Indemnified Persons") from and against any and all claims, liabilities, damages, obligations, costs and expenses (including reasonable attorneys' fees and expenses and costs of investigation) arising out of or relating to matters or arising from this Agreement, except to the extent that any such claim, liability, obligation, damage, cost or expense shall have been determined by final non-appealable order of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the Indemnified Person or Persons in respect of whom such liability is asserted.

(a) Limitation of Liability. UTEK agrees that no Indemnified Person shall have any liability as a result of the execution and delivery of this Agreement, or other matters relating to or arising from this Agreement, other than liabilities that shall have been determined by final non-appealable order of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the Indemnified Person or Persons in respect of whom such liability is asserted. Without limiting the generality of the foregoing, in no event shall any Indemnified Person be liable for consequential, indirect or punitive damages, damages for lost profits or opportunities or other like damages or claims of any kind.

## ARTICLE 6
## REMEDIES

6.01 Specific Performance. Each party's obligations under this Agreement are unique. If any party should default in its obligations under this agreement, the parties each acknowledge that it would be extremely impracticable to measure the resulting damages. Accordingly, the non-defaulting party, in addition to any other available rights or remedies, may sue in equity for specific performance, and the parties each expressly waive the defense that a remedy in damages will be adequate.

6.02 Costs. If any legal action or any arbitration or other proceeding is brought for the enforcement of this agreement or because of an alleged dispute, breach, default, or misrepresentation in connection with any of the provisions of this agreement, the successful or prevailing party or parties shall be entitled to recover reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which it or they may be entitled.

## ARTICLE 7
## ARBITRATION

In the event a dispute arises with respect to the interpretation or effect of this Agreement or concerning the rights or obligations of the parties to this Agreement, the parties agree to negotiate in good faith with reasonable diligence in an effort to resolve the dispute in a mutually acceptable manner. Failing to reach a resolution of this Agreement, either party shall have the right to submit the dispute to be settled by arbitration before one arbitrator under the Commercial Rules of Arbitration of the American Arbitration Association. The parties agree that, unless the parties mutually agree to the contrary such arbitration shall be conducted in the State of New York. The cost of arbitration shall be borne by the party against whom the award is rendered or, if in the interest of fairness, as allocated in accordance with the judgment of the arbitrators.

## ARTICLE 8
## MISCELLANEOUS

8.01. No party may assign this Agreement or any right or obligation of it hereunder without the prior written consent of the other parties to this Agreement. No permitted assignment shall relieve a party of its obligations under this Agreement without the separate written consent of the other parties.

8.02. This Agreement shall be binding upon and inure to the benefit of the parties and their respective permitted successors and assigns.

8.03. Each party agrees that it will comply with all applicable laws, rules and regulations in the execution and performance of its obligations under this Agreement.

8.04. This Agreement shall be governed by and construct in accordance with the laws of the State of Delaware without regard to principles of conflicts of law.

8.05. This document constitutes a complete and entire agreement among the parties with reference to the subject matters set forth in this Agreement. No statement or agreement, oral or written, made prior to or at the execution of this Agreement and no prior course of dealing or practice by either party shall vary or modify the terms set forth in this Agreement without the prior consent of the other parties to this Agreement. This Agreement may be amended only by a written document signed by the parties.

8.06. All notices, requests, demands, or other communications with respect to this Agreement shall be in writing and shall be (a) sent by facsimile transmission, (b) or with respect of notices from the United States sent by the United States Postal Service, registered or certified mail, return receipt requested, or (c) personally delivered by a nationally recognized express overnight courier service, charges prepaid, to the following addresses (or such other addresses as the parties may specify from time to time in accordance with this Section):

(i) If to UTEK:

UTEK CORPORATION
Clifford M. Gross, Ph.D.
Chief Executive Officer
2109 East Palm Avenue
Tampa, Florida 33605

(ii) If to NBS or SCTI:

NEOSTEM, INC.
Catherine Vaczy
General Counsel
420 Lexington Ave, Suite 450
New York, New York 10170

8.07. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

8.08. This Agreement may be executed in multiple counterparts, each of which shall constitute one and a single Agreement.

8.09. Any facsimile signature of any part to this Agreement or to any other agreement or document executed in connection of this Agreement should constitute a legal, valid and binding execution by such parties.

(SIGNATURES ON THE FOLLOWING PAGE)

NEOSTEM, INC.

By: /s/ Robin Smith
Robin Smith, M.D.
Chief Executive Officer

Address:
420 Lexington Ave, Suite 450
New York, New York 10170

Date: November 12, 2007

STEM CELL TECHNOLOGIES, INC.

By: /s/ Jennifer Willis
Jennifer Willis
President

Address:
2109 East Palm Avenue
Tampa, Florida 33605

Date: November 12, 2007

UTEK CORPORATION

By: /s/ Clifford M. Gross
Clifford M. Gross, Ph.D.
Chief Executive Officer

Address:
2109 East Palm Avenue
Tampa, Florida 33605

Date: November 12, 2007

UTEK CORPORATION

By: /s/ Doug Schaedler
Doug Schaedler
Chief Compliance Officer

Address:
2109 East Palm Avenue
Tampa, Florida 33605

Date: November 12, 2007

Exhibit 10.2

* INDICATES A PORTION OF THIS EXHIBIT THAT WAS OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT. THIS EXHIBIT INCLUDING SUCH OMITTED INFORMATION WAS FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION ON A CONFIDENTIAL BASIS.

EXCLUSIVE LICENSE AGREEMENT

BETWEEN

UNIVERSITY OF LOUISVILLE RESEARCH FOUNDATION, INC.

AND

STEM CELL TECHNOLOGIES, INC.

This exclusive license agreement (the "Agreement") is entered into this 12 day of November 2007 (the "Effective Date") by and between the University of Louisville Research Foundation, Inc. ("ULRF"), a Kentucky 501 (c) 3 non-profit corporation having an office at Med Center Three, 201 E. Jefferson Street, Suite 215, Louisville, KY 40202 as the agent of the University of Louisville ( "UofL") and Stem Cell Technologies, Inc. ("LICENSEE"), a Florida corporation with a principal place of business located at 2109 E. Palm Avenue, Tampa, FL 33605.

RECITALS

1. ULRF was established by UofL to enter into and administer research agreements with external funding sources in order to benefit the public by the transfer of technology from UofL to the private sector for development and commercialization;

2. ULRF owns the exclusive rights in certain Licensed Technology (as defined below) including rights in any patent applications filed on, and patents that issue on, such Licensed Technology;

3. The Inventors are employees of UofL and are obligated to assign all of their right, interest and title in the Licensed Technology to ULRF;

4. Intentionally Omitted;

5. Intentionally Omitted;

6. ULRF desires to have the Licensed Technology perfected and marketed at the earliest possible time to insure that products resulting therefrom may be available for public use and benefit;

7. LICENSEE desires to obtain from ULRF certain rights for the commercial development, use and sale of the Licensed Technology, and ULRF is willing to grant such rights;

8. In consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency thereof is hereby acknowledged;

NOW, THEREFORE, ULRF and LICENSEE hereby agree as follows:

ARTICLE 1

DEFINITIONS AND INTERPRETATION

1.1 Definitions. Unless the context otherwise requires, the capitalized terms used herein shall have the respective meanings specified or referred to in this Section 1.1, or elsewhere in this Agreement.

1.1.1 "Affiliate" shall mean any corporation or other legal entity which directly or indirectly controls, is controlled by, or is under common control with LICENSEE as of the Effective Date of this Agreement. For the purpose of this Agreement, "control" shall mean the direct or indirect ownership of greater than fifty percent (50%) of the outstanding shares on a fully diluted basis or other voting rights of the subject entity to elect directors, or if not meeting the preceding, any entity owned or controlled by or owning or controlling at the maximum control or ownership right permitted in the country where such entity exists. For clarity, a party's status as an Affiliate of LICENSEE shall terminate if and when such control ceases to exist.

1.1.2 "Change of Control" shall mean: (a) the acquisition, either directly or indirectly, by any third party of more than fifty percent (50%) of the voting stock of LICENSEE; (b) any merger or consolidation involving LICENSEE that requires a vote of the stockholders of LICENSEE; or (c) the transfer to any third party of all or substantially all the assets of LICENSEE relating to the subject matter of this Agreement.

1.1.3 "Field of Use" shall mean the field for which Licensed Products may be designed, manufactured, used or sold and shall be limited to the following field: all fields, unless further restricted under Section 3.3 and excluding education, academic research, teaching and public service.

1.1.4 "Net Sales" shall mean the gross sum which is invoiced (and any revenues received but not billed) to customers by LICENSEE or its Affiliates or sublicensees for the use, sale or other transfer of Licensed Products, less sales and/or use taxes actually paid, import and/or export duties actually paid, outbound transportation prepaid or allowed, insurance agents' commissions and amounts allowed or credited due to returns, rebates, discounts and the like (not to exceed the original billing or invoice amount). In the event Licensed Products are put into use or otherwise disposed of, or if sales are made other than by an arms-length transaction, or if LICENSEE or its Affiliates or sublicensees receive consideration other than cash for Licensed Products, then the gross selling price shall not be less than fair market value.

1.1.5 "Inventors" shall mean Drs. Mariusz Z. Ratajczak, Magdalenda Kucia, and Janina Ratajczak.

1.1.6 "License Year" shall mean a year in which this Agreement is in effect. The first License Year shall begin on the Effective Date of this Agreement and run until December 31 of the same calendar year. Thereafter, each subsequent License Year shall mean each subsequent calendar year, beginning January 1 and ending December 31, provided that the final License Year shall end on the date of expiration or termination of this Agreement.

1.1.7 "Licensed Patents" shall mean ULRF's United States patents and patent applications identified in Exhibit A, including any divisions, continuations (but not continuations-in-part), and reissues and extensions thereof, and any foreign counterparts and equivalents thereof.

1.1.8 "Licensed Products" shall mean any product or service in the Field of Use (i) that is covered by, or is made by a process covered by, any Valid Claim, (ii) for which the use, manufacture, import or sale would, absent this license, infringe, induce infringement or contribute to infringement of a Valid Claim, or (iii) which is made with, uses or incorporates any Licensed Technology. A Licensed Product may be marketed as a separate single component or may be marketed as a component of a more complex system or apparatus into which it has been incorporated.

1.1.9 "Licensed Technology" shall mean collectively the Licensed Patents identified in Exhibit A and any unpatented inventions, discoveries or know-how as further identified in Exhibit B.

1.1.10 "Licensed Territory" shall mean the world.

1.1.11 "Party" shall mean either LICENSEE or ULRF, and "Parties" shall mean both LICENSEE and ULRF.

1.1.12 "Royalty Periods" shall mean the four (4) three month periods during a License Year, the first beginning January 1 and ending March 31, the second beginning April 1 and ending June 30, the third beginning July 1 and ending September 30, the fourth beginning October 1 and ending December 31; provided that the first Royalty Period of this Agreement shall begin on the Effective Date and end December 31 of that same calendar year.

1.1.13 "Term" shall mean the term of this Agreement, which shall begin on the Effective Date and continue until the later of: (i) the latest date that a Valid Claim exists; or (ii) twenty (20) years after the Effective Date; or (iii) the date this Agreement is terminated in accordance with the terms hereof.

1.1.14 "Valid Claim" shall mean:

(a) a claim of an issued patent within the Licensed Patents that has not:

(i) expired or been canceled,

(ii) been finally adjudicated to be invalid or unenforceable by a decision of a court or other appropriate body of competent jurisdiction (and from which no appeal is or can be taken),

(iii) been admitted to be invalid or unenforceable through reissue, disclaimer or otherwise, or

(iv) been abandoned in accordance with or as permitted by the terms of this Agreement or by mutual written agreement; or

(b) a claim included in a pending patent application within the Licensed Patents, which claim is being actively prosecuted in accordance with this Agreement and which has not been:

(i) canceled,

(ii) withdrawn from consideration,

(iii) finally determined to be unallowable by the applicable governmental authority (and from which no appeal is or can be taken), or

(iv) abandoned in accordance with or as permitted by the terms of this Agreement or by mutual written agreement.

1.2 Interpretation. Each definition in this Agreement includes the singular and the plural, and reference to the neuter gender includes the masculine and feminine where appropriate. References to any statutes or regulations mean such statutes or regulations as amended at the time of interpretation and include any successor legislation or regulations. The headings to the Articles and Sections hereof are for convenience of reference and shall not affect the meaning or interpretation of this Agreement. Except as otherwise stated, reference to Articles, Sections, and Exhibits mean the Articles, Sections and Exhibits of this Agreement. Any Exhibits are hereby incorporated by reference into and shall be deemed a part of this Agreement. Unless the context clearly indicates otherwise, the word "including" means "including but not limited to." Any words that are not defined within this Agreement shall have their ordinary dictionary meaning.

## ARTICLE 2

## LICENSE GRANT AND RESERVATION OF RIGHTS

2.1 Exclusive License. Subject to LICENSEE's compliance with the terms and conditions of this Agreement, ULRF hereby grants and LICENSEE hereby accepts an exclusive, worldwide license under the Licensed Technology for the Term to make, have made, develop, use, sell, offer to sell import and export Licensed Products in the Fields of Use throughout the Licensed Territory.

2.2 Reservation of Rights.

2.2.1 ULRF and UofL reserve the right to license and practice the Licensed Technology for noncommercial purposes only, such as education, academic research, teaching, and public service. Any transfer of materials covered under the Licensed Patents shall be accompanied by a material transfer agreement that notifies the recipient of this License. The terms of the material transfer agreement to be used by ULRF for such transfers is attached to this Agreement as Exhibit C; the terms of which may be modified upon mutual agreement of the Parties. Upon request, ULRF will provide LICENSEE with a list of its academic or nonprofit recipients which have executed any such material transfer agreement.

2.2.2 The Inventors of the Licensed Technology reserve the right to practice the technology solely as provided in Section 2.2.1 above, for their own noncommercial educational and research purposes.

2.2.3 Nothing in this Agreement shall be construed as granting any license, title or any interest, by assumption, implication, estoppel or otherwise, to any patent or other rights not specifically listed as Licensed Technology.

2.2.4 LICENSEE understands and agrees that ULRF may publish or otherwise disseminate information concerning the Licensed Technology at any time in accordance with the provisions of confidentiality set forth in Article 11.

## ARTICLE 3

## DUE DILIGENCE BY LICENSEE

3.1 Due Diligence by LICENSEE. LICENSEE represents to ULRF, to induce ULRF to enter into this Agreement for the licensing of Licensed Technology, that LICENSEE will engage in a diligent program as herein set forth exploiting the Licensed Technology with the goal of public utilization resulting therefrom. LICENSEE represents and warrants that it will use reasonable commercial efforts to obtain the expertise necessary to develop the Licensed Technology with the goal of developing the Licensed Products in accordance with the terms of this Agreement. If the Licensed Products are subject to United States regulatory approval prior to marketing, LICENSEE shall use reasonable commercial efforts to market the Licensed Products in the United States within * of receiving regulatory approval to market such Licensed Products, subject to reasonable extension as may be requested by Licensee. Following the first commercial sale of the Licensed Products, LICENSEE shall use reasonable commercial efforts to reasonably fill the market demand for Licensed Products at all times during the Term.

3.2 Development Records. LICENSEE shall maintain documentation evidencing that LICENSEE (including Affiliates and sublicensees) is pursuing development of Licensed Products as required herein. Such documentation may include, but is not limited to, invoices for studies advancing development of Licensed Products, laboratory notebooks, internal job cost records, and filing made to the Internal Revenue Service to obtain tax credits, if available, for research and development of Licensed Products.

3.3 Development Plan. Upon execution of this Agreement, LICENSEE shall submit an initial Development Plan outlining work to be completed during the first * of the Research Period (as defined in the Sponsored Research Agreement described in Section 3.6 herein), which shall also serve as the research plan of the Sponsored Research Agreement. Within a reasonable time, but in no event later than * from the commencement of the Research Period, LICENSEE shall provide ULRF with a list of its desired, specific fields of use of the Licensed Technology and the definition of Field of Use set forth in 1.1.3 shall be deemed amended accordingly. In addition, within * from the commencement of the Research Period, LICENSEE will provide ULRF with a draft Development Plan written in the format set forth in Exhibit D for each specific field of use of the Licensed Technology included on the aforementioned list, satisfactory to ULRF, in its reasonable discretion and describing the steps it intends to take which it believes in good faith will result in allowing the inventions of the Licensed Patents to be utilized to provide Licensed Products for sale in the commercial market, which shall further include those steps taken, or to be taken, by Affiliates and sublicensees, as it may have been advised by Affiliates and sublicensees. For each specified field of use included on the aforementioned list for which ULRF does not receive a timely Development Plan from LICENSEE satisfactory to ULRF in its reasonable discretion, ULRF may withdraw that field of use from this Agreement the definition of Field of Use in 1.1.3 shall again be deemed amended to reflect the narrowed fields of use and ULRF may license such use to a third party, subject to prior notice to Licensee and an opportunity to cure as set forth in Section 12.1.1.1. For each new field of use desired by LICENSEE but not included on the list submitted to ULRF by LICENSEE at the end of * from the commencement of the Research Period, LICENSEE may request the addition of the new field(s) of use and its corresponding Development Plan to this Agreement in accordance with Section 13.3 of this

Agreement.

3.4 Development Report. Annually, commencing on January 1, 2009, LICENSEE shall provide ULRF with a written Development Report in order to keep ULRF informed of its progress. Such report shall contain substantially the information set forth in Exhibit E, including any relevant considerations involving any Affiliates and sublicensees as well as any necessary adjustments to the Development Plan. ULRF's review of LICENSEE's Development Report is solely to verify the existence of LICENSEE's commitment to the development activity and to assure compliance with LICENSEE's obligations to utilize the Licensed Technology to commercialize the Licensed Products for the marketplace, as set forth above.

3.5 Auditing and Review of Development Records. ULRF reserves the right to audit LICENSEE's records relating to the development of Licensed Products as required hereunder. Such requirements for LICENSEE's record keeping and ULRF's audit thereof shall be subject to the same procedures and restrictions set forth for audit of financial records of LICENSEE in Section 5.7.

3.6 Sponsored Research; Collection Center Agreement. LICENSEE recognizes the expertise of the Inventors in the Licensed Technology. ULRF and LICENSEE acknowledge that ULRF and NeoStem, Inc. ("NeoStem") shall execute a Sponsored Research Agreement ("SRA") which will serve as a basis for LICENSEE's diligence obligations hereunder. Furthermore, NeoStem and ULRF intend to enter into a collection center agreement soon after the execution of this Agreement, including making all filings and receiving all necessary approvals with respect to an investigational new drug application and institutional review board for the collection of stem cells as contemplated in the collection center agreement.

3.7 Conversion of License. If LICENSEE fails to perform in any material respect its obligations specified in Article 3, then ULRF shall have the right and option to either terminate this Agreement as provided in Section 12.1.1.1 or convert LICENSEE's exclusive license to a non-exclusive license, subject to the non-binding mediation and dispute resolution procedures provided in Section 13.10, subject to prior notice to Licensee and an opportunity to cure as set forth in Section 12.1.1.1.

## ARTICLE 4

## SUBLICENSING BY LICENSEE

4.1 Sublicenses. LICENSEE may not grant any sublicenses without the prior written approval of ULRF which shall not be unreasonably witheld, unless the following conditions are met: LICENSEE provides thirty (30) days advance written notice to ULRF; LICENSEE has used good faith efforts to assure itself of the integrity and financial responsibility of the sublicensee; the sublicensee has received and executed a license agreement binding it to all of the obligations, terms and conditions that obligate, bind or affect LICENSEE under this Agreement to the extent that such obligations, terms and conditions are relevant given the nature of the right to be granted by LICENSEE to the sublicensee; LICENSEE remits to ULRF all royalties that become payable, under Sections 5.3 and 5.4; and sublicensee is a publicly traded company, or if not a publicly traded company, has annual sales exceeding One Million Dollars ($1,000,000). LICENSEE agrees to provide ULRF with (i) the identity of any proposed sublicensee, and (ii) a true, correct and complete copy of the terms of any proposed sublicense at the time that LICENSEE seeks approval or provides notice. In the event that the original license with ULRF is terminated, all sublicenses would survive termination of the original license, and ULRF shall have the option to convert sublicenses to nonexclusive licenses.

## ARTICLE 5

## CONSIDERATION

5.1 License Issue Fee. LICENSEE shall pay to ULRF a non-creditable, non-refundable License Issue Fee of * . Said License Issue Fee shall be payable by LICENSEE to ULRF upon the commencement of the Research Period as described in Section 3.3.

5.2 License Maintenance Fee. LICENSEE shall pay ULRF a License Maintenance Fee of * due by January 31 of each calendar year upon issuance of the Licensed Patent in the United States. This annual maintenance fee payment will be nonrefundable and will not be creditable against any other payments due to ULRF under this Agreement.

5.3 Earned Royalty.

5.3.1 For any use or sale of Licensed Products, including the Licensed Products used and/or sold in connection with quantitating VSEL Stem Cells, LICENSEE shall pay to ULRF a royalty of * of Net Sales. Royalties due under this Section 5.3 shall be payable on a country-by-country and Licensed Product-by-Licensed Product basis until the expiration or termination of this Agreement. Royalties shall accrue when the Licensed Product is invoiced, or if not invoiced, when delivered to a third party. For purposes of clarity, ULRF is not entitled to a royalty payment on NeoStem's current collection and processing services.

5.3.2 Stacking. In the event during any Royalty Period, LICENSEE's total combined royalty burden for Licensed Patents and Enabling Technology (the "Total Royalty Stack") exceeds * of Net Sales (the "Royalty Stack Cap") the Earned Royalty payable by LICENSEE to ULRF for that Royalty Period shall be reduced such that for every * paid for Enabling Technology, * may be deducted from Earned Royalties owed to ULRF; provided however, that under no circumstance shall the Earned Royalty be less than * . For purposes of this Section 5.3.2, "Enabling Technology" means any and all additional third party licenses and rights which are required by LICENSEE for the practice of Licensed Patents or the manufacture of Licensed Products hereunder.

5.4 Sublicensing Consideration. In the event a sublicense is granted by LICENSEE hereunder, LICENSEE shall pay to ULRF * of all consideration (other than on Net Sales owed under Section 5.3) received by LICENSEE from the sublicensing of any rights granted under Section 2.1 of the Agreement. Such amounts shall be paid along with the earned royalties under Section 5.3.

5.5 Milestone Payments. For the specific fields of use identified on the list due to ULRF by LICENSEE at the end of * from the commencement of the Research Period as described in Section 3.3, LICENSEE shall pay to ULRF the following milestone payments within thirty days of the event set forth below:

o *

o *

o *

5.6 Royalty Payment and Report. Within thirty (30) days after the end of each Royalty Period, commencing with the date of the first commercial sale of Licensed Products including the Licensed Products used and/or sold in connection with quantitating VSEL Stem Cells, LICENSEE shall provide to ULRF a written report (even if there are no sales) detailing LICENSEE's (and each Affiliate's and sublicensee's) sales activities during such Royalty Period. Each report shall contain the information specified in the form attached hereto as Exhibit F. Concurrent with the making of each such report, LICENSEE shall include payment due ULRF of royalties for the Royalty Period covered by such report. If no payment is due for any such period, LICENSEE shall so state.

5.7 Accounting. LICENSEE shall keep and maintain records for a period of six (6) years from the date of creation, which show the manufacture, sale, lease, use, and other disposition of Licensed Products sold or otherwise disposed of under the licenses herein granted. Such records will include general ledger records showing cash receipts and expenses, and records which include production records, customers, and related information, in sufficient detail to enable the royalties payable hereunder by LICENSEE to be determined. LICENSEE will permit an independent certified public accountant as well as an internal ULRF auditor to have reasonable access annually upon reasonable notice and within six (6) months after termination of this Agreement, to audit, during ordinary business hours, such records as may be necessary to verify or determine royalties or other payments paid or payable under this Agreement. Such auditor or other person shall be instructed to report to ULRF only information related to determining the amount of royalties or other payments due and payable. LICENSEE shall reimburse ULRF all unpaid royalties, plus interest as set forth in Section 5.8, within thirty (30) days after receiving a written audit report. ULRF shall pay the cost of the audit unless the results of the audit reveal an under-reporting or an underpayment of royalties due ULRF of five percent (5%) or more, in which case LICENSEE shall pay the audit costs.

5.8 Interest. The royalty and other payments set forth in this Agreement shall, if overdue, bear interest until payment at the monthly rate of [(P+2)/12] %, where P is the prime rate quoted in the Wall Street Journal on the day such royalty becomes due. The payment of such interest shall not foreclose ULRF from exercising any other rights it may have as a consequence of the lateness of any payment.

5.9 Payment Procedures. All payments due from LICENSEE to ULRF hereunder shall be in U.S. currency by check or money order payable to the "University of Louisville Research Foundation, Inc." With respect to sales in countries outside the United States, royalties shall be payable in US dollars at the rate of exchange published in the Wall Street Journal on the close of business on the last banking day of each Royalty Period in which the royalty accrues. Royalties shall be paid to the ULRF free and clear of all foreign taxes. Such payments shall reference the UofL tax identification number #61-1029626 and shall be remitted to the address for ULRF specified in Section 13.1 of this Agreement.

5.10 Non-U.S. Taxes. LICENSEE will pay all non-U.S. taxes related to royalty payments. These payments are not deductible from any payments due to ULRF.

# ARTICLE 6

## PATENT PROSECUTION

6.1 Prosecution and Maintenance of Licensed Patents and Payment of Patent Costs. Upon execution of this Agreement, LICENSEE will assume responsibility of taking the lead on patent drafting and prosecution activities for the Licensed Patents as described below in this Article 6. Provided that LICENSEE timely makes all of its payments under this ARTICLE, subject in each case to notice and forty-five days to cure any nontimely payment as provided in Section 12.1, the following shall apply:

6.1.1 Reimbursement of Prior Patent Expenses. Upon execution of this Agreement, LICENSEE shall reimburse ULRF in the amount of * for all expenses related to patent filing and prosecution incurred prior to the Effective Date.

6.1.2 Future Patent Office Expenses. Future patent expenses shall be borne as follows:

6.1.2.1 LICENSEE will bear all costs, including ULRF's counsel fees (for reviewing and approving of filing and prosecution as described below) incurred in connection with such preparation, filing, prosecution and maintenance of Licensed Patents. Any necessary reimbursement by LICENSEE to ULRF for such costs shall occur within thirty (30) days after receipt of each invoice sent by ULRF to LICENSEE. ULRF shall use reasonable efforts to minimize reimbursable expenses by only utilizing external counsel on actions for which ULRF requires expert advice.

6.1.2.2 Prepayment of Future Patent Office Expenses. Upon the commencement of the Research Period, LICENSEE shall pay a non-refundable * , which shall be creditable against the first * of patent expenses incurred after the Effective Date of this Agreement.

6.1.3 Counsel and Joint Representation. LICENSEE may choose counsel from ULRF's pre-approved list of counsel, or any other counsel subject to ULRF's final approval, such approval not to be unreasonably withheld. Counsel shall provide concurrently to both Parties copies of all drafts, prosecution documents and correspondence for pending U.S. and foreign patent applications.

6.1.4 Patent Prosecution. LICENSEE shall formally direct patent prosecution and shall concurrently copy ULRF on all communication with counsel related to the Licensed Patents. LICENSEE will provide ULRF with ample opportunity to review and approve patent drafts and prosecution activities (either internally or with assistance from ULRF retained counsel, as appropriate), and shall incorporate any suggestions or changes made by ULRF.

6.1.5 Timing for Notice of Non-Election. In the event that LICENSEE shall elect not to continue prosecution or pay for the maintenance of any Licensed Patents, or for the filing, prosecution and maintenance of patent applications and patents which issue thereunder in accordance with this Agreement, LICENSEE shall provide ULRF with written notice of non-election at least thirty (30) days before the date patent related actions or fees are due or such other period of time as may be reasonable under the circumstances, and shall turn over patent prosecution toULRF. In the event LICENSEE does not provide sufficient notice, LICENSEE shall be responsible for reasonable expenses incurred by ULRF as related to the above-mentioned actions or fees that are due less than thirty (30) days from the date LICENSEE's notice of non-election is provided.

6.1.6 Recovery of Patents. In the event that LICENSEE shall elect not to pay for the maintenance of any Licensed Patent, or for the filing, prosecution and maintenance of patent applications and patents which issue thereunder, then such Patent(s) and patent applications shall cease to be considered Licensed Technology and shall no longer be subject to the exclusive license provisions of Article 2. LICENSEE shall cease utilizing technology covered by such recovered patents and ULRF shall be free to seek out a new licensee for the same recovered patents in any field, including the Field of Use. Non-payment of any material portion of patent expenses with respect to the maintenance of any Licensed Patent, or for the filing, prosecution and maintenance of patent applications and patents which issue thereunder, shall be deemed by ULRF as an election by LICENSEE to terminate its reimbursement obligations regarding such patent or application and its license rights thereto. LICENSEE shall cooperate with ULRF as reasonably requested to facilitate ULRF's filing, prosecution and maintenance of recovered patents.

6.2 Patent Term Extensions. If requested by LICENSEE, ULRF shall cooperate with LICENSEE to apply for an extension of the term of any patent in the Licensed Patents if appropriate under the Drug Price Competition and Patent Term Restoration Act of 1984 and/or European, Japanese and other foreign counterparts of this law. ULRF shall assist LICENSEE, if so requested, in preparing all documents for such application, and ULRF shall execute such documents and take any other additional action as LICENSEE reasonably requests in connection therewith. LICENSEE shall pay expenses incurred by the foregoing.

## ARTICLE 7

## EXCLUSIONS AND NEGATIONS OF WARRANTIES; LIMITATION OF LIABILITY; REPRESENTATIONS

7.1 Negation of Warranties. ULRF provides LICENSEE the rights granted in this Agreement AS IS and WITH ALL FAULTS. ULRF makes no representations other than as set forth herein and extends no warranties of any kind, either express or implied. Among other things, ULRF disclaims any express or implied warranty:

7.1.1 of merchantability, of fitness for a particular purpose;

7.1.2 of non-infringement; or

7.1.3 arising out of any course of dealing.

7.2 No Representation of Licensed Patent. LICENSEE also acknowledges that ULRF does not represent or warrant:

7.2.1 the validity or scope of any Licensed Patent; or

7.2.2 that the exploitation of Licensed Patent will be successful.

7.3 Representations of ULRF and LICENSEE.

7.3.1 Representations of the Parties: The Parties represent to the best of their knowledge that:

(a) the execution and delivery of this Agreement and the performance of the transactions contemplated hereby have been duly authorized by all appropriate corporate action of such party; and

(b) this Agreement is a legal and valid obligation binding upon such Party and enforceable in accordance with its terms, and the execution, delivery and performance of this Agreement by the Parties does not conflict with any agreement, instrument or understanding to which such Party is a party or by which it is bound.

7.3.2 Additional Representations of ULRF. ULRF represents to the best of its knowledge that:

(a) ULRF is the sole owner of the entire right, title and interest in and to the Licensed Patents and Licensed Technology;

(b) ULRF has the full right and legal capacity to grant the rights granted to LICENSEE hereunder without violating the rights of any third party and there are no rights in the Licensed Technology or Licensed Patents held by any governmental authority; and

(c) to the best of ULRF's knowledge, Licensed Patents have been properly filed and prosecuted.

7.4 No Warranties to Third Parties. LICENSEE shall not make any statements, representations or warranties or accept any liabilities or responsibilities whatsoever to or with regard to any person or entity that are inconsistent with any disclaimer or limitation included in this Article 7.

7.5 Limitation of Liability. THE ENTIRE RISK AS TO PERFORMANCE OF LICENSED PRODUCTS IS ASSUMED BY LICENSEE. IN NO EVENT SHALL ULRF, INCLUDING ITS TRUSTEES, FELLOWS, OFFICERS, EMPLOYEES, STUDENTS AND AGENTS, BE RESPONSIBLE OR LIABLE FOR ANY DIRECT, INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL OR OTHER DAMAGES WHATSOEVER, OR LOST PROFITS OR OTHER ECONOMIC LOSS OR DAMAGE WITH RESPECT TO LICENSED PRODUCTS, WHETHER GROUNDED IN TORT (INCLUDING NEGLIGENCE AND PRODUCT LIABILITY), STRICT LIABILITY, CONTRACT OR OTHERWISE. THE ABOVE LIMITATIONS ON LIABILITY APPLY EVEN THOUGH ULRF, ITS TRUSTEES, FELLOWS, OFFICERS, EMPLOYEES, STUDENTS OR AGENTS, MAY HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE.

## ARTICLE 8

## INDEMNITY & INSURANCE

8.1 Indemnity.

8.1.1 LICENSEE shall indemnify, hold harmless, and defend ULRF and its trustees, fellows, officers, employees, students, and agents, from and against any and all claims, suits, losses, damage, costs, fees, and expenses (including attorneys' fees) resulting from or arising out of the exercise of the licenses granted hereunder, or any sublicense thereof, by LICENSEE or its Affiliates or sublicensees except to the extent such losses arise from ULRF's gross negligence or willful misconduct. This indemnification shall include, but not be limited to, any product liability.

8.1.2 To the extent allowed by applicable Kentucky law (Kentucky Revised Statutes 44.070 et seq.), ULRF will defend, indemnify and hold harmless LICENSEE, its officers, directors employees, agents and assigns from and against any and all claims, suits, losses, damage, costs, fees and expenses (including attorneys' fees) which may result from any error or omission arising out of ULRF's performance under this Agreement.

8.2 Insurance. During the Term and for one year thereafter, LICENSEE shall obtain and maintain at all times and shall require its Affiliates and sublicensees, and any subcontractors of any of the foregoing, to obtain and maintain (i) insurance for all statutory workers' compensation and employers' liability requirements covering any and all employees with respect to activities performed under this Agreement; and (ii) comprehensive general liability insurance, including products liability insurance, with reputable and financially secure insurance carriers to cover their respective activities. Such insurance shall provide minimum limits of liability of $5,000,000 (which the Parties believe to currently be an appropriate level of coverage for the activities contemplated by this Agreement and which shall be reviewed from time to time by Licensee to assess its continued appropriateness and increase such levels should it consider it to be warranted) and shall include ULRF, its trustees, fellows, officers, employees, students, and agents as additional insureds. Such insurance shall be written to cover claims incurred, discovered, manifested, or made at any time during or after the expiration or termination of this Agreement. At ULRF's request, LICENSEE shall furnish a certificate of insurance evidencing primary coverage, indicating that ULRF has been endorsed as an additional insured under coverage referred to above, and requiring thirty (30) days prior written notice to ULRF of cancellation or material change. All such insurance of LICENSEE shall be primary coverage; the insurance of ULRF shall be deemed to be excess and noncontributory. ULRF shall notify LICENSEE in writing of any claim brought against ULRF in respect to which ULRF intends to invoke the provisions of this Section. LICENSEE shall keep ULRF informed in writing and on a current basis of LICENSEE's defense(s) of any known claim under this Section.

## ARTICLE 9

## MARKING; USE OF NAMES AND TRADEMARKS

9.1 Marking. Prior to the issuance of a Licensed Patent, LICENSEE shall mark Licensed Products (or their containers or labels if the Licensed Products are not capable of being marked) made, sold, or otherwise disposed of by LICENSEE under the license granted in this Agreement with the words "Patent Pending" if a patent application is pending. Following the issuance of Licensed Patent(s), LICENSEE shall mark Licensed Products (or their containers or labels if the Licensed Products are not capable of being marked) with the serial numbers of the Licensed Patents. All Licensed Products shipped to or sold in other countries shall be marked in such a manner as to conform with the patent laws and best practices of the country of manufacture or sale.

9.2 Use of Names and Trademarks. Neither Party shall, without the prior written consent of the other Party (which consent shall not be unreasonably withheld), identify the other Party in any advertising or other promotional materials to be disseminated to the public or use the name of any faculty member (with the exception of any ULRF Inventors who are employed by, partners in, or consultants of the LICENSEE), employee, or student of ULRF or UofL, or any trademark, service mark, trade name, or symbol owned by or associated with the other Party ULRF or UofL. The restrictions imposed by this Section shall not prohibit either Party from making any disclosure identifying the other Party that is required by applicable law or the requirements of a national securities exchange or another similar regulatory body.

9.3 Notwithstanding the foregoing, either Party may state that LICENSEE is licensed by ULRF under one or more of the patents or applications comprising the Licensed Patents.

## ARTICLE 10

## INFRINGEMENT

10.1 Infringement.

10.1.1 LICENSEE shall promptly notify ULRF of any suspected infringement of any Licensed Patent by a third party and furnish ULRF with any available evidence thereof.

10.1.2 ULRF shall have the right, but shall not be obligated, to prosecute at its own expense all infringements of the Licensed Patents, and, in furtherance of such right, LICENSEE hereby agrees that ULRF may include LICENSEE as a party plaintiff in any such suit, without expense to LICENSEE. ULRF shall notify LICENSEE in writing in the event that ULRF decides to initiate suit. The total cost of any such infringement action commenced or defended solely by ULRF shall be borne by ULRF and from any recovery or damages for past infringement derived therefrom, ULRF shall be reimbursed its out-of-pocket costs and attorney fees, then ULRF shall receive any sums of money that would have been paid to ULRF if said infringement had not occurred, then LICENSEE shall be reimbursed for any awards characterized as lost profits to LICENSEE if said infringement had not occurred, and then any remaining balance shall be retained by ULRF. In the event that a non-cash cross license is awarded or a non-cash settlement is reached, both Parties agree to negotiate appropriate compensation in good faith.

10.1.3 If, four (4) months after having been notified of any alleged infringement, ULRF is unsuccessful in persuading the alleged infringer to desist and ULRF has not brought suit against the alleged infringer, or if ULRF has notified LICENSEE at any time prior thereto of its intention not to bring suit against any alleged infringer, then, and in those events only, LICENSEE shall have the right, but shall not be obligated, to prosecute at its own expense any infringement of the Licensed Patent. If LICENSEE chooses to prosecute such a suit, LICENSEE shall notify ULRF in writing within forty-five (45) days after the date ULRF notifies LICENSEE of ULRF's intention not to bring suit. LICENSEE may, for such purposes, withhold up to thirty percent (30%) of royalties otherwise payable to ULRF to offset up to thirty percent (30%) of its infringement litigation expenses. LICENSEE may use the name of ULRF as party plaintiff; provided, however, that such right to bring such an infringement action shall remain in effect only for so long as the license granted herein remains in effect. No settlement, consent judgment or other voluntary final disposition of the suit may be entered into without the consent of ULRF, which consent shall not be unreasonably withheld. LICENSEE shall indemnify ULRF against any order for costs that may be made against ULRF in such proceedings. Any recovery of damages for past infringement delivered therefrom shall first reimburse LICENSEE for any of its out-of-pocket costs and attorney fees, then reimburse ULRF for the thirty percent (30%) of royalties that LICENSEE withheld from ULRF, then reimburse LICENSEE for its lost profits, then reimburse ULRF for any sums of money that would have been paid to ULRF if said infringement had not occurred, and then any balance shall be equally divided between the Parties.

10.1.4 Both Parties shall use reasonable efforts and cooperation to terminate infringement without litigation.

## ARTICLE 11

## CONFIDENTIALITY AND PUBLICATION

11.1 Confidentiality. Each Party agrees to keep confidential any Confidential Information disclosed by the other Party hereunder using methods at least as stringent as such Party uses to protect its own confidential information, and understands that this Section shall survive any termination of this Agreement. "Confidential Information" means confidential or proprietary information of a Party that shall be designated confidential at the time of disclosure by the disclosing Party either orally or in writing. If designated confidential orally, the disclosing Party shall within thirty (30) days of the date of disclosure confirm in writing the confidential nature of such information. In the case of LICENSEE, Confidential Information shall include LICENSEE's Development Plan and Development Reports, Licensed Products and all information concerning them. The receiving Party shall use reasonable efforts to ensure said Confidential Information is kept confidential and shall promptly return or destroy all originals and copies of Confidential Information at the written request of the disclosing Party. Except as otherwise provided herein, for a period of five (5) years following the date of such disclosure, the receiving Party will not disclose the Confidential Information without the consent of the disclosing Party and shall use such Confidential Information only for the purposes of this Agreement. Not withstanding the foregoing and except as may be authorized in advance in writing by the disclosing Party, the receiving Party may transfer the disclosing Party's Confidential Information to those of receiving Party's employees, students, officers, directors and agents as may be reasonably necessary to carry out the performance of this Agreement. Each Party agrees not to use any Confidential Information other than as provided hereunder. The confidentiality and use obligations set forth above apply to all or any part of the Confidential Information disclosed hereunder except to the extent that:

11.1.1 the receiving Party can show by written records that it possessed the information prior to its receipt from the other Party;

11.1.2 the information was already in the public domain or became so through no fault of the receiving Party;

11.1.3 the information is subsequently disclosed to the receiving Party by a third Party that has the right to disclose it free of any obligations of confidentiality;

11.1.4 the information is required to be disclosed by law or court order; or

11.1.5 five (5) years have elapsed from the expiration of this Agreement.

Notwithstanding the foregoing, each Party shall have the right to disclose the Confidential Information of the other Party to any actual or prospective investors, acquirers, lenders and other potential financing sources who are obligated to keep such information confidential.

## ARTICLE 12

## TERMINATION

12.1.1 Termination.

12.1.1.1 Either Party may terminate this Agreement immediately upon notice to the other if the other Party is in material breach of any provision of this Agreement, including, but not limited to, failure to perform in any material respect the due diligence obligations specified in Article 3, failure to make any material payments under any section of Articles 5 and 6, failure to maintain levels of insurance specified herein, and failures to maintain confidentiality and representations and warranties and such breach is not cured by such breaching Party within thirty (30) days after written notice thereof by the non-breaching Party.

12.1.1.2 Either Party may terminate this Agreement immediately upon written notice to the other Party in the event the other Party (i) files a petition under any bankruptcy or insolvency act or has any such petition filed against it which is not discharged within sixty (60) days of the filing thereof; (ii) makes an assignment for the benefit of its creditors or an offer of settlement, extension, or composition to its unsecured creditors generally; or (iii) appoints or suffers an appointment of a trustee, conservator, receiver, or similar fiduciary for substantially all of the assets of such Party.

12.1.1.3 LICENSEE may terminate this Agreement for any reason within sixty (60) days after written notice thereof by LICENSEE.

12.2 Consequences of Termination. Upon termination of this Agreement for any reason, nothing herein shall be construed to release either Party from any obligation that matured prior to the effective date of such termination. ULRF shall negotiate such license in good faith under reasonable terms and conditions. Upon termination, LICENSEE shall remain obligated to provide, in the form specified in Article 5 of this Agreement, an accounting for and pay royalties earned up to the date of termination. Any such payments or reports due to ULRF shall be sent to ULRF within thirty (30) days of termination. In the event of such termination, ULRF shall have no obligation to refund any license or royalty fees or other amounts paid by LICENSEE to ULRF under this Agreement or any other agreement between the Parties. Additionally, in the event of termination by ULRF for any reason provided herein or by LICENSEE pursuant to Section 12.1.1.3, LICENSEE may for one (1) year following the date of termination, sell inventoried Licensed Products, provided that LICENSEE shall pay to ULRF the royalties thereon as required by Article 5 of this Agreement and shall submit the related reports as required by Article 5 of this Agreement.

12.3 Survival upon termination. The following provisions shall survive any termination or expiration of this Agreement: Articles 1, 7, 8, 11, and 13 and Sections 5.6, 5.7, 5.8, 5.9, 5.10, 12.2 and 12.3.

## ARTICLE 13

## MISCELLANEOUS PROVISIONS

13.1 Notices. All notices required or permitted to be given under this Agreement shall be effective when given in writing, with reference to this Agreement and when (a) delivered personally; (b) sent by confirmed facsimile; (c) five (5) days after having been sent by United States mail, registered or certified, return receipt requested, postage prepaid; or (d) two (2) days after deposit with a commercial overnight carrier, with written verification of receipt. All communications shall be sent to the applicable Party's address set forth below or to such other address as may be designated by written notice.

To ULRF: If by Regular Postal Service:
University of Louisville
Office of Technology Transfer
Attn.: Director
201 E. Jefferson Street
Louisville, KY 40202
Phone (502) 852-2965
Fax (502) 852 2410

To LICENSEE:
Stem Cell Technologies, Inc.
2109 E. Palm Avenue
Tampa, FL 33605
Attention: Jennifer Willis, President

13.2 Assignment. While this Agreement is freely assignable by ULRF, this Agreement is personal to LICENSEE and may not be assigned or delegated accept as further described below, in whole or in part, by LICENSEE without the prior written consent of ULRF, which shall not be unreasonably withheld. A Change in Control shall not be considered an assignment for purposes of this Section 13.2 unless such Change in Control causes LICENSEE or its Affiliates to engage in any morally objectionable activities including: activities designed to defame, embarrass, harm, abuse, threaten, slander or harass third parties; activities prohibited by the laws of the United States and/or foreign territories in which LICENSEE conducts business; activities designed to encourage unlawful behavior by others, such as hate crimes, terrorism and child pornography; activities that are tortuous, vulgar, obscene, invasive of the privacy of a third party, racially, ethnically, or otherwise objectionable; activities designed to harm minors in any way Any attempted assignment in violation of this Section 13.2 shall be void and of no effect. It is understood that upon execution of this Agreement, LICENSEE shall be acquired by NeoStem, Inc. and all rights and responsibilities provided for in this Agreement shall be binding upon and inure to the benefit of NeoStem, Inc.

13.3 Entire Agreement; Amendments. This Agreement contains the entire understanding of the Parties with respect to the matter contained herein. The Parties may, from time to time during the continuance of this Agreement, modify, vary or alter any of the provisions of this Agreement, but only by an instrument duly executed by authorized officials of both Parties hereto and only if such instrument specifically states that it is an amendment to this Agreement.

13.4 Invalidity. In the event that any provision of this Agreement shall be determined by a court of competent jurisdiction to be invalid, illegal or unenforceable, that provision will be curtailed, limited or deleted, but only to the extent necessary to remove such invalidity, illegality or unenforceability, and the remaining provisions shall not in any way be affected or impaired thereby. In the event that such curtailment, limitation or deletion is not allowed by relevant law or if such curtailment, limitation or deletion changes any essential basis of the bargain set forth in this Agreement, the Parties agree to substitute a new provision as similar in effect to the deleted provision as may be allowed by relevant law.

13.5 Force Majeure. Neither Party hereto shall be deemed to be in default of any provision of this Agreement, or for any failure in performance, resulting from acts or events beyond the reasonable control of such Party, such as Acts of God, acts of civil or military authority, including denial or cancellation of any export or other necessary license, civil disturbance, war, strikes, fires, power failures, natural catastrophes or other "force majeure" events.

13.6 Waiver. No waiver by either Party of any breach of this Agreement, no matter how long continuing or how often repeated, shall be deemed a waiver of any subsequent breach thereof, nor shall any delay or omission on the part of either Party to exercise any right, power, or privilege hereunder be deemed a waiver of such right, power or privilege. All waivers must be in writing and signed by the Party to be charged with such waiver.

13.7 No Agency. The relationship between the Parties is that of independent contractors. Neither Party shall be deemed to be an agent of the other in connection with the exercise of any rights hereunder, and neither shall have any right or authority to assume or create any obligation or responsibility on behalf of the other.

13.8 Jurisdiction and Forum. The state and federal courts located in the Commonwealth of Kentucky shall have exclusive jurisdiction over any claim or dispute concerning or arising out of this Agreement and shall apply the laws of the Commonwealth of Kentucky (excluding its body of law controlling conflicts of law) in construing and interpreting this Agreement. The Parties hereby irrevocably consent to the exclusive jurisdiction of such courts and irrevocably waive any claim of inconvenient forum; provided that, notwithstanding the foregoing, either Party shall have the right to seek injunctive relief and the enforcement of judgments in any court of competent jurisdiction, no matter where located.

13.9 Laws and Regulations of the United States and Export. This Agreement shall be subject to all United States laws and regulations now or hereafter applicable to the subject matter of this Agreement. Each Party shall comply with all provisions of any applicable laws, regulations, rules and orders relating to the license herein granted and to the testing, production, transportation, export, packaging, labeling, sale or use of Licensed Products, or otherwise applicable to such Party's activities hereunder. LICENSEE hereby gives written assurance that it will comply with, and will make reasonable commercial efforts to cause its sublicensees to comply with, all United States export control laws and regulations.

13.10 Dispute Resolution. In the event the Parties cannot resolve a dispute, which arises under this Agreement, the Parties agree to submit the dispute to non-binding mediation. Either Party may request mediation by sending a written notice to the other Party, and the mediation shall be held in a mutually agreeable place in Louisville, Kentucky, at a mutually agreeable time, within thirty (30) days of the date of request for mediation. The Parties shall select a mediator who is acceptable to both of them, and if they cannot agree on a mediator, then each shall select their own mediator, and the two mediators shall serve in tandem to mediate the dispute. If as a result of the mediation the Parties do not resolve their dispute, then either Party shall have the right to pursue any other legal or equitable remedies it may have. Should dispute resolution be unsuccessful, the Parties agree that no written or oral representation made during the course of the settlement shall constitute a party admission.

THEREFORE, the Parties have executed this Agreement in duplicate originals by their duly authorized officers or representatives.

| UNIVERSITY OF LOUISVILLE RESEARCH FOUNDATION, INC. | Stem Cell Technologies Inc. |
| --- | --- |
| /s/ Manuel Martinez-Maldonado | /s/ Jennifer Willis |
| Manuel Martinez-Maldonado, EVPR | Jennifer Willis, President |
| Date November 12, 2007 | Date November 12, 2007 |

Attachments:

| | |
| --- | --- |
| Exhibit A: | Licensed Patents |
| Exhibit B: | Licensed Technology |
| Exhibit C: | Material Transfer Agreement |
| Exhibit D: | Development Plan |
| Exhibit E: | Development Report |
| Exhibit F: | ULRF Royalty Report |

* INDICATES A PORTION OF THIS EXHIBIT THAT WAS OMITTED PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT. THIS EXHIBIT INCLUDING SUCH OMITTED INFORMATION WAS FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION ON A CONFIDENTIAL BASIS.

University of Louisville Research Foundation
Sponsored Research Agreement

THIS AGREEMENT made and effective as of the last date of signature below ("Effective Date"), by and between the University of Louisville Research Foundation, Inc. (hereinafter "ULRF") a Kentucky non-profit corporation having an office at MedCenter One, 501 E. Broadway, Suite 200, Louisville, KY 40202-1798 as the agent of the University of Louisville (hereinafter "UofL") for receiving grants and research agreements from external funding sources and which owns and controls intellectual property on behalf of UofL (collectively "Institution") and NeoStem, Inc. with a principal place of business at 420 Lexington Avenue, Suite 450, New York, NY 10170 (hereinafter "SPONSOR").

WHEREAS, the research program contemplated by this Agreement is of mutual interest and benefit to the ULRF and SPONSOR and will further the instructional, research and public service objectives of the UofL in a manner consistent with its status as a non-profit, tax-exempt, educational institution; and

WHEREAS, SPONSOR desires to provide research funding in support of the research program in return for receiving certain rights in the research results.

NOW, THEREFORE, the parties hereto agree as follows:

1. DEFINITIONS

As used herein, the following terms shall have the following meanings:

1.1 "Principal Investigator" shall mean the investigator under whose supervision the Research is performed and shall mean Dr. Mariusz Ratajczak, Department of Medicine, Division of Hematology/Oncology.

1.2 "Research Period" commences with the date after the Effective Date of this Agreement on which (i) all Approvals (as defined in Section 2.1) are obtained, and (ii) the Principal Investigator has received the specimens needed for the conduct of the Research, and continuing for two and one-half years thereafter.

1.3 "Research" shall mean the description of the research in the Research Plan which is attached hereto as Appendix "A" and hereby made a part of this Agreement. Appendix A describes a collaborative effort between SPONSOR and Institution, with specified portions of Institution's Research contingent upon SPONSOR's activities.

1.4 "ULRF Intellectual Property" shall mean individually and collectively all inventions, improvements, modifications and/or discoveries which are conceived, invented, authored and/or first reduced to practice by one or more employees of UofL in performance of the Research, and all United States and foreign patent and copyright applications which may be filed at any time thereon. ULRF Intellectual Property shall not include "Traditional Works" as defined in Section 1.g. of Institution's Intellectual Property Policy (http://louisville.edu/thinker/for-faculty-and-staff/ip-policy.html) not specifically commissioned by Institution.

1.5 "JOINT Intellectual Property" shall mean individually and collectively all inventions, improvements, modifications and/or discoveries which are conceived, invented, authored and/or first reduced to practice jointly by one or more employees of UofL and by one or more employees, consultants or advisors of SPONSOR in performance of the Research, and all United States and foreign patent and copyright applications which may be filed at any time thereon. JOINT Intellectual Property shall not include "Traditional Works" as defined in Section 1.g. of Institution's Intellectual Property Policy (http://louisville.edu/thinker/for-faculty-and-staff/ip-policy.html) not specifically commissioned by Institution.



2. RESEARCH

2.1 ULRF and SPONSOR have executed this Agreement prior to all approvals ("Approvals") required by Institution and/or Federal regulation (e.g. Institutional Review Board ("IRB") approval if human subjects are involved in the Research, Institutional Animal Care and Use Committee ("IACUC") approval for use of live vertebrate animals in the Research) having been obtained for the Research described in Appendix A. Sponsor, Principal Investigator and Institution, as applicable, shall cooperate in preparing and fiing these documents, as applicable. ULRF shall commence the performance of its activities as set forth in Appendix A promptly after the start date of the Research Period as set forth in Section 1.2 above. ULRF and/or SPONSOR, as applicable, shall use its best reasonable efforts to obtain the Approvals promptly after the Effective Date of the Agreement. ULRF shall use reasonable best efforts to perform the Research substantially in accordance with the terms and conditions of this Agreement, subject to SPONSOR's performance of the activities assigned to it under Appendix A. Specimens from human subjects shall initially be provided to ULRF for the Research by Sponsor; provided that in the event the specimens are to be collected by the James Graham Brown Cancer Center of University Hospital located in Louisville, Kentucky, for use in the Research, then this Agreement shall be amended as appropriate in order to reflect such arrangement.

2.2 SPONSOR will obtain the informed written consent and separate authorization under HIPAA of each human subject from which a specimen is collected by SPONSOR for the purpose of the Research such that collection and use of Protected Health Information ("PHI") shall comply with all United States and international privacy laws, regulations, rules, opinions or other governmental and/or self-regulatory group requirements or statements of position currently existing or later enacted during the term of this Agreement. SPONSOR shall not provide any PHI to Institution or the Principal Investigator.

2.3 If for any reason the Principal Investigator becomes unable to continue the Research, and a successor acceptable to both parties is not available, ULRF and/or SPONSOR shall have the option to terminate this Agreement pursuant to Section 10 hereof.

2.4 If the nature of the Research is such that Institution and/or SPONSOR is required to have approval of a review committee(s) (e.g. conflict of interest, IRB, IACUC), Principal Investigator or SPONSOR investigator(s), as appropriate, shall prepare and file the applicable protocol/outline of work, and/or other required information and documents with the appropriate review committee(s), including any (re)submissions to such review committee(s) subsequently made necessary due to revision of Appendix A by the parties.

2.5 Both parties acknowledge that each reserves the right to terminate this Agreement and the Research if the applicable review committee(s) does not approve or subsequently suspends or withdraws its approval of the specimen collection protocol or Research.

3. REPORTING

3.1 The Principal Investigator will produce a brief progress report for each Aim described in Appendix A, outlining the accomplishments and results of the Research. Both parties agree to meet as may be necessary to discuss progress of the Research and the results of each Aim and may agree to modify future efforts based upon progress to date. In addition, Principal Investigator shall provide written technical reports on the Research to SPONSOR every six (6) months, and a final written technical report shall be submitted by the Principal Investigator within sixty (60) days of the conclusion of the Research Period. ULRF shall maintain records of the use of the funds provided by SPONSOR and shall make such records available to SPONSOR upon reasonable notice during regular ULRF business hours, but not more frequently than once each calendar year.

3.2 Subject to the provisions for (i) non-use and non-disclosure of ULRF's Confidential Information under Section 5 (CONFIDENTIALITY), (ii) the prerogative of Research personnel to first publish Research results in accordance with Section 7 (PUBLICATIONS), and (iii) filing of application(s) for statutory protection of Intellectual Property prior to enabling disclosure thereof in accordance with Section 8 (INTELLECTUAL PROPERTY) herein, SPONSOR may use the information provided in written technical reports submitted pursuant to this Section 3 and disclose such information to any third party. Information contained in such written technical reports which remains subject to the terms and conditions of Section 5, Section 7, and/or Section 8 herein shall not be disclosed by SPONSOR except on an "as needed" basis (a) to those parties with whom SPONSOR has entered into written confidentiality agreements at least as restrictive as the terms of Section 5 herein, or (b) in a submission to the United States Food & Drug Administration or a similar foreign agency that regulates approval of new drugs, provided that SPONSOR gives ULRF sixty (60) days prior written notice of such disclosure and receives ULRF's prior written permission, which shall not be unreasonably withheld.

4. PAYMENT OF COSTS

4.1 In consideration of ULRF's performance hereunder, SPONSOR agrees to support costs incurred in performance of the Research in the amount of Three Hundred Seventy Five Thousand U.S. Dollars (US$375,000), inclusive of applicable Facilities & Administrative Costs calculated at Institution's rate which is in effect as of the Effective Date of this Agreement. Unless the funding total is subsequently increased by written amendment to this Agreement made in accordance with Section 17.1, total costs to SPONSOR shall not exceed said amount. SPONSOR shall make interim payments as set forth in Appendix A provided this Agreement has not been terminated. Payment will be due upon SPONSOR's receipt of invoice. Payment by SPONSOR shall be sent to the address specified on the invoice. Invoices not paid within thirty (30) days of the later of invoice date or receipt date of invoice are subject to 1% per month interest on the unpaid balance for any amounts not in dispute. ULRF reserves the right to discontinue the Research if SPONSOR fails to make payments within thirty (30) days of the dates specified in the invoice except for amounts which are in dispute and subject to a thirty (30) day opportunity to resolve.

4.2 ULRF shall retain title to any equipment purchased with funds provided by SPONSOR under this Agreement.

4.3 The determination of allowable cost for ULRF's activities will be made in accordance with the applicable Federal Cost Principle inclusive of all amendments in effect as of the date of this Agreement, and any subsequent amendments: Institutions of Higher Education (OMB Circular A-21).

4.4 In the event of termination of this Agreement pursuant to Section 10, SPONSOR shall reimburse ULRF for all costs incurred and non-cancelable obligations made up to and including the effective date of such notice of termination; provided, the total funding provided by SPONSOR to ULRF hereunder shall not exceed the total funding amount set forth in Section 4.1.

5. CONFIDENTIALITY

5.1 In performance of the Research, either party may disclose information to the other party which it considers to be proprietary and confidential (hereinafter Confidential Information). All such information shall be designated confidential at the time of disclosure by the disclosing party either orally or in writing. If designated confidential orally, the disclosing party shall within thirty (30) days of the date of disclosure confirm in writing the confidential nature of such information. The receiving party shall use reasonable efforts to ensure said Confidential Information is kept confidential and shall promptly return or destroy all originals and copies of Confidential Information at the written request of the disclosing party. Except as otherwise provided herein, for a period of five (5) years following the date of such disclosure, the receiving party will not disclose the Confidential Information without the consent of the disclosing party and shall use such Confidential Information only for the purposes of this Agreement. Notwithstanding the foregoing, the receiving party may transfer the disclosing party's Confidential Information to those of receiving party's employees, students, officers, directors and agents as may be reasonably necessary to carry out the performance of this Agreement. Information shall not be subject to the aforementioned restrictions where the:

(a) information was possessed by receiving party prior to receipt from disclosing party other than through prior disclosure by the disclosing party as evidenced by receiving party's business records;
(b) information published or available to the general public otherwise than through a breach of this Agreement;
(c) information obtained by receiving party from a third party with a valid right to disclose it, provided that said third party is not under a confidentiality obligation to the disclosing party;
(d) information was independently developed by employees, agents or consultants of receiving party who had no knowledge of or access to the information as evidenced by receiving party's business records;
(e) information for which the receiving party obtains the disclosing party's prior written permission to publish or which is disclosed in the necessary course of the prosecution of patent applications upon intellectual property developed pursuant to this Agreement; or
(f) information required to be disclosed by operation of law, regulation, Attorney General decisions that carry the force of law, or court order.

6. PUBLICITY

6.1 SPONSOR will not use the name of the ULRF, UofL, nor of any employee, student, trustee or officer thereof, in advertising or publicity, including news releases, without the prior written consent of the ULRF, which shall not be unreasonably withheld; and ULRF will not use the name of the SPONSOR, nor any employee of SPONSOR, in any advertising or publicity, including news releases, without the prior written approval of SPONSOR, which shall not be unreasonably withheld.

6.2 Nothwithstanding anything to the contrary in this Agreement, (i) the ULRF may disclose the identity of the SPONSOR, the title of the Research, the name of the Investigator, the Contract Period, and the amount being paid by the SPONSOR for the Research, and (ii) the SPONSOR may disclose such information as required by law or regulation.

7. PUBLICATIONS

7.1 SPONSOR recognizes that under UofL policies, the results of the Research must be publishable and agrees that UofL and UofL investigators have the right to publish and otherwise publicly disclose any information gained in the course of the Research; provided, SPONSOR retains the right to preclude publication or other public disclosure of SPONSOR's Confidential Information. In order to permit SPONSOR an opportunity to determine if patentable inventions or SPONSOR's Confidential Information are disclosed therein, the Principal Investigator will provide SPONSOR with copies of any proposed publication or presentation by project investigators no less than thirty (30) days prior to submission for publication. Whenever possible, efforts will be made by the Principal Investigator to provide copies of drafts of intended articles or abstracts as soon as they reach a stage suitable for distribution. SPONSOR shall have thirty (30) days after receipt of said copies to object to such proposed presentation or proposed publication because there is patentable subject matter which needs protection and/or discloses SPONSOR's Confidential Information. In the event that SPONSOR makes an objection because its Confidential Information is disclosed in the proposed presentation or publication, such Confidential Information will be deleted from the proposed presentation or publication by the Principal Investigator and other Research personnel before proceeding with publication or presentation. In the event that SPONSOR makes an objection because potentially patentable subject matter is disclosed in the proposed publication or presentation, the Principal Investigator and other project investigators shall refrain from making such publication or presentation for a reasonable time, not to exceed three (3) months from the date of receipt of such objection, in order for the ULRF or SPONSOR to file a patent application(s) directed to the patentable subject matter contained in the proposed publication or presentation, in accordance with Article 8 (INTELLECTUAL PROPERTY) below.

8. INTELLECTUAL PROPERTY

8.1 For the purposes of this Section 8, right and title to any intellectual property, whether patented, copyrighted or maintained as know-how, shall be determined in accordance with the provisions for determining authorship and inventorship under Titles 17 and 35 of the United States Code, respectively.

8.2 All rights and title to ULRF Intellectual Property shall belong to the ULRF and shall be subject to the terms and conditions of this Agreement.

8.3 All rights and title to JOINT Intellectual Property shall jointly belong to ULRF and SPONSOR, and shall be subject to the terms and conditions of this Agreement.

8.4 ULRF will promptly notify SPONSOR of any ULRF Intellectual Property or JOINT Intellectual Property and will supply SPONSOR with a copy of any invention disclosure received from the Principal Investigator describing said ULRF Intellectual Property or JOINT Intellectual Property. Likewise, SPONSOR will promptly notify ULRF of any ULRF Intellectual Property or JOINT Intellectual Property and will supply ULRF with a copy of any invention disclosure thereon received from SPONSOR employee(s) describing said ULRF Intellectual Property or JOINT Intellectual Property. SPONSOR shall have thirty (30) days from the date of disclosure to decide whether a patent application or application for other intellectual property protection should be sought. If SPONSOR decides that a patent application or application for other intellectual property protection should be filed on ULRF Intellectual Property, the ULRF shall promptly prepare, file and prosecute such U.S. and foreign application(s) in ULRF's name. If SPONSOR decides that a patent application or application for other intellectual property protection should be filed on JOINT Intellectual Property, then SPONSOR shall direct ULRF to promptly prepare, file and prosecute such U.S. and foreign application(s) in ULRF and SPONSOR's name. SPONSOR shall bear all costs incurred in connection with such preparation, filing, prosecution and maintenance of U.S. and foreign applications directed to said ULRF Intellectual Property or JOINT Intellectual Property but may elect to discontinue its financial support of such prosecution and/or maintenance, provided, SPONSOR notifies ULRF in writing of such decision to discontinue reasonably in advance of ULRF's need to respond to any statutory deadlines of which SPONSOR has been made aware. SPONSOR and ULRF shall ensure that such application(s) to the best of their knowledge, cover all items of commercial interest and significance. With regard to all applications for which SPONSOR is reimbursing ULRF for or directly paying the patent-related expenses, SPONSOR shall be given reasonable opportunity to review and contribute to the content of said ULRF Intellectual Property application(s) being managed by ULRF. ULRF shall keep SPONSOR advised as to all developments with regard to said application(s) and shall promptly provide to SPONSOR copies of all documents received and/or filed in connection with the filing, prosecution or maintenance thereof in reasonable time, subject to statutory deadlines, for the SPONSOR to comment and contribute thereto. Following execution of an exclusive license to ULRF Intellectual Property or JOINT Intellectual Property, then prosecution responsibility of all licensed ULRF Intellectual Property or JOINT Intellectual Property shall be governed by the terms of such license, which shall be no less favorable to Sponsor than the terms set forth in the license being entered into concurrently with this Agreement.

8.5 If the SPONSOR elects not to support the filing of a patent application or other intellectual property protection for any ULRF Intellectual Property or Joint Intellectual Property disclosed to the SPONSOR or decides to discontinue the financial support of the prosecution or maintenance of any applications, ULRF shall have no further obligation to SPONSOR under this Agreement with regard to such applications and the subject ULRF Intellectual Property or JOINT Intellectual Property, and ULRF shall be free to file or continue prosecution or maintain any such application(s), and to maintain any issued patents thereon in the U.S. and any foreign country at ULRF's expense. Such patent applications and issued patents shall be excluded from SPONSOR's option under Section 9 hereof, however, SPONSOR shall retain all of its own rights in Joint Intellectual Property.

9. GRANT OF RIGHTS

9.1 ULRF grants the SPONSOR the first option, at the SPONSOR's sole election, to negotiate for an exclusive, worldwide commercial license to ULRF's interest in any ULRF Intellectual Property or JOINT Intellectual Property. Such license shall be for fair and valuable consideration and shall include a reasonable royalty rate and, subject to ULRF's policies, shall include other such terms as are typical in licenses of similar technology from not-for-profit organizations to for-profit organizations. The option shall extend for an option time period of * from the date of disclosure of the ULRF Intellectual Property or JOINT Intellectual Property to SPONSOR.

9.2 If SPONSOR elects not to exercise its option pursuant to this Section or fails to negotiate a license agreement to ULRF Intellectual Property or Joint Intellectual Property during said * option period, then:

(a) ULRF shall have no further obligation and SPONSOR shall have no further right to ULRF Intellectual Property and ULRF may license its interest in ULRF Intellectual Property to any party upon terms ULRF deems appropriate;

(b) SPONSOR shall pay to ULRF a royalty on any product that is covered by JOINT Intellectual Property, such rate to be determined during the option time period, or, if the parties fail to arrive at an agreement on this point, shall be set at * the rate of the relevant industry standard;

(c) ULRF and SPONSOR each shall be free to exploit the JOINT Intellectual Property as it wishes, whether directly and/or through licensing under its ownership interests to any third party(ies). ULRF and SPONSOR each shall fully account to the other for compensation derived from such exploitation, such accounting to be determined during the option time period, or, if the parties fail to arrive at an agreement on this point, shall be with * of the compensation to the licensing party and * to the non-licensing party.

9.3 Any license granted to SPONSOR by ULRF shall be subject, if applicable, to the rights of the United States government reserved under Public Laws 96-517, 97-256 and 98-620, codified at 35 U.S.C. 200-212, and any regulations issued thereunder, and shall include a perpetual, paid-up, royalty-free, non-exclusive license in favor of the ULRF and the Principal Investigator(s) to use the inventions and/or discoveries for noncommercial, educational and research purposes, including authorizing other entities to use such ULRF Intellectual Property and JOINT Intellectual Property for academic and non-commercial research purposes. For ULRF Intellectual Property and JOINT Intellectual Property subject to SPONSOR's exclusive option period as specified in Section 9.1 or to a subsequently executed exclusive commercial license agreement between ULRF and SPONSOR, ULRF shall notify SPONSOR of each other entity's use of such ULRF Intellectual Property or JOINT Intellectual Property and include appropriate restrictions (e.g., prohibit the third party from transferring the subject ULRF Intellectual Property or JOINT Intellectual Property to any third party, prohibit use of the subject ULRF Intellectual Property or JOINT Intellectual Property by the third party for any commercial purposes) in any such grant of research use rights to third parties. Unless restricted during the term of SPONSOR's exclusive option period specified in Section 9.1 or unless subject to a subsequently executed exclusive commercial license agreement between ULRF and SPONSOR, ULRF also reserves the right to use ULRF Intellectual Property and JOINT Intellectual Property for any purpose, including licensing ULRF Intellectual Property and JOINT Intellectual Property to third parties, without any further obligation to SPONSOR except as otherwise set forth herein (so long as such use does not disclose SPONSOR Confidential Information).

10. TERMINATION

10.1 This Agreement shall become effective upon the date first hereinabove written and shall continue in effect for the full duration of the Research Period unless sooner terminated pursuant to this Section. Sponsor may terminate this agreement upon ninety (90) days prior written notice to ULRF.

10.2 In the event that either party hereto shall commit any breach of or default in any of the terms or conditions of this Agreement, and also shall fail to remedy such default or breach within thirty (30) days after receipt of written notice thereof from the other party hereto, the party giving notice may, at its option and in addition to any other remedies which it may have at law or in equity, terminate this Agreement by sending notice of termination in writing to the other party to such effect and such termination shall be effective as of the date of receipt of such notice.

10.3 Termination of this agreement by either party for any reason shall not affect the rights and obligations of the parties accrued prior to the effective date of termination of this Agreement. No termination of this Agreement, however effectuated, shall release either party from their rights and obligations under Sections 5, 6, 7, 8 and 11.

11. INDEPENDENT PARTIES

11.1 For the purposes of this Agreement, the parties shall be independent contractors. Nothing contained herein shall be deemed or construed to create between the parties hereto a partnership or joint venture or the relationship of agent and principal.

12. DISCLAIMER OF WARRANTIES, INDEMNIFICATION

12.1 ULRF makes no warranties, express or implied, as to any matter whatsoever, including without limitation, warranties with respect to the conduct, completion, success or particular results of the Research, or the condition, ownership, merchantability, or fitness for a particular purpose of the Research or any ULRF Intellectual Property or JOINT Intellectual Property. ULRF shall not be liable for any direct, indirect, consequential, punitive or other damages suffered by SPONSOR or any other person resulting from the Research or use of the results of the Research or any ULRF Intellectual Property or JOINT Intellectual Property.

12.2 SPONSOR shall defend, indemnify and hold harmless ULRF, UofL, the Principal Investigator and any of ULRF or UofL's faculty, students, employees, trustees, officers, affiliates and agents and their respective successors, heirs and assigns (hereinafter referred to collectively as the " ULRF Indemnified Persons") from and against any and all liability, claims, lawsuits, losses, damages, costs or expenses (including attorney's fees) (collectively "Losses") which the ULRF Indemnified Persons may hereafter incur, or be required to pay as a result of SPONSOR's use of the results of the Research or any ULRF Intellectual Property or Joint Intellectual Property or any act or omission of SPONSOR, its employees, affiliates, contractors, licensees or agents. Nothwithstanding the foregoing, SPONSOR's indemnification obligations under this Section shall not apply to any Losses to the extent such Losses are attributable to the gross negligence or willful misconduct of any of the ULRF Indemnified Persons. ULRF shall notify SPONSOR upon learning of the institution or threatened institution of any such liability, claims, lawsuits, losses, damages, costs and expenses.

12.3 SPONSOR hereby assumes any risks of personal injury and property damage attributable to the negligent acts or omissions of SPONSOR in the performance of the Research and SPONSOR's officers, employees, and agents thereof. To the extent permitted by applicable law and its insurance coverage, ULRF hereby assumes any risks of personal injury and property damage attributable to the negligent acts or omissions of ULRF in the performance of the Research and ULRF's officers, employees and agents thereof.

13. ASSIGNMENT

13.1 This Agreement may not be assigned or delegated, in whole or in part, by SPONSOR or ULRF without the prior written consent of the other party, which shall not be unreasonably withheld. A change in control shall not be considered an assignment for purposes of this Section 13.1 unless such change in control causes SPONSOR or its Affiliates to engage in any morally objectionable activities including: activities designed to defame, embarrass, harm, abuse, threaten, slander or harass third parties; activities prohibited by the laws of the United States and/or foreign territories in which SPONSOR conducts business; activities designed to encourage unlawful behavior by others, such as hate crimes, terrorism and child pornography; activities that are tortuous, vulgar, obscene, invasive of the privacy of a third party, racially, ethnically, or otherwise objectionable; activities designed to harm minors in any way. Any attempted assignment in violation of this Section 13.1 shall be void and of no effect. "Affiliate" shall mean any corporation or other legal entity which directly or indirectly controls, is controlled by, or is under common control with SPONSOR as of the Effective Date of this Agreement. For the purpose of this Agreement, "control" shall mean the direct or indirect ownership of greater than fifty percent (50%) of the outstanding shares on a fully diluted basis or other voting rights of the subject entity to elect directors, or if not meeting the preceding, any entity owned or controlled by or owning or controlling at the maximum control or ownership right permitted in the country where such entity exists. For clarity, a party's status as an Affiliate of SPONSOR shall terminate if and when such control ceases to exist.

14. GOVERNING LAW

14.1 This Agreement shall be governed and construed in accordance with the laws of the Commonwealth of Kentucky without giving effect to the conflict of laws provisions.

15. NOTICES

15.1 Notices, invoices, communications and payments hereunder shall be deemed made if given in writing and addressed to the party to receive such notice, invoice, communication or payment at the address given below, or such other address as may hereafter be designated by notice in writing. Notices shall be delivered by certified or registered first class mail (airmail if not domestic) or by commercial courier service, and shall be deemed to have been given or made (a) when delivered personally; (b) when sent by confirmed facsimile; (c) three (3) days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (d) two (2) days after deposit with a commercial overnight carrier with confirmed verification of receipt.. All communications will be sent to the addresses set forth below or to such other address as may be designated by a party by giving written notice to the other party pursuant to this Section.

If to SPONSOR:

NeoStem, Inc.
420 Lexington Avenue
Suite 450
New York, NY 10170
Attention: General Counsel

If to ULRF:
For administrative notice:

Director, Office of Industry Contracts
University of Louisville Research Foundation, Inc.
MedCenter One, Suite 200
501 East Broadway
Louisville, KY 40202-1798

For technical notice: For U.S. Postal Service:
Dr. Mariusz Ratajcak
Dept. of Medicine-Oncology
University of Louisville
Louisville, KY 40292

16. ADDITIONAL PROVISIONS

16.1 In the event any part, article, section, subsection, clause, paragraph or subparagraph of this Agreement shall be held to be indefinite, invalid, illegal or otherwise voidable or unenforceable, the entire Agreement shall not fail on account thereof, and the balance of the Agreement shall continue in full force and effect.

16.2 A waiver by either party of a breach or violation of any provision of this Agreement will not constitute or be construed as a waiver of any subsequent breach or violation of that provision or as a waiver of any breach or violation of any other provision of this Agreement.

16.3 No exercise of a specific right or remedy by any party precludes it from or prejudices it in exercising another remedy or maintaining an action to which it may otherwise be entitled either at law or in equity.

16.4 During the performance of this Agreement, SPONSOR and ULRF shall not discriminate against any employee or applicant for employment because of race, color, sex, sexual preference, age, religion, national or ethnic origin, handicap, or because he or she is a disabled veteran or veteran of the Vietnam era.

16.5 Each party shall comply with all laws, regulations and other legal requirements applicable to them in connection with this Agreement.

17. AGREEMENT MODIFICATION

17.1 This Agreement is the final and complete understanding of the parties with respect to the subject matter hereof superseding all prior agreements, understandings and discussions relating thereto. No amendments or changes to this Agreement including, without limitation, changes to the field of Research, total cost or Research Period, shall be valid unless the change is made in writing and signed by authorized representatives of the parties hereto. The appendices will be binding upon the parties hereto except to the extent they may conflict with the terms and conditions contained within this Agreement, in which case the terms and conditions of the Agreement will govern.

[remainder of page left blank intentionally]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

THE UNIVERSITY OF LOUISVILLE RESEARCH FOUNDATION, INC.

Signature: /s/ David King

Printed Name: David D. King

Title: Director, Office of Industry Contracts

Date: November 12, 2007

NEOSTEM, INC.

Signature: /s/ Robin Smith

Printed Name: Robin Smith

Title: Chairman and CEO

Date: November 13, 2007

Principal Investigator, while not a party to this Agreement, by his/her signature acknowledges that he/she: (1) has read and agrees to abide by the terms and conditions that apply to the Principal Investigator, (2) agrees to conduct/perform the research as outlined in the Research Statement of Work, and (3) if applicable, will see that the work within the scope of this agreement is performed in accordance with an approved University/ Institution management plan.(1)

Name: Mariusz Z. Ratajczak, M.D., Ph.D.

Signature: /s/ Mariusz Ratajczak

Title: Professor, Medical Oncology

Date: November 12, 2007

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(1) "Management Plan" means a written plan for the management, reduction or elimination of a potential financial conflict of interest relating to research. It relies upon, and is therefore limited by, good faith disclosures about significant financial interests made, and other information provided by, a covered individual to the University.