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Form PTO-1594 (Rev. 03/01) OMB No. 0651-0027 (exp. 5/31/2002) Tab settings

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S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

Athersys, Inc.

- Individual(s) Association General Partnership Limited Partnership Corporation-State Other

Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies)

Name: Venture Lending & Leasing IV, Inc.,

Internal Address:

Street Address: 2010 North First Street

City: San Jose State: CA Zip: 95131

- Individual(s) citizenship Association General Partnership Limited Partnership Corporation-State Maryland Other

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No (Designations must be a separate document from assignment) Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance:

- Assignment Merger Security Agreement Change of Name Other

Execution Date: 2/14/06

4. Application number(s) or registration number(s):

A. Trademark Application No.(s) 76/585359; 76/585360; 76/585361; 76/585362; 76/585363; 76/643756; 76/650452

B. Trademark Registration No.(s)

Additional number(s) attached Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Russell D. Pollock, Esq.

Internal Address:

Street Address: Greene Radovsky Maloney & Share LLP Four Embarcadero Center, Suite 4000

City: San Francisco State: CA Zip: 94111

6. Total number of applications and registrations involved:

7

7. Total fee (37 CFR 3.41) \$ 190.00

- Enclosed Authorized to be charged to deposit account

8. Deposit account number:

DO NOT USE THIS SPACE

9. Signature.

Jeffrey T. Klugman

Name of Person Signing

Signature

3/1/06

Date

11

Total number of pages including cover sheet, attachments, and document:

40.00MB 150.00 OP

documents to be recorded with required cover sheet information to: Commissioner of Patent & Trademarks, Box Assignments Washington, D.C. 20231

03/15/2006 DBYRNE 00000046 76585359

01 FC:8521 02 FC:8522

## INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement (this "Agreement") is made as of February 14, 2006, by and between ATHERSYS, INC., a Delaware corporation ("Grantor"), and VENTURE LENDING & LEASING IV, INC., in its capacity as agent for itself and Costella Kirsch IV, L.P. under the Loan Agreement (hereinafter defined) ("Secured Party").

### RECITALS

A. Pursuant to a Loan and Security Agreement dated as of November 2, 2004 (the "Loan Agreement") between Grantor, as borrower, and Secured Party, as agent for itself and Costella Kirsch IV, L.P., as lenders ("Lenders"), Lenders agreed to make certain advances of money and to extend certain financial accommodations to Grantor (the "Loans") in the amounts and manner set forth in the Loan Agreement. All capitalized terms used herein without definition shall have the meanings ascribed to them in the Loan Agreement.

B. Lenders are willing to make or continue the Loans to Grantor, but only upon the condition, among others, that Grantor shall grant to Secured Party, for the benefit of Lenders, a security interest in substantially all of Grantor's personal property whether presently existing or hereafter acquired. To that end, Grantor has executed in favor of Secured Party the Loan Agreement granting a security interest in all Collateral, and is executing this Agreement with respect to certain items of Intellectual Property, in particular.

NOW, THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

1. Grant of Security Interest. As collateral security for the prompt and complete payment and performance of all of Grantor's present or future Obligations, Grantor hereby grants a security interest to Secured Party, as security, in and to Grantor's entire right, title and interest in, to and under the following Intellectual Property, now owned or hereafter acquired by Grantor or in which Grantor now holds or hereafter acquires any interest (all of which shall collectively be called the "Collateral" for purposes of this Agreement):

(a) Any and all copyrights, whether registered or unregistered, held pursuant to the laws of the United States, any State thereof or of any other country; all registrations, applications and recordings in the United States Copyright Office or in any similar office or agency of the United States, and State thereof or any other country; all continuations, renewals, or extensions thereof; and any registrations to be issued under any pending applications, including without limitation those registered and owned by Grantor, as set forth on Exhibit A attached hereto (collectively, the "Copyrights");

(b) All patents, or rights corresponding thereto, granted in the United States or any other country, all applications for patent, or rights corresponding thereto, existing in the United States or any other country, including, without limitation, applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country; all reissues, continuations, continuations-in-part or extensions thereof; all petty patents, divisionals, and patents of addition; and all patents to be issued under any such applications, including without limitation the patents and patent applications owned or exclusively licensed by Grantor, as set forth on Exhibit B attached hereto (collectively, the "Patents");

(c) All trademarks, trade names, corporate names, business names, service marks, logos, other source or business identifiers, and designs of like nature, all registrations and recordings thereof, and any applications in connection therewith, including, without limitation, registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country or any political subdivision thereof, and extensions or renewals thereof, and the entire goodwill of the business of Grantor connected with and symbolized by such trademarks, including without limitation those registered and owned by Grantor, as set forth on Exhibit C attached hereto (collectively, the "Trademarks");

(d) Any and all claims for damages by way of past, present and future infringement of any of the rights included above, with the right, but not the obligation, to sue for and collect such damages for said use or infringement of the intellectual property rights identified above;

(e) All licenses or other rights to use any of the Copyrights, Patents or Trademarks to the extent permitted by such license or rights;

(f) All license fees, royalties or other proceeds and products of the foregoing, including without limitation all payments under insurance or any indemnity or warranty payable in respect of any of the foregoing.

2. Covenants and Warranties. Grantor represents, warrants, covenants and agrees as follows:

(a) Grantor is now the sole owner of the Collateral, except for the Collateral licensed to Grantor or jointly owned pursuant to a written agreement;

(b) During the term of this Agreement, Grantor will not assign or grant any security interest in the Collateral, except as set forth in the Loan Agreement;

(c) To its knowledge, each of the Patents is valid and enforceable, and no part of the Collateral owned by Grantor has been judged invalid or unenforceable, in whole or in part, and, except as set forth on the Schedules of Exceptions to the Loan Agreement, no claim has been made that any part of the Collateral owned by Grantor violates the rights of any third party;

(d) **Grantor shall deliver to Secured Party within thirty (30) days of the last day of each fiscal quarter in which there is a change or update to the reported contents from the previous fiscal quarter, a report signed by Grantor, in form reasonably acceptable to Secured Party, listing any applications or registrations that Grantor has made or filed in respect of any Patents, Copyrights or Trademarks owned by Grantor and the status thereof;**

(e) Grantor shall use commercially reasonable efforts to (i) protect, defend and maintain the validity and enforceability of the Trademarks, Patents and Copyrights owned by Grantor, (ii) detect infringements of the Trademarks, Patents and Copyrights owned by Grantor, and (iii) not allow any material Trademarks, Patents or Copyrights owned by Grantor, to be abandoned, forfeited or dedicated to the public unless in Grantor's commercially reasonable judgment, it is reasonable to do so; and

(f) Grantor shall, consistent with its practice prior to the Effective Date, apply for Patents for inventions by Grantor from time to time in connection with any product or service, prior to the sale or licensing of such product or the rendering of such service to any third party (including without limitation revisions or additions to the intellectual property rights listed on such Exhibits A, B and C) and register any Trademarks and Copyrights used in commerce, except with respect to such inventions that Grantor determines in its sole but reasonable commercial judgment need not be registered to protect its own business interests or because it is not commercially reasonable to do so. Grantor shall give Secured Party notice of all such applications; and

(g) Grantor shall not enter into any agreement that would materially impair or conflict with Grantor's obligations as set forth hereunder and in the Loan Agreement without Secured Party's prior written consent, which consent shall not be unreasonably withheld. Grantor shall not permit the inclusion in any material contract to which it becomes a party of any provisions that could or might in any way prevent the creation of a security interest in Grantor's rights and interests in any property included within the definition of the Collateral acquired under such contracts, except as set forth in the Loan Agreement.

3. Further Assurances. On a continuing basis, Grantor will execute, acknowledge and deliver all such instruments, including appropriate financing and continuation statements and collateral agreements and filings with the United States Patent and Trademark Office and the Register of Copyrights, and take all such action as may

reasonably be deemed necessary or advisable, or as reasonably requested by Secured Party, for Secured Party to file, record and perfect Secured Party's security interest in all Copyrights, Patents and Trademarks and otherwise to carry out the intent and purposes of this Agreement, or for Secured Party to assure and confirm the grant or perfection of a security interest in all Collateral.

4. Amendments. This Agreement may be amended only by a written instrument signed by both parties hereto, except for amendments permitted under Section 3 hereof to be made by Secured Party alone.

5. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute the same instrument.

*[Signature pages follow]*

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

GRANTOR:

Address of Grantor:

ATHERSYS, INC.

3201 Carnegie Avenue  
Cleveland, OH 44115-2634  
Attn: Chief Financial Officer

By: *William O. Lehmann, Jr.*  
Name: William O. Lehmann, Jr.  
Its: Executive Vice President

SECURED PARTY:

Address of Secured Party:

VENTURE LENDING & LEASING IV, INC., as Agent

2010 North First Street, Suite 310  
San Jose, CA 95131  
Attn: Chief Financial Officer

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

GRANTOR:

Address of Grantor:

ATHERSYS, INC.

3201 Carnegie Avenue  
Cleveland, OH 44115-2634  
Attn: Chief Financial Officer

By: \_\_\_\_\_

Name: \_\_\_\_\_

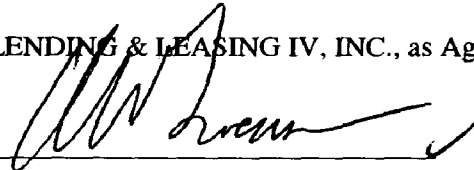
Its: \_\_\_\_\_

SECURED PARTY:

Address of Secured Party:

VENTURE LENDING & LEASING IV, INC., as Agent

2010 North First Street, Suite 310  
San Jose, CA 95131  
Attn: Chief Financial Officer

By:  \_\_\_\_\_

Name: Ronald W. Swenson

Its: Chief Executive Officer

**EXHIBIT A**

**Copyrights**

**None.**

**EXHIBIT B**

## US Patents and Applications owned by Grantor

<b>TITLE</b>	<b>SERIAL NUMBER (applications) ISSUE NUMBER (patents)</b>	<b>APPLICATION/ ISSUE DATE</b>
Compositions And Methods For Non-Targeted Activation Of Endogenous Genes	6,897,066 B1	05/24/05
Compositions And Methods For Non-Targeted Activation Of Endogenous Genes	10/331,329	12/30/02
Compositions And Methods For Non-Targeted Activation Of Endogenous Genes	6,602,686	08/05/03
Compositions And Methods For Non-Targeted Activation Of Endogenous Genes	6,670,185	12/30/03
Compositions And Methods For Non-Targeted Activation Of Endogenous Genes	6,410,266	06/25/02
Compositions And Methods For Non-Targeted Activation Of Endogenous Genes	6,361,972	03/26/02
Compositions And Methods For Non-Targeted Activation Of Endogenous Genes	6,541,221	04/01/03
Compositions And Methods For Non-Targeted Activation Of Endogenous Genes	6,524,824	02/25/03
Compositions And Methods For Non-Targeted Activation Of Endogenous Genes	09/484,895	01/18/00
Compositions And Methods For Non-Targeted Activation Of Endogenous Genes	6,623,958 B1	09/23/03
Compositions And Methods For Non-Targeted Activation Of Endogenous Genes	09/484,743	01/18/00
Compositions And Methods For Non-Targeted Activation Of Endogenous Genes	6,524,818	02/25/03
Compositions And Methods For Non-Targeted Activation Of Endogenous Genes	6,740,503	05/25/04
Compositions And Methods For Non-Targeted Activation Of Endogenous Genes	09/484,331	01/18/00
Compositions And Methods For Non-Targeted	10/635,818	08/05/03



Activation Of Endogenous Genes		
Compositions And Methods For Non-Targeted Activation Of Endogenous Genes	09/760,897	01/17/01 Allowed 01/11/05
Compositions And Methods For Non-Targeted Activation Of Endogenous Genes	11/218,378	09/0205
Compositions And Methods For Non-Targeted Activation Of Endogenous Genes	Pending	09/06/05
Indole Acetic Acids Exhibiting CRTH-2 Receptor Antagonism And Uses Thereof	11/230,917	09/21/05
Benzimidazole Acetic Acids Exhibiting CRTH -2 Receptor Antagonism And Uses Thereof	11/230,916	09/21/05
Novel Nucleic Acid And Protein Homologs And Uses Thereof	10/098,754	03/15/02
Antibodies To A Novel Adam Family Member And Uses Thereof	10/869,707	06/15/04
Methods For Using ADAMTS-12, An Integrin And Metalloprotease With Thrombospondin Motifs	10/164,893	06/07/02
Methods For Using Calcium-Sensing Receptor 2 (CaR2)	10/283,842	10/29/02
Compositions And Methods For Making Mutations In Cell Lines And Animals	10/277,612	10/22/02
Compositions And Methods For Making Mutations In Cell Lines And Animals	10/342,791	01/15/03
Compositions And Methods For Making Mutations In Cell Lines And Animals	10/342,948	01/15/03
Compositions And Methods For Making Mutations In Cell Lines And Animals	10/342,923	01/15/03
Compositions And Methods For Making Mutations In Cell Lines And Animals	10/345,115	01/15/03
Methods For Using Osteocalcin	10/283,656	10/29/02
Methods For Mutating Genes In Cells And Animals Using Insertional Mutagenesis	10/288,555	11/04/02
Enhanced Synthetic Microchromosome Formation From Alpha Satellite With Artificially Increased Density Of CENP-B Boxes	04786434.3-2405	08/09/04

Non-Imidazole Tertiary Amines As Histamine 3 Receptor Inhibitors For The Treatment Of Cognitive And Sleep Disorders, Obesity And Other CNS Disorders	11/170,265	29 June 2005
Substituted Azepine Derivatives As Serotonin Receptor Modulators	11/170,266	29 June 2005
Tricyclic Indeno-Pyrroles And Azetidines Derivatives As Serotonin Receptor Modulators	11/189,952	26 July 2005
4-Piperidinol Tertiary Amines As Histamine 3 Receptor Inhibitors For The Treatment Of Obesity And Other CNS Disorders	Pending	Pending
Cyclic N-Hydroxy Imides As Inhibitors Of Flap Endonuclease I (Fen1) And Uses Thereof	PCT/US2005/025592	20 July 2005
Tricyclic Heteroaryl Piperazines, Pyrrolidines And Azetidines As Serotonin Receptor Modulators	11/217,991	09/01/05
Indole Derivatives As Histamine 3 Receptor Inhibitors For The Treatment Of Cognitive And Sleep Disorders, Obesity And Other CNS	60/726,793	10/14/05
Thiophenyl And Pyrrolyl Azepines As Serotonin 5-Ht2c Receptor Ligands And Uses Thereof	Pending	01/19/06
Pyrazoles For The Treatment Of Obesity And Other CNS Disorders	Pending	02/09/06
Use of a GSK3 Beta Inhibitor to Maintain Pluripotency of Cultured Non-Embryonic Stem Cells	60/704,169	29 July 2005
Methods for Sustained Functional Effects of MAPCs on Cortical Infarcts and the Like	TBA	23 January 2006

EXHIBIT C

U.S. Trademark Registrations and Applications owned by Grantor

<b>Description</b>	<b>Registration/Application Number</b>	<b>Registration/Application Date</b>
RAGE (stylized letters)	76-585359 Allowed; # pending	April 6, 2004
SMC (stylized letters)	76-585360 Allowed; # pending	April 6, 2004
ATHERSYS (stylized letters)	76-585361 Allowed; # pending	April 6, 2004
GECKO (stylized letters)	76-585362 Allowed; # pending	April 6, 2004
A ATHERSYS (design plus stylized letters)	76-585363 Allowed; # pending	April 6, 2004
MULTISTEM	76/643,756	July 27, 2005
ReGenesys	76/650,452	November 17, 2005