November 23, 2010

Michael D. West, Ph.D.
Chief Executive Officer
BioTime, Inc.
1301 Harbor Bay Parkway
Alameda, CA 94502

Dear Mike:
The purpose of this letter (the "Letter Agreement") is to confirm the terms pursuant to which BioTime, Inc. ("BioTime") will make the Cell Lines (as defined below) available to California Institute of Regenerative Medicine ("CIRM") Grantees or Loan Recipients (as those terms are defined in CIRM's regulations), and California - based researchers employed by an entity having significant research operations in California, whether or not a profit or non-profit entity (collectively, "Eligible Recipients"). We believe that there may be a number of researchers in California who would be interested in the Cell Lines and we appreciate BioTime's willingness to make the Cell Lines available to Eligible Recipients. The financial terms below are meant to serve as a ceiling (i.e., a not to exceed amount), allowing both non-profit and for profit entities the ability to negotiate potentially more favorable provisions for both research and commercial use. Please indicate BioTime's agreement to the provisions and terms set forth below by executing this Letter Agreement in the space provided below:

1) Cell Lines for Research Use: Upon written request by an Eligible Recipient, BioTime agrees to provide the following five research grade Cell Lines to such Eligible Recipient for Research purposes only, on a first come first serve basis , subject to availability of supply, pursuant to a material transfer agreement that is in substantially the form of the material transfer agreement attached to this Letter Agreement as Exhibit A: ESI-014, ESI-017, ESI-035, ESI-051 and ESI-053 all as further described in that certain article, "The Generation of Six Clinical-Grade Human Embryonic Stem Cell Lines" (the "Article"), by Crook et al, *Cell Stem Cell* 1, November 2007, p. 490 (the "Cell Lines"). For purposes of this Letter Agreement, "Research" excludes use in human subjects, in clinical trials, or for diagnostic purposes involving human subjects. Without limiting the generality of the foregoing, Recipient agrees that the Research will exclude (i) the mixing of Cell Lines with an intact embryo, either human or non-human; (ii) implanting Cell Lines or products of Cell Lines in a uterus; and (iii) attempting to make whole embryos with Cell Lines by any method.

2) Price: The price for such research grade Cell Lines shall be $2,500 per ampoule. Notwithstanding the foregoing, BioTime shall waive this fee in the event that an Eligible Recipient enters into an agreement with BioTime for the provision of the Cell Lines, or any one of them, by April 30, 2011.

3) cGMP grade: (a) Within one year of the date of this Letter Agreement, BioTime agrees to make available to Eligible Recipients clinical grade (cGMP compliant) Cell Lines, including a letter of cross-reference to a Biologics Master File containing the manufacturing and controls information and a commitment to obtain any further information needed to establish GMP compliance, as well as complete DNA sequence information on the Cell Lines. The price for clinical grade Cell Lines shall be negotiated in good faith by BioTime, but BioTime agrees that the price for clinical grade cell lines will approximate BioTime's and its subsidiary ES Cell International's costs, including any required royalty payments with respect to the transfer of such clinical grade Cell Lines, incurred specifically in producing and supplying the Cell Lines in response to the request therefor by an Eligible Recipient. (b) If the Eligible Recipient requests use of clinical grade Cell Lines for Research use only, the clinical grade Cell Lines will be provided to Eligible Recipients pursuant to a material transfer agreement in substantially the form attached hereto as Exhibit A (which shall be modified to reflect the price negotiated between BioTime and the Eligible Recipient). (c) If the Eligible Recipient requests use of clinical grade Cell Lines or products derived from such Cell Lines for research use in human subjects, in clinical trials, or for diagnostic purposes involving human subjects, or commercial use, the clinical grade Cell Lines will be provided to Eligible Recipients pursuant to one or more agreements (e.g., material transfer agreement, license agreement, etc.) to be negotiated in good faith by the Eligible Recipient or its licensee and BioTime in accordance with paragraph 4 below. (d) For the avoidance of doubt, nothing in this Letter Agreement shall require BioTime to provide to Eligible Recipients anything other than Cell Lines, documentation required to establish cGMP compliance and complete DNA sequence information (i.e., BioTime shall not be required to provide products derived from the Cell Lines, or anything else other than the Cell Lines, documentation required to establish cGMP compliance and complete DNA sequence information to Eligible Recipients).

4) Royalty - BioTime agrees that no royalty will be owed to it for Research use of the Cell Lines, or for research use in human subjects, in clinical trials, or for diagnostic purposes involving human subjects. Once an Eligible Recipient or its licensee seeks to make commercial use of one or more Cell Lines or products derived from such Cell Lines, BioTime agrees to negotiate in good faith to attempt to enter into one or more agreements (e.g., material transfer agreement, license agreement, etc.) for such commercial use, provided that the royalty rate shall not exceed 2% of net sales of any product based on or arising from such Cell Line. Notwithstanding the foregoing, such royalty rate shall be reduced to no more than one and

one-half percent (1 ½ %) in the event that sales of such product are subject to any other royalty obligation. The royalty term shall not exceed the longer of (a) 10 years after first commercial sale of the applicable product or (b) or the life of the BioTime patent rights licensed to the Eligible Recipient or its licensee, which patent rights cover the Cell Line from which the product was derived, in either case with respect to (a) or (b), on a country-by-country basis. No license fees, milestone payments or other compensation to BioTime will be required. However, depending on the nature of the product to be developed, made and sold from the Cell Lines, additional licenses from third parties, including without limitation Wisconsin Alumni Research Foundation (WARF) or WiCell Research Institute, may be required. Notwithstanding anything to the contrary in this Letter Agreement, the royalty payable to BioTime by an Eligible Recipient or its licensee for commercial use of any Cell Line or product derived from such Cell Line shall not exceed the lowest royalty charged by BioTime to a third party for commercial use of such Cell Line or any product arising from such Cell Line, unless all rights to such Cell Line are sold rather than licensed under a royalty bearing agreement, or the license agreement is between BioTime and a BioTime subsidiary.

5) Other Terms – All other provisions of the applicable agreements between BioTime and any recipient of the Cell Lines shall be on commercially reasonable terms and subject to good faith negotiation.

6) No Obligation to Use or Develop - Neither CIRM nor any Eligible Recipient shall have any obligation to use or otherwise develop therapeutic or diagnostic agents from the Cell Lines. Likewise, although BioTime agrees to negotiate in good faith as provided above to attempt to enter into one or more agreements (e.g., material transfer agreement, license agreement, etc.) for research use in human subjects, in clinical trials, or for diagnostic purposes involving human subjects, or commercial use, as applicable, of the Cell Lines and products derived from the Cell Lines, BioTime shall have no obligation to enter into any such agreement if, despite such good faith negotiations, BioTime and the party seeking such use rights to the Cell Lines and products derived from the Cell Lines are unable to reach agreement on all terms of such agreement(s).

7) Third Party Beneficiaries – Eligible Recipients and, as applicable, their licensees are deemed intended third party beneficiaries of this Agreement.

8) Non-Responsibility – BioTime agrees that CIRM is a governmental entity providing a valuable service to stem cell researchers in California, and as such, CIRM shall have no liability for any third party claims, actions, judgments or the like arising from or relating to this Agreement, the provision of Cell Lines by BioTime or the use of the Cell Lines or products derived from the Cell Lines by any recipients. BioTime will indemnify, defend and hold CIRM harmless

from and against, any third party claims, actions, judgments or the like arising from a breach by BioTime of this Agreement, or the provision of Cell Lines by BioTime to any recipients or the use of the Cell Lines or products derived from the Cell Lines by any recipients.

9) Representations – BioTime represents and warrants that except as disclosed in Exhibit B : it has all rights, title and interest to the Cell Lines necessary to enter into this Letter Agreement and to provide the Cell Lines to Recipients for Research use; it is not under any obligation, contractual or otherwise, that conflicts with or is inconsistent with this Letter Agreement; and that the use of the Cell Lines for Research will not be subject to permissions or the payment of royalties to a third party.

10) Notification by CIRM – CIRM agrees to provide notification on its website, for a reasonable period of time not less than one year of the availability of the Cell Lines and to provide the terms of this Letter Agreement upon request by any Eligible Recipient.

11) Limitations – CIRM acknowledges, understands and agrees that the terms and conditions of this Letter Agreement do not and shall not apply to any person or entity other than CIRM that is not an Eligible Recipient or, as applicable, its licensees.

12) Term – The term of this Letter Agreement shall be five (5) years from the date first written above, unless extended or sooner terminated by written agreement of the parties; provided, however, that the provisions of paragraphs 4 and 5 shall survive any expiration or termination of this Letter Agreement until ten (10) years after the date first written above with respect to any Cell Lines sold or provided to Eligible Recipients or, as applicable, their respective licensees, pursuant to this Agreement. In addition, paragraphs 6-8 and 11 and this paragraph 12 shall survive expiration or termination of this Letter Agreement.

Please indicate your agreement to the foregoing terms by executing two copies of this Letter Agreement in the space provided below and returning one to my attention.
Very truly yours,

California Institute for Regenerative Medicine

By:_____
Alan O. Trounson, Ph.D.
President

AGREED AND ACCEPTED
BioTime, Inc.

By: _____
Michael D. West, Ph.D.
Chief Executive Officer
Date: 11-26-10

210 King Street, San Francisco, CA 94107 ♦ Phone: (415) 396-9100 ♦ Fax: (415) 396-9141
Web Address: www.cirm.ca.gov ♦ E-Mail: info@cirm.ca.gov

EXHIBIT A
Material Transfer Agreement

See attached.

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Web Address: www.cirm.ca.gov ♦ E-Mail: info@cirm.ca.gov

EXHIBIT B

Exceptions to Representations:
Recipients will be required to obtain a license or other permission from WARF or WiCell to use the Cell Lines.