
U.S. SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 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) March 3, 2017

Commission File No. **001-33718**

U.S. STEM CELL, INC.

(Name of small business issuer as specified in its charter)

Florida
State of Incorporation

65-0945967
IRS Employer Identification No.

13794 NW 4th Street, Suite 212, Sunrise, Florida 33325
(Address of principal executive offices)

(954) 835-1500
(Issuer's telephone number)

Check the appropriate box below if the Form 8-K 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))
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In this Current Report on Form 8-K, “Company,” “our company,” “us,” and “our” refer to U.S. Stem Cell, Inc., unless the context requires otherwise.

FORWARD-LOOKING STATEMENTS

Our disclosure and analysis in this Current Report on Form 8-K contains some forward-looking statements. Certain of the matters discussed concerning our operations, cash flows, financial position, economic performance and financial condition, and the effect of economic conditions include forward-looking statements. Statements that are predictive in nature, that depend upon or refer to future events or conditions or that include words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “estimates” and similar expressions are forward-looking statements. Although we believe that these statements are based upon reasonable assumptions, including projections of orders, sales, operating margins, earnings, cash flow, research and development costs, working capital, capital expenditures and other projections, they are subject to several risks and uncertainties. Investors are cautioned that our forward-looking statements are not guarantees of future performance and the actual results or developments may differ materially from the expectations expressed in the forward-looking statements.

As for the forward-looking statements that relate to future financial results and other projections, actual results will be different due to the inherent uncertainty of estimates, forecasts and projections may be better or worse than projected. Given these uncertainties, you should not place any reliance on these forward-looking statements. These forward-looking statements also represent our estimates and assumptions only as of the date that they were made. We expressly disclaim a duty to provide updates to these forward-looking statements, and the estimates and assumptions associated with them, after the date of this filing to reflect events or changes in circumstances or changes in expectations or the occurrence of anticipated events. You are advised, however, to consult any additional disclosures we make in our reports on Form 10-K, Form 10-Q, Form 8-K, or their successors.

Item 1.01. Entry Into A Material Definitive Agreement

See Item 2.01.

Item 2.01. Acquisition Or Disposition Of Assets.

On March 3, 2017, the Company entered into an Asset Sale and Lease Agreement with GACP (General American Capital Partners) Stem Cell Bank LLC, a Florida limited liability company (“GACP”) to sell to GACP fully depreciated equipment (the “Equipment Assets”) related to the segment of the Company business involving collecting, growing and banking cell cultures (the “Human Banking Business”) for an aggregate of \$500,000.

Simultaneous with the sale of the Equipment Assets, the Company leased back the Equipment Assets for a term of three years. The purchase price for the Human Banking Business was Four Hundred Thousand Dollars (\$400,000) for the actual equipment, plus \$50,000 for non-equipment assets specifically related to the banking business—plus another \$50,000 for customer contracts related to the bank. As consideration for the lease back of the Equipment Assets, the Company will pay base rent of Twenty thousand Dollars (\$20,000) per month plus a graduating payment of percentage rent for each of the three years.

In addition, GACP has contractually agreed to invest an additional Two and a half Million Dollars (\$2,500,000) to open ten (10) stem cell clinics in the United States within 3 years—with a penalty provision to the benefit of the Company for shortfalls if less than 6 clinics are opened within 24 months.

In conjunction with the Asset Sale and Lease Agreement, the Asset Purchase Agreement, and the Customer Purchase Agreement, on March 3, 2017, the Company entered into a Non-Competition and Non-Solicitation Agreement with GACP, the restrictive period of which is defined in the Non-Competition and Non-Solicitation Agreement.

The foregoing description of the Asset Sale and Lease Agreement, the Asset Purchase Agreement, and the Customer Purchase Agreement and Non-Competition and Non-Solicitation Agreement is a summary and is qualified in its entirety by reference to such documents, which is attached hereto as Exhibit 2.1, 2.2, 2.3 and 10.1 respectively.

Item 9.01. Financial Statements and Exhibits.

| Exhibit Number | Description |
|----------------|--|
| 2.1 | Asset Sale and Lease Agreement between U.S. Stem Cell, Inc. and GACP Stem Cell Bank LLC., dated March 3, 2017. |
| 2.2 | Asset Purchase Agreement between U.S. Stem Cell, Inc. and GACP Stem Cell Bank LLC., dated March 3, 2017. |
| 2.3 | Customer Purchase Agreement between U.S. Stem Cell, Inc. and GACP Stem Cell Bank LLC., dated March 3, 2017. |
| 10.1 | Non-Competition and Non-Solicitation Agreement between U.S. Stem Cell, Inc. and GACP Stem Cell Bank LLC., dated March 3, 2017. |

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934 the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Registrant

U.S. Stem Cell, Inc.

Date: March 8, 2017

By: /s/ Michael Tomas

Michael Tomas

Chief Executive Officer

ASSET SALE AND LEASE AGREEMENT

This Asset Sale and Lease Agreement (this "**Agreement**"), is made and entered into as of this 3rd day of March, 2017 (the "**Closing Date**"), by and between GACP STEM CELL BANK LLC, a Florida limited liability company ("**Lessor**") and U.S. STEM CELL, INC., a Florida corporation ("**Lessee**").

RECITALS

WHEREAS, Lessee desires to sell to Lessor and Lessor desires to purchase from Lessee, all of the equipment assets set forth on Schedule 2.01 (the "**Equipment Assets**") used in Lessee's business of collecting, growing and banking cell cultures for future use in connection with regenerative medicine purposes (the "**Human Banking Business**");

WHEREAS, immediately following the sale of the assets by Lessee to Lessor, Lessor and Lessee desire for Lessor to lease the Equipment Assets to Lessee pursuant to this Agreement for the Term (as defined below); and

WHEREAS, Lessor and Lessee intend for the transactions under this Agreement to constitute a true lease under the UCC.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement agree as follows:

**ARTICLE I
DEFINITIONS**

Unless otherwise defined herein, capitalized terms used in this Agreement have the meanings set forth in Article I.

"**Action**" means any claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity.

"**Affiliate**" of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person.

"**Agreement**" has the meaning set forth in the preamble.

"**Asset Purchase Agreement**" is that Asset Purchase Agreement dated as of the date hereof, and effective upon the expiration or earlier termination of the Term herein, wherein Lessee sells to Lessor, and Lessor purchases from Lessee, certain assets owned by Lessor related to the Human Banking Business as listed in the Asset Purchase Agreement.

"**Business Day**" means any day except Saturday, Sunday or any other day on which commercial banks located in Miami, Florida are authorized or required by Law to be closed for business.

"**Closing Date**" has the meaning set forth in the preamble.

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

"**Contractual Obligation**" as to any Person, means any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

"**Customer Purchase Agreement**" is that Customer Purchase Agreement dated as of the date hereof, wherein Lessee sells to Lessor, and Lessor purchases from Lessee, certain assets related to customers acquired by Lessee during the Term, with assignment and assumption of such customer assets effective upon the expiration or earlier termination of the Term.

"**Damages**" mean losses, injury, death, damages, liabilities, claims, deficiencies, Actions, judgments, interest, awards, penalties, fines, costs or expenses of whatever kind, including reasonable attorneys' fees and the cost of enforcing any right to indemnification under this Agreement and the cost of pursuing any insurance providers.

"**Default**" means any of the events specified in **Section 13.01**, which constitutes an Event of Default or which, on the giving of notice, the lapse of time, or both pursuant to **Section 13.01** would, unless cured or waived, become an *Event of Default*.

"**Designated Employees**" shall mean Michael Tomas, Kristin Comella and Julieta Radiche.

"**Disguised Security Interest**" means a sale of assets subject to a security interest under Article 9 of the UCC to secure the purchase price of the assets.

"**Event of Default**" has the meaning set forth in **Section 13.01**.

"**Force Majeure Event**" has the meaning set forth in **Section 20.14**.

"**GAAP**" means generally accepted accounting principles in the United States of America as in effect from time to time.

"**Governmental Authority**" means any federal, state, local or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of Law), or any arbitrator, court or tribunal of competent jurisdiction.

"**Governmental Order**" means any order, writ, judgment, injunction, decree, stipulation, award or determination entered by or with any Governmental Authority.

"**Human Banking Business**" has the meaning set forth in the recitals.

"**Indemnitees**" has the meaning set forth in **Section 14.01**.

"**Kit Shortfall**" shall mean the excess of (i) the aggregate number of stem cell kits set forth for purchase in a given month in the financial model for 6 clinics attached hereto as **Exhibit C** over (ii) the number of stem cell kits actually purchased by Lessor or an affiliate in such month.

"**Law**" means any statute, law, ordinance, regulation, rule, code, constitution, treaty, common law, Governmental Order, other requirement or rule of law of any Governmental Authority.

"**Lease Amendment**" means that certain amendment, dated as of the date hereof, to the Property Lease.

"**Lessee**" has the meaning set forth in the preamble.

"**Lessee Affiliate**" means an Affiliate of Lessee.

"**Lessee's Knowledge**" means the actual or constructive knowledge of any director or officer of Lessee, after due inquiry.

"**Lessor**" has the meaning set forth in the preamble.

"**Lessor Lien**" means any Lien on any Equipment Asset arising from any: (a) breach by Lessor of this Agreement; or (b) Taxes imposed against Lessor that Lessee is not required to indemnify Lessor under this Agreement.

"**Lien**" means any mortgage, pledge, hypothecation, assignment (as security), deposit arrangement, encumbrance, lien (statutory or other), charge or other security interest, or any preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever having substantially the same economic effect as any of the foregoing (including, without limitation, any conditional sale or other title retention agreement and any capital lease).

"**Location**" means the location of the facility in Sunrise Florida under the Lease Amendment.

"**Notice**" has the meaning set forth in **Section 17.02**.

"**Permits**" means all permits, licenses, franchises, approvals, authorizations, registrations, certificates, variances and similar rights obtained, or required to be obtained, from Governmental Authorities.

"**Permitted Lien**" means: (a) the rights of Lessor and Lessee under this Agreement, (b) Lessor's Liens and (c) easements, zoning restrictions, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business which, in the aggregate, are not material in amount and which do not secure any monetary obligations that materially detract from the value of the affected property or interfere materially with the ordinary conduct of business of Lessee or any Subsidiary.

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

"**Post-Closing Deposits**" means tissue samples or cell cultures derived therefrom deposited by customers in the tissue bank on or after the Closing Date, including tissue sample deposits made by customers after the Closing Date who had previously deposited tissue samples in the tissue bank prior to the Closing Date, as evidenced by receipt of physical delivery of the tissue samples or cell cultures at the laboratory facility.

"**Product Gross Profit**" means revenue reduced by direct product costs related thereto, as calculated on an accrual basis according to GAAP.

"**Property Lease**" means that Office Lease Agreement dated February 4, 2016, by and between Sawgrass Business Plaza, LLC, as lessor, and Lessee, as lessee.

"**Rent**" has the meaning set forth in **Section 7.01**.

"**Representative**" means, with respect to any Person, any and all directors, officers, employees, consultants, financial advisors, counsel, accountants and other agents of such Person.

"**Stock**" means the voting stock, membership interests or similar equity interests of any Person.

"**Subsidiary**" means, with respect to any Person, a corporation, limited liability entity, partnership or other entity of which such Person and/or its other subsidiaries own, directly or indirectly, more than fifty percent (50%) of the Stock.

"**Tax Benefits**" has the meaning set forth in Article IV.

"**Tax Benefit Reimbursement Amount**" means the amount, as determined by Lessor, of Lessor's net after-tax rate of return on such Equipment Asset that would have been in effect on such date, had Lessor been entitled to use all of the Tax Benefits for such Equipment Asset, minus Lessor's actual net after-tax rate of return with respect to such Equipment Asset. It is calculated on the date a Tax Owner Loss Event has occurred for any Equipment Asset.

"**Taxes**" mean any and all present or future income, stamp or other taxes, levies, imposts, duties, deductions, charges, fees or withholdings imposed, levied, withheld or assessed by any Governmental Authority, together with any interest, additions to tax or penalties imposed thereon and with respect thereto.

"**Tax Owner Loss Event**" means any of the following with respect to any Equipment Asset: (a) Lessor determines that it is not entitled to claim on its Federal income tax return all or any portion of the Tax Benefits; (b) any Tax Benefit claimed on Lessor's Federal income tax return is disallowed or adjusted by the Internal Revenue Service; or (c) any Tax Benefit is recomputed or recaptured.

"**Term**" has the meaning set forth in **Article VI**.

"**Third-party Claim**" means any Action made or brought by any Person who is not a party to this Agreement or an Affiliate of a party to this Agreement or a Representative of the foregoing.

"**UCC**" means the Uniform Commercial Code as in effect in the state of Florida from time to time.

ARTICLE II SALE OF ASSETS

Section 2.01 Purchase and Sale of Assets. Subject to the terms and conditions set forth herein, Lessee shall sell, assign, transfer, convey and deliver to Lessor, and Lessor shall purchase from Lessee, all of Lessee's right, title and interest in and to the Equipment Assets, free and clear of any mortgage, pledge, lien, charge, security interest, claim or other encumbrance ("**Encumbrance**"). Equipment Assets shall mean all of the assets used or held for use or acquired or developed for use in the Human Banking Business, as specifically listed in **Schedule 2.01**.

Section 2.02 No Liabilities/Assumption of Liabilities. Lessor shall not assume any liabilities or obligations of Lessee of any kind (including, without limitation, accounts payable, accrued

expenses, debt or any other liabilities) whether known or unknown, contingent, matured or otherwise, whether currently existing or hereinafter created.

Section 2.03 Purchase Price. The aggregate purchase price for the Equipment Assets shall be \$400,000.00 (the "**Purchase Price**"). The Lessor shall pay the Purchase Price on the Closing Date in cash, by wire transfer of immediately available funds in the amount of \$400,000.00 to Lessee, in accordance with the wire transfer instructions set forth in **Schedule 2**.

Section 2.04 Allocation of Purchase Price. Lessee and Lessor agree to allocate the Purchase Price among the Equipment Assets for all purposes (including tax and financial accounting) as agreed by their respective accountants, negotiating in good faith on their behalf. Lessor and Lessee shall file all tax returns (including amended returns and claims for refund) and information reports in a manner consistent with such allocation.

Section 2.05 Withholding Tax. Lessor shall be entitled to deduct and withhold from the Purchase Price, with prior written notice to Lessee, all taxes that Lessor may be required to deduct and withhold under any applicable Tax law. All such withheld amounts shall be treated as delivered to Lessee hereunder.

Section 2.06 Closing Date Deliverables.

(a) On or prior to the Closing Date, Lessee shall deliver to Lessor the following:

(i) a bill of sale in the form of Exhibit A hereto/in form and substance satisfactory to Lessor (the "**Bill of Sale**") and duly executed by Lessee, transferring the Equipment Assets to Lessor;

(ii) the Non-Competition and Non-Solicitation Agreement, duly executed by Lessee and the Key Persons (defined therein);

(iii) the Asset Sale and Lease Agreement, duly executed by Lessee;

(iv) the Customer Purchase Agreement, duly executed by Lessee;

(v) copies of all consents, approvals, waivers and authorizations referred to in **Schedule 2.06(a)(v)**;

(vi) a certificate pursuant to Treasury Regulations Section 1.1445-2(b) that Lessee is not a foreign person within the meaning of Section 1445 of the Internal Revenue Code duly executed by Lessee;

(vii) tax clearance certificates, if any, from the taxing authorities in the jurisdictions that impose taxes on Lessee or where Lessee has a duty to file tax returns in connection with the transactions contemplated by this Agreement and evidence of the payment in full or other satisfaction of any taxes owed by Lessee in those jurisdictions;

(viii) a certificate of the Secretary or Assistant Secretary (or equivalent officer) of Lessee certifying as to (A) the resolutions of the board of directors of Lessee, duly adopted and in effect, which authorize the execution, delivery and performance of this Agreement and the transactions contemplated hereby, and (B) the names and signatures of the officers of Lessee authorized to sign this Agreement and the documents to be delivered hereunder;

(ix) such other customary instruments of transfer, assumption, filings or documents, in form and substance reasonably satisfactory to Lessor, as may be required to give effect to this Agreement;

(x) evidence satisfactory to Lessor of compliance with Florida bulk sales laws;

(xi) evidence satisfactory to Lessor that all Encumbrances on Equipment Assets have been released and discharged; and

(xii) releases and customary pay-off letter or letters for all indebtedness, including any indebtedness secured by any Encumbrance on the Equipment Assets, evidencing the total pay-off amount thereof (and indicating the release, upon payment of such amount, of all such Encumbrances) and otherwise in form and substance reasonably satisfactory to Lessor and its legal counsel.

(b) On or prior to the Closing Date, Lessor shall deliver to Lessee (or the Persons set forth below) the following:

(i) the Purchase Price;

(ii) the Non-Competition and Non-Solicitation Agreement, duly executed by Lessor;

(iii) the Asset Sale and Lease Agreement duly executed by Lessor;

(iv) the Customer Purchase Agreement duly executed by Lessor;

(v) copies of all consents and authorizations referred to in **Schedule 2.06(b)(v)**; and

(vi) a certificate of the Secretary or Assistant Secretary (or equivalent officer) of Lessor certifying as to (A) the resolutions of the Lessor, duly adopted and in effect, which authorize the execution, delivery and performance of this Agreement and the transactions contemplated hereby, and (B) the names and signatures of the officers of Lessor authorized to sign this Agreement and the documents to be delivered hereunder.

ARTICLE III LEASE OF ASSETS

Section 3.01 Lease.

(a) Lessor agrees to lease to Lessee, and Lessee agrees to lease from Lessor, the Equipment Assets pursuant to the terms and conditions of this Agreement.

Section 3.02 Obligations. Except as set forth herein, Lessee's obligation to pay all Rent and other amounts under this Agreement is absolute and unconditional and is not subject to any abatement, counterclaim, defense, deferment, interruption, recoupment, reduction or setoff for any reason whatsoever.

**ARTICLE IV
UCC TRUE LEASE**

Section 4.01 UCC True Lease. The parties intend that this Agreement constitutes a true lease under the UCC and not a Disguised Security Interest. Lessor has title to the Equipment Assets at all times. Lessee acquires no ownership, title, property, right, equity or interest in the Equipment Assets other than its leasehold interest solely as Lessee subject to all the terms and conditions of this Agreement.

Section 4.02 Precautionary UCC-1 Financing Statement. Lessee authorizes Lessor to file precautionary UCC financing statements and other similar filings and recordings with respect thereto. Lessee agrees not to file any corrective or termination statements or partial releases with respect to any UCCs or other similar filings or recordings filed by Lessor in connection with any of the Equipment Assets except (i) if Lessor fails to file a corrective or termination statement or release on request from Lessee after the expiration or earlier termination of, or release from, any of the Equipment Assets pursuant to any applicable provision of this Agreement or (ii) if not permitted by clause (i), with Lessor's consent.

**ARTICLE V
TAX LEASE**

Lessor is entitled to all deductions, credits, and other tax benefits that are provided in the Code to an owner of property ("**Tax Benefits**"). Lessee shall not take or omit to take any action that results in the disqualification of the Equipment Assets for, or recapture of, all or any portion of the Tax Benefits. If, as a result of a breach of any representation, warranty or covenant of Lessee, a Tax Owner Loss Event occurs, Lessee shall pay, as Lessor's exclusive remedy, to Lessor on demand the corresponding Tax Benefit Reimbursement Amount. Lessor and Lessee agree to treat this Agreement and the leasing of the Equipment Assets (and shall file all tax returns including amended returns and claims for refund and information reports) in a manner consistent with this Article V and Section 4.01.

**ARTICLE VI
TERM OF AGREEMENT**

The Term of this Agreement commences on the Closing Date and ends on the date three years after the Closing Date, unless earlier terminated pursuant to the provisions hereof (including Section 13.02) (the "**Term**").

**ARTICLE VII
RENT**

Section 7.01 Rent. In consideration of Lessee's right to possess and use the Equipment Assets under this Agreement, Lessee shall pay to Lessor no later than on the first day of each calendar month during the Term (and on the final day of the Term), a base rent equal to \$20,000.00 per

month (the “**Base Rent**”), plus percentage rent equal to 2.3% of the revenues collected from the Post-Closing Deposits in year 1 of the Term, 22.5% of the revenues collected from the Post-Closing Deposits in year 2 of the term, and 31.6% of the revenues collected from the Post-Closing Deposits in year 3 of the Term (the “**Percentage Rent**”, and when combined with the Base Rent, the “**Rent**”). Rent shall be pro-rated during the first and final months of the Term for the number of days of the Term that occur during such months.

Section 7.02 Payment Mechanics; Status of Revenues and Customers.

(a) During the Term, Lessor shall collect as agent on behalf of Lessee, all revenue relating to Post-Closing Deposits arising from the Human Banking Business. Lessor shall retain for its account all Rent amounts due to Lessor from the revenue related to Post-Closing Deposits that it collects as collection agent with respect to such revenues. Rent shall be earned by Lessor as it accrues and shall be paid immediately upon collection of such revenue by Lessor (on Lessee’s behalf).

(b) All customer payments representing revenue related to Post-Closing Deposits shall be made exclusively to a segregated Lessee account (the “**Account**”), and the Account shall be subject to a lock box arrangement or deposit account control agreement reasonably satisfactory to Lessor and Lessee.

ARTICLE VIII

EXCLUSION OF WARRANTIES

LESSOR MAKES NO WARRANTY WHATSOEVER, INCLUDING ANY (a) WARRANTY OF MERCHANTABILITY; (b) WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE; OR (c) WARRANTY AGAINST INFRINGEMENT OF ANY PATENT, COPYRIGHT, TRADEMARK, TRADE SECRET OR OTHER PROPRIETARY RIGHTS OF A THIRD PARTY; WHETHER ARISING BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE OR OTHERWISE.

ARTICLE IX

LESSEE'S REPRESENTATIONS

Lessee represents to Lessor that the statements contained in this Article IX are true and correct as of the date hereof.

Section 1.02 Title to Equipment Assets. Lessee owns and has good title to the Equipment Assets, free and clear of Encumbrances.

Section 1.03 Condition and Sufficiency of Assets.

(a) The Equipment Assets are in good condition and are adequate for the uses to which they are being put, and none of the Equipment Assets are in need of maintenance or repairs except for ordinary, routine maintenance and repairs that are not material in nature or cost.

(b) With the exception of assets that are transferred to Lessor pursuant to the Customer Purchase Agreement and the Asset Purchase Agreement, the Equipment Assets include all rights and property reasonably necessary to the conduct of the Human Banking Business by Lessor in the manner it is conducted by Lessee on the Closing Date.

Section 1.04 Third Party Rights. There are no existing agreements, options, commitments or rights with, of or to any Person to acquire any part of the Equipment Assets or any interest therein.

Section 9.01 Organization and Qualification of Lessee; Authority of Lessee. Lessee is a corporation duly organized, validly existing and in good standing under the Laws of the state of Florida. Lessee is duly licensed or qualified to do business and is in good standing in each jurisdiction in which the lease of each of the Equipment Assets makes such licensing or qualification necessary. Lessee has full corporate power and authority to enter into this Agreement, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby. The execution and delivery by Lessee of this Agreement, the performance by Lessee of its obligations hereunder and thereunder and the consummation by Lessee of the transactions contemplated hereby have been duly authorized by all requisite corporate action on the part of Lessee. This Agreement has been duly executed and delivered by Lessee, and this Agreement constitutes a legal, valid and binding obligation of Lessee enforceable against Lessee in accordance with its terms.

Section 9.02 No Conflicts; Consents. The execution, delivery and performance by Lessee of this Agreement and the consummation of the transactions contemplated hereby do not and will not: (a) conflict with or result in a violation or breach of, or default under, any provision of the certificate of incorporation, by-laws or other organizational documents of Lessee; (b) conflict with or result in a violation or breach of any provision of any Law; (c) require the consent of, notice to or other action by any Person or, conflict with, result in a violation or breach of, or constitute a Default or an Event of Default; or (d) result in the creation or imposition of any Lien other than Permitted Liens on any of the Equipment Assets. No consent, approval, permit, order, declaration or filing with, or notice to, any Governmental Authority is required by or with respect to Lessee in connection with the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby.

Section 1.05 Legal Proceedings. There are no Actions pending or, to Lessee's Knowledge, threatened against or by Lessee: (a) relating to or affecting the Human Banking Business; or (b) that challenge or seek to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement. No event has occurred or circumstances exist that may give rise to, or serve as a basis for, any such Action.

Section 9.03 Permits. All Permits required for Lessee to conduct the Human Banking Business as currently conducted and to lease and use the Equipment Assets have been obtained by Lessee and are valid and in full force and effect. All fees and charges with respect to such Permits as of the date hereof have been paid in full. No event has occurred that, with or without notice or lapse of time or both, would reasonably be expected to result in the revocation, suspension, lapse or limitation of any Permit.

**ARTICLE X
LESSEE'S COVENANTS**

Lessee agrees that until all amounts payable under this Agreement have been paid in full and all other obligations hereunder and thereunder have been performed in full, Lessee shall comply with the following covenants.

Section 10.01 Compliance With Laws; Permits. Lessee shall comply with all Contractual Obligations and applicable Laws in all material respects. Lessee shall maintain in full force and effect all Permits required for Lessee to conduct the Human Banking Business as currently conducted and to lease and use the Equipment Assets in the manner contemplated under this Agreement.

Section 10.02 Taxes. Lessee shall pay, and indemnify and hold Lessor harmless from, all assessments, license fees, and sales, use, property, excise, and other taxes and charges (other than federal income taxes imposed on or measured by net income (however denominated)) imposed on or with respect to the Equipment Assets or any part thereof arising out of or in connection with the use or operation of any of the Equipment Assets.

Section 10.03 Liens. Except for Permitted Liens, Lessee shall keep the Equipment Assets free and clear of all Liens.

Section 10.04 Subleases. Lessee shall not enter into any sublease of any Equipment Asset, except as approved in writing by Lessor.

Section 10.05 Designated Employees. At all times during the Term, Lessee shall use its best efforts to retain the Designated Employees and shall cause such Designated Employees to devote sufficient working time, skill and attention, to discharge their duties as they relate to the Human Banking Business.

Section 10.06 Property Lease. Prior to the expiration of the Term, if the Lessee has amended or extended the Property Lease at the Location and continues to occupy the Location, Lessee shall enter into, and shall use commercially reasonable efforts to obtain landlord consent to, a sub-lease agreement to the Property Lease in the form attached hereto as **Exhibit B**.

Section 10.07 Marketing Expenditures. The Percentage Rent set forth herein, reflects a reduction to account for Lessor's agreement herein to fund 10% of the total revenues received by Lessee from Post-Closing Deposits of the Human Banking Business during the Leaseback Period for marketing purposes, including, but not limited to, hiring persons focused on marketing, promotion and/or sales ("**Marketing Expenditures**"). During each year of the Term, Lessee shall spend the Marketing Expenditures, and Lessor and Lessee shall agree on the allocation of the Marketing Expenditures prior to any such expenditure being undertaken. For avoidance of doubt, Percentage Rent has already been reduced for the purpose of funding Marketing Expenditures, and no further reductions to the Percentage Rent or payments by Lessor are required.

Section 10.08 Insurance. At all times during the Term, Lessee shall maintain all insurance coverages related to the risks of operating the Human Banking Business, including but not limited to General Liability coverage and Product Liability coverage, at coverage levels consistent with those in place immediately prior to Closing.

Section 10.09 Lease Amendment. Lessee shall use best efforts to deliver to Lessor, the Lease Amendment, in substantially the form attached hereto as **Exhibit D**, duly executed by the Landlord (as defined therein) and Lessee, within thirty (30) days following the Closing Date.

**ARTICLE XI
LESSEE'S USE OF EQUIPMENT**

Section 11.01 Lessee's Possession. Lessee may not move any of the Equipment Assets from the Location without Lessor's prior written consent (which will not be unreasonably withheld).

Section 11.02 Personal Property. Lessee shall not affix or attach any Equipment Asset to real property or any improvements. The parties intend that each of the Equipment Assets remains at all times personal property and not a fixture under applicable Law, even if the Equipment Asset, or any part thereof, may be or becomes affixed or attached to real property or any improvements. Upon Lessor's written request, Lessee shall obtain and provide to Lessor, from any real property landlord, mortgagee or lienholder, a waiver of any interest that it may have in any Equipment Asset arising from its interest in the real property.

Section 11.03 Records. Upon request of Lessor, Lessee shall promptly furnish to Lessor all Equipment Asset-related records, logs and other materials as may be required to enable Lessor to file any ownership or other reports required to be filed by Lessor with any Governmental Authority.

**ARTICLE XII
LESSOR'S COVENANTS**

Section 12.01 New Clinics. Lessor or one of its affiliates shall open six (6) stem cell clinics within the first two (2) years following the Closing Date. If six (6) stem cell clinics are not open by the end of such two (2) year period, a "**Clinic Shortfall**" occurs. Following a Clinic Shortfall until the first to occur of (i) three (3) years following the Clinic Shortfall and (ii) the date on which the sixth clinic is opened, at the end of any month, Lessor or an affiliate shall pay to Lessee (if sufficient, as an offset to Rent, in accordance with Section 7.02) an amount equal to the Product Gross Profit (net of any standard volume purchase discounts offered to customers) on any Kit Shortfall (the "**Kit Shortfall Payment**"). To the extent six (6) clinics are not open by the end of three (3) years following the Closing Date, and this Agreement has not terminated prior to the expiration of its 3-year Term, Kit Shortfall Payments shall be made according to this Section 12.01. In the event of termination of this Agreement, pursuant to the terms herein, prior to the expiration of its 3-year Term, the obligation of Lessor to make any further Kit Shortfall Payments shall immediately end upon such termination.

Section 12.02 Investment in Marketing. The Percentage Rent set forth herein, reflects a reduction to account for Lessor's agreement herein to fund the Marketing Expenditures.

Section 12.03 Insurance. At all times during the Term, Lessor shall maintain commercial property insurance coverage for the risk of loss of the Equipment Assets at a level approximately equivalent to the replacement cost of the Equipment Assets.

**ARTICLE XIII
DEFAULT**

Section 13.01 Events of Default. Each of the following events is an "Event of Default" under this Agreement:

- (a) if Lessee fails to pay when due any installment of Rent or any other amount under this Agreement;
- (b) if Lessee defaults in the observance or performance of any other term, covenant or condition of this Agreement, on Lessee's part to be observed or performed and Lessee shall fail to remedy such default within thirty (30) days after notice by Lessor to Lessee of such default, or if such default is of such a nature that it cannot with due diligence be completely remedied within said period of thirty (30) days and Lessee shall not commence within said period of thirty (30) days, or shall not thereafter diligently prosecute to completion, all steps necessary to remedy such default.
- (c) if Lessee fails to observe or perform any term, covenant or condition on Lessee's part to be observed or performed under any other agreement between Lessee and Lessor or their Affiliates, and such default continues beyond any grace period set forth in such other agreement for the remedying of such default;
- (d) if any other agreement between Lessee and Lessor or their Affiliates is terminated and, in accordance with their terms, terminates all or part of this Agreement;
- (e) if the term of the Property Lease expires without extension or amendment;
- (f) if Lessee's interest or any portion thereof in this Agreement devolve on or pass to any person, whether by operation of law or otherwise;
- (g) if Lessee: (i) does not, or is unable to, or admits in writing its inability to, pay its debts as they become due; (ii) commences or institutes any case, proceeding or other action seeking relief on its behalf as debtor, or to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, composition or other relief with respect to it or its debts under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors; (iii) commences or institutes any case, proceeding or other action seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its property; or (iv) makes a general assignment for the benefit of creditors;
- (h) if a receiver, trustee, custodian or other similar official is appointed for any substantial part of the Equipment Assets of Lessee which appointment is not vacated or stayed within ten (10) days;
- (i) if any case, proceeding or other action is commenced or instituted against Lessee (A) seeking to have an order for relief entered against it as debtor or to adjudicate it bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, composition or other relief with respect to it or its debts under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, or (B) seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its property, which in either of such cases (1) results in any such entry of an order for relief, adjudication of bankruptcy or insolvency or such an appointment or the issuance or entry of any other order having a similar effect or (2) remains undismitted for a period of ten (10) days;
- (j) if any case, proceeding or other action is commenced or instituted against Lessee seeking issuance of a warrant of attachment, execution, restraint or similar process against it or all or any substantial part of its property which results in the entry of an order for any such relief which is

not vacated, discharged, or stayed or bonded pending appeal within thirty (30) days from the entry thereof;

- (k) if Lessee does not use its best efforts retain any Designated Employee and any of the Designated Employees is no longer employed by Lessee;
- (l) If Lessee takes any action to remove or reduce Lessor's rights with respect to i) the collection of revenue relating to Post-Closing Deposits arising from the Human Banking Business as set forth in **Section 7.02**, or (ii) the Account;
- (m) if Lessee takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth below in **Section 14.01**;
- (n) if Lessee fails to deliver to Lessor the Lease Amendment described in Section 10.09 within thirty (30) days following the Closing Date;
- (o) if Lessee sells, transfers or disposes of all or substantially all of its assets, or merges or consolidates with any other entity; or
- (p) if any representation contained in **Article IX** is untrue as and when made.

Section 13.02 Remedies. If an Event of Default occurs and is continuing, Lessor may, in its sole discretion, exercise one or more of the following remedies:

- (a) declare this Agreement in default;
- (b) terminate in whole or in part this Agreement;
- (c) take possession of, or render unusable, any Equipment Asset wherever it may be located, without demand or notice, without any court order or other process of law and without liability to Lessee for any damages occasioned by such action;
- (d) require Lessee to deliver any Equipment Asset at the Location at the cost of Lessor;
- (e) proceed by court action to enforce performance by Lessee of this Agreement and/or to recover all damages and expenses incurred by Lessor by reason of any Event of Default;
- (f) terminate any other agreement that Lessor may have with Lessee or their Affiliates;
- (g) sell any or all of the Equipment Assets at public or private sale, with or without notice to Lessee or advertisement, or otherwise dispose of, hold, use, operate, lease to others, or keep idle such Equipment Assets, and without any duty to account to Lessee for such action or inaction or for any proceeds with respect thereto, and apply the net proceeds thereof (after deducting all expenses (including legal fees and costs) incurred in connection therewith) to the amounts owed to Lessor under this Agreement; provided, however, that Lessee shall remain liable to Lessor for any deficiency that remains after any sale or lease of such Equipment Assets; or
- (h) exercise any other right or remedy available to Lessor at law or in equity.

ARTICLE XIV
INDEMNITY; DUTY TO DEFEND

Section 14.01 Indemnity. Lessee shall indemnify Lessor and its Affiliates and their respective Representatives (collectively, "**Indemnitees**") against, and shall hold each of them harmless from and against, and shall pay and reimburse each of them for, any and all Damages based on, arising out of, with respect to, or by reason of:

- (a) the selection, manufacture, delivery, purchase,

acceptance or rejection of any Equipment Asset or the ownership of any Equipment Asset during the Term; (b) the lease, sublease, possession, maintenance, use, condition, repair, return, disposition or operation of any Equipment Asset (including, without limitation, latent and other defects, whether or not discoverable by Lessor or Lessee); (c) any inaccuracy in or breach of any of the representations of Lessee contained in this Agreement; (d) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by Lessee pursuant to this Agreement; (e) any assertion of the infringement of patent, trade secret, trademark, copyright or other intellectual property rights of third parties; or (f) any Third-party Claim arising from any of the foregoing.

Lessee's obligation to indemnify and hold harmless does not extend to any Damages that arise solely out of the gross negligence or willful misconduct of Lessor.

Section 14.02 Duty to Defend. Lessee shall, at its expense, defend Lessor against any and all actions based on or arising out of any Third-party Claim. Lessee shall notify Lessor immediately on receipt of notice or knowledge of any event which may give rise to a Third-party Claim. Lessee shall control the defense, appeal or settlement of such Third-party Claim, unless Lessor, in its sole discretion, elects to assume control of such defense, appeal or settlement. Lessee shall not settle any Third-party Claim without the prior written consent of Lessor and without obtaining a full release of any and all possible claims against Lessor. Each Indemnitee may at any time employ separate counsel to represent it, but if the defense, appeal or settlement of such Third-party Claim has been assumed by Lessee, any separate counsel employed by the Indemnitee shall be at the Indemnitee's sole expense.

ARTICLE XV

LESSOR'S PERFORMANCE OF LESSEE'S OBLIGATIONS

Lessor may, in its sole discretion, upon written notice to Lessee, make any payment or perform any obligation on behalf of Lessee or take any action that Lessor deems reasonably necessary to maintain and preserve any or all Equipment Assets and Lessor's interests therein. Lessee shall not deem Lessor's payment or action to be Lessor's waiver of any Default or Event of Default or release of Lessee. Lessee shall pay immediately on demand all sums so paid by Lessor, together with expenses (including legal fees and costs) incurred by Lessor in connection therewith.

ARTICLE XVI

EXPIRATION OF LEASE TERM

Upon the expiration of the Term of this Agreement the following shall occur:

- (a) Lessee shall return each Equipment Asset at the Location. Lessee shall cause any Equipment Asset returned under this Agreement to: (a) be free and clear of all Liens (other than Lessor Liens) and rights of third parties; (b) be in the same condition as when delivered to Lessee, ordinary wear and tear excepted; and (c) be in compliance with Law.
- (b) Upon the return of the Equipment Assets under this Agreement, Lessee shall deliver or cause to be delivered to Lessor all records relating to the Equipment Assets, including all maintenance records, logs or data in Lessee's possession or required to be maintained by Law.
- (c) Certain customer assets acquired by Lessee during the Term and pursuant to the Customer Purchase Agreement, shall be assigned by Lessee to Lessor and the rights and obligations related

thereto shall be assumed by Lessor, automatically and without any required action by any person, as set forth in the Customer Purchase Agreement.

- (d) The Asset Purchase Agreement shall, immediately and without further action, in accordance with its terms, become effective.
- (e) The Property Lease and Lease Amendment shall remain in full force and effect, unless terminated pursuant to the terms therein.

**ARTICLE XVII
MISCELLANEOUS**

Section 17.01 Survival. Subject to the limitations and other provisions of this Agreement, the representations of Lessee contained in **Article IX** survive indefinitely. All covenants and agreements of Lessee contained herein survive after the Closing Date indefinitely or for the period explicitly specified therein. Notwithstanding the foregoing, any claim by Lessor asserted in good faith with reasonable specificity (to the extent known at such time) and in writing by notice prior to the expiration date of the applicable survival period (if any) is not thereafter barred by the expiration of the relevant representation and such claims survive until finally resolved.

Section 17.02 Notices. Each party shall deliver all notices, requests, consents, claims, demands, waivers and other communications under this Agreement (each, a "Notice") in writing and addressed to the other party at its address set forth below (or to such other address that the receiving party may designate from time to time in accordance with this section). Each party shall deliver all Notices by personal delivery, nationally recognized overnight courier (with all fees pre-paid), facsimile or e-mail of a PDF document (with confirmation of transmission) or certified or registered mail (in each case, return receipt requested, postage prepaid). Except as otherwise provided in this Agreement, a Notice is effective only (a) on receipt by the receiving party, and (b) if the party giving the Notice has complied with the requirements of this Section.

| | |
|-----------------|---|
| If to Lessee: | U.S. Stem Cell, Inc. 13794 NW 4th Street, Suite 212 Sunrise, Florida 33325 Attention: Michael Tomas |
| with a copy to: | Joseph I. Emas, P.A. 525 93 Street Surfside, FL 33154 Attention: Joseph Emas |
| If to Lessor: | GACP Stem Cell Bank LLC 2333 Ponce de Leon Blvd. Suite R240 Coral Gables FL 33134 Attention: David Neithardt |
| with a copy to: | Locke Lord LLP 525 Okeechobee Blvd, Suite 1600 West Palm Beach, Florida 33401 Attention: John Igoe |

Section 17.03 Interpretation. For purposes of this Agreement, (a) the words "include," "includes" and "including" is deemed to be followed by the words "without limitation"; (b) the word "or" is not exclusive; and (c) the words "herein," "hereof," "hereby," "hereto" and "hereunder" refer to this Agreement as a whole. Unless the context otherwise requires, references in this Agreement: (x) to sections, schedules and exhibits mean the sections of, and schedules and exhibits attached to, this Agreement; (y) to an agreement, instrument or other document mean such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof; and (z) to a statute mean such statute as amended from time to time and include any successor legislation thereto and any regulations promulgated thereunder. The parties drafted this Agreement without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. The schedules and exhibits referred to herein are an integral part of this Agreement to the same extent as if they were set forth verbatim herein.

Section 17.04 Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

Section 17.05 Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability does not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or unenforceable, the parties to this Agreement shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

Section 17.06 Entire Agreement; Amendment and Modification. This Agreement, including and together with all related exhibits and schedules, constitutes the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein and therein, and supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, with respect to such subject matter. No amendment to this Agreement is effective unless it is in writing and signed by each party to this Agreement.

Section 17.07 Waiver. No waiver under this Agreement is effective unless it is in writing and signed by the party waiving its right. Any waiver authorized on one occasion is effective only in that instance and only for the purpose stated and does not operate as a waiver on any future occasion. None of the following constitutes a waiver or estoppel of any right, remedy, power, privilege or condition arising from this Agreement: (i) any failure or delay in exercising any right, remedy, power or privilege or in enforcing any condition under this Agreement; or (ii) any act, omission or course of dealing between the parties.

Section 17.08 Cumulative Remedies. All rights and remedies provided in this Agreement are cumulative and not exclusive, and the exercise by either party of any right or remedy does not preclude the exercise of any other rights or remedies that may now or subsequently be available at law, in equity, by statute, in any other agreement between the parties or otherwise.

Section 17.09 Equitable Remedies. Each party to this Agreement acknowledges that a breach or threatened breach by such party of any of its obligations under this Agreement would give rise to irreparable harm to the other party for which monetary damages would not be an adequate remedy and hereby agrees that in the event of a breach or a threatened breach by such party of

any such obligations, the other party to this Agreement will, in addition to any and all other rights and remedies that may be available to it in respect of such breach, be entitled to seek equitable relief, including a temporary restraining order, an injunction, specific performance and any other relief that may be available from a court of competent jurisdiction (without any requirement to post bond).

Section 17.10 Assignment; Successors and Assigns. Lessee may not assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of Lessor. Any purported assignment or delegation in violation of this Section is null and void. No assignment or delegation relieves the assigning or delegating party of any of its obligations under this Agreement. This Agreement is binding on and inures to the benefit of the parties to this Agreement and their respective permitted successors and permitted assigns.

Section 17.11 No Third-party Beneficiaries. This Agreement benefits solely the parties to this Agreement and their respective permitted successors and permitted assigns and nothing in this Agreement, express or implied, confers on any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

Section 17.12 Choice of Law; Choice of Forum; Waiver of Jury Trial. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Florida without giving effect to any choice or conflict of law provision or rule (whether of the State of Florida or any other jurisdiction). Any legal suit, action or proceeding arising out of or based upon this Agreement or the transactions contemplated hereby may be instituted in the federal courts of the United States of America or the courts of the Florida, in each case located in Broward or Miami-Dade County, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES AND, THEREFORE, EACH SUCH PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LEGAL ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

Section 17.13 Counterparts. This Agreement may be executed in counterparts, each of which is deemed an original, but all of which together is deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission is deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

Section 17.14 Force Majeure. No party shall be liable or responsible to the other party, nor be deemed to have defaulted under or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement (except for any obligations to make payments to the other party under this Agreement), when and to the extent such failure or delay is caused by or results from acts beyond the affected party's reasonable control, including, without limitation: (a) acts of God; (b) flood, fire, earthquake or explosion; (c) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot or other civil unrest; (d) government order or law; (e) actions, embargoes or blockades in effect on or after the date of this Agreement; (f) action by any Governmental Authority; and (g) national or regional emergency (each a "Force Majeure Event"). The party suffering a Force Majeure Event shall give Notice within ten (10) days of the

Force Majeure Event to the other party, stating the period of time the occurrence is expected to continue and shall use diligent efforts to mitigate the impact of such Force Majeure Event on its performance of this Agreement.

Section 17.15 Relationship of Parties. Nothing herein creates a joint venture or partnership between the parties to this Agreement or an employee/employer relationship. Neither party to this Agreement has any express or implied right or authority to assume or create any obligations on behalf of or in the name of the other party or to bind the other party to any contract, agreement or undertaking with any third party.

Section 17.16 Right of Setoff. The Lessor shall have a right of set off with respect to any amounts owed by Lessor to Lessee against any amounts and obligations owed by Lessee to Lessor now or hereafter existing under this Agreement or any other agreements entered into between Lessee and Lessor or their Affiliates.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties to this Agreement have caused this Agreement to be executed as of the date first written above by their duly authorized respective officers.

GACP STEM CELL BANK LLC

By /s/ David Neithardt

Name: David Neithardt

Title: Authorized Signatory

U.S. STEM CELL BANK, INC.

By /s/ Michael Tomas

Name: Michael Tomas

Title: Chief Executive Officer

SCHEDULE 1
LIST OF EQUIPMENT ASSETS

SCHEDULE 2
WIRE TRANSFER INSTRUCTIONS

EXHIBIT A
BILL OF SALE

EXHIBIT B
FORM OF SUB-LEASE AGREEMENT

EXHIBIT C
6 CLINIC FINANCIAL MODEL

EXHIBIT D
FORM OF LEASE AMENDMENT

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (this "**Agreement**"), dated as of March 3, 2017, is entered into between U.S. Stem Cell, Inc., a Florida corporation ("**Seller**") and GACP Stem Cell Bank LLC, a Florida limited liability company ("**Buyer**"). Capitalized terms are defined herein or in the definitions attached hereto as Schedule A.

RECITALS

WHEREAS, Seller is in the business of collecting, growing and banking cell cultures for future use in connection with regenerative medicine purposes (the "**Human Banking Business**"), as well as other related businesses not included within the term Human Banking Business; and

WHEREAS, pursuant to a separate Asset Sale and Lease Agreement, Seller simultaneously will sell to Buyer, and Buyer will purchase from Seller, the equipment assets related to the Human Banking Business (the "**Equipment Assets**"); and thereafter, for a term of 3 years (the "**Leaseback Period**"), Seller will lease from Buyer, and Buyer will lease to Seller, those Equipment Assets, all under the terms and conditions set forth in that certain Asset Sale and Lease Agreement dated as of the date hereof (the "**Asset Sale and Lease Agreement**"); and

WHEREAS, Seller wishes to sell to Buyer, and Buyer wishes to purchase from Seller, the Purchased Assets (as defined below), subject to the terms and conditions set forth herein; effective automatically and without any further action of the parties upon the expiration or earlier termination of the Leaseback Period (the "**Effective Date**").

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I
PURCHASE AND SALE

Section 1.01 Purchase and Sale of Assets. Subject to the terms and conditions set forth herein, Seller shall sell, assign, transfer, convey and deliver to Buyer, and Buyer shall purchase from Seller, all of Seller's right, title and interest in and to the Purchased Assets, free and clear of any mortgage, pledge, lien, charge, security interest, claim or other encumbrance ("**Encumbrance**"); *provided, however*, that the assignment to, and assumption by, Buyer of the Purchased Assets shall, automatically and without any further action of the Buyer or Seller or any other party, become effective upon the termination of the Leaseback Period. Except as provided in Section 1.02 hereof, the "**Purchased Assets**" shall mean all of the tangible and intangible assets used or held for use or acquired or developed for use in the Human Banking Business, as specifically listed in Schedule 1.01.

Section 1.02 Excluded Assets. Notwithstanding the foregoing, the Purchased Assets shall not include i) the Equipment Assets (for clarity, this asset is subject to the

Asset Sale and Lease Agreement), ii) revenue from the maintenance, storage, retrieval and/or administration of tissue samples or cell cultures derived therefrom deposited by customers in Seller's tissue bank (as evidenced by receipt of physical delivery of such tissue samples or cell cultures at the laboratory facility) prior to the Closing Date ("**Pre-Closing Deposits**"), and subject to Section 5.07, any future revenue related to Pre-Closing Deposits, and iii) confidential and proprietary information, including but not limited to, intellectual property, trade secrets, processing solution formulas (including enzymes, cell growth media and agents), and other assets of the Seller not specifically listed in Schedule 1.01 (the "**Excluded Assets**").

Section 1.03 No Liabilities/Assumption of Liabilities. Buyer shall not assume any liabilities or obligations of Seller of any kind (including, without limitation, accounts payable, accrued expenses, liabilities relating to Pre-Closing Deposits, debt and any other liabilities) whether known or unknown, contingent, matured or otherwise, whether currently existing or hereinafter created. For the avoidance of doubt, although after the Leaseback Period Buyer shall store and maintain Pre-Closing Deposits of Seller pursuant to Section 5.07 hereof, Buyer shall not assume any liability related to the Pre-Closing Deposits, whether incurred before, on or after the Closing Date, including but not limited to liability related to customer claims for the damage or destruction of tissue samples or cell cultures, or the cost associated with "re-growing" damaged or destroyed cell cultures.

Section 1.04 Purchase Price. The aggregate purchase price for the Purchased Assets shall be \$50,000.00 (the "**Purchase Price**"). The Buyer shall pay the Purchase Price on the Closing Date in cash, by wire transfer of immediately available funds in the amount of \$50,000.00 to Seller, in accordance with the wire transfer instructions set forth in **Schedule 1.04** of the Disclosure Schedules.

Section 1.05 Allocation of Purchase Price. Seller and Buyer agree to allocate the Purchase Price among the Purchased Assets for all purposes (including tax and financial accounting) as agreed by their respective accountants, negotiating in good faith on their behalf. Buyer and Seller shall file all tax returns (including amended returns and claims for refund) and information reports in a manner consistent with such allocation.

Section 1.06 Withholding Tax. Buyer shall be entitled to deduct and withhold from the Purchase Price, with prior written notice to Seller, all taxes that Buyer may be required to deduct and withhold under any applicable Tax law. All such withheld amounts shall be treated as delivered to Seller hereunder.

ARTICLE II CLOSING

Section 2.01 Closing. The closing of the transactions contemplated by this Agreement (the "**Closing**") shall take place simultaneously with the execution of this Agreement on the date of this Agreement (the "**Closing Date**") at the offices of Locke Lord LLP, 525 Okeechobee Blvd, Suite 1600, West Palm Beach, FL 33401; *provided,*

that the assignment to, and assumption by, Buyer of the Purchased Assets shall, automatically and without any further action of the Buyer or Seller or any other party, become effective upon the Effective Date. The consummation of the transactions contemplated by this Agreement shall be deemed to occur at 12:01 a.m. on the Closing Date.

Section 2.02 Closing Deliverables.

(a) At the Closing, Seller shall deliver to Buyer the following:

(i) a bill of sale in the form of Exhibit A hereto/in form and substance satisfactory to Buyer (the "**Bill of Sale**") and duly executed by Seller, transferring the Purchased Assets to Buyer; *provided*, that the assignment to, and assumption by, Buyer of the Purchased Assets shall, automatically and without any further action of the Buyer or Seller or any other party, become effective upon the Effective Date;

(ii) an assignment in the form of Exhibit B hereto/in form and substance satisfactory to Buyer (the "**Intellectual Property Assignment**") and duly executed by Seller, transferring all of Seller's right, title and interest in and to the trademark registrations and applications, patents and patent applications, copyright registrations and applications and domain name registrations included in the Purchased Assets and Human Banking Purchased IP (as defined herein) to Buyer; *provided*, that the assignment to, and assumption by, Buyer of the Purchased Assets and Human Banking Purchased IP shall, automatically and without any further action of the Buyer or Seller or any other party, become effective upon the Effective Date;

(iii) The Non-Competition and Non-Solicitation Agreement, duly executed by Seller and the Key Persons;

(iv) The Asset Sale and Lease Agreement, duly executed by Seller;

The Customer Purchase Agreement, duly executed by Seller;

(v) copies of all consents, approvals, waivers and authorizations referred to in **Schedule 2.02(a)(v)**;

(vi) a certificate pursuant to Treasury Regulations Section 1.1445-2(b) that Seller is not a foreign person within the meaning of Section 1445 of the Internal Revenue Code duly executed by Seller;

(vii) tax clearance certificates, if any, from the taxing authorities in the jurisdictions that impose taxes on Seller or where Seller has a duty to file tax returns in connection with the transactions contemplated by this Agreement and evidence of the payment in full or other satisfaction of any taxes owed by Seller in those jurisdictions;

(viii) a certificate of the Secretary or Assistant Secretary (or equivalent officer) of Seller certifying as to (A) the resolutions of the board of directors of Seller, duly adopted and in effect, which authorize the execution, delivery and performance of this Agreement and the transactions contemplated hereby, and (B) the names and signatures of the officers of Seller authorized to sign this Agreement and the documents to be delivered hereunder;

(ix) such other customary instruments of transfer, assumption, filings or documents, in form and substance reasonably satisfactory to Buyer, as may be required to give effect to this Agreement;

(x) Evidence satisfactory to Buyer of compliance with Florida bulk sales laws;

(xi) Evidence satisfactory to Buyer that all Encumbrances on Purchased Assets have been released and discharged; and

(xii) Releases and customary pay-off letter or letters for all indebtedness, including any indebtedness secured by any Encumbrance on the Purchased Assets, evidencing the total pay-off amount thereof (and indicating the release, upon payment of such amount, of all such Encumbrances) and otherwise in form and substance reasonably satisfactory to Buyer and its legal counsel.

(b) At the Closing, Buyer shall deliver to Seller (or the Persons set forth below) the following:

(i) the Purchase Price;

(ii) the Non-Competition and Non-Solicitation Agreement, duly executed by Buyer;

(iii) the Asset Sale and Lease Agreement duly executed by Buyer;

(iv) the Customer Purchase Agreement duly executed by Buyer;

(v) copies of all consents and authorizations referred to in **Schedule 2.02(b)(v)**; and

(vi) a certificate of the Secretary or Assistant Secretary (or equivalent officer) of Buyer certifying as to (A) the resolutions of the Buyer, duly adopted and in effect, which authorize the execution, delivery and performance of this Agreement and the transactions contemplated hereby, and (B) the names and signatures of the officers of Buyer authorized to sign this Agreement and the documents to be delivered hereunder.

ARTICLE III
REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer that the statements contained in this **Article III** are true and correct as of the date hereof and as of the Effective Date, except as set forth in the disclosure schedules delivered by Seller to Buyer on the date hereof and updated as of the Effective Date (collectively, the "**Disclosure Schedules**" and each individually, a "**Schedule**"). For purposes of this **Article III**, "**Seller's Knowledge**," "**Knowledge of Seller**" and any similar phrases shall mean the actual or constructive knowledge of any director or officer of Seller, after due inquiry.

Section 3.01 Organization and Authority of Seller; Enforceability. Seller is a corporation duly organized, validly existing and in good standing under the laws of the state of Florida. Seller has full corporate power and authority to enter into this Agreement and the documents to be delivered hereunder, to carry out its obligations hereunder and to consummate the transactions contemplated hereby. The execution, delivery and performance by Seller of this Agreement and the documents to be delivered hereunder and the consummation of the transactions contemplated hereby have been duly authorized by all requisite corporate action on the part of Seller and Seller's Board of Directors. The Purchased Assets do not constitute all or substantially all of the assets of Seller and accordingly the sale of the Purchased Assets and all of the other transactions contemplated in this Agreement do not require approval by the stockholders of Seller. This Agreement and the documents to be delivered hereunder have been duly executed and delivered by Seller, and (assuming due authorization, execution and delivery by Buyer) this Agreement and the documents to be delivered hereunder constitute legal, valid and binding obligations of Seller, enforceable against Seller in accordance with their respective terms.

Section 3.02 No Conflicts; Consents. Except as set forth on **Schedule 3.02**, the execution, delivery and performance by Seller of this Agreement and the documents to be delivered hereunder, and the consummation of the transactions contemplated hereby, do not and will not: (a) violate or conflict with the certificate of incorporation, by-laws or other organizational documents of Seller; (b) violate or conflict with any judgment, order, decree, statute, law, ordinance, rule or regulation applicable to Seller or the Purchased Assets; (c) conflict with, or result in (with or without notice or lapse of time or both) any violation of, or default under, or give rise to a right of termination, acceleration or modification of any obligation or loss of any benefit under any contract or other instrument to which Seller is a party or to which any of the Purchased Assets are subject; or (d) result in the creation or imposition of any Encumbrance on the Purchased Assets. No consent, approval, waiver or authorization is required to be obtained by Seller from any person or entity (including any governmental authority) in connection with the execution, delivery and performance by Seller of this Agreement and the consummation of the transactions contemplated hereby.

Section 3.03 Title to Purchased Assets. Seller owns and has good title to the Purchased Assets, free and clear of Encumbrances.

Section 3.04 Condition and Sufficiency of Assets.

(a) The Purchased Assets are in good condition and are adequate for the uses to which they are being put, and none of the Purchased Assets are in need of maintenance or repairs except for ordinary, routine maintenance and repairs that are not material in nature or cost.

(b) **Schedule 1.01** contains a listing of all the Purchased Assets. With the exception of assets that are transferred to Buyer pursuant to the Asset Sale and Lease Agreement and the Customer Purchase Agreement, the Purchased Assets include all rights and property reasonably necessary to the conduct of the Human Banking Business by Buyer in the manner it is conducted by Seller on the Closing Date.

Section 3.05 Third Party Rights. There are no existing agreements, options, commitments or rights with, of or to any Person to acquire any part of the Purchased Assets or any interest therein.

Section 3.06 Intellectual Property.

(a) "**Intellectual Property**" means any and all of the following which is used in the Human Banking Business (but does not include other intellectual property not used in the Human Banking Business) in any jurisdiction throughout the world: (i) trademarks and service marks, including all applications and registrations and the goodwill connected with the use of and symbolized by the foregoing; (ii) copyrights, including all applications and registrations related to the foregoing; (iii) trade secrets and confidential know-how; (iv) patents and patent applications; (v) websites and internet domain name registrations; and (vi) other intellectual property and related proprietary rights, interests and protections (including all rights to sue and recover and retain damages, costs and attorneys' fees for past, present and future infringement and any other rights relating to any of the foregoing) (the "**Human Banking Purchased IP**").

(b) **Schedule 3.06(b)** of the Disclosure Schedules lists all the Human Banking Purchased IP. Seller owns or has adequate, valid and enforceable rights to use all the Human Banking Purchased IP, free and clear of all Encumbrances. Seller is not bound by any outstanding judgment, injunction, order or decree restricting the use of the Human Banking Purchased IP, or restricting the licensing thereof to any person or entity. With respect to the registered Intellectual Property listed on **Schedule 3.06(b)** of the Disclosure Schedules, (i) all such Intellectual Property is valid, subsisting and in full force and effect and (ii) Seller has paid all maintenance fees and made all filings required to maintain Seller's ownership thereof. For all such registered Intellectual Property, **Schedule 3.06(b)** of the Disclosure Schedules lists (A) the jurisdiction where the

application or registration is located, (B) the application or registration number, and (C) the application or registration date.

(c) Seller's prior and current use of the Human Banking Purchased IP has not and does not infringe, violate, dilute or misappropriate the Intellectual Property of any person or entity and there are no claims pending or threatened by any person or entity with respect to the ownership, validity, enforceability, effectiveness or use of the Human Banking Purchased IP. No person or entity is infringing, misappropriating, diluting or otherwise violating any of the Human Banking Purchased IP, and neither Seller nor any affiliate of Seller has made or asserted any claim, demand or notice against any person or entity alleging any such infringement, misappropriation, dilution or other violation.

Section 3.07 Assigned Contracts. Schedule 3.07 of the Disclosure Schedules includes each Assigned Contract. Each Assigned Contract is valid and binding on Seller in accordance with its terms and is in full force and effect. None of Seller or, to Seller's knowledge, any other party thereto is in breach of or default under (or is alleged to be in breach of or default under), or has provided or received any notice of any intention to terminate, any Assigned Contract. No event or circumstance has occurred that, with or without notice or lapse of time or both, would constitute an event of default under any Assigned Contract or result in a termination thereof or would cause or permit the acceleration or other changes of any right or obligation or the loss of benefit thereunder. Complete and correct copies of each Assigned Contract have been made available to Buyer. There are no disputes pending or threatened under any Assigned Contract.

Section 3.08 Permits. Schedule 3.08 of the Disclosure Schedules lists all Transferred Permits. The Transferred Permits are valid and in full force and effect. All fees and charges with respect to such Transferred Permits as of the date hereof have been paid in full. No event has occurred that, with or without notice or lapse of time or both, would reasonably be expected to result in the revocation, suspension, lapse or limitation of any Transferred Permit.

Section 3.09 Compliance With Laws. Seller has complied, and is now complying, with all applicable federal, state and local laws and regulations applicable to the Human Banking Business, or ownership and use of the Purchased Assets, and the proposed sale of the Purchased Assets to Buyer.

Section 3.10 Legal Proceedings. Except as otherwise listed on Schedule 3.10, there is no claim, action, suit, proceeding or governmental investigation ("Action") of any nature pending or, to Seller's knowledge, threatened against or by Seller (a) relating to or affecting the Human Banking Business or the Purchased Assets; or (b) that challenges or seeks to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement. No event has occurred or circumstances exist that may give rise to, or serve as a basis for, any such Action.

Section 3.11 Financial Statements. Seller has heretofore delivered to Buyer i) copies of the audited balance sheet of the Seller as of 2012, 2013, 2014 and 2015, the unaudited balance sheets of the Seller as of September 30, 2016, as well as the related income statements for the years and nine-month period then-ended, and ii) the quantity of deposits into the tissue bank since inception of the Human Banking Business (2013), as well as revenues, cost of goods sold and gross profit for the Human Banking Business for 2016 (collectively, the “**Financial Statements**”). The balance sheet of the Seller as of December 31, 2015, is hereinafter referred to as the “**Reference Balance Sheet**” and December 31, 2015, shall be referred to as the “**Balance Sheet Date**”. Except as set forth in **Schedule 3.11**, the Financial Statements (a) fairly present in all material respects, the financial condition and the results of operations and cash flows of the Seller and the Human Banking Business as of the dates and for the periods indicated and (b) have been prepared in accordance with the United States Generally Accepted Accounting Principles (“**GAAP**”) applied consistently from period to period and throughout the periods involved, except as disclosed therein and for the absence of footnotes and, in the case of interim financial statements, for normal year-end adjustments. The Seller has made available to Buyer all accounting, corporate and financial books and records (the “**Accounting Books and Records**”) which relate to the Human Banking Business, and such Accounting Books and Records are true and complete in all material respects. The Financial Statements have been derived from and are consistent with the Accounting Books and Records.

Section 3.12 Accounts Payable and Accrued Expenses. No accounts payable or accrued expenses of the Human Banking Business are past due.

Section 3.13 Brokers. Except for Andy Perez, no broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Seller. Seller is responsible for payment of any such fee or commission to Andy Perez and Andy Perez is properly registered and licensed in Florida so that Seller's payment of such fee or commission is permissible and will comply with all applicable laws.

Section 3.14 Undisclosed Liabilities. Except as set forth on **Schedule 3.14**, Seller has no Liabilities or obligations of any nature (whether known or unknown and whether absolute, accrued, contingent, or otherwise) with respect to the Human Banking Business, other than (a) Liabilities fully accrued or reserved against, as set forth in the balance sheet for the most recently completed fiscal quarter; and (b) current Liabilities incurred in the ordinary course of business.

Section 3.15 No Adverse Change. Except as set forth on **Schedule 3.15**, since the Balance Sheet Date, there has not occurred:

- (a) any material adverse change in the assets, Liabilities, financial position, results of operations of the Human Banking Business taken as a whole;

- (b) material change in any method of accounting or accounting practice for the Human Banking Business;
- (c) entry into, modification or termination, other than in the ordinary course of business, of any contract that would constitute a Material Contract;
- (d) incurrence, assumption, or guarantee of any Liabilities, except unsecured current obligations and Liabilities incurred in the ordinary course of business;
- (e) transfer, assignment, sale or other disposition of any of the Purchased Assets shown or reflected in the Reference Balance Sheet, except for the sale of inventory in the ordinary course of business;
- (f) transfer, assignment, or grant of any license or sublicense of any material rights under or with respect to any Intellectual Property used or useful in the Human Banking Business;
- (g) any damage or destruction, whether or not covered by insurance, to the assets or properties of the Human Banking Business, or any real property used or held for use in the Human Banking Business, including without limitation any consummated, pending or planned taking by eminent domain (or voluntary conveyance in lieu thereof) of all or part of the real property used in the Human Banking Business;
- (h) acceleration, termination, material modification to, or cancellation of any Assigned Contract or Transferred Permit;
- (i) imposition of any Encumbrance upon any of the Purchased Assets;
- (j) any actual or threatened labor dispute, labor organizing activity, strike, work stoppage, slowdown, lockout, boycott or any other adverse employee action affecting the financial position, operations, or prospects of the Human Banking Business;
- (k) any material adverse change in the sales, backlog of customer orders, customer relations, sourcing of inventory, suppliers, or sales representative relations with respect to the Human Banking Business;
- (l) any cancellation or compromise of any debt or claim related to the Human Banking Business or any waiver or release of any right of substantial value related to the Human Banking Business;
- (m) purchase, lease, or other acquisition of the right to own, use, or lease any property or assets in connection with the Human Banking Business for an amount in excess of Ten Thousand Dollars (US \$10,000), individually (in the case of a lease, per annum) or Twenty-Five Thousand Dollars (US \$25,000) in the aggregate (in the case of a lease, for the entire term of the lease, not including any option term), except for purchases of inventory or supplies in the ordinary course of business;

any other transaction, event, or condition of any character that is reasonably likely to have a material adverse effect on the Human Banking Business; and Seller represents that, notwithstanding any disclosure set forth in the Disclosure Schedules, the dispute with NorthStar Biotech Group, LLC (“Northstar”), even if decided by a court of law or an arbitrator in favor of Northstar, will not have a material adverse effect on the Human Banking Business; or

(n) any commitment or obligation on the part of Seller to take any of the foregoing actions.

Section 3.16 Product Liability. Except as set forth in **Schedule 3.16**, the Seller has not had any liability (and, to the Seller’s knowledge, there is no reasonable basis for any present or future action, lawsuit, proceeding, investigation, charge, complaint, claim, or damage against the Seller giving rise to any Liability) arising out of any injury to individuals or property as a result of the ownership, possession or use of any product or service provided, sold or delivered by the Seller in connection with the Human Banking Business.

Section 3.17 Employment and Employee Benefits Matters.

(a) **Schedule 3.17(a)** contains a complete and accurate list of the following information, except as excluded by labor laws and HIPPA, for each employee of Seller performing services for the Human Banking Business, including each employee on leave of absence or layoff status: (i) name; (ii) job title; (iii) date of hiring; (iv) date of commencement of employment; (v) current compensation paid or payable; (vi) sick and vacation leave that is accrued but unused; and (vii) service credited for purposes of vesting and eligibility to participate under any plans, programs, and other arrangements that are deemed “employee benefit plans” under the Employment Retirement Security Act of 1974, as amended (“ERISA”), and any other option plan, deferred compensation, severance, retention, vacation, fringe-benefit, welfare, bonus plan or other incentive plan for any of Seller’s employees (each, an “Employee Plan”). **Schedule 3.17(a)** also sets forth a complete and accurate list all independent contractors performing services for the Human Banking Business. Seller is not delinquent to any of its employees for any wages, salaries, commissions, bonuses or other amounts, and no employee owes any sum to Seller. The employees of Seller who have (or have had) access to confidential or proprietary information of Seller related to the Human Banking Business have executed confidentiality and assignment of invention forms which are adequate to protect Seller’s proprietary interests therein.

(b) Neither Seller nor any of its affiliates is, or has been, a party to, or bound by, any collective bargaining agreement or other labor union contract applicable to any employee performing services related to the Human Banking Business and no such agreement is being negotiated. There are no pending, or to the knowledge of Seller, threatened (i) union representation petitions, (ii) efforts being made to organize or (iii) strikes, slowdowns, work stoppages, lockouts or threats. Seller has complied with the

federal Worker Adjustment and Retraining Notification Act and any similar state or local Legal Requirement.

(c) **Schedule 3.17(c)** contains a true and complete list of all Employee Plans, in each case whether or not reduced to writing, which is or has been maintained, sponsored, contributed to or required to be contributed to by Seller for the benefit of any current or former employee, officer, director, retiree, independent contractor or consultant of Seller, in each case, performing services related to the Human Banking Business, or any spouse or dependent of such individual, or under which Seller or any employers (whether or not incorporated) that would be treated together with Seller or any of its affiliates as a "single employer" within the meaning of Section 414 of the Code of its ("ERISA Affiliates") may have any Liability.

Section 3.18 Environmental and Safety Matters.

(a) Except as disclosed on **Schedule 3.18(a)**:

(i) Seller's operations and activities with respect to the Human Banking Business are, and have been in compliance in all material respects with and have not caused Seller to be in violation of or liable under any environmental laws;

(ii) None of the real property used in the Human Banking Business is identified on any current list of contaminated or potentially contaminated property established by any Governmental Body;

(iii) There has been no release of Hazardous Materials at, on, under or from any the real property used in the Human Banking Business;

(iv) There are no pending, or, to Seller's Knowledge, threatened environmental claims including, without limitation investigations by any Governmental Body with respect to the Human Banking Business, the Purchased Assets or the real property used in the Human Banking Business;

(v) To Seller's Knowledge, there are no conditions or circumstances which could reasonably be expected to prevent or interfere with the use of the real property used in the Human Banking Business or the operation in the Human Banking Business in material compliance with environmental laws;

(vi) To Seller's Knowledge, the real property used in the Human Banking Business contains no (A) underground storage tanks; (B) asbestos or asbestos-containing materials; or (C) polychlorinated biphenyls; and

(vii) Seller has delivered to Buyer true and complete copies and results of all reports, studies, analyses, tests, communications or monitoring (including all drafts thereof) in the possession, custody or control of Seller pertaining to the release or presence of Hazardous Materials at, in, on, or under the real property used it the Human

Banking Business, or concerning compliance by Seller with environmental laws with respect to its operation of the Human Banking Business.

(b) Except as disclosed on **Schedule 3.18(b)**, Seller is, and has been, with respect to the Human Banking Business, in compliance in all material respects with and has not been in violation of or liable under any Occupational Safety Laws.

Section 3.19 Tax Matters. Except as provided on **Schedule 3.19**:

(a) Seller has filed all sales and use Tax Returns for any Pre-Closing Tax Period that Seller was required to file and has paid all sales and use Taxes for any Pre-Closing Tax Period required to have been paid prior to the Closing Date. Such sales and use Tax Returns were correct and complete in all material respects.

(b) Seller has withheld and paid all Taxes required to have been withheld and paid in connection with amounts paid or owing to any employee and all Forms W-2 required with respect thereto have been properly completed and timely filed by Seller, and as to payments made to independent contractors, all Forms 1099 required to be filed by Seller with respect thereto have been properly completed and timely filed.

(c) There are no liens on any of the Purchased Assets that arose in connection with any failure (or alleged failure) to pay any Tax.

(d) To the best of Seller's Knowledge, where required to do so, Seller has properly completed and filed all sales Tax exemption certificates for sales where Tax was not charged.

(e) There is no dispute or claim concerning any Tax liability of Seller either (i) claimed or raised by any Governmental Body in writing or (ii) as to which Seller has Knowledge. No written claim has ever been made by an authority in a jurisdiction where Seller does not file Tax Returns that Seller is or may be subject to taxation by that jurisdiction.

(f) **Schedule 3.19(f)** lists all Tax Returns that have been, or currently are, the subject of any audit.

(g) For purposes of this Agreement, "**Tax**" or "**Taxes**" means any federal, state, local, or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under Code §59A), customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, whether computed on a separate or consolidated, unitary or combined basis or in any other manner, including any interest, penalty, or addition thereto. "**Tax Return**" means any return, declaration, report, claim for refund,

or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

Section 3.20 Full Disclosure. No representation or warranty by Seller in this Agreement and no statement contained in the Disclosure Schedules to this Agreement or any certificate or other document furnished or to be furnished to Buyer pursuant to this Agreement contains any untrue statement of a material fact, or omits to state a material fact necessary to make the statements contained therein, in light of the circumstances in which they are made, not misleading.

ARTICLE IV
REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller that the statements contained in this **Article IV** are true and correct as of the date hereof and as of the Effective Date. For purposes of this **Article IV**, "**Buyer's knowledge**," "**Knowledge of Buyer**" and any similar phrases shall mean the actual or constructive knowledge of any director or officer of Buyer, after due inquiry.

Section 4.01 Organization and Authority of Buyer; Enforceability. Buyer is a limited liability company duly organized, validly existing and in good standing under the laws of the state of Florida. Buyer has full limited liability company power and authority to enter into this Agreement and the documents to be delivered hereunder, to carry out its obligations hereunder and to consummate the transactions contemplated hereby. The execution, delivery and performance by Buyer of this Agreement and the documents to be delivered hereunder and the consummation of the transactions contemplated hereby have been duly authorized by all requisite corporate action on the part of Buyer. This Agreement and the documents to be delivered hereunder have been duly executed and delivered by Buyer, and (assuming due authorization, execution and delivery by Seller) this Agreement and the documents to be delivered hereunder constitute legal, valid and binding obligations of Buyer enforceable against Buyer in accordance with their respective terms.

Section 4.02 Legal Proceedings. There is no Action of any nature pending or, to Buyer's knowledge, threatened against or by Buyer that challenges or seeks to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement. No event has occurred or circumstances exist that may give rise to, or serve as a basis for, any such Action.

Section 4.03 Brokers. No broker, finder or investment banker of Buyer is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of the Buyer.

Section 4.04 No Violation. The execution, delivery, compliance with and performance by Buyer of this Agreement and each of the other documents and instruments delivered in connection herewith do not (a) violate or contravene the organizational certificates, documents and agreements, as amended to date, of Buyer, (b) violate or contravene any law, statute, rule, regulation, order, judgment or decree to which Buyer is subject, or (c) conflict with or result in a breach of or constitute a default by any party under any contract, agreement, instrument or other document or contract to which Buyer is a party or by which Buyer or any of its assets or properties are bound.

Section 4.05 Consents and Approvals. Except as set forth on **Schedule 4.05**, no registration or filing with, or consent or approval of, or other action by, any federal, state or other governmental agency or instrumentality on the part of Buyer is necessary for the valid execution, delivery and performance by Buyer of this Agreement, except for such registrations, filings, consents, approvals or other actions that, if not made or obtained, would not have a material adverse effect on the business, operations or financial condition of Buyer, or would not prevent the parties from consummating the transactions contemplated herein.

Section 4.06 Statements. No representation or warranty made by the Buyer in this Agreement and no certificate, communication, or document furnished or to be furnished to the Seller pursuant to this Agreement contains any untrue statement of a material fact, or omits to state a material fact necessary to make the statements contained herein or therein not misleading.

ARTICLE V COVENANTS

Section 5.01 Leads Referrals. Following the Effective Date and continuing until the earlier of (a) the end of the Restricted Period or (b) the termination of this Agreement pursuant to Article VII herein, except with respect to termination by Buyer pursuant to 7.01(c), Seller shall refer all customer leads and revenue generation opportunities that could benefit the Human Banking Business (the “**Leads**”) directly to the Buyer. The Leads shall include, but not be limited to, potential patient customers, as well as potential doctor or practitioner customers or referral sources or any other source of potential revenues for the Human Banking Business. For the avoidance of doubt, it is acknowledged and agreed that, during the Leaseback Period, the revenues resulting from such Leads with respect to Human Banking Business shall be revenues of Seller subject to the terms of this Agreement, the Asset Sale and Lease Agreement, the Customer Purchase Agreement and all agreements related thereto. Effective upon termination of the Leaseback Period, all revenues resulting from such Leads with respect to the Post-Closing Deposits shall belong exclusively to Buyer or its designated affiliates.

Section 5.02 Public Announcements. Unless otherwise required by applicable law or stock exchange requirements, neither party shall make any public announcements regarding this Agreement or the transactions contemplated hereby without the prior

written consent of the other party (which consent shall not be unreasonably withheld or delayed). The Buyer hereby agrees and acknowledges that the Seller must (and Seller agrees that it shall) file a Current Report on Form 8-K filed pursuant to the rules and regulations of the Securities and Exchange Commission following the Closing Date as well as disclose in subsequent quarterly and annual reports filed by the Seller with the Securities and Exchange Commission, all of which reports will reference and attach this Agreement and related agreements, as applicable, or incorporate them by reference if previously attached to a Securities and Exchange Commission filing.

Section 5.03 Transfer Taxes. All transfer, documentary, sales, use, stamp, registration, value added and other such taxes and fees (including any penalties and interest) incurred in connection with this Agreement and the documents to be delivered hereunder shall be borne and paid by Seller when due. Seller shall, at its own expense, timely file any tax return or other document with respect to such taxes or fees (and Buyer shall cooperate with respect thereto as necessary).

Section 5.04 Right of Notification. Following the Effective Date, within ten (10) business days of i) receipt by Buyer of a written offer to sell or transfer ownership in Buyer that would result in a change of control of Buyer, or ii) commencement by Buyer of a process to sell or transfer an interest in Buyer that would result in a change of control of Buyer, Buyer shall notify Seller in writing of such offer or commencement ("**Sale Notification**"). Buyer shall have no obligation to reveal specific details of any offer, but Seller may make a competing offer and/or participate in a sale process.

Section 5.05 Further Assurances. Following the Closing, each of the parties hereto shall execute and deliver such additional documents, instruments, conveyances and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement and the documents to be delivered hereunder. In the event the tissue bank registration held by Seller does not immediately transfer to Buyer on the Effective Date, Seller and Buyer agree to work together to operate the tissue bank under the terms of this Agreement until such time as the transfer is effective.

Section 5.06 Leaseback.

At Closing, Buyer and Seller will enter into the Asset Sale and Lease Agreement (the "**Asset Sale and Lease Agreement**"), under which Seller will sell to Buyer, and Buyer will lease to Seller during the Leaseback Period, the Equipment Assets (in exchange for rental payments paid to Buyer by Seller).

For purposes of this Agreement, the "**Leaseback Period**" means three years from the Closing Date, unless terminated sooner as a result of a termination pursuant to the terms of the Asset Sale and Lease Agreement.

Section 5.07 Compensation for Pre-Closing Deposits and Use of Lab; Other Monthly Payments.

Future income relating to Pre-Closing Deposits shall be owned by Seller, but from and after the Effective Date, the Pre-Closing Deposits shall be maintained and stored by Buyer. In addition to the purchase of the Purchased Assets set forth in Section 1.01, from and after the Effective Date, Buyer shall be reimbursed for all reasonable costs incurred to maintain and store the Pre-Closing Deposits, as and when paid for by Buyer, subject to reasonable review and/or audit by Seller, at the expense of Seller (unless there is a material, considered greater than 10%, discrepancy within any one year period to the benefit of the Buyer related to the income provided to Seller, in which case the Buyer will reimburse the Sellers' costs).

In addition, from and after the Effective Date, Buyer shall be paid 50% of Product Gross Profit (as defined below) derived from Pre-Closing Deposits, including but not limited to dose retrievals and the annual fees related to banking each Pre-Closing Deposit.

"Product Gross Profit" means revenue reduced by direct product costs related thereto, as calculated on an accrual basis according to GAAP. For purposes of this Section 5.07, with respect to dose retrievals, Product Gross Profit shall be equal to 61% multiplied by the revenue collected for dose retrievals, and with respect to annual fees, Product Gross Profit shall be equal to 75% multiplied by the revenue collected for annual fees. For the avoidance of doubt, revenue recognized in determining the Product Gross Profit of Pre-Closing Deposits shall include all revenue that is collected related to Pre-Closing Deposits from and after the Effective Date. For further avoidance of doubt, Product Gross Profit derived from Pre-Closing Deposits prior to the Effective Date shall be the income of the Seller.

In addition, on the Effective Date, if the Seller has amended or extended the Property Lease and the laboratory is at the facility in Sunrise, Florida, Seller and Buyer shall enter into a sub-lease agreement (the **"Sub-Lease Agreement"**), in a form substantially similar to the form attached hereto as **Exhibit C**. Pursuant to the Sub-Lease Agreement, Seller shall sub-lease to Buyer the portion of its facility in Sunrise, Florida, including the laboratory and related premises (approximately 60% of the Seller's total premises, such sublet portion the **"Sublet Premises"**), and Buyer shall in turn sub-lease back to Seller all or a portion of such sublet premises, and the laboratory assets therein, for reimbursement by Seller to Buyer of 50% of the rent and related costs allocated to Buyer (the **"Sub-Lease Reimbursement"**). Any subsequent amendment, extension or replacement of the Sub-Lease Agreement for the Sublet Premises shall not impact this Section 5.07.

Section 5.08 Monthly Report; Payments.

From and after the Effective Date, by the close of business on the 10th day following each month end, Buyer shall submit to Seller a monthly report (the “**Monthly Report**”) in the form set forth on **Schedule B** attached to this Agreement. The Monthly Report shall set forth all amounts due from Buyer to Seller for the items required to be paid by Buyer to Seller pursuant to this Agreement, the Asset Sale and Lease Agreement, the Customer Purchase Agreement, the Sub-Lease Agreement or any other agreements between Buyer and Seller for the prior month, and all amounts due from Seller to Buyer for the items required to be paid by Seller to Buyer pursuant to this Agreement, the Asset Sale and Lease Agreement, the Customer Purchase Agreement, the Sub-Lease Agreement and any other agreements between Buyer and Seller for the prior month, in each case in accordance with the form set forth on **Schedule B**. For the avoidance of doubt, Buyer shall be entitled to set off any amounts owed to Seller hereunder or under the Asset Sale and Lease Agreement, the Customer Purchase Agreement, the Sub-Lease Agreement or any other agreements between Buyer and Seller, by the amount owed by Seller to Buyer hereunder (including by the amount of any payment or reimbursement obligations of Seller under Article V of this Agreement, and any indemnification obligations of Seller under Article VI of this Agreement) or under the Asset Sale and Lease Agreement, the Customer Purchase Agreement, the Sub-Lease Agreement or any other agreements between Buyer and Seller.

The net amount due to Buyer or Seller, as applicable, as set forth in each Monthly Report shall be paid to Buyer or Seller by the 15th day following each month end.

Section 5.09 Confidentiality. From and after the Closing, except as required by federal securities laws, Seller shall, and shall cause its representatives to, keep confidential and not to disclose to others information relating to the Human Banking Business, including without limitation information regarding (a) customers or potential customers; (b) vendors and suppliers; (c) pricing structure, costs, and profit margins; (d) employees and payroll policies; (e) computer systems; and (f) other proprietary, confidential or secret information relating to the Human Banking Business, products, activities or operating aspects, other than any of such information which is now or becomes generally known or available to the public without any violation of this Agreement (hereafter “**Confidential Information**”). Seller shall use all reasonable care to protect, and prevent unauthorized disclosure of, any Confidential Information, unless such information is required to be disclosed by applicable law. Notwithstanding the foregoing in this Section 5.09, Seller shall be entitled to use and disclose Confidential Information in the following circumstances: (1) to the extent needed in connection with the preparation or audit of any Tax Returns or other filings made to any Governmental Body, (2) in connection with any claims made or alleged by any third party relating to the Human Banking Business arising from any facts or circumstances arising on or before the Closing Date, (3) in connection with any claims or disputes among the parties to this Agreement, including those arising out of Agreement or any document delivered by any party hereto and (4) disclosure of Confidential Information to the accountants, attorneys and other advisors of Seller who have confidentiality obligations to Seller.

Section 5.10 Discharge of Liabilities. After the Effective Date, Seller covenants to pay all of its debts and discharge all of its Liabilities and obligations relating to the Human Banking Business as they become due or, if Seller is disputing any such Liabilities in good faith, upon resolution of such dispute. If Seller has failed to timely satisfy any such Liabilities owed to customers or vendors of the Human Banking Business, Buyer may, in its reasonable discretion, pay any such Liabilities. If Buyer intends to make any such payment, Buyer will provide the Seller with 5 business days' prior notice to the Seller during which Buyer and the Seller will have good faith discussions of any dispute regarding such Liabilities and Buyer will in good faith consider extending the period before Buyer would pay on Seller's behalf. In the event Buyer pays or discharges any such Liabilities, Seller shall reimburse Buyer for any such amounts within 30 days of written demand therefor. In the event Buyer pays or discharges any such Liabilities, at Buyer's option either Seller shall reimburse Buyer for any such amounts within 30 days of written demand therefor, or Buyer shall offset such amounts against amounts Buyer owes Seller pursuant to the Monthly Report under Section 5.08.

ARTICLE VI
INDEMNIFICATION

Section 6.01 Survival. All representations, warranties, covenants and agreements contained herein and all related rights to indemnification shall survive the Closing and the Effective Date (subject to Article VII).

Section 6.02 Indemnification By Seller. Subject to the other terms and conditions of this **Article VI**, Seller shall defend, indemnify and hold harmless Buyer, its affiliates and their respective stockholders, directors, officers and employees from and against all claims, judgments, damages, liabilities, settlements, losses, costs and expenses, including attorneys' fees and disbursements, arising from or relating to:

- (a) any inaccuracy in or breach of any of the representations or warranties of Seller contained in this Agreement or any document to be delivered hereunder;
- (b) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by Seller pursuant to this Agreement or any document to be delivered hereunder;
- (c) any Liabilities relating to disputes involving or relating to NorthStar; or
- (d) any Excluded Asset or any Liability of Seller.

Section 6.03 Indemnification By Buyer. Subject to the other terms and conditions of this **Article VI**, Buyer shall defend, indemnify and hold harmless Seller, its affiliates and their respective stockholders, directors, officers and employees from and

against all claims, judgments, damages, liabilities, settlements, losses, costs and expenses, including attorneys' fees and disbursements, arising from or relating to:

- (a) any inaccuracy in or breach of any of the representations or warranties of Buyer contained in this Agreement or any document to be delivered hereunder; or
- (b) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by Buyer pursuant to this Agreement or any document to be delivered hereunder.

Section 6.04 Indemnification Procedures. Whenever any claim shall arise for indemnification hereunder, the party entitled to indemnification (the "**Indemnified Party**") shall promptly provide written notice of such claim to the other party (the "**Indemnifying Party**"). In connection with any claim giving rise to indemnity hereunder resulting from or arising out of any Action by a person or entity who is not a party to this Agreement, the Indemnifying Party, at its sole cost and expense and upon written notice to the Indemnified Party, may assume the defense of any such Action with counsel reasonably satisfactory to the Indemnified Party. The Indemnified Party shall be entitled to participate in the defense of any such Action, with its counsel and at its own cost and expense. If the Indemnifying Party does not assume the defense of any such Action, the Indemnified Party may, but shall not be obligated to, defend against such Action in such manner as it may deem appropriate, including, but not limited to, settling such Action, after giving notice of it to the Indemnifying Party, on such terms as the Indemnified Party may deem appropriate and no action taken by the Indemnified Party in accordance with such defense and settlement shall relieve the Indemnifying Party of its indemnification obligations herein provided with respect to any damages resulting therefrom. The Indemnifying Party shall not settle any Action without the Indemnified Party's prior written consent (which consent shall not be unreasonably withheld or delayed).

Section 6.05 Tax Treatment of Indemnification Payments. All indemnification payments made by Seller under this Agreement shall be treated by the parties as an adjustment to the Purchase Price for tax purposes, unless otherwise required by law.

Section 6.06 Effect of Investigation. Buyer's right to indemnification or other remedy based on the representations, warranties, covenants and agreements of Seller contained herein will not be affected by any investigation conducted by Buyer with respect to, or any knowledge acquired by Buyer at any time, with respect to the accuracy or inaccuracy of or compliance with, any such representation, warranty, covenant or agreement.

Section 6.07 Cumulative Remedies. The rights and remedies provided in this **Article VI** are cumulative and are in addition to and not in substitution for any other rights and remedies available at law or in equity or otherwise.

ARTICLE VII
TERMINATION

Section 7.01 Termination Events. This Agreement may be terminated without prejudice to any other rights or remedies either party may have:

- (a) by written agreement, duly authorized by the managing member of Buyer and the board of directors of Seller;
- (b) by Buyer or Seller if any Governmental Body shall have issued an order, decree, injunction or judgment or taken any other action permanently restraining, enjoining or otherwise prohibiting this transaction and such order or other action shall have become final and non-appealable;
- (c) by Buyer or Seller upon a material breach of any representation, warranty, covenant or agreement on the part of the other party set forth in this Agreement (a "Terminating Breach"), and such Terminating Breach shall, if capable of cure, not have been cured within forty-five (45) days after receipt by the party in breach of a written notice from the non-breaching party setting forth in detail the nature of such breach;
- (d) by Seller if Buyer is sold, transferred, or otherwise there is a change in control such that the successor does not assume all the obligations underlying this Agreement;
- (e) (i) In the event of termination of this Agreement under Section 7.01(a) or Section 7.01(b), the Purchased Assets shall be returned to Seller only after the Purchase Price have been returned to Buyer. Buyer shall have no further obligations to Seller except for any obligations accumulating prior to such notice of termination and following such notice of termination until the Purchased Assets are returned to Seller and all provisions in this Agreement and the Non-Competition and Non-Solicitation Agreement shall terminate except those expressly referenced for survival. (ii) In the event of termination of this Agreement by Seller under Section 7.01(c), the Purchased Assets shall not be returned to Seller and the Purchase Price shall not be returned to Buyer, but Sellers' obligations contained within Article V shall terminate and Sellers' obligations under the Asset Sale and Lease Agreement, the Customer Purchase Agreement, and the Non-Competition and Non-Solicitation Agreement will terminate (if still in effect at such time). (iii) In the event of termination of this Agreement by Buyer under Section 7.01(c), the Purchased Assets shall not be returned to Seller and the Purchase Price shall not be returned to Buyer, but instead the provisions contained within Article V shall terminate. (iv) In the event of termination of this Agreement under Section 7.01(d), the Purchased Assets shall not be returned to Seller and the Purchase Price shall not be returned to Buyer, but instead the provisions contained within Article V shall terminate and the Non-Competition and Non-Solicitation Agreement shall terminate (if still in effect at such time).

(f) Each party's right of termination hereunder is in addition to any other rights it may have hereunder or otherwise and the exercise of a right of termination shall not be an election of remedies.

**ARTICLE VIII
MISCELLANEOUS**

Section 8.01 Expenses. All costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses.

Section 8.02 Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 8.02):

If to Seller: U.S. Stem Cell, Inc.
13794 NW 4th Street, Suite 212
Sunrise, Florida 33325
Attention: Michael Tomas

with a copy to: Joseph I. Emas, P.A.
525 93 Street
Surfside, FL 33154
Attention: Joseph Emas

If to Buyer: GACP Stem Cell Bank LLC
2333 Ponce de Leon Blvd. Suite R240
Coral Gables FL 33134
Attention: David Neithardt

with a copy to: Locke Lord LLP
525 Okeechobee Blvd, Suite 1600
West Palm Beach, Florida 33401
Attention: John Igoe

Section 8.03 Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

Section 8.04 Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

Section 8.05 Entire Agreement. This Agreement and the documents to be delivered hereunder constitute the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein, and supersede all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. In the event of any inconsistency between the statements in the body of this Agreement and the documents to be delivered hereunder, the Exhibits and Disclosure Schedules (other than an exception expressly set forth as such in the Disclosure Schedules), the statements in the body of this Agreement will control.

Section 8.06 Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither party may assign its rights or obligations hereunder without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed. No assignment shall relieve the assigning party of any of its obligations hereunder.

Section 8.07 No Third-party Beneficiaries. Except as provided in **Article VI**, this Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

Section 8.08 Amendment and Modification. This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each party hereto.

Section 8.09 Waiver. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

Section 8.10 Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Florida without giving effect to any choice or conflict of law provision or rule (whether of the State of Florida or any other jurisdiction).

Section 8.11 Submission to Jurisdiction. Any legal suit, action or proceeding arising out of or based upon this Agreement or the transactions contemplated hereby may be instituted in the federal courts of the United States of America or the courts of the Florida, in each case located in Broward or Miami-Dade County, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding.

Section 8.12 Waiver of Jury Trial. Each party acknowledges and agrees that any controversy which may arise under this Agreement is likely to involve complicated and difficult issues and, therefore, each such party irrevocably and unconditionally waives any right it may have to a trial by jury in respect of any legal action arising out of or relating to this Agreement or the transactions contemplated hereby.

Section 8.13 Specific Performance. The parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy to which they are entitled at law or in equity.

Section 8.14 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

SELLER:

U.S. Stem Cell, Inc.

By /s/ Michael Tomas

Name: Michael Tomas

Title: Chief Executive Officer

BUYER:

GACP Stem Cell Bank LLC

By /s/ David Neithardt

Name: David Neithardt

Title: Authorized Signatory

[Signature Page to Asset Purchase Agreement]

Schedule A

Definitions

“Accounting Books and Records” has the meaning set forth in Section 3.11.

“Action” has the meaning set forth in Section 3.10.

“affiliate” means, with respect to any Person, (i) any Person directly or indirectly controlling, controlled by, or under common control with such Person; (ii) any Person owning and controlling fifty percent (50%) or more of the outstanding voting interest of such Person; (iii) any officer, director, manager, member or partner of such Person; (iv) any Person who is an officer, director, manager, member, partner, trustee or holder of fifty percent (50%) or more of the voting interests of any Person described in clauses (i) through (iii) of this sentence; or (v) an agent of such Person or of any Persons listed in the foregoing clauses (i) through (iv).

“Agreement” has the meaning in the introduction.

“Asset Sale and Lease Agreement” has the meaning set forth in Section 5.06(a).

“Assigned Contracts” means contracts, customer orders, leases, agreements, purchase orders and arrangements, if any, to which Seller is a party on the Effective Date that are used or held for use in the conduct of the Human Banking Business.

“Balance Sheet Date” has the meaning set forth in Section 3.11.

“Human Banking Business” has the meaning set forth in Recitals.

“Bill of Sale” has the meaning set forth in Section 2.02(a)(i).

“Buyer” has the meaning set forth in the introduction.

“Closing” has the meaning set forth in Section 2.01.

“Closing Date” has the meaning set forth in Section 2.01.

“Code” means the Internal Revenue Code of 1986, as amended.

“Confidential Information” has the meaning set forth in Section 5.10.

“Customer Purchase Agreement” is that agreement between Buyer and Seller in which Seller sells to Buyer, and Buyer purchases from Seller, for a purchase price of \$50,000, all rights, title and interest in and to the first 5,000 new customers generated during the Leaseback Period, including all customer contracts with respect to Post-

Closing Deposits and all documentation, records, customer lists and other assets relating thereto.

“Disclosure Schedule” has the meaning set forth in the introduction to Article III.

“Employee Plan” has the meaning set forth in Section 3.17.

“Encumbrance” has the meaning set forth in Section 1.01.

“ERISA” has the meaning set forth in Section 3.17(a).

“ERISA Affiliate” has the meaning set forth in Section 3.17(c).

“Excluded Assets” has the meaning set forth in Section 1.02.

“Financial Statements” has the meaning set forth in Section 3.11.

“GAAP” has the meaning set forth in Section 3.11.

“Governmental Body” means any nation, state, county, city, town, village, district, or other jurisdiction of any nature including all instrumentalities thereof entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory, or Taxing authority or power of any nature.

“Gross Profit” has the meaning set forth in Section 5.08.

“Hazardous Materials” means (a) any element, compound or chemical that is characterized, regulated or defined as a contaminant, pollutant, waste, hazardous or extremely hazardous substance, or a hazardous, medical, biohazardous, infectious or special waste under environmental laws; (b) petroleum, petroleum-based or petroleum-derived products; (c) polychlorinated biphenyls (“PCBs”); (d) any substance exhibiting a hazardous waste characteristic including but not limited to corrosivity, ignitibility, toxicity or reactivity as well as any radioactive or explosive materials; and (e) any asbestos or asbestos-containing materials.

“Human Banking Purchased IP” means, in each case as it relates solely to the Human Banking Business and not any other business of the Seller, i) customer lists and records, ii) trade secrets, technology, know-how, processing solution formulas (including enzymes, cell growth media and agents), process recipes, other processes, computer software, and marketing content, and iii) other Intellectual Property of any kind or description used by Seller in the conduct of the Human Banking Business, including without limitation, the names and phrases “U.S. Stem Cell Bank”, “U.S. Stem Cell Banking”, “U.S. Stem Cell Tissue Bank” and all trade names, trademarks, websites, domain names, phone numbers, service marks, copyrights, patents, applications relating to the foregoing, including any documentation reflecting any of the foregoing.

“Indemnified Party” has the meaning set forth in Section 6.04.

“Indemnifying Party” has the meaning set forth in Section 6.04.

“Intellectual Property Assignment” has the meaning set forth in Section 2.02(a)(ii).

“Key Persons” means Michael Tomas and Kristin Comella.

“Knowledge of Seller” has the meaning set forth in the introduction to Article III.

“Knowledge of Buyer” as to Buyer has the meaning set forth in the introduction to Article IV.

“Leaseback Period” has the meaning set forth in Section 5.06(b).

“Liabilities” means any liabilities or obligations of any kind, including without limitation, liabilities based on negligence or strict liability whether known or unknown, liquidated or contingent, or any claims or demands based thereon or attributable thereto.

“Material Contracts” means any contract by which any of the Purchased Assets are bound or affected or to which Seller is a party or by which it is bound in connection with the Human Banking Business or the Purchased Assets.

“Non-Competition and Non-Solicitation Agreement” is that certain Non-Competition and Non-Solicitation Agreement entered into as of the date hereof between the Buyer, the Seller and the Key Persons.

“Northstar” has the meaning set forth in Section 3.15(n).

“Occupational Safety Laws” means all applicable federal, state and local laws (including common law), rules, ordinances, orders, directives, permits, approvals, decisions or decrees and regulations relating to the protection of occupational human health and safety, including the Occupational Safety and Health Act, 29 U.S.C. 651 et. Seq. (OSHA).

“Person” means any individual, partnership, trust, incorporated or unincorporated association, joint venture, stock company, estate, organization, Governmental Body or any other kind of legal entity.

“Pre-Closing Deposits” has the meaning set forth in Section 1.02.

“Pre-Closing Tax Period” means any period or portion of a period ending on or before the Closing Date.

“Post-Closing Deposits” means tissue samples or cell cultures derived therefrom deposited by customers in the tissue bank on or after the Closing Date, including tissue

sample deposits made by customers after the Closing Date who had previously deposited tissue samples in the tissue bank prior to the Closing Date, as evidenced by receipt of physical delivery of the tissue samples or cell cultures at the laboratory facility.

“Post-Closing Deposits Revenues” has the meaning set forth in [Section 5.06\(b\)](#).

“Product Gross Profit” has the meaning set forth in [Section 5.07\(c\)](#).

“Property Lease” means that Office Lease Agreement dated February 4, 2016, by and between Sawgrass Business Plaza, LLC, as lessor, and Seller, as lessee.

“Purchase Price” has the meaning set forth in [Section 1.04](#).

“Purchased Assets” has the meaning set forth in [Section 1.01](#).

“Reference Balance Sheet” has the meaning set forth in [Section 3.11](#).

“Restricted Period” shall mean the period commencing on the Closing Date and ending on the date that is sixty (60) months from the Closing Date.

“Seller” has the meaning set forth in the introduction.

“Sub-Lease Agreement” has the meaning set forth in [Section 5.07\(d\)](#).

“Sub-Let Premises” has the meaning set forth in [Section 5.07\(d\)](#).

“Sub-Lease Reimbursement” has the meaning set forth in [Section 5.07\(d\)](#).

“Tax” has the meaning set forth in [Section 3.19\(g\)](#).

“Tax Returns” has the meaning set forth in [Section 3.19\(g\)](#).

“Transferred Permits” means all permits, licenses, approvals, authorizations, registrations, certificates, consents, variances and similar rights necessary for the operation of the Human Banking Business.

Schedule B

Form of Monthly Report

EXHIBIT A
Bill of Sale

EXHIBIT B
Intellectual Property Assignment

EXHIBIT C
Form of Sub-Lease Agreement

CUSTOMER PURCHASE AGREEMENT

THIS CUSTOMER PURCHASE AGREEMENT is made and entered into as of the 3rd day of March, 2017 (the “**Closing Date**”), by and among GACP Stem Cell Bank LLC, a Florida limited liability company (“**Buyer**”) and U.S. Stem Cell, Inc., a Florida corporation (“**Seller**”).

WITNESSETH:

WHEREAS, Buyer and Seller are parties to that certain Asset Sale and Lease Agreement, dated as of the date hereof, wherein Seller sells to Buyer, and Buyer leases back to Seller, the equipment assets (the “**Equipment Assets**”) used in the business of collecting, growing and banking cell cultures for future use in connection with regenerative medicine purposes (the “**Human Banking Business**”), for a period of three (3) years or, if terminated sooner, then on such earlier date (the “**Leaseback Period**”);

WHEREAS, Buyer and Seller are parties to that certain Asset Purchase Agreement, dated as of the date hereof (the “**Purchase Agreement**”), pursuant to which Buyer purchases certain assets (the “**Purchased Assets**”) from Seller comprising certain non-equipment assets used in the Human Banking Business;

WHEREAS, in connection with the Asset Sale and Lease Agreement, the Purchase Agreement, and this Agreement the Seller and certain key persons of Seller shall enter into a Non-Competition and Non-Solicitation Agreement with Buyer (the “**Non-Compete/Non-Solicit Agreement**”) which, among other things, prohibits Seller and certain key persons of Seller from engaging in activities competitive with the Human Banking Business; and

WHEREAS, this Agreement sets forth the purchase and sale by Seller to Buyer as of the date hereof of all customer contracts and related assets with respect to New Customers, effective automatically and without any further action of the parties upon the expiration or earlier termination of the Leaseback Period (the “**Effective Date**”).

NOW, THEREFORE, Buyer and Seller hereby agree as follows:

1. Definitions. The following capitalized terms used in this Agreement shall have the meanings given below.

“**New Customers**” means persons who become customers of the Human Banking Business during the Leaseback Period, as well as persons who are customers of the Human Banking Business prior to the Closing Date and who make Post-Closing Deposits (in which case such persons are “**New Customers**” with respect to such Post-Closing Deposits).

“**Post-Closing Deposits**” means tissue samples or cell cultures derived therefrom deposited by customers in the tissue bank on or after the Closing Date, including tissue sample deposits made by customers after the Closing Date who had previously deposited tissue samples

in the tissue bank prior to the Closing Date, as evidenced by receipt of physical delivery of the tissue samples or cell cultures at the laboratory facility.

“**Pre-Closing Deposits**” means tissue samples or cell cultures derived therefrom deposited by customers in Seller’s tissue bank (as evidenced by receipt of physical delivery of such tissue samples or cell cultures at the laboratory facility) prior to the Closing Date.

2. Sale and Purchase of Assets.

2.1 Purchase of Customer Assets. Seller hereby sells, transfers and assigns to Buyer, and Buyer hereby purchases from Seller for a purchase price of \$50,000 (the “**Purchase Price**”), all rights, title and interest in and up to the first 5,000 New Customers, including, without limitation, the following assets: (a) all customer contracts with respect to Post-Closing Deposits and all rights of Seller therein (the “**Customer Contracts**”) and (b) all documentation, records, customer lists and other tangible or intangible assets relating thereto (collectively with the customer relationships and Customer Contracts, the “**Customer Assets**”); *provided, however,* that the assignment to, and assumption by, Buyer of the Customer Assets and the rights and obligations thereunder shall, automatically and without any further action of the Buyer or Seller or any other party, become effective upon the Effective Date.

2.2 No Refund or Reduction. If fewer than 5,000 New Customers are generated during the Leaseback Period, Buyer shall not be entitled to a reduction in, or refund of, any portion of the Purchase Price.

2.3 Purchase of Additional Customers. Seller hereby grants to Buyer the right to purchase additional Customer Assets with respect to any New Customers over and above the first 5,000 New Customers for a purchase price of \$20.00 per New Customer.

2.4 No Assumption of Other Liabilities. Other than the assumption of obligations and liabilities arising from New Customers, Buyer does not assume any liabilities or obligations of Seller of any kind (including, without limitation, accounts payable, accrued expenses, liabilities relating to Pre-Closing Deposits, debt and any other liabilities) whether known or unknown, contingent, matured or otherwise, whether currently existing or hereinafter created.

3. Assignment and Assumption. Buyer and Seller are executing as of the date hereof an Assignment and Assumption in the form attached hereto as Exhibit A (“**Assignment and Assumption**”) with respect to the assignment of the Customer Assets, including the Customer Contracts to, and assumption of the obligations thereunder, by Buyer. Attached as a Schedule to the Assignment and Assumption shall be a list of the New Customers (“**Customer Schedule**”). Seller authorizes Buyer to update the Customer Schedule to add New Customers as they are generated by the Human Banking Business during the Leaseback Period.

4. Closing; Closing Deliveries; and Effectiveness of Assignment and Assumption.

4.1. Closing. The consummation of the purchase and sale of the Customer Assets contemplated hereby (the “**Closing**”) shall take place on the date hereof at the offices of the Buyer and/or by remote exchange of electronic copies of executed documents.

4.2. Closing Deliveries Buyer to Seller. Buyer shall deliver the following to Seller at or prior to the Closing:

(a) Purchase Price. \$50,000 Purchase Price; and

(b) Assignment and Assumption. A copy of the Assignment and Assumption, executed by Buyer.

(c) A letter to Seller providing appropriate assurances that all information related to Customer Assets provided by Seller to Buyer will be maintained in accordance with HIPAA.

4.3. Closing Deliveries by Seller to Buyer. Seller shall deliver the following to Buyer at or prior to the Closing: a copy of the Assignment and Assumption executed by Seller.

4.4. Closing. Anything to the contrary herein notwithstanding, upon delivery by Buyer to Seller of its closing deliveries in Section 4.2 and Seller’s delivery to Buyer of its closing deliveries in Section 4.3, the parties shall have satisfied all of their obligations under this Agreement, and the Closing shall have occurred with respect to the Customer Assets. The assignment to, and assumption by, Buyer of the Customer Assets and the rights and obligations thereunder shall, automatically and without any further action of the Buyer or Seller or any other party, become effective upon the termination of the Leaseback Period.

5. Representations and Warranties of Seller. Seller represents and warrants to Buyer as follows:

5.1. Organization and Power; Enforceability. Seller has full corporate power to execute, deliver and perform this Agreement and all other agreements and documents to be executed and delivered by it in connection herewith. All requisite company action to approve, execute, deliver and perform this Agreement and each other agreement and document delivered by Seller in connection herewith has been taken by Seller. This Agreement and each other agreement and document delivered by Seller in connection herewith have been duly executed

and delivered by Seller and constitute the binding obligations of Seller enforceable in accordance with their respective terms.

5.2 Consents; No Conflicts. No approval or consent of, or filing with, any person, entity or governmental authority is required in connection with the transactions contemplated hereby or the execution, delivery or performance by Seller of this Agreement or any other agreement or document delivered by or on behalf of Seller in connection herewith. No action taken by or on behalf of Seller in connection herewith, including, but not limited to, the execution, delivery and performance of this Agreement and each other agreement and document delivered by Seller in connection herewith, conflicts with or violates any law or any order, arbitration award, judgment, decree or other similar restriction to which Seller is subject or constitutes an event which, after notice or lapse of time or both, could result in any of the foregoing.

6. Miscellaneous Provisions.

6.1. Notices. All notices and other communications required by this Agreement shall be in writing and shall be deemed given if delivered by hand, mailed by registered or certified mail, or delivered by Federal Express or other recognized next day business courier, to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

(a) If to Buyer, to: GACP Stem Cell Bank LLC
2333 Ponce de Leon Blvd, Suite R240
Coral Gables, FL 33134
Attention: David Neithardt

(b) If to Seller: U.S. Stem Cell, Inc.
13794NW 4th Street, Suite 212
Sunrise, Florida 33325
Attention: Michael Tomas

6.2. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

6.3. Headings. The headings in this Agreement are intended solely for convenience of reference and shall be given no effect in the construction or interpretation of this Agreement.

6.4. Execution in Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same document.

6.5. Governing Law. This Agreement, including the validity hereof and the rights and obligations of the parties hereunder, and all amendments and supplements hereto and all waivers and consents hereunder, shall be construed in accordance with and governed by the domestic substantive laws of the State of Florida without giving effect to any choice of law or conflicts of

law provision or rule that would cause the application of the domestic substantive laws of any other jurisdiction. EACH PARTY TO THIS AGREEMENT IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY SUIT, ACTION OR OTHER PROCEEDING INSTITUTED BY OR AGAINST IT IN RESPECT OF ITS OBLIGATIONS HEREUNDER OR THE TRANSACTIONS CONTEMPLATED HEREBY.

6.6. Waivers. No waiver of any of the provisions of this Agreement shall be valid and enforceable unless such waiver is in writing and signed by the party to be charged, and, unless otherwise stated therein, no such waiver shall constitute a waiver of any other provisions hereof (whether or not similar) or a continuing waiver.

6.7. No Third Party Rights. Nothing express or implied in this Agreement is intended or shall be construed to confer on any person other than the parties hereto any rights under this Agreement.

6.8. Entire Agreement. This Agreement and the documents to be delivered hereunder constitute the entire agreement between the parties pertaining to the subject matter hereof and supersede all prior and contemporaneous negotiations, agreements and understandings of the parties. There are no warranties, representations or other agreements between the parties in connection with the subject matter hereof except as specifically set forth herein or in the agreements or instruments delivered in connection herewith. This Agreement may not be amended or modified except by an instrument in writing duly executed by Buyer and Seller. No provision of this Agreement for the benefit of Buyer may be waived except by an instrument in writing duly executed by Buyer, and no provision of this Agreement for the benefit of Seller may be waived except by an instrument in writing duly executed by Seller.

Signature Page Follows

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the day and year first above written.

GACP STEM CELL BANK LLC

By: s/s David Neithardt

Name: David Neithardt

Title: Authorized Signatory

("Buyer")

U.S. STEM CELL, INC.

By: /s/ Michael Tomas

Name: Michael Tomas

Title: Chief Executive Officer

("Seller")

EXHIBIT A

Assignment and Assumption

(Please see attached)

GACP STEM CELL BANK LLC

NON-COMPETITION AND NON-SOLICITATION AGREEMENT

This Non-Competition and Non-Solicitation Agreement (this "**Agreement**"), dated as of March 3, 2017 (the "**Closing Date**"), is entered into between GACP Stem Cell Bank LLC, a Florida limited liability company ("**Company**"), U.S. Stem Cell, Inc., a Florida corporation ("**U.S. Stem Cell**"), and Michael Tomas and Kristin Comella ("**Key Persons**"). Capitalized terms are defined herein or in the Definitions section below.

RECITALS

WHEREAS, U.S. Stem Cell is in the business of collecting, growing and banking cell cultures for future use in connection with regenerative medicine purposes (the "**Human Banking Business**"), as well as other related businesses not included within the term Human Banking Business;

WHEREAS, the Company and U.S. Stem Cell are parties to that certain Asset Sale and Lease Agreement (the "**Asset Sale and Lease Agreement**"), dated as of the date hereof, wherein U.S. Stem Cell sells to the Company, and the Company leases back to U.S. Stem Cell, the equipment assets (the "**Equipment Assets**") used in the Human Banking Business, for a period of three (3) years or, if terminated sooner, then on such earlier date (the "**Leaseback Period**");

WHEREAS, the Company and U.S. Stem Cell are parties to that certain Asset Purchase Agreement, dated as of the date hereof (the "**Asset Purchase Agreement**"), pursuant to which the Company purchases certain other assets (the "**Purchased Assets**") from U.S. Stem Cell comprising certain non-equipment assets used in the Human Banking Business, effective upon expiration or earlier termination of the Leaseback Period (the "**Effective Date**");

WHEREAS, the Company and U.S. Stem Cell are parties to that certain Customer Purchase Agreement, dated as of the date hereof (the "**Customer Purchase Agreement**"), pursuant to which U.S. Stem Cell sells to the Company, and the Company purchases from U.S. Stem Cell, certain assets related to customers acquired by U.S. Stem Cell during the Leaseback Period, with assignment and assumption of such customer assets effective upon the expiration or earlier termination of the Leaseback Period.

WHEREAS, the parties desire to enter into this Agreement to more effectively protect for Company the value and goodwill of such assets purchased by Company from U.S. Stem Cell under the Asset Sale and Lease Agreement, the Asset Purchase Agreement and the Customer Purchase Agreement.

NOW THEREFORE, in consideration of the foregoing, and for other valuable consideration (the receipt of which U.S. Stem Cell and the Key Persons hereby acknowledge), U.S. Stem Cell and the Key Persons, intending to be legally bound hereby, covenant and agree with the Company as follows:

AGREEMENT

1. Definitions.

a. **“Post-Closing Deposits”** means tissue samples or cell cultures derived therefrom deposited by customers in the tissue bank on or after the Closing Date, including tissue sample deposits made by customers after the Closing Date who had previously deposited tissue samples in the tissue bank prior to the Closing Date, as evidenced by receipt of physical delivery of the tissue samples or cell cultures at the laboratory facility.

b. **“Pre-Closing Deposits”** means tissue samples or cell cultures derived therefrom deposited by customers in the tissue bank prior to the Closing Date, as evidenced by receipt of physical delivery of the tissue samples or cell cultures at the laboratory facility.

2. Restricted Period. For a period commencing on the Closing Date and ending on the earlier (a) the date that is sixty (60) months from the Closing Date, (b) two years from the termination of any of the Asset Sale and Lease Agreement, the Asset Purchase Agreement and the Customer Purchase Agreement, or (c) solely for the Key Persons, two years from the termination of their employment with U.S. Stem Cell (the **“Restricted Period”**), neither U.S. Stem Cell nor the Key Persons shall, except to the extent waived by the Company, or as set forth in the Asset Sale and Lease Agreement, the Asset Purchase Agreement and the Customer Purchase Agreement, engage or invest in, own, manage, operate, finance, control, or participate in the ownership, management, operation, financing, or control of, be employed by, serve as a director or officer of, be associated with, or in any manner connected with, lend its name, as applicable, render services or advice to, any business whose products or activities compete in whole or in part with the products or activities of the Human Banking Business, anywhere in the United States.

Except as set forth in the Asset Sale and Lease Agreement, the Asset Purchase Agreement and the Customer Purchase Agreement, during the Restricted Period, neither U.S. Stem Cell nor the Key Persons shall (i) induce or attempt to induce any employee of any of Company or its affiliates performing services relating to the Company to leave such employment, (ii) in any way interfere with the relationship between Company and its affiliates and any of their employees performing services relating to the Human Banking Business, (iii) employ, or otherwise engage as an employee, independent contractor or otherwise, any employee of Company or its affiliates performing services relating to the Company, (iv) induce or attempt to induce any customer, supplier, licensee or business relation of Company or its affiliates to cease doing business with or materially reduce its business with Company or its affiliates, in each case with respect to the Human Banking Business, or in any way interfere with the relationship between any customer,

supplier, licensee or business relation of any Company or its affiliates, relating to the Human Banking Business; or (v) solicit the business of any person or entity known to it or him to be a customer of the Human Banking Business whether or not it or he had personal contact with such Person, with respect to products or activities which compete in whole or in part with the products or activities of the Human Banking Business.

3. Leads Referrals. Except as set forth in the Asset Sale and Lease Agreement, the Asset Purchase Agreement and the Customer Purchase Agreement, during the Restricted Period, U.S. Stem Cell and the Key Persons shall refer all customer leads and revenue generation opportunities that could benefit the Human Banking Business (the “**Leads**”) directly to the Company. The Leads shall include, but not be limited to, potential patient customers, as well as potential doctor or practitioner customers or referral sources or any other source of potential revenues for the Human Banking Business. For the avoidance of doubt, it is acknowledged and agreed that, during the Leaseback Period, the revenues resulting from such Leads with respect to Human Banking Business shall be revenues of Seller subject to the terms of this Agreement, the Asset Sale and Lease Agreement, the Customer Purchase Agreement, the Asset Purchase Agreement and all agreements related thereto. Effective upon termination of the Leaseback Period, all revenues resulting from such Leads with respect to the Post-Closing Deposits shall belong exclusively to Buyer or its designated affiliates.

4. Customer Contracts. From and after the Effective Date, neither U.S. Stem Cell nor any other person or entity other than Company or its affiliates shall be a party to any contract relating to Post-Closing Deposits.

5. Territory. The Human Banking Business is national in scope and U.S. Stem Cell and Key Persons agree that the restrictive covenants contained herein are reasonable under the circumstances and further agree that the covenants contained in this Section should be interpreted in such a manner as to be effective and valid under applicable law.

6. Severability. In the event any provision of this Agreement or portion thereof shall be held to be illegal or unenforceable, the remainder of this Agreement or such provision shall remain in full force and effect. If any one or more of the provisions contained in this Agreement shall for any reason be held to be excessively broad as to duration, geographical scope, activity or subject, such provision shall be construed by limiting or reducing it so as to be enforceable to the maximum extent compatible with applicable law.

7. Miscellaneous. It shall not be a violation of this Agreement for U.S. Stem Cell to take actions to comply with their obligations under (i) the Asset Sale and Lease Agreement during the Leaseback Period or (ii) the Asset Purchase Agreement and Customer Purchase Agreement so long as they are in effect. Nothing herein shall prohibit U.S. Stem Cell or the Key Persons from owning less than one percent (1%) of the aggregate of any class of stock of any publicly traded corporation.

8. Expenses. All costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses.

9. Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next business day if sent after normal business hours of the recipient; or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section 8):

If to U.S. Stem Cell: U.S. Stem Cell, Inc.
13794 NW 4th Street, Suite 212
Sunrise, Florida 33325
Attention: Michael Tomas

with a copy to: Joseph I. Emas, P.A.
525 93 Street
Surfside, FL 33154
Attention: Joseph Emas

If to Company: GACP Stem Cell Bank LLC
2333 Ponce de Leon Blvd. Suite R240
Coral Gables FL 33134
Attention: David Neithardt

with a copy to: Locke Lord LLP
525 Okeechobee Blvd, Suite 1600
West Palm Beach, Florida 33401
Attention: John Igoe

10. Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

11. Entire Agreement. This Agreement constitutes the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter.

12. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither party may assign its rights or obligations hereunder without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed. No assignment shall relieve the assigning party of any of its obligations hereunder.

13. No Third-party Beneficiaries. This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

14. Amendment and Modification. This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each party hereto.

15. Waiver. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

16. Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Florida without giving effect to any choice or conflict of law provision or rule (whether of the State of Florida or any other jurisdiction).

17. Submission to Jurisdiction. Any legal suit, action or proceeding arising out of or based upon this Agreement or the transactions contemplated hereby may be instituted in the federal courts of the United States of America or the courts of the Florida, in each case located in Broward or Miami-Dade County, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding.

18. Waiver of Jury Trial. Each party acknowledges and agrees that any controversy which may arise under this Agreement is likely to involve complicated and difficult issues and, therefore, each such party irrevocably and unconditionally waives any right it may have to a trial by jury in respect of any legal action arising out of or relating to this Agreement or the transactions contemplated hereby.

19. Enforcement. U.S. Stem Cell and the Key Persons agree and declare that it is impossible to measure in monetary terms the damages that may accrue to U.S. Stem Cell and the Key Persons by reason of the breach of the obligations of this Agreement and that any breach of this Agreement shall cause the Company irreparable injury. Therefore, if the Company, or its respective successor-in-interest, shall institute an action or proceeding to enforce the provisions of this Agreement the U.S. Stem Cell and the Key Persons shall and hereby do, in advance, waive the claim or defense that there is an adequate remedy at law, and the Company shall be entitled to temporary and permanent injunctive relief without the necessity of proving damages at law or posting a bond. If a court of competent jurisdiction requires the posting of a bond, the parties agree that a bond in the amount of \$1,000 shall be adequate.

20. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

Company:

GACP Stem Cell Bank LLC

By /s/ David Neithardt

Name: David Neithardt

Title: Authorized Signatory

U.S. Stem Cell, Inc.

By /s/Michael Tomas

Name: Michael Tomas

Title: Chief Executive Officer

KEY PERSONS:

 Michael Tomas

Michael Tomas

 /s/Kristin Comella

Kristin Comella