

UNITED STATES
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 1934

Date of Report (date of earliest event reported): April 30, 2009

MIMEDX GROUP, INC.

(Exact name of registrant as specified in charter)

Florida

(State or other jurisdiction of incorporation)

000-52491

(Commission File Number)

90-0300868

(IRS Employer Identification No.)

1234 Airport Road, Suite 105

Destin, Florida

(Address of principal executive offices)

32541

(Zip Code)

Registrant's telephone number, including area code: (850) 269-0000

(Former name, or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of registrant under any of the following provisions:

- 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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This Form 8-K and other reports filed by MiMedx Group, Inc. (the “Registrant”, “MiMedx”, or the “Company”) from time to time with the Securities and Exchange Commission (collectively the “Filings”) contain forward looking statements and information that are based upon beliefs of, and information currently available to, the Registrant’s management as well as estimates and assumptions made by the Registrant’s management. When used in the Filings the words “anticipate”, “believe”, “estimate”, “expect”, “future”, “intend”, “plan”, or the negative if these terms and similar expressions as they relate to the Registrant or the Registrant’s management identify forward looking statements. Such statements reflect the current view of the Registrant with respect to future events and are subject to risks, uncertainties, assumptions and other factors relating to the Registrant’s industry, operations and results of operations and any businesses that may be acquired by the Registrant. These risks include the risk that the Company may not generate revenue or achieve profitability in the future, the Company’s need for continued funding, that the products the Company has under development may not prove successful, and other risks, including those set forth in the Registrant’s most recent Form 10-K and subsequent Filings. Should one or more of these risks or uncertainties materialize, or should the underlying assumptions prove incorrect, actual results may differ significantly from those anticipated, believed, estimated, expected, intended or planned.

Item 1.01 Entry Into a Material Definitive Agreement.

From April 7 to April 30, 2009, MiMedx Group, Inc. sold 3% Convertible Senior Secured Promissory Notes (the “Notes”) to 13 individual accredited investors for aggregate proceeds of \$1,420,000. The aggregate proceeds include \$250,000 of Notes sold to our Chairman of the Board, President and CEO, and \$150,000 of Notes sold to one of our directors.

In total, the notes are convertible into up to 2,840,000 shares of common stock of the Registrant at \$.50 per share (a) at any time upon the election of the holder of the note; (b) automatically immediately prior to the closing of the sale of all or substantially all of the assets or more than 50% of the equity securities of the Company by way of a merger transaction or otherwise which would yield a price per share of not less than \$.50; or (c) at the election of the Company, at such time as the closing price per share of the Company’s common stock (as reported by the OTCBB or on any national securities exchange on which the Company’s shares may be listed, as the case may be) closes at not less than \$1.50 for not less than twenty (20) consecutive trading days in any period prior to the maturity date. If converted, the Common Stock will be available to be sold following satisfaction of the applicable conditions set forth in Rule 144. The Notes mature in 3 years and earn interest at 3% per annum on the outstanding principal amount payable in cash on the maturity date or convertible into shares of common stock of the Company as provided for above. The Notes are to be secured by a first priority lien on all of the assets, including intellectual property, of MiMedx, Inc. (a wholly-owned subsidiary of the Company), excluding the membership interest in SpineMedica LLC held by MiMedx, Inc. The Notes shall be junior in payment and lien priority to any bank debt of the Company in an amount not to exceed \$5,000,000 hereafter incurred by the Company. A copy of the Form of Subscription Agreement and the Promissory Note are attached as exhibits to this Current Report, and the foregoing summary is qualified in its entirety by reference to such exhibits.

In connection with the above offering, the Company will pay a placement fee equal to 7% of the proceeds of the Notes sold to the placement agent’s clients and issue to the placement agent 5 year warrants to purchase such number of shares of Common Stock of the Company as shall equal 8% of the number of shares of Common Stock into which the securities sold in the private placement to the placement agent’s clients are convertible. The warrants carry an exercise price of \$.50 per share.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

Reference is made to the disclosure set forth under Item 1.01 of this Current Report, which disclosure is incorporated herein by reference.

Item 3.02 Unregistered Sales of Equity Securities.

Reference is made to the disclosure set forth under Item 1.01 of this Current Report, which disclosure is incorporated herein by reference.

The Registrant relied on Section 4(2) of the Securities Act of 1933 (the “Securities Act”) and Rule 506 of Regulation D under the Securities Act, as amended, to issue the securities described in this Current Report, because they were only offered to accredited investors who purchased for investment in transactions that did not involve a general solicitation.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits:

Exhibit Number	Description
10.1	Form of Subscription Agreement
10.2	Form of 3% Convertible Senior Secured Promissory Note
10.3	Form of Security and Intercreditor Agreement

The agreements identified in this registration statement as exhibits are between and among the parties to them, and are not for the benefit of any other person. Each agreement speaks as of its date, and the Company does not undertake to update them, unless otherwise required by the terms of the agreement or by law. As permitted, the Company has omitted some disclosure schedules because the Company has concluded that they do not contain information that is material to an investment decision and is not otherwise disclosed in the agreement or this report. Omitted schedules may nevertheless affect the related agreement. The agreements, including the Company's representations, warranties, and covenants, are subject to qualifications and limitations agreed to by the parties and may be subject to a contractual standard of materiality, and remedies, different from those generally applicable or available to investors and may reflect an allocation of risk between or among the parties to them. Accordingly, the representations, warranties and covenants of the Company contained in the agreements may not constitute strict representations of factual matters or absolute promises of performance. Moreover, the agreements may be subject to differing interpretations by the parties, and a party may, in accordance with the agreement or otherwise, waive or modify the Company's representations, warranties, or covenants.

SIGNATURES

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

MIMEDX GROUP, INC.

Dated: May 5, 2009

By: /s/ Michael J. Culumber
Michael J. Culumber, Acting Chief Financial Officer

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
10.1	Form of Subscription Agreement
10.2	Form of 3% Convertible Senior Secured Promissory Note
10.3	Form of Security and Intercreditor Agreement

Name of Subscriber: _____
(Please Print Your Name Here)

SUBSCRIPTION AGREEMENT

3% CONVERTIBLE SENIOR SECURED PROMISSORY NOTE

MiMed_x Group, Inc.
1234 Airport Road, Suite 105
Destin, Florida 32541

Re: 3% Convertible Senior Secured Promissory Note of MiMed_x Group, Inc.

ARTICLE 1
SUBSCRIPTION

Section 1.1 **Subscription.** The undersigned subscriber (“Subscriber”) hereby irrevocably subscribes for and agrees to purchase a 3% Convertible Senior Secured Promissory Note (the “**Note**”) from MiMed_x Group, Inc., a Florida corporation (the “**Company**”), in the principal amount set forth below, on the terms and conditions described in this subscription agreement (this “**Subscription Agreement**”), the Note and the Security and Intercreditor Agreement (the “**Security Agreement**”) attached hereto.

Amount And Dollar Value Of Note Subscribed For \$ _____

THE UNDERSIGNED SUBSCRIBER IS REQUIRED TO CHECK THE APPROPRIATE BOX ON THE ACCREDITED INVESTOR CERTIFICATION FOUND ON PAGE 7 HEREOF TO CERTIFY HIS, HER OR ITS STATUS AS AN ACCREDITED INVESTOR.

Section 1.2 **Collateral.** The Note is secured by a first priority security interest (subject to future subordination described below) in all assets of Mimedx, Inc., a wholly owned subsidiary of the Company, except for the equity securities of SpineMedica LLC which is a wholly owned subsidiary of MiMedx, Inc., pursuant to a security interest in favor of Subscriber and the Other Purchasers. Subscriber acknowledges that the declaration of an event of default, and the exercise or waiver of rights as a secured party under the Security Agreement is subject to the decision of the holders of a majority in dollar value of the Notes held by Subscriber and the Other Purchasers (the “Majority in Interest”). A Collateral Agent will be appointed under the Security Agreement, who is authorized to take action on behalf of the holders of the Notes, upon the decision of the Majority in Interest.

Section 1.3 **Subordination.** The rights of Subscriber are subordinate to payment and lien rights to bank debt hereafter incurred by the Company in an amount not to exceed \$5.0 million (the “Permitted Senior Indebtedness”), as provided in the Security Agreement.

Section 1.4 **Conversion.** The Notes are convertible into common stock of the Company at \$0.50 per share at any time at the election of the Subscriber, and are also convertible at said price at the election of the Company if the common stock of the Company closes at not less than \$1.50 per share for a certain period of time, as more particularly described in the Note.

Section 1.5 **Acceptance or Rejection.** The undersigned understands that the Company will accept this subscription (and only with respect to it) only after the undersigned has executed and delivered this Subscription Agreement and the Counterpart Signature Pages to the Note and the Security Agreement. The undersigned acknowledges that the undersigned may not withdraw this subscription, but that the Company reserves the right, in its sole discretion, to accept or reject this subscription, in whole or in part.

In the event this subscription is rejected in part by the Company, there shall be returned to the undersigned the difference between the subscription amount paid to it and the subscription price allocable to the Note accepted. In the event this subscription is rejected in its entirety, the subscription amount paid will be promptly returned to the undersigned without deduction and without interest, and this Subscription Agreement shall have no force or effect.

Section 1.6 Other Subscription Agreements; Closings. The Company has entered into or expects to enter into separate subscription agreements (the “**Other Subscription Agreements**”) with other purchasers (the “**Other Purchasers**”), providing for the sale to the Other Purchasers of Notes. This Subscription Agreement and the Other Subscription Agreements are separate agreements, and the sales of Note(s) to you and the Other Purchasers are to be separate sales. The Note, Security Agreement, and a copy of the fully executed Subscription Agreement will be delivered to you promptly after the closing.

ARTICLE 2 INVESTOR REPRESENTATIONS, WARRANTIES AND COVENANTS

The undersigned makes the following representations, warranties and covenants with the intent that the same will be relied upon by the Company:

Section 2.1 Information. The undersigned acknowledges that the undersigned has been offered the opportunity to obtain information, to verify the accuracy of the information received by him, her or it and to evaluate the merits and risks of this investment and to ask questions of and receive satisfactory answers concerning the terms and conditions of this investment. The undersigned understands that information regarding the Company is on file with the Securities and Exchange Commission (“**SEC**”), and the undersigned has reviewed such documents and information as he, she or it has deemed necessary in order to make an informed investment decision with respect to the investment being made hereby. The Company has made its officers available to the undersigned to answer questions concerning the Company and the investment being made hereby. In making the decision to purchase the Note, the undersigned has relied and will rely solely upon independent investigations made by him, her or it. The undersigned is not relying on the Company with respect to any tax or other economic considerations involved in this investment. Other than as set forth in Article 3 hereof, no representations or warranties have been made to the undersigned by the Company. To the extent the undersigned has deemed it appropriate, the undersigned has consulted with his, her or its own attorneys and other advisors with respect to all matters concerning this investment.

Section 2.2 Not a Registered Offering. The undersigned understands that the Note issued hereunder (including any securities issuable upon conversion thereof) has not been and is not being registered with the SEC nor with the governmental entity charged with regulating the offer and sale of securities under the securities laws and regulations of the state of residence of the undersigned and are being offered and sold pursuant to the exemption from registration provided in Section 4(2) of the Securities Act of 1933, as amended (the “**1933 Act**”), and Rule 506 of Regulation D (“**Regulation D**”) promulgated under the 1933 Act by the SEC and limited exemptions provided in the “Blue Sky” laws of the state of residence of the undersigned, and that no governmental agency has recommended or endorsed the Note or made any finding or determination relating to the fairness for investment of the Note (including any securities issuable upon conversion thereof) or of the adequacy of the information on file with the SEC or this Subscription Agreement. The undersigned is unaware of, and is in no way relying on, any form of general solicitation or general advertising in connection with the offer and sale of the Note (including any securities issuable upon conversion thereof). The undersigned is purchasing the Note without being furnished any offering or sales literature or prospectus.

Section 2.3 Purchase for Investment. The undersigned is subscribing for the Note solely for his, her or its own account for investment purposes and not with a view to, or with any intention of, a distribution, sale or subdivision for the account of any other individual, corporation, firm, partnership, limited liability company, joint venture, association or person. **The undersigned represents that he, she or it understands that there is no public market for the Note and that no such market will ever exist. The undersigned represents that if he, she, or it has received certain confidential information concerning a transaction by which it is contemplated that the Company may acquire another company, he, she, or it understands that such information is speculative in nature and that there is no guarantee that such possible acquisition transaction will be consummated, or, if consummated, will be successful or result in an increase in shareholder value.**

Section 2.4 Accredited Investor and other Investment Representations. The undersigned represents and warrants that the undersigned is an “accredited investor” as defined in Rule 501(a) of Regulation D under the 1933 Act and that the undersigned has accurately completed the Accredited Investor Certification, which precedes the signature page to this Subscription Agreement.

Section 2.5 Restrictions on Transfer.

(a) The undersigned understands and agrees that because the offer and sale of the Note subscribed for herein have not been registered under federal or state securities laws, the Note (including any securities issuable upon conversion thereof) acquired may not at any time be sold or otherwise disposed of by the undersigned unless it is registered under the 1933 Act or there is applicable to such sale or other disposition one of the exemptions from registration set forth in the 1933 Act, the rules and regulations of the SEC thereunder and applicable state law. The undersigned further understands that the Company has no obligation or present intention to register the Note (including any securities issuable upon conversion thereof) or to permit its sale other than in strict compliance with the 1933 Act, SEC rules and regulations thereunder, and applicable state law. The undersigned recognizes that, as a result of the aforementioned restrictions, there is no and will be no public market for the Note subscribed for hereunder. The undersigned expects to hold the Note (and any securities issuable upon conversion thereof) for an indefinite period and understands that the undersigned will not readily be able to liquidate this investment even in case of an emergency.

(b) The Note (and the securities to be issued to the undersigned upon conversion thereof) shall have endorsed thereon legends substantially as follows:

“THE SECURITIES REPRESENTED BY THIS PROMISSORY NOTE (AND THE SECURITIES INTO WHICH IT IS CONVERTIBLE) HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “ACT”), OR ANY STATE SECURITIES LAW AND MAY NOT BE SOLD, PLEDGED, HYPOTHECATED OR TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT COVERING THESE SECURITIES UNDER THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS OR AN OPINION OF COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY THAT REGISTRATION IS NOT REQUIRED UNDER THE ACT OR UNDER APPLICABLE STATE SECURITIES LAWS.”

Section 2.6 Investment Risks. The undersigned represents that he, she or it has read and understands all of the “Risk Factors” set forth in the Company’s most recent Form 10-K and Form 10-Q on file with the SEC. Without limiting the foregoing, the undersigned has such knowledge and experience in financial and business matters that he, she or it is capable of evaluating the merits and risks of an investment in the Note. The undersigned recognizes that the Company is a development stage company with an extremely limited financial and operating history, that the development of medical devices is difficult, time consuming, and expensive, and that an investment in the Company involves very significant risks. The undersigned further recognizes that (A) an investment in the Company is highly speculative, (B) an investor may not be able to liquidate his, her or its investment, (C) transferability of the Note is extremely limited, (D) in the event of a disposition, the investor could sustain a loss of his, her or its entire investment, (E) the Company will require significant additional financing in order to continue its business, (F) the Company has never had any revenues and may not have any significant revenues for the foreseeable future, and (G) the Company intends to raise additional funds in the near future through the sale of equity, and that any such sale below the conversion events set forth in the Note may be on terms to investors that are more favorable than the terms to the undersigned. The undersigned is capable of bearing the economic risks of an investment in the Note, including, but not limited to, the possibility of a complete loss of the undersigned’s investment, as well as limitations on the transferability of the Note, which may make the liquidation of an investment in the Note difficult or impossible for the indefinite future. The undersigned acknowledges that legal advice has been provided to the Company by Womble Carlyle Sandridge & Rice, PLLC, and that such law firm has neither provided advice to the Subscriber nor performed any due diligence on the Subscriber’s behalf. The undersigned acknowledges that he, she or it has been advised to seek his, her or its own independent counsel from attorneys, accountants and other advisors with respect to an investment in this offering.

Section 2.7 Residence. The undersigned, if a natural person, is a bona fide resident of the state set forth in his or her address on the signature page to this Subscription Agreement. The undersigned, if an entity, has its principal place of business at the mailing address set forth on the signature page of this Subscription Agreement.

Section 2.8 Investor Information; Survival of Representations and Warranties and Covenants. The representations, warranties, covenants and agreements contained in this Article 2 shall survive the date hereof. Any information that the undersigned is furnishing to the Company in this Subscription Agreement is correct and complete as of the date of this Subscription Agreement and if there should be any material change in such information prior to his, her or its admission as a shareholder of the Company, the undersigned will immediately furnish such revised or corrected information to the Company.

Section 2.9 Due Organization. If the undersigned is a corporation, partnership or limited liability company, the undersigned is duly organized, validly existing and in good standing under the jurisdiction of its organization, has all requisite power and authority to own, lease and operate its properties, to carry on its business as currently being conducted, to enter into this Subscription Agreement and to perform its obligations hereunder and thereunder.

Section 2.10 Due Authorization. If the undersigned is a corporation, partnership or limited liability company, the execution, delivery and performance by the undersigned of this Subscription Agreement and the consummation of the transactions contemplated hereby and thereby have been duly authorized by all necessary action on the part of the undersigned.

Section 2.11 Capacity. If the undersigned is an individual, the undersigned has the capacity to execute, deliver and perform this Subscription Agreement.

Section 2.12 Enforceability. This Subscription Agreement will be, upon its execution and delivery, a valid and binding obligation of the undersigned, enforceable against the undersigned in accordance with its terms.

Section 2.13 No Conflicts. Neither the execution, delivery or performance by the undersigned of this Subscription Agreement, nor the consummation by the undersigned of the transactions contemplated hereby will (A) conflict with or result in a breach of any provision of the undersigned's certificate of incorporation, bylaws or other organizational documents, (B) cause a default (or give rise to any right of termination, cancellation or acceleration) under any of the terms, conditions or provisions of any agreement, instrument or obligation to which the undersigned is a party or (C) violate any law, statute, rule, regulation, judgment, order, writ, injunction or decree of any court, administrative agency or governmental body, in each case applicable to the undersigned or its properties or assets.

Section 2.14 No Approvals. No filing with, and no permit, authorization, consent or approval of, any person (governmental or private) is necessary for the consummation by the undersigned of the transactions contemplated by this Subscription Agreement.

Section 2.15 Brokerage Commissions and Finders' Fees. Neither the undersigned nor anyone acting on the undersigned's behalf has taken any action which has resulted, or will result, in any claims for brokerage commissions or finders' fees by any person in connection with the transactions contemplated by this Subscription Agreement.

ARTICLE 3
COMPANY REPRESENTATIONS AND WARRANTIES

The Company makes the following representations and warranties with the intent that the same may be relied upon by the undersigned:

Section 3.1 Due Organization. The Company is a corporation duly organized, validly existing and in good standing under the jurisdiction of its organization, has all requisite power and authority to own, lease and operate its properties, to carry on its business as currently being conducted, to enter into this Subscription Agreement and to perform its obligations hereunder.

Section 3.2 Due Authorization. The execution, delivery and performance by the Company of this Subscription Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary action on the part of the Company.

Section 3.3 Enforceability. This Subscription Agreement is, or upon its execution and delivery will be, a valid and binding obligation of the Company, enforceable against the Company in accordance with its respective terms.

Section 3.4 No Conflicts. Neither the execution, delivery or performance by the Company of this Subscription Agreement, nor the consummation by the Company of the transactions contemplated hereby, will (A) conflict with or result in a breach of any provision of the Company's certificate of incorporation or by-laws, (B) cause a default (or give rise to any right of termination, cancellation or acceleration) under any of the terms, conditions or provisions of any agreement, instrument or obligation to which the Company is a party or (C) violate any law, statute, rule, regulation, judgment, order, writ, injunction or decree of any court, administrative agency or governmental body, in each case applicable to the Company or its properties or assets.

Section 3.5 No Approvals. Assuming the accuracy of the representations and warranties contained in Article 2, no filing with, and no permit, authorization, consent or approval of, any person (governmental or private) is necessary for the consummation by the Company of the transactions contemplated by this Subscription Agreement, other than filings under Federal and state securities laws.

ARTICLE 4
MISCELLANEOUS PROVISIONS

Section 4.1 Notices and Addresses. All notices required to be given under this Subscription Agreement shall be in writing and shall be mailed by certified or registered mail, hand delivered or delivered by next business day courier. Any notice to be sent to the Company shall be mailed to the principal place of business of the Company or at such other address as the Company may specify in a notice sent to the undersigned in accordance with this Section. All notices to the undersigned shall be mailed or delivered to the address set forth on the signature page to this Subscription Agreement or to such other address as the undersigned may specify in a notice sent to the Company in accordance with this Section. Notices shall be effective on the date three days after the date of mailing or, if hand delivered or delivered by next day business courier, on the date of delivery; provided, however, that notices to the Company shall be effective upon receipt.

Section 4.2 Governing Law; Jurisdiction. (A) THIS SUBSCRIPTION AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF FLORIDA WITHOUT REGARD TO ITS CONFLICTS OF LAWS PRINCIPLES, (B) THE UNDERSIGNED HEREBY IRREVOCABLY SUBMITS TO THE JURISDICTION OF ANY FLORIDA STATE COURT OR UNITED STATES FEDERAL COURT SITTING IN THE STATE OF FLORIDA, OVER ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS SUBSCRIPTION AGREEMENT OR ANY AGREEMENT CONTEMPLATED HEREBY, AND (C) THE UNDERSIGNED HEREBY IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING SHALL BE HEARD AND DETERMINED IN SUCH FLORIDA STATE OR FEDERAL COURT. THE UNDERSIGNED FURTHER WAIVES ANY OBJECTION TO VENUE IN SUCH COURT AND ANY OBJECTION TO AN ACTION OR PROCEEDING IN SUCH COURT ON THE BASIS OF A NON-CONVENIENT FORUM. THE UNDERSIGNED FURTHER AGREES THAT ANY ACTION OR PROCEEDING BROUGHT AGAINST THE COMPANY SHALL BE BROUGHT IN SUCH COURTS. THE UNDERSIGNED AGREES TO WAIVE ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS SUBSCRIPTION AGREEMENT OR ANY DOCUMENT OR AGREEMENT CONTEMPLATED HEREBY.

Section 4.3 Assignability. This Subscription Agreement and the rights, interests and obligations hereunder are not transferable or assignable by the undersigned and the undersigned acknowledges and agrees that any transfer or assignment of the Note shall be made only in accordance with all applicable laws.

Section 4.4 Successors and Assigns. This Subscription Agreement shall be binding upon and inure to the benefit of the parties hereto, and each of their respective legal representatives and permitted successors.

Section 4.5 Counterparts. This Subscription Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall constitute one instrument.

Section 4.6 Modifications To Be in Writing. This Subscription Agreement constitutes the entire understanding of the parties hereto with respect to the subject matter hereof and no amendment, restatement, modification or alteration will be binding unless the same is in writing signed by the party against whom any such amendment, restatement, modification or alteration is sought to be enforced. The Note(s) may be amended or any provision thereof waived with the written consent of the Company and the Holder(s) (as defined in the Note) of a majority of the aggregate then outstanding principal amount of the Note(s); provided, however, that any such amendment or waiver that disproportionately affects any Holder of a Note shall require the written consent of such Holder.

Section 4.7 Captions. The captions are inserted for convenience of reference only and shall not affect the construction of this Subscription Agreement.

Section 4.8 Validity and Severability. If any provision of this Subscription Agreement is held invalid or unenforceable, such decision shall not affect the validity or enforceability of any other provision of this Subscription Agreement, all of which other provisions shall remain in full force and effect.

Section 4.9 Statutory References. Each reference in this Subscription Agreement to a particular statute or regulation, or a provision thereof, shall be deemed to refer to such statute or regulation, or provision thereof, or to any similar or superseding statute or regulation, or provision thereof, as is from time to time in effect.

Accredited Investor Certification

YOU MUST BE ABLE TO CHECK OFF AT LEAST ONE OF THE BOXES BELOW IN ORDER TO PURCHASE THE NOTE.

- o The undersigned is a natural person who had individual income of more than \$200,000 in each of the most recent two years or joint income with his spouse in excess of \$300,000 in each of the most recent two years and reasonably expects to reach that same income level for this year; “*income*”, for purposes hereof, should be computed as follows: individual adjusted gross income, as reported (or to be reported) on a federal income tax return, increased by (a) any deduction of long-term capital gains under section 1202 of the Internal Revenue Code of 1986 (the “*Code*”), (b) any deduction for depletion under Section 611 et seq. of the Code, (c) any exclusion for interest under Section 103 of the Code and (d) any losses of a partnership as reported on Schedule E of Form 1040;
- o The undersigned is a natural person whose individual net worth (i.e., total assets in excess of total liabilities), or joint net worth with his spouse, will at the time of purchase of the Note be in excess of \$1,000,000;
- o The undersigned is a corporation, Massachusetts or similar business trust, partnership, or limited liability company, or any organization described in Section 501(c)(3) of the Internal Revenue Code, not formed for the specific purpose of acquiring the Note, with total assets in excess of \$5,000,000;
- o The undersigned is a trust (other than a revocable grantor trust), which trust has total assets in excess of \$5,000,000, which is not formed for the specific purpose of acquiring the Note offered hereby and whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) of Regulation D and who has such knowledge and experience in financial and business matters that he is capable of evaluating the risks and merits of an investment in the Note;
- o The undersigned is an employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974, and either: (a) the investment decision will be made by a plan fiduciary, as defined in Section 3(21) of such act, which is either a bank, insurance company, or a registered investment adviser; or (b) the employee benefit plan has total assets in excess of \$5,000,000; or (c) the employee benefit plan is a self-directed plan, including an Individual Retirement Account, with the meaning of Title I of such act, and the person directing the purchase is an Accredited Investor**;

****NOTE.** If the undersigned is relying solely on this item for its Accredited Investor status, please print the name of the person directing the purchase in the following space and furnish a completed and signed Accredited Investor Certification for such person.

- o The undersigned is an investor otherwise satisfying the requirements of Section 501(a)(1), (2) or (3) of Regulation D promulgated under the 1933 Act, which includes, but is not limited to, a self-directed employee benefit plan where investment decisions are made solely by persons who are “accredited investors” as otherwise defined in Regulation D;
- o The undersigned is a member of the Board of Directors or an executive officer of the Company; or
- o The undersigned is an entity (including an IRA or revocable grantor trust but other than a conventional trust) in which all of the equity owners meet the requirements of at least one of the above subparagraphs.

**SUBSCRIPTION AGREEMENT
COUNTERPART SIGNATURE PAGE**

If the subscriber is an INDIVIDUAL, or if purchased as JOINT TENANTS, as TENANTS IN COMMON, or a COMMUNITY PROPERTY:

Print Name(s)

Social Security Number(s)

Signature(s) of subscriber(s)

Signature(s) of subscriber(s)

Date

Address: _____

If the subscriber is a PARTNERSHIP, CORPORATION, LLC or TRUST:

Name of Entity

Federal Taxpayer ID Number

By: _____
Name: _____
Title: _____

State of Organization

Date

Address: _____

SUBSCRIPTION ACCEPTED AND AGREED TO this ____ day of _____ 2009.

MiMed_x Group, Inc.

By: _____
Name: _____
Title: _____

THE SECURITIES REPRESENTED BY THIS PROMISSORY NOTE (AND THE SECURITIES INTO WHICH IT IS CONVERTIBLE) HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR ANY STATE SECURITIES LAW AND MAY NOT BE SOLD, PLEDGED, HYPOTHECATED OR TRANSFERRED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT COVERING THESE SECURITIES UNDER THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS OR AN OPINION OF COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY THAT REGISTRATION IS NOT REQUIRED UNDER THE ACT OR UNDER APPLICABLE STATE SECURITIES LAWS

3% CONVERTIBLE SENIOR SECURED PROMISSORY NOTE

\$ _____, 2009

For value received **MiMed_x Group, Inc.**, a Florida corporation (the "**Company**"), promises to pay to _____ ("**Holder**") the principal sum of _____ (\$_____), together with simple interest on the outstanding principal amount at the rate of three percent (3.0%) per annum. The principal and all accrued interest shall be due and payable in full on April __, 2012 (the "**Maturity Date**"). This Note is secured by a security interest in certain Collateral (the "**Collateral**"), as defined in, and subject to the terms of, that certain Security and Intercreditor Agreement of even date herewith (the "**Security Agreement**"). Interest shall begin to accrue on the date hereof and shall continue to accrue on the outstanding principal amount hereof until converted into common stock of the Company (the "**Common Stock**") as provided herein, or until the payment in full of this Note whichever occurs first. Interest shall be computed on the basis of a year of 365 days for the actual number of days elapsed. All cash payments of interest hereunder shall be in lawful money of the United States of America. Upon payment in full of the amount of all principal and interest payable hereunder (whether in cash or Common Stock upon a Conversion Event, as defined below), this Note shall be surrendered to the Company for cancellation.

1. This Note is issued pursuant to that certain 3% Convertible Senior Secured Promissory Note Subscription Agreement dated as of April __, 2009, (the "**Note Subscription Agreement**"), and is subject to its terms and conditions. However, in the event of any conflict between the terms of this Note and the Note Subscription Agreement, the terms of this Note shall govern. This Note is *pari passu* as to payment and lien priority rights, ratably with all Other Purchasers of 3% Convertible Senior Secured Promissory Notes, as provided in the Security Agreement. This Note is *junior* as to payment and lien priority rights with respect to up to \$5.0 million in senior funded debt, as provided in the Security Agreement.

2. This Note is convertible into common stock of the Company at any time upon the election of the Holder into that number of shares of Common Stock equal to the quotient of (a) the outstanding principal amount and accrued interest of this Note as of date of such election, divided by (b) \$0.50 (the "**Conversion Price**"). Such voluntary election to convert by Holder is herein called a "**Voluntary Conversion**". A Voluntary Conversion and a conversion under any of the circumstances described in Sections 3 and 4 below are all herein called "**Conversion Events**" or singly a "**Conversion Event**".

3. Notwithstanding the other terms and conditions of this Note, in the event of a “**Change in Control Transaction**” (as hereinafter defined) which occurs prior to any other Conversion Event, then, effective immediately prior to such Change in Control Transaction, the outstanding principal balance of this Note shall automatically, and without further action by the Holder, convert into that number of shares of Common Stock equal to the quotient of (a) the outstanding principal amount and interest due under this Note as of the closing of such Change in Control Transaction, divided by (b) the Conversion Price. As used herein, the term “**Change in Control Transaction**” means any of the following transactions which results in aggregate transaction consideration payable to the common shareholders of the Company of not less than \$0.50 per share: (A) a share exchange, consolidation or merger of the Company with or into any other entity or any other corporate reorganization whether or not the Company is the surviving entity (unless the stockholders of the Company immediately prior to such share exchange, consolidation, merger or reorganization hold in excess of fifty percent (50%) of the general voting power of the Company or the surviving entity, as the case may be, immediately after the closing of such transaction); (B) a transaction or series of related transactions in which in excess of fifty percent (50%) of the Company’s general voting power is transferred to a third party (or group of affiliated third parties) that were not previously stockholders of the Company (other than in connection with an original issuance of shares of capital stock by the Company); or (C) a sale of all or substantially all of the assets of the Company (unless the stockholders of the Company immediately prior to such sale hold in excess of fifty percent (50%) of the general voting power of the purchasing party or parties). The determination of “**general voting power**” shall be based on the aggregate number of votes that are attributable to outstanding securities entitled to vote in the election of directors, general partners, managers or persons performing analogous functions to directors of the entity in question, without regard to contractual arrangements that establish a management structure or that vest the right to designate directors in certain parties. In the event of a conversion upon a Change in Control Transaction, the Holder shall be entitled to participate in such Change in Control Transaction to the same extent as the other holders of Common Stock. In addition, in the event of a conversion upon a Change in Control Transaction, the Holder (w) shall be required to participate in such Change in Control Transaction to the extent such participation is necessary to consummate the Change in Control Transaction or is otherwise necessary or appropriate in connection therewith (as determined by the Company in its sole discretion), (x) shall give its consent and approval to such Change in Control Transaction, (y) shall, at the request of the Company, execute any documents, instruments or certificates and take any actions determined by the Company, in its sole discretion, to be necessary or appropriate in connection with such Change in Control Transaction, and (z) hereby waives any rights of dissent or appraisal in connection with such Change in Control Transaction.

4. Notwithstanding the other terms and conditions of this Note, in the event that, prior to the occurrence of another Conversion Event, the trading price of the Common Stock closes at not less than \$1.50 per share for not less than twenty (20) consecutive trading days prior to the Maturity Date, then, effective immediately upon the close of trading on such twentieth (20th) consecutive trading day, the outstanding principal balance of this Note shall, at the election of the Company, and without further action by the Holder, convert into the number of shares of Common Stock equal to the quotient of (a) the outstanding principal amount and interest due under this Note on such twentieth (20th) day, divided by (b) the Conversion Price.

5. Upon the occurrence of a Conversion Event, the applicable amount of outstanding principal and accrued interest under this Note shall be converted into Common Stock of the Company at the Conversion Price, without any further action by the Holder and whether or not the Note is surrendered to the Company or its transfer agent. The Company shall not be obligated to issue certificates evidencing the shares of the Common Stock issuable upon such conversion unless and until such Note is either delivered to the Company or its transfer agent, or Holder notifies the Company or its transfer agent that such Note has been lost, stolen or destroyed and executes an agreement satisfactory to the Company to indemnify the Company from any loss incurred by it in connection with such Note. The Company shall, as soon as practicable after such delivery, or such agreement and indemnification, issue and deliver at such office to the Holder, a certificate or certificates for the securities to which Holder shall be entitled and a check payable to the holder in the amount of any cash amounts payable as the result of a conversion into fractional shares, as determined by the board of directors of the Company. Such conversion shall be deemed to have been made concurrently with the close of the Conversion Event. The person or persons entitled to receive securities issuable upon such conversion shall be treated for all purposes as the record holder or holders of such securities on such date.

6. In the event of any default hereunder, Company shall pay all reasonable attorneys' fees and court costs actually incurred by Holder in enforcing and collecting this Note.

7. Company may NOT prepay the principal amount of this Note and accrued interest hereunder, in whole or part, at any time prior to the Maturity Date.

8. If there shall be any Event of Default (as defined below) hereunder, at the option and upon the declaration of the Majority in Interest (defined as the holders of a majority of the dollar value of the Notes issued pursuant to the Holder and the Other Purchasers under the Note Subscription Agreement) and upon written notice to the Company (which election and notice shall not be required in the case of an Event of Default under Sections 8(b) or 8(c)), this Note shall accelerate and all principal and unpaid accrued interest shall become immediately due and payable. Additionally, upon the occurrence of an Event of Default, the Holder, at the option and upon the decision of a Majority in Interest, may exercise its rights as a secured party, or take or decline to take, any other action, with respect to the Collateral. The occurrence of any one or more of the following shall constitute an "**Event of Default**":

(a) Company fails to pay timely any principal and accrued interest or other amounts due under this Note on the date the same becomes due and payable, and such amount remains unpaid for a period of ten (10) business days after written notice thereof from Holder;

(b) Company files any petition or action for relief under any bankruptcy, reorganization, insolvency or moratorium law or any other law for the relief of, or relating to, debtors, now or hereafter in effect, or makes any assignment for the benefit of creditors or takes any corporate action in furtherance of any of the foregoing;

(c) An involuntary petition is filed against Company (unless such petition is dismissed or discharged within sixty (60) days under any bankruptcy statute now or hereafter in effect), or a custodian, receiver, trustee, assignee for the benefit of creditors (or other similar official) is appointed to take possession, custody or control of any property of Company; or

(d) The senior lender has declared a default under any Permitted Senior Indebtedness (as defined in the Security Agreement).

9. This Note shall be governed by construed and under the laws of the State of Florida, without giving effect to conflicts of laws principles.

10. Any term of this Note may be amended or waived with the written consent of Company and the holders of a Majority in Interest, provided that this Note may not be amended if it disproportionately affects the Holder hereof, without the consent of Holder of this Note. Upon the effectuation of such waiver or amendment in conformance with this Section 10, the Company shall promptly give written notice thereof to the record Holders of the Notes who have not previously consented thereto in writing.

11. Nothing contained in this Note shall be construed as conferring upon the Holder or any other person the right to vote or to consent or to receive notice as a stockholder of the Company.

12. This Note may be transferred only upon (a) its surrender by Holder to the Company for registration of transfer, duly endorsed, or accompanied by a duly executed written instrument of transfer in form satisfactory to the Company and (b) compliance with applicable provisions of the Note Subscription Agreement, including (without limitation) the Company's receipt, if it so requests, of an opinion of counsel as set forth in the Note Subscription Agreement. Thereupon, this Note shall be reissued to, and registered in the name of, the transferee, or a new Note for like principal amount and interest shall be issued to, and registered in the name of, the transferee. Interest and principal shall be paid solely to the registered holder of this Note. Such payment shall constitute full discharge of the Company's obligation to pay such interest and principal.

COUNTERPART SIGNATURE PAGE FOLLOWS

**3% CONVERTIBLE SENIOR SECURED PROMISSORY NOTE
COUNTERPART SIGNATURE PAGE**

This Note is hereby issued to Holder as of the date first above written.

MiMed_x Group, Inc.

By: _____
Name: _____
Title: _____

Acknowledged and Agreed to by Holder:

Signature for Corporate, Partnership, or other Entity Holder:

(Print Name of Entity)

By: _____
Print Name: _____
Print Title: _____

Signature for Individual Holder:

(Signature)

Print Name: _____

SECURITY AND INTERCREDITOR AGREEMENT

THIS SECURITY AND INTERCREDITOR AGREEMENT (this "Security Agreement"), dated April ____, 2009, by and among MIMEDX, INC., a corporation under the laws of the state of Florida ("Grantor"), in favor of each holder of the 3% Convertible Secured Promissory Notes issued by MiMedx Group, Inc. (individually a "Holder" and collectively the "Holders").

RECITALS

WHEREAS, in connection with certain 3% Convertible Secured Promissory Notes, issued pursuant to the Subscription Agreements (defined below), executed and delivered by MiMedx Group, Inc., a corporation under the laws of the State of Florida, the "Borrower"), payable to the order of each of the Holders, Borrower is required to have executed and delivered this Security Agreement encumbering all of the tangible and intangible assets of Grantor with the exception of the membership interests held by Grantor in SpineMedica, LLC, a wholly-owned subsidiary of Grantor, in favor of the Holders; and

WHEREAS, Grantor has determined that the Notes shall inure to the benefit of Grantor and that it is in its best interest to execute this Security Agreement;

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt of which are hereby acknowledged, the parties hereto agree as follows:

1. Defined Terms. The following terms shall have the following meanings (such meanings being equally applicable to both the singular and plural forms of the terms defined):

"Borrower" shall have the meaning set forth in the Recitals above.

"Collateral" shall have the meaning set forth in Section 2 hereof.

"Collateral Agent" shall have the meaning set forth in Section 5(h) hereof.

"Event of Default" shall have the meaning given to it in the Notes.

"Holder" or "Holders" shall have the meaning set forth in the heading to this Security Agreement.

"Majority In Interest" means, at any time, Holders holding more than fifty percent (50%) of the outstanding principal amount of the Notes at such time.

"Notes" means those certain 3% Convertible Secured Promissory Notes, issued pursuant to the Subscription Agreements, executed and delivered by MiMedx Group, Inc., payable to the order of each of the Holders.

"Permitted Dispositions" means (i) transfers in the ordinary course of business, including, without limitation, sales of inventory and products made for sale, fixtures, furniture, and transfers of worn out, obsolete or surplus equipment; and (ii) any and all licenses of intellectual property from the Grantor to third parties.

"Permitted Liens" means:

(a) Liens consisting of any license or sublicense of intellectual property and any interest of a licensor under any such license or sublicense;

(b) Liens arising solely by virtue of any statutory or common law provision relating to banker's liens, rights of setoff or similar rights and remedies as to deposit accounts or other funds maintained with a Holder depository institution; and

(c) Liens arising from any Permitted Senior Indebtedness.

"Permitted Senior Indebtedness" means any bank debt not to exceed \$5,000,000, hereafter incurred by the Grantor or its affiliates.

"Pro Rata Share" shall have the meaning set forth in Section 5 (e) hereof.

"Secured Obligations" means all indebtedness, liabilities and obligations of Grantor to Holders, whether now existing or hereafter incurred, pursuant to the Notes.

"Subscription Agreements" means the Subscription Agreements for 3% Convertible Senior Secured Promissory Notes between each Holder and the Borrower, pursuant to which the Notes were issued.

"UCC" means the Uniform Commercial Code as the same may, from time to time, be in effect in the State of Florida; provided, however, in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection or priority of Holder's security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of Florida, the term "UCC" shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such attachment, perfection of priority and for purposes of definitions related to such provisions.

2. Grant of Security Interest. As collateral security for the prompt and complete payment and performance when due (whether at stated maturity, by acceleration or otherwise) of all the Secured Obligations and in order to induce the Borrower and Holders to cause the Notes to be issued, Grantor hereby grants to Holders, a security interest, subject to the subordination provisions set forth in Section 5 herein, in all tangible and intangible assets of Grantor, now or hereafter owned or acquired by Grantor or in which Grantor now has or hereafter has or acquires any rights, and wherever located, with the exception of the membership interest held by Grantor in SpineMedica, LLC, its wholly-owned subsidiary (the "Collateral"). The Collateral shall include, but not be limited to, Grantor's accounts, inventory, chattel paper, contract rights; documents; equipment; fixtures; instruments; supporting obligations and letter-of-credit rights; general intangibles; intellectual property; investment property; goods; commercial tort claims; all money, cash, cash equivalents and securities of any kind of Grantor; all of the Grantor's deposit accounts and payment accounts; and shall also include:

(i) all books, records and other property related to or referring to any of the foregoing, including books, records, account ledgers, data processing records, computer software and other property and general intangibles at any time evidencing or relating to any of the foregoing; and

(ii) all accessions to, substitutions for and replacements, products and proceeds of any of the foregoing, including, but not limited to, proceeds of any insurance policies, claims against third parties, and condemnation or requisition payments with respect to all or any of the foregoing.

(iii) to the extent not otherwise included, all proceeds of each of the foregoing and all accessions to, substitutions and replacements for, and rents, profits and products of the Collateral.

Notwithstanding the foregoing, "Collateral" shall not include any contract which prohibits the granting of a security interest in such contract or any asset leased by Grantor.

3. Perfection and Protection of Security Interest.

(a) Perfection of Security Interest. Grantor shall, at its expense, perform all steps requested by the Collateral Agent at any time to perfect, maintain, protect, and enforce the Holders' Liens, including: (i) executing, delivering and/or filing of financing or continuation statements, and amendments thereof, in form and substance reasonably satisfactory to the Holders; (ii) when an Event of Default has occurred and is continuing, if requested by the Collateral Agent, transferring the Collateral to warehouses or other locations designated by the Collateral Agent; (iii) placing notations on Grantor's books of account to disclose the Holders' security interest; and (iv) taking such other steps as are deemed necessary or desirable by the Collateral Agent to maintain and protect the Holders' Liens.

(b) Financing Statements. Grantor hereby irrevocably authorizes the Collateral Agent at any time and from time to time to file in any filing office in any Uniform Commercial Code jurisdiction any initial financing statements and amendments thereto that (a) indicate the Collateral (i) as all of the assets of Grantor or words of similar effect (excepting only the membership interests of SpineMedica held by Grantor), regardless of whether any particular asset comprised in the Collateral falls within the scope of Article 9 of the UCC or the Uniform Commercial Code of such jurisdiction, or (ii) as being of an equal or lesser scope or with greater detail, and (b) contain any other information required by part 5 of Article 9 of the UCC of the State of Florida for the sufficiency or filing office acceptance of any financing statement or amendment, including (i) whether the Grantor is an organization, the type of organization and any organization identification number issued to the Grantor, and (ii) in the case of a financing statement filed as a fixture filing, a sufficient description of real property to which the Collateral relates. Any such filing, and any amendment, continuation or termination with respect thereto, shall be made only with the approval of the Majority In Interest for and on behalf of all of the Holders. Grantor agrees to furnish any such information to the Holders promptly upon request. Grantor agrees that a carbon, photographic, photostatic, or other reproduction of this Security Agreement or of a financing statement is sufficient as a financing statement.

(c) Confirmation. From time to time, Grantor shall, upon the Collateral Agent's request, execute and deliver confirmatory written instruments pledging to the Holders the Collateral, but Grantor's failure to do so shall not affect or limit any security interest or any other rights of the Holders in and to the Collateral with respect to Grantor. Until all Secured Obligations have been fully satisfied, the Holders' Liens shall continue in full force and effect in all Collateral.

4. Power of Attorney. Subject to compliance with Section 5(b) hereof, Grantor hereby appoints the Collateral Agent and any other designees appointed by the Collateral Agent from time to time, as the Grantor's attorney-in-fact, with power: (a) to endorse the Grantor's name on any checks, notes, acceptances, money orders, or other forms of payment or security that come into the Holders' possession; (b) to sign the Grantor's name on any invoice, bill of lading, warehouse receipt or other negotiable or non-negotiable document constituting Collateral, on drafts against customers, on assignments of accounts, on notices of assignment, financing statements and other public records and to file any such financing statements by electronic means with or without a signature as authorized or required by applicable law or filing procedure; (c) to notify the post office authorities to change the address for delivery of the Grantor's mail to an address designated by the Collateral Agent and to receive, open and dispose of all mail addressed to the Grantor; (d) to send requests for verification of accounts to customers or account debtors; (e) to complete in the Grantor's name or the Holders' name, any order, sale or transaction, obtain the necessary documents in connection therewith, and collect the proceeds thereof; (f) to file such financing statements with respect to this Security Agreement, with or without the Grantor's signature, or to file a photocopy of this Security Agreement in substitution for a financing statement, as the Collateral Agent may deem appropriate, and to execute in the Grantor's name such financing statements and amendments thereto and continuation statements which may require the Grantor's signature; and (g) to do all things necessary to carry out the fulfillment of the obligations of the Grantor under the Notes and this Security Agreement. Grantor hereby ratifies and approves all acts of such attorney-in-fact. Neither the Majority In Interest nor the Collateral Agent or other designees or attorneys will be liable for any acts or omissions or for any error of judgment or mistake of fact or law except for their willful misconduct. This power, being coupled with an interest, is irrevocable until the Secured Obligations have been fully satisfied.

5. Subordination and Intercreditor Provisions.

(a) Subordination to Permitted Senior Indebtedness. Enforcement of Holder's security interest in the Collateral, and payment of principal and interest on the Notes, is expressly subordinate and junior in right of payment and lien priority to all principal, interest, charges, expenses and security interests arising out of or relating to all Permitted Senior Indebtedness, pursuant to the following terms and conditions. The Collateral Agent is expressly authorized to execute on behalf of the Holders a subordination agreement in favor of a bank which issues Permitted Senior Indebtedness that is consistent with the terms hereof.

(b) Standstill. Holders shall not accelerate payment of the Notes, or commence any action, suit or proceeding against Grantor with respect to the Notes, or otherwise pursue any remedy to enforce Holders' rights to payment of the Notes, or to enforce the rights of Holders as secured creditors with respect to the Collateral, while any Permitted Senior Indebtedness is outstanding, until after ninety (90) days notice to Grantor of the occurrence of an Event of Default. After the 90 day period, and if the Event of Default has not been cured within such time period, the Holders may, with the approval of a Majority In Interest, acting through the Collateral Agent, pursue any and all remedies under the Notes and this Security Agreement.

(c) Rights With Respect to Notes. Upon an Event of Default, the Majority In Interest, acting through the Collateral Agent and subject to Section 5(b), shall have the right to accelerate the maturity of the Notes.

(d) Waivers. Waivers granted pursuant to this Security Agreement shall be effective as against all Holders if in writing executed by the Collateral Agent.

(e) Sharing of Payments and Proceeds. The Holders shall share pari passu on a ratable basis equal to its Pro Rata Share (defined below) in all payments from any source made on any of the Notes, and in the Collateral and any proceeds therefrom. "Pro Rata Share" shall mean an amount equal to the amount which results when the total amount of principal that is owing to that Holder is divided by the aggregate principal owing to all Holders (expressed as a percentage).

(g) Amendment. No amendment of any provision of this Security Agreement shall in any event be effective unless the same shall be in writing and signed by the Majority In Interest.

(h) Collateral Agent. Each Holder hereby appoints Gilford Securities Incorporated as its collateral agent hereunder (in such capacity, the "Collateral Agent"), who shall act as a representative of the Holders to carry out instructions and directives of the Majority In Interest for purposes of this Security Agreement and to have the other responsibility and authority set forth in this Security Agreement. The Holders' approval of this Security Agreement shall include confirmation of the authority of the Collateral Agent. Grantor may rely upon the acts of the Collateral Agent for all purposes permitted hereunder.

The Collateral Agent shall have full power of attorney to act in the name, place, and stead of the Holders in all matters in connection with this Security Agreement, upon the approval of the Majority In Interest or as may be specifically provided herein. The Collateral Agent's authority to act on behalf of the Holders includes the power to execute all such documents, waivers, amendments, and instruments as are approved by the Majority In Interest or by this Security Agreement.

The Collateral Agent shall have no duties or obligations except as specifically set forth in this Security Agreement. In acting on behalf of the Majority In Interest, the Collateral Agent may rely upon, and shall be protected in acting or refraining from acting upon, an opinion or advice of counsel, certificate of auditors or other certificate, statement, instrument, opinion, report, notice, request, consent, order, arbitrator's award, appraisal, bonds, or other paper or document reasonably believed by them to be genuine and to have been executed or presented by the proper party or parties. The Collateral Agent shall not be personally liable to the Majority In Interest for any action taken, suffered, or omitted by him, except for willful misconduct or gross neglect.

The Collateral Agent and each Holder hereby agree that the Majority In Interest shall have the full and complete right and authority to give instructions to, and otherwise direct, the Collateral Agent in respect of the Collateral or any action with respect to any Collateral. The Collateral Agent shall not have by reason of this Security Agreement or any other document a fiduciary relationship in respect of any Holder.

6. Representations and Warranties. Grantor hereby represents and warrants to the Holders that except for the security interest granted under this Security Agreement and Permitted Liens, Grantor is the sole legal and equitable owner of each item of Collateral in which it purports to grant a security interest hereunder, having good, marketable title thereto and that the Holders shall have a valid, binding and enforceable lien and/or security interest in and to the Collateral.

7. Covenants. Grantor covenants and agrees with the Holders that from and after the date of this Security Agreement and until the Secured Obligations have been performed and paid in full:

7.1 Further Assurances. At any time and from time to time, upon the written request of the Collateral Agent, and at the sole expense of Grantor, Grantor shall promptly and duly execute and deliver any and all such further instruments and documents and take such further actions as the Holders may reasonably deem desirable to obtain the full benefit of this Security Agreement.

7.2 Maintenance of Records. Grantor shall keep and maintain at its own cost and expense satisfactory and complete records of the Collateral. Grantor shall allow reasonable access to such records upon reasonable notice from Holders.

7.3 Collateral. The Grantor agrees that it will not, without the prior written consent of the Collateral Agent, consent to, permit or suffer to occur any sale, transfer, hypothecation, lien, or use of any of the Collateral adversely affecting the interest of the Holders therein, other than pursuant to Permitted Senior Indebtedness, Permitted Liens, and Permitted Dispositions.

8. Rights and Remedies Upon Default.

(a) Upon the occurrence and during the continuation of an Event of Default (subject to the provisions of Section 5(b)), the Holders, acting through the Collateral Agent, shall have the right to take title to, seize, assign, sell, and otherwise dispose of the Collateral, or any part thereof, either at public or private sale, in lots or in bulk, for cash, credit or otherwise, with or without representations or warranties, and upon such terms as shall be reasonable, and any Holder may bid or become the purchaser at any such sale. If notification to Grantor of any intended disposition by the Holders of any of the Collateral is required by applicable law, such notification will be deemed to have been reasonable and proper if given at least 20 days prior to such disposition.

(b) If any Event of Default shall occur and be continuing, the Holders, acting through the Collateral Agent, may exercise in addition to all other rights and remedies granted to it under this Security Agreement, all rights and remedies of a secured party under the UCC.

(c) Except as specifically provided for herein, Grantor hereby waives presentment, demand, protest or any notice (to the maximum extent permitted by applicable law) of any kind in connection with this Security Agreement or any Collateral.

(d) The proceeds of any sale, disposition or other realization upon all or any part of the Collateral shall be distributed in the following order of priorities (subject to payment in full of any Permitted Senior Indebtedness):

First, to the Collateral Agent in an amount sufficient to pay in full the reasonable costs of the Collateral Agent in connection with such sale, disposition or other realization, including all fees, costs, expenses, liabilities and advances incurred or made by the Collateral Agent in connection therewith, including, without limitation, reasonable attorneys' fees;

Second, to the Holders in the amount of the Pro Rata Share owing to each Holder; and

Finally, upon payment in full of the Secured Obligations, to Grantor or its representatives or as a court of competent jurisdiction may direct.

9. Reinstatement. This Security Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against Grantor for liquidation or reorganization, should Grantor become insolvent or make an assignment for the benefit of Holders or should a receiver or trustee be appointed for all or any significant part of Grantor's property and assets, and shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Secured Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Secured Obligations, whether as a "voidable preference," "fraudulent conveyance," or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Secured Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

10. Miscellaneous.

10.1 No Waiver; Cumulative Remedies.

(a) Holders shall not by any act, delay, omission or otherwise be deemed to have waived any of their respective rights or remedies hereunder, nor shall any single or partial exercise of any right or remedy hereunder on any one occasion preclude the further exercise thereof or the exercise of any other right or remedy.

(b) The rights and remedies hereunder provided are cumulative and may be exercised singly or concurrently, and are not exclusive of any rights and remedies provided by law.

(c) None of the terms or provisions of this Security Agreement may be waived, altered, modified or amended except as provided herein.

10.2 Termination of this Security Agreement. This Security Agreement shall terminate upon the payment and performance in full of the Secured Obligations.

10.3 Successor and Assigns. This Security Agreement shall be binding upon the successors of Grantor and Holders and may not be assigned by any party.

10.4 Governing Law. In all respects, including all matters of construction, validity and performance, this Security Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Florida applicable to contracts made and performed in such state, without regard to the principles thereof regarding conflict of laws.

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

10.6 Titles and Subtitles. The titles of the sections and subsections of this Security Agreement are not to be considered in construing this Security Agreement.

10.7 Severability. In case any provision of this Security Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

10.8 Agreement is Entire Contract. This Security Agreement, together with the Notes and the Subscription Agreements, constitutes the final, complete and exclusive contract between the parties hereto with respect to the subject matter hereof and no party shall be liable or bound to the other in any manner by any warranties, representations, guarantees or covenants except as specifically set forth herein and in such other documents referred to above. Nothing in this Security Agreement, express or implied, is intended to confer upon any party, other than the parties hereto, and their respective successors and assigns, any right, remedies, obligations or liabilities under or by reason of this Security Agreement, except as expressly provided herein.

In Witness Whereof, the undersigned have caused this Security Agreement to be executed and delivered by its duly authorized officer on the date first set forth above.

GRANTOR:

MiMedx, Inc.

By: _____
Name: _____
Title: _____

COLLATERAL AGENT:
Gilford Securities Incorporated

By: _____
Name: _____
Title: _____

HOLDERS' COUNTERPART SIGNATURE PAGE TO SECURITY AND INTERCREDITOR AGREEMENT FOLLOWS

*HOLDERS' COUNTERPART SIGNATURE PAGE TO
SECURITY AND INTERCREDITOR AGREEMENT*

HOLDERS:

Signature for Corporate, Partnership, or other Entity Holder:

Signature for Individual Holder:

(Print Name of Entity)

(Signature)

By: _____
Print Name: _____
Print Title: _____

Print Name: _____