

---

**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 of 1934**

**Date of Report (Date of earliest event reported): August 19, 2009**

**MIMEDX GROUP, INC.**

(Exact name of registrant as specified in its 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 the 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))
-

### **Item 1.01 Entry into a Material Definitive Agreement.**

On August 19, 2009, the Registrant and its wholly-owned subsidiary, MiMedx, Inc (“MiMedx”), and Thomas J. Graham, M.D. (“Graham”) and Phantom Hand Project, LLC (“Phantom”), entered into an Amendment and Settlement Agreement (the “Agreement”), a copy of which is attached hereto as Exhibit 10.1 and is incorporated herein by reference and the material terms of which are described below. Graham and Phantom are hereinafter referred to, collectively, as the “Graham Parties”.

The Agreement (i) terminates the Cost Recovery and Revenue Sharing Letter agreement between MiMedx and Graham dated May 22, 2008; (ii) terminates the Finder’s Fee Letter Agreement between MiMedx and Graham dated May 22, 2008; (iii) transfers to Graham certain provisional patent applications that MiMedx did not intend to pursue; (iv) accelerates the vesting of options to purchase 250,000 shares of the Registrant’s common stock previously issued to Graham and extends the period in which such options may be exercised through the five year anniversary of their date of issuance, without regard to whether Graham continues to serve as a consultant to MiMedx; (v) obligates Graham to forfeit 50,000 shares of the Registrant’s common stock issued to him previously; (vi) amends the Consulting Agreement dated September 21, 2007, between MiMedx and Graham (the “Consulting Agreement”); and (vii) provides for certain payments to the Graham Parties upon a disposition of certain of the intellectual property comprising MiMedx’s Level Orthopedics division (the “Level Assets”) prior to September 20, 2010.

The material terms of the amendments to the Consulting Agreement:

- Narrow the scope of the “Field” to which the Consulting Agreement relates;
- Provide that, commencing with the payment due for the third quarter of 2009, Graham agrees to forgo one-half of the consulting payments due under the Consulting Agreement until such time as the Consulting Agreement is assumed by an acquirer of all or part of the Level Assets;
- Narrow the scope of products the net revenues from which give rise to royalty payments under the Consulting Agreement and provide for a uniform royalty rate of 3%;
- Provide that the Consulting Agreement is freely assignable by MiMedx and, following an assignment, at the election of the assignee, the term of the Consulting Agreement may be extended, subject to certain further revisions.

A copy of the Consulting Agreement prior to amendment is attached hereto as Exhibit 10.2 and is incorporated herein by reference.

The Agreement further acknowledges that MiMedx is exploring a disposition of the Level Assets and provides that, in the event a disposition is consummated in one or more transactions on or before September 20, 2010, the aggregate proceeds from such disposition(s) shall be allocated as follows: (i) first, to pay the costs of the sale or other disposition transaction; (ii) second, to pay MiMedx the amount of \$1,150,000, and (iii) thereafter, all proceeds in excess of (i) and (ii) shall be allocated seventeen and 1/2 percent (17.5%) to the Graham Parties and eighty-two and 1/2 percent (82.5%) to MiMedx.

### **Item 1.02 Termination of a Material Definitive Agreement.**

See Item 1.01 above for information relating to the termination of the Cost Recovery and Revenue Sharing Agreement and the Finder’s Fee Letter Agreement with Dr. Graham. The information set forth at Item 1.01 is incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits:

<b>Exhibit Number</b>	<b>Description</b>
10.1	Amendment and Settlement Agreement between and among MiMedx Group, Inc., MiMedx, Inc., Thomas J. Graham, M.D., and Phantom Hand Project, LLC, dated August 19, 2009
10.2	Consulting Agreement between MiMedx, Inc. and Thomas J. Graham, M.D., dated September 21, 2007.

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: August 25, 2009

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

EXHIBIT INDEX

<b>Exhibit Number</b>	<b>Description</b>
10.1	Amendment and Settlement Agreement between and among MiMedx Group, Inc., MiMedx, Inc., Thomas J. Graham, M.D., and Phantom Hand Project, LLC, dated August 19, 2009
10.2	Consulting Agreement between MiMedx, Inc. and Thomas J. Graham, M.D., dated September 21, 2007.

**AMENDMENT AND SETTLEMENT AGREEMENT**

This Amendment and Settlement Agreement (“Settlement Agreement”), is made this 19<sup>th</sup> day of August, 2009, by, between and among **MIMEDX GROUP, INC.**, a Florida corporation (herein sometimes individually called “MDXG”, and its wholly owned subsidiary **MIMEDX, INC.**, a Florida corporation herein sometimes individually called “MiMedx” ( both MDXG and MiMedx having their principal offices located at 3802 Spectrum Blvd, Ste 300, Tampa, FL 33612-9210, (each of MDXG and MiMedx being herein jointly and severally referred to as the “MiMedx Parties”), AND **THOMAS J. GRAHAM, M.D.** (sometimes herein sometimes individually called “Dr. Graham”) an individual resident of the State of Maryland and **PHANTOM HAND PROJECT, LLC** (sometimes herein individually called “Phantom”) , a limited liability company under the law of Maryland (each of Dr. Graham and Phantom having its principal office located at Paradise Farm, 2415 Old Bosley Road, Timonium, MD 21093, and being herein jointly and severally called the “Graham Parties”). The MiMedx Parties and the Graham Parties are herein sometimes referred to individually as a “Party” or “party” and jointly as the “Parties” or “parties”.

**RECITALS**

**WHEREAS**, on September 21, 2007, MiMedx and Dr. Graham entered into a Consulting Agreement (the “Consulting Agreement”); and

WHEREAS, on May 17, 2008, MiMedx and Dr. Graham entered into a “Cost Recovery and Revenue Sharing Agreement” (the “Cost Recovery Agreement”); and

WHEREAS, on May 17, 2008, MiMedx and Dr. Graham entered into a “Finders Fee Agreement” (the “Finders Fee Agreement”); and

WHEREAS, the Parties desire to terminate the Cost Recovery Agreement and the Finder’s Fee Agreement, to amend the Consulting Agreement and to enter into certain other agreements all as set forth herein.

Settlement Agreement-Execution Copy

---

NOW, THEREFORE, intending to be legally bound, in consideration of the mutual promises and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, and to settle fully and completely all disputes, whether actual or potential, between and among them, agree as follows.

1. Transfer of Patent Applications to Dr. Graham.

MiMedx does hereby transfer to Dr. Graham the following patent applications including the sole right to claim priority in the United States, abroad or under treaty: United States Patent Application No. US 61/098,478 and United States Patent Application No. US 61/101,890 (the "Patent Applications"). Immediately upon execution of this Settlement Agreement, MiMedx will execute such documents and agreements as may be reasonably requested by Dr. Graham to perfect the transfer of ownership of the Patent Applications on the records of the United States Patent and Trademark Office. For certainty, MiMedx agrees that this Settlement Agreement allows Dr. Graham to exploit the inventions in the Patent Applications and any subsequent applications that claim priority to the Patent Applications (and any corresponding PCT applications or patents issuing therefrom) immediately upon execution of this Settlement Agreement, provided that the Graham Parties shall have no rights, other than the right to receive payment under the Consulting Agreement, as amended below, to (a) the inventions associated with the products and applications included in the Level Assets listed in Exhibit A or subsequent applications claiming priority thereto (nor to any corresponding PCT applications or patents issuing therefrom), (b) any other Contributed IP (as defined in the Consulting Agreement as amended below), or (c) any other MiMedx intellectual property not related to the Patent Applications. Without limiting the generality of the foregoing, the Graham Parties shall have no rights to claim priority with respect to the items delineated in (a), (b), and (c) of the immediately preceding sentence."

2. Accelerated Vesting of Options; Extension of Exercise Period.

Pursuant to Option Agreement dated June 15, 2007, MiMedx granted Dr. Graham an option to purchase 50,000 shares of MiMedx common stock at an exercise price of \$1.00 per share (the "June 15 Grant"). Pursuant to Option Agreement dated September 25, 2007, MiMedx granted Dr. Graham an option to purchase 200,000 shares of MiMedx common stock at an exercise price of \$2.40 per share (the "September 25 Grant"). These options have been converted into the option to purchase MDXG common stock at the aforesaid exercise prices. The June 15 Grant and the September 25 Grant are hereby deemed to be fully vested and exercisable at any time through and including June 14, 2012, for the June 15 Grant, and September 24, 2012, for the September 15 Grant. Each of the option agreements is hereby deemed to be amended in accordance with the preceding sentence. Each of the Graham Parties acknowledges and agrees that it neither holds nor is entitled to any other options to purchase shares in any of the MiMedx Parties other than the June 15 Grant and the September 25 Grant.

3. Termination of Certain Agreements.

The Finders Fee Agreement and the Cost Recovery Agreement are hereby terminated and declared by the parties to be of no further force and effect. Neither party to either the Finders Fee Agreement or the Cost Recovery Agreement shall hereafter have any liability or responsibility to the other party under either such agreement.

Settlement Agreement-Execution Copy

#### 4. Allocation of Sale Proceeds from Sale of "Level Assets".

MiMedx is exploring the disposition of the assets described on Exhibit A, attached hereto and made a part hereof. (the "Level Assets"). For the avoidance of doubt, the Level Assets do not include any assets of the MiMedx Parties other than as described on Exhibit A. Without limiting the generality of the foregoing sentence, it is expressly understood that the Level Assets exclude (i) the BioStaple Device, the Collarod Device, the CMC Device and the Tenor Instrument Device, all of which are and will remain assets of the Mimedx Parties, and (ii) the Patent Applications. Dr. Graham shall make commercially reasonable efforts to identify and introduce prospective acquirers of the Level Assets to MiMedx. The terms of any disposition shall be as determined in the sole discretion of MiMedx. In the event that the disposition of all or part of the Level Assets is consummated, in one or more transactions, on or prior to September 20, 2010, then the aggregate proceeds from such disposition(s) shall be allocated as follows: (i) First, to pay the costs of the sale or other disposition transaction; (ii) Second, to pay MiMedx the amount of \$1,150,000, and (iii) thereafter, all proceeds in excess of (i) and (ii) shall be allocated seventeen and 1/2 percent (17.5%) to the Graham Parties and eighty-two and 1/2 percent (82.5%) to MiMedx. If the proceeds from such disposition(s) are less than \$1,150,000, the Graham Parties shall not be liable to the MiMedx Parties or otherwise for any shortfall.

#### 5. Amendments to Consulting Agreement.

The Consulting Agreement is hereby amended as follows:

(a) Section 4 of the Consulting Agreement is hereby amended by deleting the word "three year" from the fifth sentence of said Section 4) and adding the following to the end of said Section 4, "Notwithstanding the foregoing, if, (i) on or prior to September 20, 2010, MiMedx enters into and closes a transaction to dispose of all or part of the Level Assets, and (ii) the other party to any such transaction agrees to assume this Consulting Agreement and, from and after the date of such assumption, to make the consulting payments required by Section 2(a) hereof without regard to the proviso at the end of the first sentence of said Section 2(a), at the election of the assuming party, upon notice to Dr. Graham, the end of the initial term of the Consulting Agreement will be extended for up to three (3) years after the date of such assumption. If the conditions in the preceding sentence are not met, then this Consulting Agreement shall expire on September 21, 2010, and all obligations hereunder will cease unless expressly agreed herein to continue past the expiration or termination hereof. If, after September 20, 2010, without the consent of the Company, you provide consulting services to any other party, firm or company in the Field or whose business in the Field would be directly or indirectly competitive with the business of the Company, then the Company may terminate this Consulting Agreement upon written notice to you."

(b) Section 2 (a) of the Consulting Agreement is hereby amended by adding the following to the end of the first sentence of said Section 2(a), "provided however, that Dr. Graham agrees to forego and forgive one-half of all consulting payments commencing with the quarterly installment otherwise payable for the third calendar quarter of 2009, and thereafter, until and unless an acquirer of all or part of the Level Assets assumes this Consulting Agreement and agrees to make the consulting payments required by this Section 2(a) from and after the date of such assumption without regard to this proviso, in which case Dr. Graham shall look solely to the acquirer with respect to any remaining consulting payments."

Settlement Agreement-Execution Copy

(c) Section 2(c) of the Consulting Agreement is hereby amended by deleting Section 2 (c) (i) — (v) and inserting in lieu thereof the following:

“(c) (i) Royalties. The Company shall pay you continuing royalty fees in the aggregate as follows (the “Royalties”):

(i) Three percent (3%) of the Company’s Net Revenues derived from the sale of Products embodying a Valid Claim under a Company Patent in the country from which the Net Revenues originated. For the avoidance of doubt, if any claim of a patent application is no longer a Valid Claim, no Royalty shall thereafter be payable with respect to a Product embodying such claim, unless such Product embodies another Valid Claim. No royalty shall be payable with respect to any Product that does not embody a Valid Claim.”

(d) Sections 2(c)(ii) — (v) are intentionally left blank.

(e) Section 2(c)(vi) of the Consulting Agreement is hereby amended by deleting the phrase, “or other Contributed IP” from the second sentence of said Section 2(c)(vi) and by deleting all of said Section 2(c)(vi) after the second sentence thereof.

(f) Section 2(c)(vii) of the Consulting Agreement is hereby amended by deleting said subsection in its entirety and inserting in lieu thereof the following:

“(vii) Term of Royalties. With respect to Royalties earned from the sale of Products embodying or utilizing any Valid Claim under a Company Patent in the country from which the Net Revenues originated, the Royalties shall be payable until the expiration of the Life of the Valid Claim in such country.”

(g) Section 2(c)(viii) of the Consulting Agreement is hereby amended by deleting the words “during the term of this Agreement” from the first full sentence thereof.

(h) Section 2(c)(x) of the Consulting Agreement is hereby amended by deleting the words “during the term of this Consulting Agreement” from the third full sentence thereof.

(i) Section 16 of the Consulting Agreement is hereby deleted in its entirety and the following is substituted in lieu thereof:

“16. This Consulting Agreement may be freely transferred and assigned by the Company provided that any transferee or assignee must agree to assume all of the Company’s liabilities and obligations hereunder. The Consultant may not assign this Consulting Agreement or any of his rights or responsibilities hereunder. This Consulting Agreement shall be binding upon the permitted transferees and assigns hereof, and upon such permitted transfer or assignment by the Company, the Company shall have no further obligation hereunder.”

Settlement Agreement-Execution Copy

(j) Section 17 of the Consulting Agreement is hereby amended by adding “2(c), “ immediately following the word “paragraphs” to identify the paragraphs surviving termination.

(k) Section 6 of the Consulting Agreement is amended by adding thereto the words “in the Field” after the word “business” the first time it appears in such Section and by adding thereto a new sentence to read as follows:

“Notwithstanding the foregoing, after September 20, 2010, your obligations hereunder will be non-exclusive except with respect to matters concerning treatment of ALL fractures of the distal radius excluding those treated by implant arthroplasty, ALL treatments for arthritis of the basilar thumb joint (CMC), and ALL treatments of arthritis of the small joints of the hand (PIP, MP, DIP).”

(l) The definition of “Field” in Exhibit A to the Consulting Agreement is hereby amended by deleting the reference to “elbow” in the first sentence thereof and by adding a second sentence thereto to read as follows:

“Notwithstanding the foregoing, the “Field” shall not include the elbow or any subject matter arising from or claiming priority to United States Patent Application No. US 61/098,478 or United States Patent Application No. US 61/109,890.”

(m) The definition of “Valid Claim” in Exhibit A to the Consulting Agreement is hereby amended to read in its entirety as follows:

“‘Valid Claim’ means a claim of a pending or issued and unexpired Patent, that has not been abandoned, revoked or held invalid or unenforceable by a decision of a court or other governmental agency of competent jurisdiction from which no appeal can be or is taken within the time allowed for such appeal, and that has not been disclaimed, denied, or admitted to be invalid or unenforceable through reissue, disclaimer, or otherwise by the Consultant.”

(n) The definition of “Contribution Period” in Exhibit A to the Consulting Agreement is hereby amended to read in its entirety as follows:

“Contribution Period” means the period that shall commence on the date of this Consulting Agreement and shall expire on the third anniversary hereof, even if this Consulting Agreement has been terminated by the Company due to the Consultant’s breach hereof, provided that the Contribution Period shall continue for the full initial term and any renewal term of this Consulting Agreement with respect to matters concerning treatment of ALL fractures of the distal radius excluding those treated by implant arthroplasty, ALL treatments for arthritis of the basilar thumb joint (CMC), and ALL treatments of arthritis of the small joints of the hand (PIP, MP, DIP).”

Settlement Agreement-Execution Copy

(o) Numbered paragraphs 2, 4, 6, 8, 9, 12, 13, 14, 15 and 16 of Schedule 1 to the Consulting Agreement are intentionally left blank.

6. Effect of Deletions from Schedule 1 to the Consulting Agreement.

The intellectual property that was described in numbered paragraphs 2, 4, 6, 8, 9, and 14 of the Consulting Agreement prior to amendment by Section 5(o) above is hereby conveyed to the Graham Parties. The intellectual property that was described in numbered paragraphs 12, 13, 15 and 16 of Schedule 1 to the Consulting Agreement and all subsequently developed Contributed IP relating to MiMedx's collagen products belong to the MiMedx Parties and no royalties shall be payable in respect of such intellectual property under the Consulting Agreement.

7. Surrender of MDXG Shares.

Dr. Graham hereby surrenders and contemporaneously herewith delivers to MDXG 50,000 shares of common stock of MDXG. Such shares will be held by MDXG as treasury shares for future reissuance or returned to authorized but unissued status or otherwise disposed of as MDXG may determine in its sole discretion.

8. Physicians Advisory Board.

It is understood that the "Level" Physician Advisory Board ("PAB") may be discontinued by MiMedx as a separate body, and one or more Level PAB members may be asked to serve on the MiMedx PAB.

9. Mutual Release and Non-disparagement.

(a) Release of the MiMedx Parties. As a material inducement for the MiMedx Parties to enter into this Settlement Agreement, the Graham Parties hereby jointly and severally, knowingly and voluntarily, on behalf of themselves, their predecessors, successors and assigns, fully and forever release and discharge the MiMedx Parties, and each of them, including, but not limited to, each of their past, present and future principals, owners, managers, shareholders, officers, directors, employees, parents, subsidiaries, affiliates, divisions, predecessors, successors, assigns, trustees, agents, attorneys and representatives, from any and all charges, claims, demands, losses, rights, promises, agreements, contracts, covenants, actions, suits, causes of action, obligations, debts, costs, expenses, damages, judgments, orders or liabilities of any kind or nature (including attorneys' fees and legal expenses), in law, equity or otherwise, whether known or unknown, suspected or unsuspected, which the Graham Parties now or may at any time hereafter own or hold or have, or claim to have or hold, arising out of or related to any fact, circumstance or condition existing or occurring prior to the date hereof. The Graham Parties hereby assume the risk of mistake of fact or law in entering this Settlement Agreement. This Section 9(a) of the Settlement Agreement is intended to be a general release by the Graham Parties of any and all claims whatsoever against the MiMedx Parties arising prior to the date hereof and shall be so construed.

Settlement Agreement-Execution Copy

(b) Release of the Graham Parties. As a material inducement for the Graham Parties to enter into this Settlement Agreement, the MiMedx Parties hereby jointly and severally, knowingly and voluntarily, on behalf of themselves, their predecessors, successors and assigns, fully and forever release and discharge the Graham Parties, and each of them, including, but not limited to, each of their past, present and future principals, owners, managers, shareholders, officers, directors, employees, parents, subsidiaries, affiliates, divisions, predecessors, successors, assigns, trustees, agents, attorneys and representatives, from any and all charges, claims, demands, losses, rights, promises, agreements, contracts, covenants, actions, suits, causes of action, obligations, debts, costs, expenses, damages, judgments, orders or liabilities of any kind or nature (including attorneys' fees and legal expenses), in law, equity or otherwise, whether known or unknown, suspected or unsuspected, which the MiMedx Parties now or may at any time hereafter own or hold or have, or claim to have or hold, arising out of or related to any fact, circumstance or condition existing or occurring prior to the date hereof. The MiMedx Parties hereby assume the risk of mistake of fact or law in entering this Settlement Agreement. Notwithstanding anything to the contrary above stated in this Section 9(b), this Section 9(b) shall not release, limit or impair in any way Dr. Graham's indemnity obligations under Section 8(c) of the Consulting Agreement (other than with respect to the Patent Applications (as defined in Section 1 above)) whether now existing or hereafter arising. Except as set forth in the preceding sentence, this Section 9(b) of this Settlement Agreement is intended to be a general release by the MiMedx Parties of any and all claims whatsoever against the Graham Parties arising prior to the date hereof and shall be so construed.

(c) Non-Disparagement. The Graham Parties and the MiMedx Parties shall not in undertake any disparaging or harassing conduct, or make any disparaging or harassing statements in writing or verbally to any third party, regarding any of the other parties hereto and/or the directors, officers, managers, supervisors, employees, agents or products and services of any of the other parties hereto.

(d) No Other Payments Due. Dr. Graham acknowledges that he has received payment for all consulting payments and incurred business-related expenses, for all time periods prior to the date of this Settlement Agreement, with no other payments being due except in accordance with this Settlement Agreement.

(e) Delivery of All Company Property. Dr. Graham agrees that upon termination or assignment of the Consulting Agreement, upon the request of any of the MiMedx Parties, he will immediately deliver to MiMedx all property of any of the MiMedx Parties under his possession or control (including but not limited to all documents, electronic files and records, other records, accounting, scientific, medical or other business records, medical device drawings in whatever media, computer disks, equipment, keys, access cards, or other tangible and/or intangible things that may or may not relate to or otherwise comprise confidential and/or proprietary Information or trade secrets under applicable law) that Dr. Graham created, used, possessed or maintained during his consultancy with MiMedx.

Settlement Agreement-Execution Copy

10. Miscellaneous.

(a) Negotiated Agreement. The terms of this Settlement Agreement were determined through substantive negotiations between the Graham Parties and the MiMedx Parties, and, as such, this Settlement Agreement shall not be construed against any party on the grounds that such party drafted this Settlement Agreement. This Settlement Agreement shall be interpreted in accordance with the plain meaning of its terms, as though drafted equally by the parties, and not strictly for or against either of the parties hereto.

(b) Binding Effect. This Settlement Agreement shall be binding upon the parties hereto and upon their heirs, administrators, representatives, executors, successors, and assigns, and shall inure to the benefit of said parties and each of them, and to their heirs, administrators, representatives, executors, successors, and assigns.

(c) Severability. Should any Settlement Agreement provision (or subpart thereof) be declared or be determined by any court of competent jurisdiction to be wholly or partially illegal, invalid, or unenforceable, such provision (or subpart thereof) shall be severed from the remaining provisions (or subparts thereof), with any illegal or unenforceable provision (or subpart thereof) not affecting the remainder of this Settlement Agreement, which shall continue at all times to be valid and enforceable.

(d) Entire Agreement. This Settlement Agreement sets forth the entire agreement between the parties hereto pertaining to the subject matter hereof and fully supersedes any and all prior agreements or understandings, written or oral, between the parties hereto, other than the Consulting Agreement which shall remain in full force and effect as modified hereby. None of the MiMedx Parties has made any promises, representations, or agreements of any kind to any of the Graham Parties in consideration for entering into this Settlement Agreement beyond those expressly set forth herein. Each of the Graham Parties represents and warrants that no other contractual obligation of any type or description is owed to any of them by any of the MiMedx Parties.

(e) Modification; Non-Waiver. The terms of this Settlement Agreement may not be amended, modified, canceled, terminated, or waived, except by a written instrument executed by the Graham Parties and the MiMedx Parties, or in the case of waiver, the party to be charged with such waiver. The failure of any party to insist upon or enforce strict performance of any provision of this Settlement Agreement or to exercise any rights or remedies will not be construed as a waiver by such party to assert or rely upon any such provision, right or remedy in that or any other instance.

Settlement Agreement-Execution Copy

(f) Governing Law. This Settlement Agreement is made and entered into in the State of Georgia, and shall be interpreted, enforced, and governed under the laws of Georgia.

(g) Headings; Preamble. Those section headings in this Settlement Agreement are used herein for the convenience of reference only and shall not affect the meaning of any provision of this Settlement Agreement. All of the warranties and representations in the preamble of this Settlement Agreement are hereby incorporated into and made a material part of this Settlement Agreement.

(h) No Bar. Each of the Graham Parties acknowledges and agrees that the existence of any claim or cause of action against any of the MiMedx Parties shall not constitute a defense to the enforcement by MiMedx of each of the Graham Parties' covenants, obligations, or undertakings in this Settlement Agreement.

EACH OF THOMAS J. GRAHAM, M.D. AND PHANTOM HAND PROJECT, LLC, STATE THAT HE AND IT HAVE HAD THE OPPORTUNITY TO BE ADVISED BY COUNSEL IN THE CONSIDERATION AND EXECUTION OF THIS SETTLEMENT AGREEMENT; AND THAT EACH FULLY UNDERSTANDS ITS MEANING, CONTENT, AND BINDING EFFECT. EACH FURTHER STATES THAT HE AND IT ARE VOLUNTARILY AND OF FREE WILL SIGNING THIS SETTLEMENT AGREEMENT IN FULL AND FINAL RELEASE OF ALL CLAIMS.

IN WITNESS WHEREOF, the parties have hereunto affixed their hands and seals, effective as of the date first above written.

\_\_\_\_\_  
Witness: /s/ Thomas J. Graham, M.D.  
Thomas J. Graham, M.D.

Phantom Hand Project, LLC

\_\_\_\_\_  
Witness: By: /s/ Thomas J. Graham, M.D.  
Thomas J. Graham, M.D., Sole Manager

SIGNATURES CONTINUE ON THE FOLLOWING PAGE

Settlement Agreement-Execution Copy

MIMEDX GROUP, INC.

ATTEST:

By: /s/ Parker H. Petit

Parker H. "Pete" Petit, CEO

\_\_\_\_\_  
\_\_\_\_\_, Secretary

MIMEDX, INC.

ATTEST:

By: /s/ Parker H. Petit

Parker H. "Pete" Petit, CEO

\_\_\_\_\_  
\_\_\_\_\_, Secretary

Settlement Agreement-Execution Copy

[MIMEDX LETTERHEAD]

Date: September 21, 2007

Thomas J. Graham, M.D.  
705 West Timonium Road  
Lutherville, Maryland 21903

Re: Consulting Agreement ( "**Consulting Agreement**" )

Dear Dr. Graham:

MiMedx, Inc., Inc. (the "**Company**") hereby confirms its mutual agreement with Thomas J. Graham, M.D. ("you" or "Consultant") for you to serve as a consultant to the Company (including your service on the Company's Physician's Advisory Board ("**PAB**"), upon the terms and conditions set forth in this Consulting Agreement for services within the Field (as defined on Exhibit A attached hereto) and with respect to the Company's other research, development, and business activities. It is agreed that the consulting agreement dated March 8, 2007 between you and the Company (the "Original Agreement") regarding your service on the PAB is hereby terminated upon execution hereof by both parties, provided that you shall retain the consulting fees and options already received under the Original Agreement.

The Field of this Consulting Agreement may be broadened by mutual consent. The Company understands that you are currently an employee of the Curtis National Hand Institute (the "**Curtis Institute**") and that services to such employer may take precedence over your consulting services to the Company as set out in Section 3 below. The Definitions attached hereto as Exhibit A are expressly made a part of this Consulting Agreement by this reference thereto.

1. Your consulting service shall include full participation on the Company's PAB, and otherwise upon reasonable request by the Company, advising and informing the Company of activities and developments within the Field, and providing the Company with the benefit of your knowledge, experience, skill, and judgment in the Field and with respect to the Company's other research, development, and business activities.

---

2. Upon request by the Company from time to time, and at times mutually agreed upon by you and the Company, you agree to participate in meetings with other members of the PAB, Company officers and other representatives, and other parties, at the request of the Company, in person and/or by telephonic conference calls, for the following compensation as full consideration for all your consulting services and other obligations under this Consulting Agreement (it is hereby acknowledged by both you and the Company that the following is in addition to the 50,000 shares of common stock previously issued to you as a “founder” of the Company, and 50,000 options previously awarded to you under the Original Agreement):

a) Annual consulting payments in the amount of \$125,000.00, to be paid in quarterly installments. You will be responsible for all taxes in respect of these consulting payments.

b) Stock Options for 200,000 shares of the Company’s Common Stock to be awarded effective as of the date of this Consulting Agreement and vested one-third at each anniversary of this agreement, so long as this Consulting Agreement has not been earlier terminated by either party. The exercise price for the options shall be the fair market value of the common stock of the Company as determined in good faith by the Board of Directors. The options shall be governed by the Stock Incentive Plan and the individual option Award Agreement to be entered into between you and the Company.

c) Royalties. The Company shall pay you continuing royalty fees in the aggregate as follows (the “Royalties”):

(i) Seven percent (7%) of the Company’s Net Revenues derived from the sale of Products embodying or utilizing any Valid Claim under a Company Patent in the country from which the Net Revenues originated; or

(ii) Three and one-half percent (3.5%) of the Company’s Net Revenues derived from the sale of Products embodying or utilizing any Valid Claim under a Company Patent in the country from which the Net Revenues originated in the event (A) such Products embody or utilize any material intellectual property rights of the Company (other than the Contributed IP) or of any Third Party; or

(iii) Four percent (4%) of the Company’s Net Revenues derived from the sale of Products embodying or utilizing any unpatented or unpatentable Contributed in the country from which the Net Revenues originated; or

(iv) Two percent (2.0%) of the Company’s Net Revenues derived from the sale of Products embodying or utilizing any unpatented or unpatentable Contributed IP (other than any Valid Claim under a Company Patent) in the country from which the Net Revenues originated in the event (A) such Products embody or utilize any material intellectual property rights of the Company (other than the Contributed IP) or of any Third Party; or

(v) One and one-half percent (1.5%) of Company’s (and not any of Company’s affiliates, sublicensees, successors, or assigns’) Net Revenues from Company’s sale of Products under any circumstances other than those described in above clauses (i) through (iv).

(vi) Any royalties or similar fees payable to any Third Party with respect to any Products shall be offset and deducted from any Royalties due to Consultant hereunder. Also, the Company shall pay only one Royalty, and the Consultant shall not receive double or multiple Royalties, from the sale of the same Product, regardless how much or many Valid Claims or other Contributed IP may cover or be incorporated in such Product. Furthermore, by way of example and to avoid any confusion, the following is an example of how the parties hereto anticipate that the Royalties will be calculated:

If the Company's Net Revenues were (A) \$1,000,000 from the sale of a Product embodying or utilizing a Valid Claim in the United States of America (i.e., Section 2(c)(i) above) and (B) \$1,000,000 from the sale of a second Product embodying or utilizing no Contributed IP in Canada) (i.e., Section 2(c)(v)), and (C) \$1,000,000 from a third Product embodying Contributed IP under a Valid Patent as well as Intellectual Property of a Third Party (i.e., Section 2(c)(ii) above), then Consultant would receive Royalties of \$70,000 ( $\$1,000,000 \times 7\%$ ), plus \$15,000 ( $\$1,000,000 \times 1.5\%$ ), plus \$35,000 ( $\$1,000,000 \times 3.5\%$ ) for an aggregate total of \$120,000).

(vii) Term of Royalties. The Royalties shall be payable as follows:

(A) With respect to Royalties earned from the sale of Products embodying or utilizing any Valid Claim under a Company Patent in the country from which the Net Revenues originated, the expiration of the Life of the Valid Claim in such; and

(B) With respect to Royalties earned from the sale of Products embodying or utilizing any Contributed IP (other than any Valid Claim) in the country from which the Net Revenues originated, the expiration of the Life of the Product in such country.

(viii) Payment of Royalties. The Royalties shall be payable within forty-five (45) days after the end of each calendar quarter during the term of this Agreement with respect to the Net Revenues collected by the Company during such calendar quarter. The Royalties shall be payable in U.S. dollars by check. Conversion from any other currency shall be calculated at the exchange rate published by CitiBank on the last day of the calendar quarter in respect of which the Royalty is due.

(ix) Combinations or bundling of Products. If any Products are combined or "bundled" with any other product, device, equipment, or apparatus sold by the Company as a combined product, device, equipment, system or apparatus, then the Net Revenues for the purpose of calculating Royalties hereunder shall be that proportion of the Net Revenues of that combined product, device, equipment, or apparatus which is fairly attributable to such Products based on the extent of functionality and performance contributed by such Products to that combined product, device, equipment, or apparatus.

(x) Records; Audit. Each Royalty payment shall be accompanied by a report setting forth the total payments and the total Net Revenues received by the Company for the sale of Products during the relevant time period. The Company shall keep all usual and proper records and books of account relating to the sale and marketing of the Products. From time to time during the term of this Consulting Agreement, Consultant may cause an audit to be made, at his sole expense, of the applicable books and records of the Company in order to verify the accuracy of the Royalty payment reports. Any such audit shall be conducted solely by an independent certified accountant and shall be conducted during regular business hours and in such a manner as to not unreasonably interfere with the Company's business operations. The Company shall be provided with reasonable notice prior to any such audit. If the audit reveals that Royalties due in respect of any time period under audit have been underpaid by more than ten percent (10%), in addition to promptly paying to the Consultant the amount of such underpayment, the Company shall reimburse the Consultant for the cost of the audit.

3. The Company acknowledges that you are an employee of the Curtis Institute and are subject to Curtis Institute's policies, including policies concerning consulting, conflicts of interest, and intellectual property, and that your obligations under Curtis Institute's policies take priority over any obligations you may have to the Company by reason of this Consulting Agreement.

4. The initial period of this Consulting Agreement shall be three (3) years from the date of full execution of this Consulting Agreement provided that this Consulting Agreement may be terminated by either party upon thirty (30) days written notice to the other party in the event of a breach hereof by the other party, unless the allegedly breaching party cures the default during the notice period. The nonbreaching party may cure or correct such breach during such notice period, in which event this Consulting Agreement shall continue. If this Consulting Agreement is terminated in accordance with the forgoing, compensation for services and travel expense incurred in accordance with this Consulting Agreement prior to such termination will be paid by the Company. For the avoidance of doubt, if this Consulting Agreement is terminated by the Company because of Consultant's breach, the obligations of Consultant under Section 7 below shall survive. If not earlier terminated by notice given by either party not less than ninety (90) days prior to the expiration of the initial three year term hereof (or any renewal term), then this Consulting Agreement will be renewed automatically for additional one (1) year periods after from the end of the initial three year period, and for additional one year renewal periods thereafter.

5. In addition to the compensation for your consulting services provided in paragraph 2, the Company will reimburse you for necessary and reasonable out-of-pocket travel and living expenses incurred by you at the Company's request, within thirty (30) days of submission of a statement to the Company documenting the expenses incurred, provided that the Company's prior approval shall be required with respect to such individual expenses in excess of one thousand U.S. dollars (\$1,000.00).

6. You represent and warrant to the Company that, except for that certain PAB Consulting Agreement between you and MiMedx, Inc., Inc. dated March 8, 2007, you do not have any agreement to provide consulting services to any other party, firm, or company in the Field or whose business would be directly or indirectly competitive with the business of the Company and will not enter into any such agreement during the term of this Consulting Agreement without the Company's prior written consent.

7.

a) You hereby transfer and assign to the Company all rights, interests and ownership in and to Contributed IP currently in existence, and you agree to transfer and assign all rights, interests and ownership in and to the Company all Contributed IP hereafter created. You agree that all Contributed IP shall be the sole and exclusive property of the Company or its nominees. You will notify the Company of the creation of any new Intellectual Property in the Field that is Contributed IP under this Consulting Agreement promptly and in writing, and you will and hereby do assign to the Company all rights in and to such Contributed IP upon the creation thereof. The Company and its nominees shall have the right to use and/or to apply for statutory or common law protections for such Contributed IP in any and all countries. You further agree (i) to assist the Company in every proper way to obtain and from time to time to enforce its rights in such Company IP, at the Company's expense, and (ii) to execute and deliver to the Company or its nominee upon request all such documents as the Company or its nominee may reasonably determine are necessary or appropriate. Such contribution, transfer, and assignment constitutes all of the right, title, and interest in, to, and under the Contributed IP held by Consultant at any time during the Contribution Period.

b) In the event that any right, title, or interest in, to, or under any Contributed IP does and will not vest automatically in and with the Company, you hereby agree to contribute, transfer, and assign and do hereby irrevocably contribute, assign, convey, and otherwise transfer to the Company all such right, title, and interest in, to, and under the Contributed IP without further consideration from or action by you or the Company. You hereby agree to assist the Company in every way reasonably necessary, at the Company's expense, to obtain, maintain, and enforce any Patents, copyrights, trademarks, or proprietary rights relating to the Contributed IP and to execute all documents and applications necessary to vest in the Company exclusive and full legal title in the Contributed IP, and you agree to continue this assistance throughout the term of this Consulting Agreement. Without limiting the foregoing, you shall, promptly on request of the Company, do all acts and execute, acknowledge, and deliver all written instruments as may be reasonably necessary to enable the Company to properly prepare, file, and prosecute applications for, and to obtain, any Patent based on or embodying or utilizing the Contributed IP in any and all countries selected by the Company, and to obtain the record title to such applications and Patent, so that the Company shall be the sole and absolute owner of the right, title, and interest in, to, and under the Contributed IP, whether or not patented or patentable.

c) Except as authorized by your employer as designated above or as otherwise provided in this Consulting Agreement, the Company shall have no rights by reason of this Consulting Agreement in any Intellectual Property either (i) that is developed as a direct result of a program of research financed, in whole or in part, by funds under the control of your employer, or (ii) arises directly, in connection with, or as an extension of research conducted by, in or under the laboratories of your employer or through the use of its resources. Such intellectual property does not constitute Contributed IP for the purposes of this Consulting Agreement. It is understood and agreed that your interest in such intellectual property shall be assigned by you to your employer. However you represent and warrant to the Company that the current and continued transfer and assignment of the Contributed IP in the Field in no way conflicts with any obligation now in existence on your part, and you will not undertake any employment with any Third Party which would conflict with your obligations under this Consulting Agreement.

8.

a) Consultant represents and warrants to the Company as follows:

Consultant has all requisite power and authority or capacity to execute and deliver, and to perform his obligations under, this Consulting Agreement.

This Consulting Agreement constitutes the valid and binding obligation of Consultant, enforceable against each Consultant in accordance with its terms.

Consultant has created and conceived all the Contributed IP.

Consultant has the full right and power to transfer and convey the Contributed IP as provided for in this Consulting Agreement, and such transfer and assignment does not and shall not constitute a breach or default under any agreement or instrument applicable to such Consultant or the Contributed IP.

The Contributed IP is free and clear of any lien, charge, or other encumbrance whatsoever.

No use or practice of the Contributed IP by the Company infringes or misappropriates or will infringe or misappropriate the Patents, copyrights, trademarks, or other intellectual property rights of Nexa Orthopedics, Inc. or any of its affiliates, shareholders, sublicensees, successors, or assigns.

To the best knowledge of Consultant, no use or practice of the Contributed IP by the Company infringes or misappropriates or will infringe or misappropriate the Patents, copyrights, trademarks, or other intellectual property rights of any Third Party.

Consultant has received no notice of any claims or suits pending and, to the best knowledge of Consultant, there are no claims or suits threatened against Consultant challenging such Consultant's ownership of or right to use any of the Contributed IP, nor, to the best knowledge of Consultant, does there exist any basis therefor.

To the best knowledge of Consultant, no person has infringed or misappropriated or is infringing or misappropriating the Contributed IP.

b) The Company represents and warrants to Consultant as follows:

The Company has all requisite power and authority to execute and deliver, and to perform its obligations under, this Consulting Agreement. The execution and delivery, and the performance of the obligations under, this Consulting Agreement has been duly and validly authorized by all required action by or on behalf of the Company.

This Consulting Agreement has been duly and validly executed and delivered by the Company and constitutes the valid and binding obligation of the Company, enforceable against it in accordance with its terms.

c) Indemnification. During the term of this Consulting Agreement and for a period of three (3) years from the expiration of the Contribution Period, the Consultant shall indemnify, defend, and hold harmless the Company, and each of the members, shareholders, managers, directors, officers, employees, and agents thereof, from and against any Losses arising out of, based upon, or resulting from any inaccuracy in or breach of any representation or warranty or covenant, agreement, or obligation of the Consultant set forth in this Consulting Agreement.

d) Remedies.

Notwithstanding anything herein to the contrary, Consultant's right to Royalties shall terminate and cease to exist upon such Consultant's material breach of Section 7.

Subject to the immediately preceding sentence, the Company hereby acknowledges that its sole and exclusive remedy with respect to any indemnification claims for Losses under Section 8(c) shall be as follows:

The Company shall satisfy any indemnification obligation for Losses against any amounts otherwise coming due to Consultant from the Company in form of Royalties under this Consulting Agreement from the time a notice of claim for Losses made by the Company is given to Consultant and until all such Losses have been satisfied (collectively, the "Indemnification Source").

In the event the Company's Losses have not been fully recovered after applying all amounts under the Indemnification Source against such Losses within two (2) years of the date of the Company's giving a notice of claim to the Indemnifying Consultant the Company shall have the right to redeem for one dollar (\$1.00) and cancel the Consultant's capital stock in the Company, and to cancel any unexercised stock options to purchase stock in the Company, to the extent necessary to fully recover the Company's Losses; provided, however, that such redemption and cancellation shall be based on the Fair Market Value of the Consultant's capital stock or options in the Company.

In the event the Company's Losses have not been fully recovered after applying the Indemnification Source and redeeming and cancelling the Indemnifying Consultant's capital stock or cancelling unexercised options in the Company as described above, the Company shall have the right to satisfy any remaining indemnification obligation for Losses against the Indemnification Source until the Losses have been fully recovered.

Notwithstanding anything in this Section 8 to the contrary, in the event of the occurrence of a Change-In-Control, the Company shall satisfy any indemnification obligation for Losses of Consultant against any amounts coming due to Consultant because of or in connection with such Change-In-Control; provided, however, that in the event the Company's Losses have not been fully recovered after applying such amounts, the Company shall have the right to satisfy any remaining indemnification obligation for Losses of the Consultant in accordance with the preceding clauses of this Section 8.

9. You agree that, in the course of your services hereunder, you will receive proprietary information of the Company relating to its business operations, research and development, equipment, or products, and if such information is marked or otherwise designated confidential, you will retain all such information in confidence and will not use it, or disclose it, or cause its use or disclosure except in the necessary course of the performance of your services under this Consulting Agreement or with the written consent of the Company. Nothing contained in this Consulting Agreement, however, shall prevent the disclosure by you of any information after it is available to the general public, or of any information which was already available to you at the time such information was acquired by you from the Company or any disclosure of any information furnished to you without obligation of confidentiality by a third party who is not then in default of any obligation to the Company regarding the confidentiality of such information, or of any information ordered to be disclosed by a court or governmental body, provided that you (i) provide written advance notice to the Company of such disclosure, (ii) assist the Company, as reasonably requested thereby and at the expense of the Company, in obtaining confidential treatment of such information, and (iii) take reasonable steps to minimize the extent of such disclosure. This Section 9 shall be effective during the term of this Consulting Agreement and for a period of two (2) years after termination or expiration hereof for any reason.

10. It is acknowledged and agreed that you may not disclose or publish data, results, procedures, or other information relating to the consulting undertaken pursuant to this Consulting Agreement, without the Company's advance written approval.

11. The Company agrees to defend and indemnify you for the cost of defense and for damages awarded, if any, as a result of any third party claims, liabilities, suits or judgments arising out of this Consulting Agreement, so long as such claims, liabilities, suits, or judgments are not attributable to grossly negligent or intentionally wrongful acts or omissions by you or a material breach by you of this Consulting Agreement. You shall promptly notify the Company of any such claim and shall cooperate with the Company in the defense of such claim; you shall not agree to any settlement with regards to such claim without prior written approval of the Company, and the Company shall not have any indemnification obligation hereunder with respect to any such settlement reached without its prior written consent.

12. The Company and you agree that, in the event of a breach by you of this Consulting Agreement, the Company shall, in addition to any other rights and remedies available to the Company, be entitled to enforcement by specific performance of your obligations hereunder. If any provision of this Consulting Agreement shall be declared invalid or unenforceable, such provision shall be enforced to the fullest extent allowed by law, and all remaining provisions hereof shall continue in full force and effect. This Consulting Agreement shall be governed for all purposes by the laws of the State of Florida, and shall be subject to the exclusive jurisdiction of the State and Federal courts located in Hillsborough County, Florida.

13. Your relationship with the Company shall be that of an independent contractor, and you will not be an employee of the Company for any purpose whatsoever. You do not and shall not have any right or authority to assume or to create any obligation or responsibility, express or implied, on behalf of or in the name of the Company or to bind the Company in any manner.

14. The Company may not use your name in any commercial advertisement or similar material that is used to promote or sell products, unless the Company obtains in advance the written consent of you to such use, provided that, for purposes of clarification but not limitation, the Company shall be entitled to name you as a consultant and describe your role in consulting for the Company in discussions, materials, and submissions (i) regarding the seeking and/or maintaining of regulatory approvals or securities filings or other disclosure materials, such as prospectuses, or (ii) for presentations to, or discussions and negotiations with, or in materials provided to, potential investors, lenders, financial advisors or strategic partners, or as may otherwise be required by law or regulation.

15. Any notice or communications under this Consulting Agreement shall be in writing, addressed as follows, and may be delivered by hand, by certified mail, return receipt requested, or by nationally recognized overnight courier, and shall be effective upon receipt:

To Consultant:

Dr. Thomas J. Graham, M.D.  
705 West Timonium Road  
Lutherville, Maryland 21903

To Company:

MiMedx, Inc.  
1234 Airport Road  
Suite 105  
Destin, Florida 32541  
Attn: Paul Nichols, President

16. This Consulting Agreement may not be assigned by either party without the prior written consent of the other; provided, however, that the Company may assign this Consulting Agreement to any subsidiary or parent of the Company or successor to the Company's business by merger, purchase of assets, or otherwise. This Consulting Agreement shall be binding upon the assigns, executors, administrators and other legal representatives of the parties hereto, and shall inure to the benefit of the Company, its successors and assigns.

17. Only the provisions of paragraphs 7, 8, 9, and 11 of this Consulting Agreement shall survive termination or expiration hereof.

IN WITNESS WHEREOF, the parties hereto have duly executed this Consulting Agreement as of the date set forth on the first page hereof.

WITNESS

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

ATTEST:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

CONSULTANT

/s/ Thomas J. Graham, M.D.  
Thomas J. Graham, M.D.

MIMEDX, Inc.

By: /s/ Paul Nichols  
Paul Nichols, President

## EXHIBIT A

### Definitions.

“Company” has the meaning given such term in the preamble.

“Company Patent” means any Patent that (a) names Consultant an inventor of such Patent, (b) embodies or utilizes the Contributed IP, and (c) has been contributed, transferred, and assigned to the Company under this Consulting Agreement

“Contributed IP” means all of Consultant’s right, title, and interest in, to, and under the Intellectual Property in the Field existing as of the date of this Consulting Agreement and at any time during the Contribution Period including all Intellectual Property listed on Schedule 1 hereto.

“Contribution Period” means the period that shall commence on the date of this Consulting Agreement and shall expire on the third (3<sup>rd</sup>) anniversary hereof, even if this Consulting Agreement has been terminated by the Company due to Consultant’s breach hereof; provided that that Contribution Period shall continue for the term of this Consulting Agreement if the term is renewed for additional period(s) beyond the initial three year period.

“Field” means all uses related to: (a) the human hand and upper extremity, including, without limitation, the arm, elbow, forearm, wrist, and hand, including, without limitation, uses for reconstructive microsurgery in other parts of the body; (b) the human foot and ankle, including, without limitation, all human anatomy distal to the distal tibia and fibula articular surfaces; (c) dental implants for reconstructive and cosmetic dentistry and oral surgery uses; and (d) soft goods and durable medical equipment, including, without limitation, braces, splints, thermal devices, and other implements used in rehabilitation/therapy for the uses described in above clauses (a) and (b).

“Indemnification Source” has the meaning given such term in Section 8 (d).

“Intellectual Property” means any or all of the following and all rights arising out of or associated therewith, solely in the Field (including, without limitation, all intellectual property rights listed on attached **Schedule 1**): (a) all Patents; (b) all inventions (whether patentable or not), invention disclosures, discoveries, improvements, ideas, methods, systems or plans relating to any process, designs, trade secrets, proprietary information, know-how, technology, technical data, and customer lists, and all documentation relating to any of the foregoing throughout the world; (c) all copyrights, copyright registrations, and applications therefor, and all other rights corresponding thereto throughout the world; (d) all industrial designs and any registrations and applications therefor throughout the world; (e) all Internet uniform resource locators, domain names, trade names, logos, slogans, designs, common law trademarks and service marks, trademark and service mark registrations, and applications therefor throughout the world; (f) all databases and data collections and all rights therein throughout the world; (g) all moral and economic rights of authors and inventors, however denominated, throughout the world; (h) any similar or equivalent rights to any of the foregoing anywhere in the world; and (i) all tangible items, including, without limitation, documents, embodying the foregoing.

“Life of the Product” means, with respect to a Product embodying or utilizing any Contributed IP (other than any Valid Claim), the period during which such Product is being manufactured for commercial sales and Net Revenues are being generated by sales thereof.

“Life of the Valid Claim” means, with respect to a Product embodying or utilizing any Valid Claim, the period during which such Product is embodying or utilizing at least one (1) Valid Claim.

“Losses” shall mean any losses, damages, liabilities, diminution in value, obligations, actions, claims, suits, proceedings, demands, assessments, judgments, recoveries, fees, costs, and expenses (including, without limitation, all reasonable out-of-pocket expenses, reasonable investigation expenses, and reasonable fees and disbursements of accountants and attorneys) of any nature whatsoever, excluding, however, any indirect, consequential, or punitive losses.

“Net Revenues” means all payments received by the Company from the sale of Products, less: (a) sales, use, turnover, excise, value added, and all other foreign, federal, state, or local taxes (except income tax); (b) custom duties or consular fees; (c) transportation, freight, and handling charges and insurance on shipments to customers; (d) ordinary and reasonable trade, cash, or quantity discounts or rebates to the extent actually granted; and (e) refunds and credits for any damaged, spoiled, rejected, or returned Products or because of retroactive price reductions, rebates, or charge backs; in each case as determined under generally accepted accounting principles in effect from time to time in the United States of America.

“Patent” means any United States of America, international, or foreign patent and any application therefor and all reissues, divisions, renewals, extensions, provisionals, continuations, and continuations-in-part thereof.

“Product(s)” means any product, device, equipment, or apparatus that is developed, manufactured, produced, expressed, used, or licensed for use by the Company, or its contract manufacturers, using, exercising, or exploiting any Intellectual Property utilizing or embodying Contributed IP.

“Third Party” means any person, firm, organization, association, or entity other than the parties hereto.

“Valid Claim” means a claim of an issued and unexpired Patent, that has not been revoked or held invalid or unenforceable by a decision of a court or other governmental agency of competent jurisdiction from which no appeal can be or is taken within the time allowed for such appeal, and that has not been disclaimed, denied, or admitted to be invalid or unenforceable through reissue, disclaimer, or otherwise by the Consultant.