

PATENT ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:

NEW ASSIGNMENT

NATURE OF CONVEYANCE:

SECURITY AGREEMENT

CONVEYING PARTY DATA

Name	Execution Date
Regeneration Technologies, Inc.	03/23/2004
Alabama Tissue Center, Inc.	03/23/2004
RTI Services, Inc.	03/23/2004
Biological Recovery Group, Inc.	03/23/2004

RECEIVING PARTY DATA

Name:	Merrill Lynch Business Financial Services, Inc., through its division Merrill Lynch Capital
Street Address:	222 North LaSalle Street
Internal Address:	18th Floor
City:	Chicago
State/Country:	ILLINOIS
Postal Code:	60601

PROPERTY NUMBERS Total: 37

Property Type	Number
Patent Number:	6652818
Patent Number:	6497726
Patent Number:	6482584
Patent Number:	6613278
Patent Number:	6699252
Patent Number:	6685626
Patent Number:	D461248
Application Number:	09363909
Application Number:	09363208
Application Number:	10123033
Application Number:	09942537
Application Number:	09528034

PATENT

REEL: 015116 FRAME: 0841

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Application Number:	09924110
Application Number:	10013328
Application Number:	10056217
Application Number:	09701933
Application Number:	09722205
Application Number:	09905683
Application Number:	10375540
Application Number:	09704299
Application Number:	09941154
Application Number:	09563604
Application Number:	09360584
Application Number:	09474276
Application Number:	09751929
Application Number:	09792894
Application Number:	09976556
Application Number:	09897728
Application Number:	10437171
Application Number:	10754310
Application Number:	09866105
Application Number:	09782594
Application Number:	09789292
Application Number:	09960256
Application Number:	09873942
Application Number:	09870023
Application Number:	10192180

CORRESPONDENCE DATA

Fax Number: (703)610-6200

Correspondence will be sent via US Mail when the fax attempt is unsuccessful.

Phone: 703-610-6100

Email: boxip@hhlaw.com

Correspondent Name: Timothy J. Lyden

Address Line 1: 8300 Greensboro Drive, Suite 1100

Address Line 2: Box Intellectual Property

Address Line 4: McLean, VIRGINIA 22102

NAME OF SUBMITTER:

Timothy J. Lyden

Total Attachments: 9

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PATENT SECURITY AGREEMENT

THIS PATENT SECURITY AGREEMENT (the "**Agreement**") made as of this 23rd day of March 2004, among Regeneration Technologies, Inc., a Delaware corporation, Alabama Tissue Center, Inc., an Alabama corporation, RTI Services, Inc., a Delaware corporation, Biological Recovery Group, Inc., a Delaware corporation (collectively, "**Grantor**") and Merrill Lynch Business Financial Services, Inc., a Delaware corporation, through its division Merrill Lynch Capital ("**Grantee**");

W I T N E S S E T H

WHEREAS, Grantor and Grantee are parties to that certain Loan Agreement, dated as of February 20, 2004 (as the same may be amended or otherwise modified from time to time, the "**Loan Agreement**"), making available to Grantor by Grantee a revolving loan facility in the amount of \$16,000,000 and a term loan facility in the amount of \$9,000,000; and

WHEREAS, pursuant to the terms of the Loan Agreement, Grantor has granted to Grantee a security interest in substantially all of the assets of Grantor including all right, title and interest of Grantor in, to and under the Patents (as defined below), to secure the payment of all amounts owing by Grantor under the Loan Agreement;

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, Grantor agrees as follows:

1. Loan Documents. This Agreement has been executed and delivered in conjunction with the Loan Agreement and the other Loan Documents and the parties hereto agree that this Agreement is a Loan Document under the Loan Agreement. The rights and remedies of the Grantee with respect to the security interest granted herein are as set forth in the Loan Agreement, the Loan Documents and under applicable law. In the event that any provisions of this Agreement are deemed to conflict with the Loan Agreement, the provisions of the Loan Agreement shall govern. All capitalized terms used but not otherwise defined herein shall have the meanings given such terms in the Loan Agreement.

2. Grant and Reaffirmation of Grant of Security Interests. To secure the payment and performance of the Obligations, except as contemplated by Section 6.3 of the Loan Agreement, Grantor hereby grants to Grantee and reaffirms its prior grant pursuant to the Loan Agreement of a continuing security interest in Grantor's entire right, title and interest in and to the following, whether now owned or existing or hereafter created, acquired or arising (collectively, the "**Patent Collateral**");

(i) each patent and application or registration for or related to such patent listed on Schedule 1, attached hereto, together with any additions, renewals, reissues, divisions, continuations, continuations-in-part, or extensions thereof, all secrets or other formulae or processes, compounds, recipes, know-how and methods relating to the manufacture of the products or in connection with such secrets, formulae, processes, compounds, recipes, know-how and methods and all of, the goodwill of the business connected with the use of and symbolized by each of the foregoing (the "**Patents**");

(ii) all income, royalties, damages and payments now or hereafter due and/or payable under any of the foregoing, under licenses of the foregoing, or with respect to any of the foregoing, including, without limitation, damages and payments for past, present and future infringement or dilution of, or injury to the goodwill associated with, any of the foregoing;

of the foregoing;

(iii) the right to sue for past, present and future infringements of any

(iv) all rights corresponding to any of the foregoing throughout the world; and

(v) all products and proceeds of the foregoing, including, without limitation, any claim by Grantor against third parties for past, present or future infringement of or injury to the goodwill associated with, any of the foregoing.

3. Warranties and Representations. Grantor warrants and represents to Grantee that on the date hereof:

(i) Grantor has good title to (or valid interests in) all its Patents, except for minor defects in title that do not (i) affect the value or access to such Patents or (ii) interfere with (A) its ability to conduct its business as currently conducted, (B) its ability to utilize such Patents for their intended purposes, or (C) its right and power to transfer such property, subject to no Lien, other than Permitted Liens. Grantor has not agreed or consented to cause any of its Patents whether owned now or hereafter acquired to be subject in the future (upon the happening of a contingency or otherwise) to any Lien, mortgage, pledge, encumbrance or charge of any kind other than Permitted Liens, except as contemplated by Section 6.3 of the Loan Agreement.

(ii) Except as disclosed in the Information Certificate, there are no actions, suits, proceedings or investigations pending or threatened against Grantor before any court or arbitrator or before or by any Governmental Authority with respect to any Patent.

(iii) Grantor has full corporate, limited liability company or limited liability partnership (as the case may be) power and authority to enter into, execute, and deliver this Agreement and to perform its obligations under this Agreement.

4. Restrictions on Future Agreements. Grantor agrees that until the Obligations shall have been satisfied in full, Grantor shall not, without the prior written consent of Grantee, sell or assign its interest in, or grant any license under, any Patent Collateral or enter into any other agreement with respect to any Patent Collateral, other than as permitted under the Loan Agreement or in the ordinary course of Grantor's business and operations, and Grantor further agrees that it shall not take any action or permit any action to be taken by others subject to its control, including licensees, or fail to take any action which would affect the validity or enforcement of the rights transferred to Grantee under this Agreement.

5. New Patents. If, before Grantor's Obligations shall have been satisfied in full or before the Notes have been terminated, Grantor shall (i) become aware of any existing Patents of which Grantor has not previously informed Grantee, (ii) obtain rights to any new Patents, or (iii) become entitled to the benefit of any Patents, which benefit is not in existence on the date hereof, the provisions of this Agreement shall automatically apply thereto and Grantor shall give to Grantee prompt written notice thereof. Grantor hereby authorizes Grantee to modify this Agreement by amending Schedule 1 to include any such Patents; provided, that Grantee, promptly after such amendment, provides Grantor with a copy of such amended Schedule 1.

6. Duties of Grantor. Grantor shall, use commercially reasonable efforts to (i) preserve and maintain all rights in the Patent Collateral and (ii) ensure that the Patents are and remain enforceable.

7. Grantee's Right to Sue. After an Event of Default, Grantee shall have the right, but shall in no way be obligated, to bring suit in their own names to enforce the Patents and, if Grantee shall commence any such suit, Grantor shall, at the request of Grantee, do any and all lawful and reasonable acts and execute any and all proper documents required by Grantee in aid of such enforcement.

8. Cumulative Remedies; Power of Attorney. Grantee hereby acknowledges and affirms that the rights and remedies with respect to the Patent Collateral, whether established hereby or by the Loan Agreement, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Grantor hereby further acknowledges and agrees that the use by Grantee of all Patents shall be worldwide, except as limited by their terms, and without any liability for royalties or other related charges from Grantee to Grantor.

9. Miscellaneous.

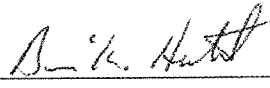
(i) This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute but one instrument.

(ii) If any term, covenant or condition of this Agreement, or the application of such term, covenant or condition to any party or circumstance shall be found by a court of competent jurisdiction to be, to any extent, invalid or unenforceable, the remainder of this Agreement and the application of such term, covenant, or condition to parties or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant or condition shall be valid and enforced to the fullest extent permitted by law.

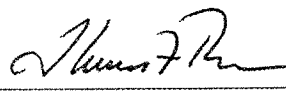
[Intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF, Grantor and Grantee have each duly executed this Agreement
as of the date first written above.

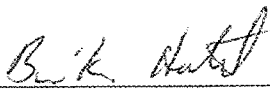
REGENERATION TECHNOLOGIES, INC.,
a Delaware corporation

By: 
Name:
Title:

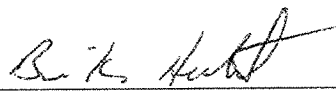
ALABAMA TISSUE CENTER, INC.,
an Alabama corporation

By: 
Name:
Title:

RTI SERVICES, INC.,
a Delaware corporation

By: 
Name:
Title:

BIOLOGICAL RECOVERY GROUP, INC.,
a Delaware corporation

By: 
Name:
Title:

MERRILL LYNCH BUSINESS FINANCIAL
SERVICES, INC., a Delaware corporation,
through its division Merrill Lynch Capital

By: _____
Name:
Title:

IN WITNESS WHEREOF, Grantor and Grantee have each duly executed this Agreement as of the date first written above.

REGENERATION TECHNOLOGIES, INC.,
a Delaware corporation

By: _____
Name:
Title:

ALABAMA TISSUE CENTER, INC.,
an Alabama corporation

By: _____
Name:
Title:

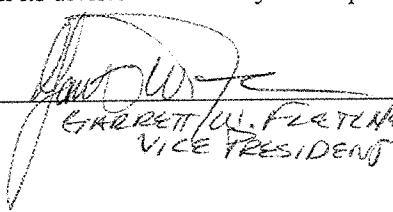
RTI SERVICES, INC.,
a Delaware corporation

By: _____
Name:
Title:

BIOLOGICAL RECOVERY GROUP, INC.,
a Delaware corporation

By: _____
Name:
Title:

MERRILL LYNCH BUSINESS FINANCIAL
SERVICES, INC., a Delaware corporation,
through its division Merrill Lynch Capital

By: 
Name: GARRETT W. FLETNER
Title: VICE PRESIDENT

SCHEDULE 1

PATENTS

<u>Patent Description</u>	<u>U.S. Patent No.</u>
Tissue Pooling Process	6,652,818
Materials and methods for improved bone tendon bone graft transplantation	6,497,726
Cyclic Implant Perfusion, Cleaning and Passivation Process and Implant Produced Thereby	6,482,584
Tissue Pooling Process	6,613,278
Methods and Instruments for Improved Meniscus Transplantation	6,699,252
Device, Method and Kit	6,685,626
Assembled Bone Implants	D461,248

PATENT APPLICATIONS

<u>Patent Application Description</u>	<u>U.S. Patent Application No.</u>	<u>Date Applied</u>
Hypo-Antigenic Bone & Process/Reduced Antigenicity Tissue (Rat) Implants	09/363,909	7/28/1999
Cartilage or Bone Matrix as a Nucleic Acid Delivery Vehicle	09/363,208	7/28/1999
Methods and Compositions for Repair or Replacement of Joints and Soft Tissues	10/123,033	4/15/2002
Soft and Calcified Tissue Implants	09/942,537	8/29/2001
Materials and methods for improved bone tendon bone graft transplantation	09/528,034	3/17/2000
Materials and methods for improved bone tendon bone graft transplantation	09/924,110	8/7/2001
Materials and methods for improved bone tendon bone graft transplantation	10/013,328	11/5/2001
Injectable Porous Bone Graft Materials	10/056,217	1/25/2002
Cortical Bone Cervical Smith-Robinson Fusion Implant	09/701,933	8/27/1998
Cortical Bone Cervical Smith-Robinson Fusion Implant	09/722,205	11/25/2000
Cortical Bone Cervical Smith-Robinson Fusion Implant	09/905,683	7/16/2001

Cortical Bone Cervical Smith-Robinson Fusion Implant	10/375,540	2/27/2003
Cervical Tapered Dowel	09/704,299	11/1/2000
Assembled Implant, Including Mixed-Composition Segment	09/941,154	8/27/2001
Molded Implants for Orthopedic Applications	09/563,604	5/2/2000
Suture Spear	09/360,584	7/26/1999
System for Reconstituting Pastes, and Methods of Using Same	09/474,276	12/29/1999
System for Reconstituting Pastes, and Methods of Using Same	09/751,929	12/29/2000
System for Reconstituting Pastes, and Methods of Using Same	09/792,894	2/26/2001
System for Reconstituting Pastes, and Methods of Using Same	09/976,556	10/11/2001
In Vitro Bone Induction Assay	09/897,728	7/3/2001
Compositions and Devices Comprising RunX2 Protein or Coding Sequence and Method of Use	10/437,171	5/13/2003
Sterile actin and myosin matrix	10/754,310	1/9/2004
Sterile actin and myosin matrix implants	not yet assigned	3/5/2004

Cortical Bone Interference Screw	09/866,105	5/24/2001
Assembled Implant	09/782,594	2/12/2001
Implantable Tissues Infused with Growth Factors and Other Additives	09/789,292	2/20/2001
Method of Preparing and Processing Transplant Tissue	09/960,256	9/20/2001
Osteotomy Implant	09/873,942	6/4/2001
Interbody Fusion Grafts and Instrumentation	09/870,023	5/30/2001
Cyclic Implant Perfusion, Cleaning and Passivation Process and Implant Produced Thereby	10/192,180	7/10/2002