

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY INTEREST

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Bacterin International Inc.		01/11/2010	CORPORATION: NEVADA

RECEIVING PARTY DATA

Name:	Harborview Advisors LLC
Street Address:	850 Third Avenue, Suite 1801
Internal Address:	HA as collateral agent for noteholders
City:	New York
State/Country:	NEW YORK
Postal Code:	10022
Entity Type:	LIMITED LIABILITY COMPANY: UNITED STATES

PROPERTY NUMBERS Total: 8

Property Type	Number	Word Mark
Registration Number:	3576966	OSTEOWRAP
Registration Number:	3576967	ELUTIA
Registration Number:	3366646	OSTEOSPONGE
Serial Number:	77228718	HMATRIX
Serial Number:	77328137	OSTEOSELECT
Serial Number:	78890695	OSTEOFUSE
Serial Number:	77518307	OSTEOLOCK
Serial Number:	77675985	BACFAST

CORRESPONDENCE DATA

Fax Number: (202)408-3141
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Phone: 800-927-9801 x2348
 Email: jpaterso@cscinfo.com
 Correspondent Name: Corporation Service Company

CH \$215.00 3576966

900152508

**TRADEMARK
 REEL: 004133 FRAME: 0944**

Address Line 1: 1090 Vermont Avenue NW, Suite 430
Address Line 4: Washington, DISTRICT OF COLUMBIA 20005

ATTORNEY DOCKET NUMBER:	255025-005
NAME OF SUBMITTER:	Jean Paterson
Signature:	/jep/
Date:	01/20/2010

Total Attachments: 20
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SECURITY AGREEMENT

SECURITY AGREEMENT, dated as of January 11, 2010, by Bacterin International, Inc. a Nevada corporation (the "Company") in favor of Harborview Advisors LLC (the "Agent"), acting in its capacity as collateral agent for holders from time to time (the "Holders") of the 12% Secured Convertible Notes in the aggregate principal amount of up to \$3,000,000 (the "Notes"), to be issued by the Company to the Holders.

WITNESSETH

WHEREAS, the Holders have agreed to purchase the Notes from the Company pursuant to subscription agreements executed by each Holder and the Company for the Notes (the "Subscription Agreements");

WHEREAS, to induce the Holders to purchase the Notes, the Company has agreed to secure its Obligations (defined below) by granting to the Holders a security interest in the Company's assets described in Section 2 below; and

WHEREAS, the Company and the Holders desire to have the Agent hold the secured Collateral (defined below), and the Company, the Holders and the Agent desire to enter into an agreement setting forth the terms and conditions for the holding of such assets and the duties of the Agent, as set forth below:

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

1. DEFINITIONS

Defined Terms. In addition to the other terms defined in this Agreement, whenever the following capitalized terms are used they shall be defined as follows: "*Business*" shall mean the businesses from time to time, now or hereafter, conducted by the Company and its Subsidiaries.

"*Collateral*" shall have the meaning ascribed to such term in Section 2.1 and described in Section 2.2.

"*Copyright Collateral*" shall mean all Copyrights, whether now owned or hereafter acquired by the Company, that are associated with the Business.

"*Copyrights*" shall mean all copyrights, copyright registrations and applications for copyright registrations, including those shown on Schedule 1C hereto, and, without limitation, all renewals and extensions thereof, the right to recover for all past, present and future infringements thereof, and all other rights of any kind whatsoever accruing thereunder or pertaining thereto.

"*Event of Default*" shall have the meaning ascribed to such term under the Notes.

“Financing Agreements” shall mean, collectively, this Agreement, the Notes and all other agreements, documents and instruments now or at any time hereafter executed and/or delivered by the Company, the Holders or the Agent in connection with the grant of the security interest herein, as the same now exist or may hereafter be amended, modified, supplemented, extended, renewed, restated or replaced.

“Liens” shall mean mortgages, liens, pledges, charges, security interest, encumbrances or other third party interests of any nature whatsoever.

“NVUCC” shall mean the Uniform Commercial Code as in effect in the State of Nevada from time to time.

“Obligations” shall mean any and all obligations of every kind, nature and description arising under the Notes or this Agreement owing by the Company to the Holders, including principal, interest, costs and expenses, however evidenced. For avoidance of doubt, the Obligations shall include the obligations of the Company to pay the fees and expenses of the Agent and to provide indemnity to the Agent pursuant to Section 8.4 hereof.

“Patent Collateral” shall mean all Patents, whether now owned or hereafter acquired by the Company that are associated with the Business.

“Patents” shall mean all patents and patent applications, including those shown on Schedule IP hereto, and, without limitation, the inventions and improvements described and claimed therein together with the reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, all income, royalties, damages and payments now or hereafter due and/or payable under and with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, the right to sue for past, present and future infringements thereof, and all rights corresponding thereto throughout the world.“

“Person” shall mean an individual, a partnership, a corporation, an association, a joint stock company, a limited liability company, a trust, a joint venture, an unincorporated organization, or a governmental entity (or department, agency or political subdivision thereof).

“Requisite Holders” shall mean the Holders holding a majority of the aggregate principal amount then outstanding under the Notes.

“Successor Agent” shall have the meaning ascribed to such term in Section 8.4.

“Trademark Collateral” shall mean all Trademarks, whether now owned or hereafter acquired by the Company, that are associated with the Business. Notwithstanding the foregoing, the Trademark Collateral does not and shall not include any Trademark which would be rendered invalid, abandoned, void or unenforceable by reason of its being included as part of the Trademark Collateral.

“Trademarks” shall mean all trade names, trademarks and service marks, logos, trademark and service mark registrations, and applications for trademark and service mark registrations, including those shown on Schedule IT hereto, and, without limitation, all renewals of trademark and service mark registrations, all rights corresponding thereto throughout the

world, the right to recover for all past, present and future infringements thereof, all other rights of any kind whatsoever accruing thereunder or pertaining thereto, together, in each case, with the product lines and goodwill of the business connected with the use of, and symbolized by, each such trade name, trademark and service mark.

1.1 Other Definitional Provisions, Construction. All terms used herein and defined in the NVUCC shall have the same definitions as specified therein. Unless otherwise specified, “hereunder,” “herein,” hereto,” “this Agreement” words of similar import refer to this entire document; “including” is used by way of illustration and not by way of limitation, unless the context clearly indicates the contrary; the singular includes the plural, and conversely.

2. GRANT OF SECURITY INTEREST

2.1 Grant. Subject to the terms and conditions of this Agreement, as collateral security for the punctual payment and performance of the Obligations by the Company, the Company hereby grants to the Holders a continuing security interest in, and shall assign to the Holders as security, the following property and interests in property, whether presently owned or hereafter acquired or existing, and wherever located described in Section 2.2 (collectively the “Collateral”).

2.2 Collateral. For purposes of this Agreement, the Collateral shall consist of:

(a) Inventory. All of the Company’s cadaver inventory, wherever located.

(b) Intellectual Property. Shall mean, collectively, all Copyright Collateral, all Patent Collateral and all Trademark Collateral, together with (a) all inventions, processes, production methods, proprietary information, know-how and trade secrets used or useful in the Business; (b) all licenses or user or other agreements granted to the Company with respect to any of the foregoing, in each case whether now or hereafter owned or used including, without limitation, the licenses or other agreements with respect to the Copyright Collateral, the Patent Collateral or the Trademark Collateral; (c) all blueprints, specifications, designs, drawings, surveys, materials standards, processing standards, catalogs, computer and automatic machinery software and programs, pertaining to the operation by the Company of the Business; ; and (d) all causes of action, claims and warranties now or hereafter owned or acquired by the Company in respect of any of the items listed above.

3. PERFECTION In furtherance of the grant of the pledge and security interest pursuant to Section 2 hereof, the Company hereby agrees with the Agent and each of the Holders as follows:

3.1 Financing Statements. The Company shall execute and file all financing or continuation statements or amendments thereto, in form and substance satisfactory to the Agent, in order to perfect and preserve the security interests granted herein in the Collateral. Upon the execution of this Agreement, the Company shall deliver to the Agent (i) Forms UCC-1, in form and substance reasonably satisfactory to the Agent, for filing in the State of Nevada and any

other jurisdiction that the Agent, in its reasonable discretion, deems appropriate to preserve the security interest granted by the Company hereunder, and (ii) all necessary documents and instruments reasonably satisfactory to the Agent, for filing security interests against the Company's intellectual property with the United States Patent and Trademark Office ("USPTO").

3.2 Intellectual Property Requests. Furnish to the Agent from time to time (but, unless an Event of Default shall have occurred and be continuing, no more frequently than quarterly) statements and schedules further identifying and describing the material Copyright Collateral, the Patent Collateral and the Trademark Collateral, respectively, and such other reports in connection with the Copyright Collateral, the Patent Collateral and the Trademark Collateral, as the Agent may reasonably request in writing, all in reasonable detail;

3.3 Inspection. Permit representatives of the Agent, upon reasonable notice, at any time during normal business hours to inspect and make abstracts from its books and records pertaining to the Collateral, and permit representatives of the Agent to be present at the Company's place of business to receive copies of all communications and remittances relating to the Collateral, and forward copies of any notices or communications by the Company with respect to the Collateral, all in such manner as the Agent may reasonably require; provided, however, that so long as an Event of Default is not continuing, such visits shall be made not more than once per fiscal year at Company's expense; provided, that the Company's obligation to pay such expenses shall be capped at \$5,000 per fiscal year.

4. USE OF COLLATERAL PROHIBITED. Except pursuant to transactions in the ordinary course of the Company's business (including licensing arrangements but not limited to the sale of inventory in the ordinary course), the Company shall not sell, lease, encumber, pledge, mortgage, assign, grant a security interest in, or otherwise transfer the Collateral without the written consent of the Agent, which consent may be withheld for any reason whatsoever. After the occurrence and during the continuation of an Event of Default, the Company shall not be entitled to exercise any rights with respect to the Collateral, and the Agent shall be entitled to exercise any such rights for the benefit of the Holders. If any distributions, payments or proceeds shall be received by the Company after the occurrence of an Event of Default which has not been otherwise waived in writing, the Company shall immediately deliver the same to the Agent, accompanied, if appropriate, by proper instruments of assignment and/or powers executed by the Company in accordance with the Agent's instructions, to be held subject to the terms of this Agreement.

5. REPRESENTATIONS AND WARRANTIES. To induce the Holders to enter into this Agreement and the Notes, the Company makes the following representations and warranties to the Holders:

5.1 Authority. The Company has the authority to enter into this Agreement and to grant the security interests provided herein, and has obtained all necessary corporate approvals to execute, deliver and perform its obligations under this Agreement.

5.2 Ownership. Except for the interest granted to the Holders pursuant to this Agreement, the Company owns the Collateral free and clear of any Lien, and no adverse claims

have been filed with respect to any of the Collateral. The Company shall defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein adverse to the Holders.

5.3 Priority. The filing of financing statements with respect to the Collateral shall create a valid and perfected first priority security interest in the Collateral securing the payment of the Obligations.

5.4 Maintenance of Collateral. Company shall at all times and at its own expense maintain and keep, or cause to be maintained and kept, the Collateral. Company shall perform all acts and execute all documents reasonably requested by the Agent at any time to evidence, perfect, maintain, record and enforce the Agent's interest in the Collateral or otherwise in furtherance of the provisions of this Agreement, and Company hereby authorizes the Agent to execute and file one or more financing statements (and similar documents) or copies thereof or of this Agreement with respect to the Collateral signed only by the Agent.

5.5 Third Party. No authorization, approval or other action by, and no notice to or filing with any governmental authority is required either for the delivery by the Company of the Collateral pursuant to this Agreement or for the execution, delivery or performance of this Agreement by the Company except for (i) filings of Forms UCC with the State of Nevada, (ii) filing of any documents and/or instruments with the USPTO in order to perfect and preserve the security interests granted herein in the Collateral, and (iii) the remedies in respect of the Collateral pursuant to this Agreement.

5.6 No Violation. The execution, delivery and performance of this Agreement will not violate any provision of any applicable law or regulation or of any writ or decree of any court or governmental instrumentality or of any indenture, contract, agreement or other undertaking to which the Company is a party or which purports to be binding upon the Company or upon any of its assets and will not result in the creation or imposition of any Lien in any of the assets of the Company except as contemplated by this Agreement.

5.7 Binding Obligation. This Agreement has been duly executed and delivered by the Company and constitutes the legal, valid and binding obligation of the Company enforceable against it in accordance with its terms, subject, however, to bankruptcy, and other law, decisional or statutory, of general application affecting the enforcement of creditors' rights and to the general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

5.8 Valid Intellectual Property. Other than as set forth on Schedule 5.8 hereto, to the Company's knowledge, there is no violation by others of any right of the Company with respect to any material Copyrights, Patents or Trademarks, respectively, and (ii) the Company is not, in connection with the Business, infringing in any material respect upon any Copyrights, Patents or Trademarks of any other Person; and no proceedings have been instituted or are pending against the Company or, to the Company's knowledge, threatened, and no claim against the Company has been received by the Company, alleging any such violation.

6. AFFIRMATIVE AND NEGATIVE COVENANTS

6.1 Verification. The Agent, upon reasonable prior notice to the Company, shall have the right at any time or times to verify the validity, amount or any other matter relating to any of the Collateral.

6.2 Power of Attorney. If at any time an Event of Default exists or has occurred and is then continuing, at the request of the Agent, the Company hereby irrevocably designates and appoints the Agent as the Company's true and lawful attorney-in-fact, and authorizes the Agent, in the Company's or the Agent's name, to do all acts and things which are necessary, in the Agent's determination, to fulfill the Company's Obligations under this Agreement and the Notes. The Company hereby releases the Agent from any liabilities arising from any act or acts under this power of attorney and in furtherance thereof, whether of omission or commission, except as a result of the Agent's own gross negligence or misconduct as determined pursuant to a final non-appealable order of a court of competent jurisdiction.

6.3 Further Assurances. The Company shall, at its expense and from time to time, promptly execute and deliver all further instruments, documents and agreements, and take all further action that may be necessary or desirable, or that the Holders or the Agent may request, in order to (i) continue, perfect and protect the security interest, pledge and Lien granted or purported to be granted hereby or (ii) enable the Agent or the Holders to exercise and enforce their respective rights and remedies hereunder with respect to the Collateral. Without prejudice to the generality of the foregoing, each such instrument or document shall be in such form as the Agent shall stipulate and may contain provisions such as are herein contained or provisions to the like effect or such other provisions of whatsoever kind as the Agent shall reasonably consider requisite for the improvement (on and subject to the terms herein), perfection or enforcement of the security constituted by, or pursuant to, this Agreement.

6.4 Other Financing Statements and Liens. Without the prior written consent of the Agent, the Company shall not file or authorize or permit to be filed, in any jurisdiction, any financing statement or like instrument with respect to the Collateral in which the Agent is not named as the sole secured party for the benefit of each of the Holders.

7. REMEDIES UPON AN EVENT OF DEFAULT

7.1 Process following Event of Default. At any time an Event of Default exists or has occurred and is continuing, the Agent, on behalf of the Holders, shall have all rights and remedies provided in the Financing Agreements, the NVUCC and other applicable law, all of which rights and remedies may be exercised without notice to or consent by the Company, except as such notice or consent is expressly provided for hereunder or required by applicable law. All rights, remedies and powers granted to the Agent hereunder, under any of the other Offering Documents, the NVUCC or other applicable law (except as explicitly provided in Section 7.4 hereof), are cumulative, not exclusive and enforceable, in the Agent's discretion, alternatively, successively, or concurrently on any one or more occasions, and shall include, without limitation, the right to apply to a court of equity for an injunction to restrain a breach or threatened breach by the Company of this Agreement or any of the other Financing Agreements to which it is a party.

7.2 Actions. Without limiting the foregoing, at any time an Event of Default exists or has occurred and is continuing, the Agent may, in its discretion and without limitation, (i) require the Company, at its own expense, to make available to the Agent any part or all of the Collateral, (ii) collect, foreclose, receive, appropriate, setoff and realize upon any and all of the Collateral, or (iii) sell, transfer, assign, deliver or otherwise dispose of any and all of the Collateral (including, without limitation, entering into contracts with respect thereto).

7.3 Application of Proceeds. The Agent may apply the cash proceeds of Collateral actually received by the Agent from any collection, sale, foreclosure or other disposition of the Collateral to the payment of the Obligations, in whole or in part and in such order as the Agent may elect.

8. SPECIAL PROVISIONS RELATING TO THE INTELLECTUAL PROPERTY

8.1 For the purpose of enabling the Agent, in case of default, to exercise rights and remedies under Section 2 hereof at such time as the Agent shall be lawfully entitled to exercise such rights and remedies, and for no other purpose, the Company hereby grants to the Agent, to the extent assignable, an irrevocable, non-exclusive license (exercisable without payment of royalty or other compensation to the Company) to use, assign, license or sublicense any of the Intellectual Property (other than the Trademark Collateral or goodwill associated therewith) now owned or hereafter acquired by the Company, wherever the same may be located, including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout thereof.

Notwithstanding anything contained herein to the contrary, so long as no Event of Default shall have occurred and be continuing and following notice by the Agent of the termination of Company's rights with respect thereto, the Company will be permitted to exploit, use, enjoy, protect, license, sublicense, assign, sell, dispose of or take other actions with respect to the Intellectual Property in the ordinary course of the business of the Company. In furtherance of the foregoing, unless an Event of Default shall have occurred and is continuing, the Agent shall from time to time, upon the request of the Company, execute and deliver any instruments, certificates or other documents, in the form so requested, which the Company shall have certified are appropriate (in its judgment) to allow it to take any action permitted above (including relinquishment of the license provided pursuant to clause (1) immediately above as to any specific Intellectual Property). Further, upon the payment in full of all of the Secured Obligations or earlier expiration of this Agreement or release of the Collateral, the Agent shall grant back to the Company the license granted pursuant to clause (1) immediately above. The exercise of rights and remedies under Section 7 hereof by the Agent shall not terminate the rights of the holders of any licenses or sublicenses theretofore granted by the Company in accordance with the first sentence of this clause (2).

9.0 AGENT

9.1 Duties. By their execution of Subscription Agreements, the Holders have authorized the Agent to exercise for the pro rata benefit of the Holders all rights, powers and remedies provided to it under or pursuant to this Agreement, including all rights, powers and

remedies upon an Event of Default, subject always to the terms, conditions, limitations and restrictions provided in this Agreement and the Notes. Except with respect to those matters as to which the Agent is expressly required to act under the terms of this Section 8, the Agent may act or refrain from acting with the written consent of the Requisite Holders, which Requisite Holders shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Agent; provided, however, that such direction shall not be in conflict with any rule of law or expose the Agent to personal liability, such direction shall not be unduly prejudicial to the rights of any non-consenting Holder, and the Agent may take any action deemed proper by the Agent, in its discretion, which is not inconsistent with such direction or the terms of this Agreement. It is agreed that the duties of the Agent are only such as are herein specifically provided, and the Agent shall have no other duties, implied or otherwise.

9.2 Expenses; Acts of Others. Anything herein to the contrary notwithstanding, none of the provisions of this Agreement shall be construed to require the Agent to expend or risk its own funds or otherwise incur any liability (financial or otherwise) in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, unless it shall be satisfied that one or more of the Company, the Holders, and/or the placement agent for the Notes are at the time obligated and in a financial position to pay the Agent's reasonably anticipated fees for its services and its out-of-pocket expenses (including fees of its counsel) in the performance of such duties or the exercise of any of such rights or powers and to indemnify it against any such risk or liability. In no event shall the Agent be liable (i) for any consequential, punitive or special damages or (ii) for the acts or omissions of its nominees, correspondents, designees, subagents or subcustodians. The Agent shall not incur any liability for not performing any act or fulfilling any duty, obligation or responsibility hereunder by reason of any occurrence beyond the control of the Agent (including any act or provision of any present or future law or regulation or governmental authority, any act of God or war, or the unavailability of the Federal Reserve Bank wire or telex or other wire or communication facility).

9.3 Care. The Agent shall not be required or bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, entitlement order, approval or other paper or document. The Agent may execute any of the powers under this Security Agreement or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible or liable for the acts or omissions, including any willful misconduct or gross negligence, on the part of any agent, attorney, custodian or nominee so appointed.

9.4 Indemnification. The Company agrees to indemnify and hold the Agent and its directors, employees, officers, agents, successors and assigns harmless from and against any and all losses, claims, damages, liabilities and expenses, including reasonable costs of investigation and reasonable counsel fees and expenses that may be imposed on the Agent or incurred by it in connection with its acceptance of its appointment as the Agent hereunder or the performance of its duties hereunder, except as a result of the Agent's gross negligence or willful misconduct. Such indemnity includes all losses, damages, liabilities and expenses (including reasonable counsel fees and expenses) incurred in connection with any litigation (whether at the trial or appellate levels) arising from this Security Agreement or the Subscription Agreements or involving the subject matter hereof or thereof or the transactions contemplated hereby or thereby. The indemnification provisions contained in this Section 9.4 are in addition to any other rights

any of the indemnified parties may have by law or otherwise and shall survive the termination of this Security Agreement or the resignation or removal of the Agent.

9.5 Default Notice. The Agent shall transmit by mail to the Holders, or their successors or permitted assigns, as the names and addresses appear in a register of Holders maintained by the Company, notice of an Event of Default.

9.6 Resignation of Agent. The Agent may at any time resign by giving written notice thereof to the Company at least 20 business days before the date of such proposed resignation. Upon receiving such notice of resignation, the Company shall promptly appoint a successor collateral agent by written instrument executed by authority of its board of directors, a copy of which shall be delivered to the resigning Agent and a copy to the successor collateral agent. If an instrument of acceptance by a successor collateral agent shall not have been delivered to the Agent within 20 business days after giving such notice of resignation, the resigning Agent may petition any court of competent jurisdiction for the appointment of a successor collateral agent. Such court may thereupon, after such notice, if any, as it may deem proper, appoint a successor collateral agent. The Agent may be removed at any time by written action by the Requisite Holders delivered to the Agent and to the Company. If the Agent shall be so removed, the Company shall promptly appoint a successor collateral agent in accordance with the procedures in this Section 9.

9. FEES, INDEMNIFICATION The Company shall pay or reimburse any and all of the Agent's reasonable and proper expenses incurred by the Agent in the making or the enforcement or attempted enforcement of this Agreement, whether or not an action is filed in connection therewith. The Agent shall not receive any fee for acting in such capacity. The Company and the Holders each agrees to indemnify and hold the Agent harmless from and against any and all expenses (including counsel fees), liabilities, claims, damages, actions, suits or other charges incurred by or assessed against the Agent for anything done or omitted by the Agent in the performance of its duties hereunder, except as a result of its own gross negligence or willful misconduct.

10. CONTINUING OBLIGATIONS This Agreement shall remain in full force and effect and continue to be effect should any petition be filed by or against the Company for liquidation or reorganization, should the Company become insolvent or make an assignment for the benefit of creditors or should a receiver or trustee be appointed for all or any significant part of the Company's assets, and shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by the Agent, 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 Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

11. NOTICE Except as otherwise specifically set forth herein, all notices, instructions, requests, demands or other communications hereunder shall be deemed to have been duly and effectively given only if delivered in writing by hand, three (3) business days after sent

by express delivery service or by registered mail, return receipt requested, or one (1) business day after sent by recognized overnight courier, addressed as follows:

If to the Agent or for the Holders:

Harborview Advisors LLC
850 Third Ave, Suite 1801
New York, NY 10022
Facsimile: (646) 218-1401
Attn: Mr. Steven Berger

If to the Company:

Mr. Guy S. Cook
CEO and President
Bacterin International, Inc.
600 Cruiser Lane
Belgrade, MT 59714
Telephone: (406) 388-0480
Facsimile: (406) 388-0422

Any party may, by written notice to the other parties, substitute such other address as it deems advisable. No notice, instruction, request, demand or other communication hereunder shall be deemed to have been received before actual receipt by recipient.

12. Perfection. Concurrently with the execution and delivery of this Agreement the Company shall cause such financing statements and other documents to be filed in such offices as the Agent may reasonably request to perfect the security interests granted by this Agreement.

13. Further Assurances. From time to time upon the written reasonable request of the Agent, the Company will execute and deliver such further documents and do such other acts and things as the Agent may reasonably request in writing in order fully to effect the purposes of this Agreement.

14. GENERAL

14.1 Effectiveness and Termination. This Agreement creates a continuing security interest and Lien on the Collateral and will remain in full force and effect until the full final payment by the Company in satisfaction of all the Obligations. Upon termination, the Holders' rights, title and interest in and to the Collateral shall be automatically terminated and released to the Company, this Agreement shall terminate except as to the Agent's rights in Section 9, and the Company shall be permitted to file UCC termination statements as to the balance of the Collateral.

14.2 Entire Agreement; Amendments; Counterparts. This Agreement, the Notes and all other Financing Agreements set forth the entire agreement of the parties with respect to subject matter of this Agreement and supersede all previous understandings, written or oral, in respect thereof. In the event of a conflict between the terms of this Agreement and those of any

other agreement (other than the Notes), the terms herein shall govern. The terms of this Agreement may be amended, waived or modified only by an instrument in writing duly executed by all the parties hereto. This Agreement may be executed in counterparts, each of which shall be deemed an original agreement, but all of which together shall constitute one and the same instrument. Execution and delivery of this Agreement by facsimile transmission (including the delivery of documents in Adobe PDF format) shall constitute execution and delivery of this Agreement for all purposes, with the same force and effect as execution and delivery of an original manually signed copy hereof.

14.3 Assignment. The Company may not assign, transfer or otherwise dispose of any of its rights or obligations hereunder, by operation of law or otherwise, without the written consent of the Agent, which shall not be unreasonably withheld. The Agent may not assign any of its duties hereunder except to a Successor Agent pursuant to Section 8.6.

14.4 Binding. This Agreement is binding upon and shall inure to the benefit of the parties hereto and their respective heirs, assigns, administrators and successors. No Persons other than the Company, the Agent and the Holders are intended to be benefited in this Agreement or to have rights hereunder as third-party beneficiaries or otherwise.


14.5 Headings. Section headings in this Agreement are included for convenience of reference only and shall not relate to the interpretation or construction of this Agreement.

14.6 Governing Law; Consent to Jurisdiction; Waiver of Jury Trial. This Agreement shall be governed by, and construed in accordance with, the internal laws of the State of New York without regard to the choice of law principles thereof. Each of the parties hereto irrevocably submits to the exclusive jurisdiction of the courts of the State of New York located in New York County and the United States District Court for the Southern District of New York for the purpose of any suit, action, proceeding or judgment relating to or arising out of this Agreement and the transactions contemplated hereby. Service of process in connection with any such suit, action or proceeding in either of such courts may be served on each party hereto anywhere in the world by the same methods as are specified for the giving of notices under this Agreement. Each of the parties hereto irrevocably consents to the jurisdiction of either such court in any such suit, action or proceeding and to the laying of venue in either such court. Each party hereto irrevocably waives any objection to the laying of venue of any such suit, action or proceeding brought in either such court and irrevocably waives any claim that any such suit, action or proceeding brought in either such court has been brought in an inconvenient forum. **EACH OF THE PARTIES HERETO WAIVES ANY RIGHT TO REQUEST A TRIAL BY JURY IN ANY LITIGATION WITH RESPECT TO THIS AGREEMENT AND REPRESENTS THAT COUNSEL HAS BEEN CONSULTED SPECIFICALLY AS TO THIS WAIVER.**

14.7 Validity. If any provision of this Agreement is held to be invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not invalidate this Agreement as a whole, but this Agreement shall be construed as though it did not contain the particular provision held to be invalid, illegal or unenforceable and the rights and obligations of the parties hereto shall be construed and enforced only to such extent as may be permitted by applicable law.

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

BACTERIN INTERNATIONAL, INC.

By: 
Name: Guy Cook
Title: CEO

AGREED TO:

HARBORVIEW ADVISORS LLC

as Agent for the Holders.

By: _____
Name: Mr. Steven Berger
Title: Authorized Signatory

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

BACTERIN INTERNATIONAL, INC.

By: _____

Name: _____

Title: _____

AGREED TO:

HARBORVIEW ADVISORS LLC

as Agent for the Holders.

By: _____

Name: Mr. Steven Berger

Title: Authorized Signatory

SCHEDULE 1C

NONE

SCHEDULE 1P

Bacterin Patent Summary, December 15, 2009

Title	Business Purpose	First Inventor	Serial or Patent Number	Date Filed or Granted	Status
1. Pending U.S. Applications					
MEDICAL DEVICE INCLUDING A BIOACTIVE IN A NON-IONIC AND AN IONIC FORM AND METHODS OF PREPARATION THEREOF	This application arose out of a now defunct project. We retained rights as the technology may prove useful in the future. The patent describes the modification of elution profiles via active agent equilibration; it is potentially applicable to many coated products.	Mike Johnson	11/864,360	9/28/2007	Response to restriction requirement filed 10/12/09, awaiting examination.
ANTIMICROBIAL COATING FOR INHIBITION OF BACTERIAL ADHESION AND BIOFILM FORMATION	This application relates to the coating used for the Elutia wound drain and for the Bard BioBloc coating on their HemoStar hemodialysis catheter. The efficacy period can be varied according to the desired outcome; the coating has shown in vitro efficacy for between 7 and 21 days.	Guy Cook	10/891,885	7/15/2004	Non-final Office Action mailed 9/15/09; response submitted 12/15/09
PROCESS FOR DEMINERALIZATION OF BONE MATRIX WITH PRESERVATION OF NATURAL GROWTH FACTORS	This application is intended to protect OsteoSponge, a core product produced by our Biologics division. OsteoSponge is a novel form of demineralized bone matrix which provides a natural scaffold for cellular growth and exposes bone growth inducing proteins to the healing environment.	Nancy J. Shelby	12/130,384	5/30/2008	First examination: November 2010 (estimated)
2. Pending Foreign Applications					
MEDICAL DEVICE INCLUDING A BIOACTIVE IN A NON-IONIC AND AN IONIC FORM AND METHODS OF PREPARATION THEREOF	This application arose out of a now defunct project. We retained rights as the technology may prove useful in the future. The patent describes the modification of elution profiles via active agent equilibration and is potentially applicable to many coated products.	Mike Johnson	PCT/US2007/079924	9/28/2007	International Application Status Report posted 12/15/09

ANTIMICROBIAL COATING FOR INHIBITION OF BACTERIAL ADHESION AND BIOFILM FORMATION	This application relates to the coating used for the Elutia wound drain and for the Bard BioBloc coating on their HemoStar hemodialysis catheter. The efficacy period can be varied according to the desired outcome; the coating has shown in vitro efficacy for between 7 and 21 days.	Guy Cook	PCT/US2005/015162	4/28/2005	Entered National Phase in: Europe, Australia, Canada, Japan
PROCESS FOR DEMINERALIZATION OF BONE MATRIX WITH PRESERVATION OF NATURAL GROWTH FACTORS	This application is intended to protect OsteoSponge, a core product produced by our Biologics division. OsteoSponge is a novel form of demineralized bone matrix which provides a natural scaffold for cellular growth and exposes bone growth inducing proteins to the healing environment.	Nancy J. Shelby	PCT/US2008/006942	6/2/2008	31-month National Phase Entry Due: 1/1/10
AN ELASTOMERIC ARTICLE INCORPORATED WITH A BROAD SPECTRUM ANTIMICROBIAL	This application was generated as a means of protecting the technology used for a forthcoming product. We have observed long term (over 30 days) in vitro efficacy with this technology.	Benjamin P. Luchsinger	PCT/US2009/005103	9/11/2009	Awaiting International Search Report (this application will enter the US through PCT)

3. In-Licensed Intellectual Property

SWOLLEN DEMINERALIZED BONE PARTICLES, FLOWABLE OSTEOGENIC COMPOSITION CONTAINING SAME AND USE OF THE COMPOSITION IN THE REPAIR OF OSSEOUS DEFECTS	This patent protects OsteoSelect, Bacterin's DBM putty. OsteoSelect has exceptional handling characteristics and can easily be molded into any shape and compressed into bony voids. Bacterin employs a low-dose, low-temperature sterilization process to provide maximum osteoinductive potential while maintaining device-level sterility.	Simon Bogdansky	5,284,655	2/8/1994	Granted
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FLOWABLE DEMINERALIZED BONE
 POWDER COMPOSITION AND ITS
 USE IN BONE REPAIR

This patent protects OsteoSelect,
 Bacterin's DBM putty. OsteoSelect
 has exceptional handling
 characteristics and can easily be
 molded into any shape and
 compressed into bony voids.
 Bacterin employs a low-dose, low-
 temperature sterilization process to
 provide maximum osteoinductive
 potential while maintaining device-
 level sterility.

Robert K.
 O'Leary

5,290,558

3/1/1994

Granted

SCHEDULE 1T

Trademark Maintenance Table 09142009

<u>Mark & Class</u>	<u>Filing Date & No.</u>	<u>Reg. Date & No.</u>	<u>Sec 8 Date</u>	<u>Renewal Date</u>
OsteoWrap 005 1b	4.25.2007 77165553	2.17.2009 3576966	2.17.2014 window opens	2.17.2019 10 yr final deadline
hMatrix 005 1b	7.12.2007 77228718			
Elutia 010 1b	4.25.2007 77165588	2.17.2009 3576967	2.17.2014 window opens	2.17.2019 10 yr final deadline
OsteoSelect 008 and 010 1b	11.13.2007 77328137			
OsteoSponge 005 1a	2.10.2005 78564754	1.08.2008 3366646	1.8.2013 window opens	1.8.2018 10 yr final deadline
OsteoFuse	5.23.2006 78890695			
OsteoLock 005 1b	7.9.2008 77518307			

BacFast
005 1b

2.23.2009

77675985

SCHEDULE 5.8

The Company is aware of several competitors' products with names potentially confusingly similar to the Company's registered trademark, OsteoSponge. The Company is aggressively pursuing a strategy of enforcing this mark. As an example of this strategy, the Company recently sent a demand letter to a Florida company called TissueNet Custom Applications, LLC accompanied by a complaint filed in Federal District Court for the District of Colorado addressing TissueNet's UltraSponge product. TissueNet has indicated its eagerness to resolve the matter.