

This instrument prepared by:
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ARTICLES OF ORGANIZATION
OF
PREFERRED BIOLOGICS, LLC

The undersigned, for the purpose of forming a limited liability company under Title 10, Chapter 12 of the Code of Alabama (1975), as amended (the "Alabama Limited Liability Company Act"), hereby files the following Articles of Organization with the probate judge of the County in which the initial registered office of the limited liability company will be located and attests that the facts stated in these Articles of Organization are true and correct:

ARTICLE I

NAME

The name of this limited liability company (the "Limited Liability Company") shall be:

Preferred Biologics, LLC

ARTICLE II

DURATION

The period of duration is perpetual unless the Limited Liability Company shall be sooner dissolved and its affairs wound up in accordance with its Articles of Organization or Operating Agreement.

ARTICLE III

PURPOSES

The nature of the business of the Limited Liability Company and its objects, purposes and powers are:

- (a) To sell and distribute bone and tissue allografts;
- (b) To manage, purchase or acquire by assignment, transfer or otherwise, and hold, mortgage or otherwise pledge, and to sell, exchange, transfer, deal in and in any manner dispose of, real or personal property of any kind, class, interest or type, wheresoever situated, and to exercise, carry out and enjoy any licenses, power, authority, concession, right or privilege which any limited liability company may make or grant in connection therewith;
- (c) To subscribe for, acquire, hold, sell, assign, transfer, mortgage, pledge or in any manner dispose of shares of stock, bonds or other evidences of indebtedness or securities issued or created by any corporation of Alabama or any other state or any foreign country and, while the owner thereof, to exercise the rights, privileges and powers of ownership, including the rights to vote thereon, to the same extent as

a natural person may do, subject to the limitations, if any, on such rights now or hereafter provided by the laws of Alabama;

(d) To acquire the goodwill, rights, assets and properties, and to undertake the whole or any part of the liabilities, of any person, firm, association or corporation; to pay for the same in cash, debt obligations of the Limited Liability Company or by the transfer of an interest or the granting of membership in the Limited Liability Company or otherwise; to hold, or in any manner dispose of, the whole or any part of the property so acquired; to conduct in any lawful manner the whole or any part of the business so acquired; and to exercise all the powers necessary or convenient in and about the conduct and management of such business; and

(e) In general, to carry on any other lawful business whatsoever in connection with the foregoing or which is calculated, directly or indirectly, to promote the interest of the Limited Liability Company or to enhance the value of its properties.

The enumeration herein of the powers, objects and purposes of the Limited Liability Company shall not be deemed to exclude or in any way limit by inference any powers, objects or purposes which the Limited Liability Company is empowered to exercise, whether expressly by purpose or by any of the laws of the State of Alabama or any reasonable construction of such laws.

ARTICLE IV

REGISTERED AGENT/OFFICE

The location and mailing address of the initial registered office of the Limited Liability Company shall be 459 Meadow Croft Drive, Birmingham, Alabama 35242, and its registered agent at such address shall be Richard Haley.

ARTICLE V

MEMBERS

The name and address of the initial sole member (the "Member" and all of the members collectively, the "Members") of the Limited Liability Company is:

MEMBER

Richard Haley

ADDRESS

459 Meadow Croft Drive
Birmingham, AL 35242

ARTICLE VI

ADDITIONAL MEMBERS

The Members reserve the right to admit additional Members upon the unanimous consent of the Members.

ARTICLE VII

OPERATING AGREEMENT

The Operating Agreement of the Limited Liability Company, if one is adopted, shall be executed by each Member of the Limited Liability Company and shall set forth all provisions for the regulation of the internal affairs of the Limited Liability Company and the conduct of its business to the extent that such provisions are not inconsistent with the laws of Alabama or these Articles. The Operating Agreement may include, without limitation, provisions regarding members, company capital, allocations, distributions, management of the company, transfer of interest, dissolution, accounting and records, the tax matters partner and indemnification. Those provisions together with any other provisions included in the Operating Agreement are hereby incorporated by reference.

ARTICLE VIII

DISSOLUTION CAUSED BY CESSATION OF MEMBERSHIP

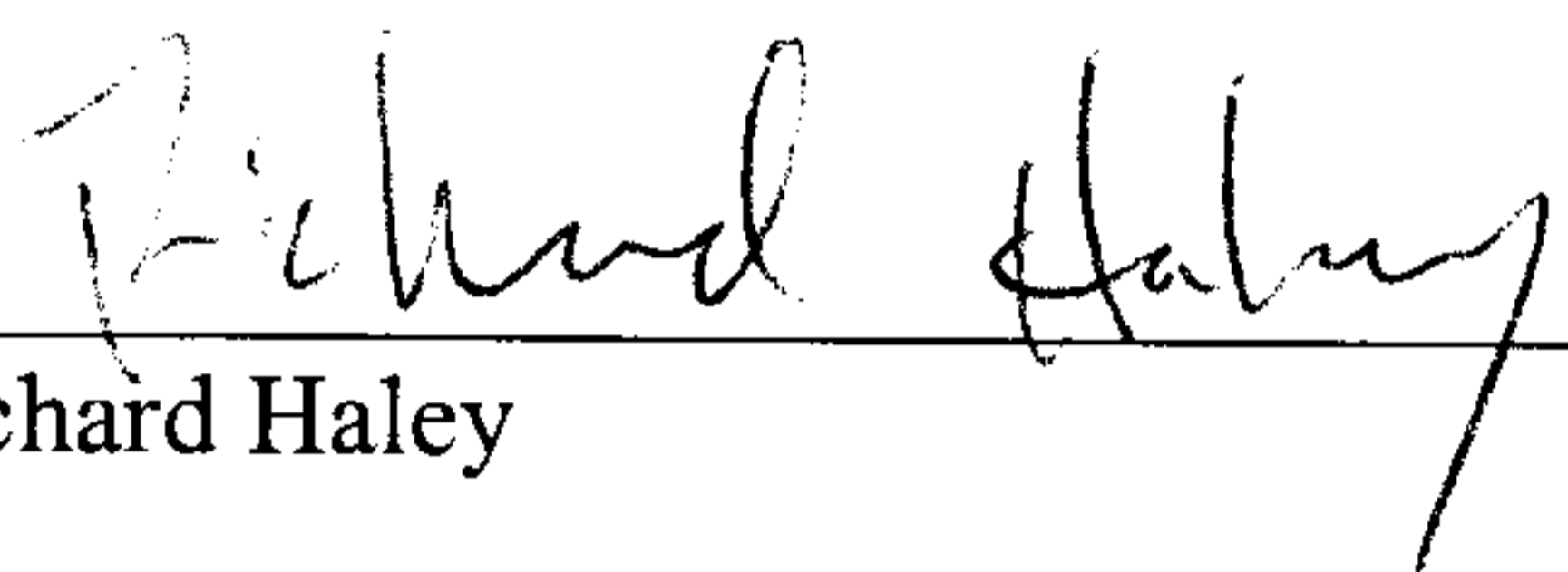
The cessation of membership of one or more Members for any reason shall not cause the dissolution of the Limited Liability Company.

ARTICLE IX

MANAGEMENT

Management is vested in the Members of the Limited Liability Company.

IN WITNESS WHEREOF, the undersigned Member has executed these Articles of Organization on this the 24th day of January, 2008.


Richard Haley