



On September 27, 2005, Cryolife, its subsidiaries, and the lender amended the credit agreement. The main purpose of the amendment was to provide specifically that the settlement of the shareholder class action suit does not constitute an event of default under the credit agreement. CryoLife reported the settlement of the shareholder class action suit on its Form 8-K dated and filed on July 28, 2005.

The amendment to the credit agreement is attached hereto as Exhibit 10.2.1 and incorporated herein by reference.

SECTION 2 - FINANCIAL INFORMATION

SECTION 2.03 CREATION OF A DIRECT FINANCIAL OBLIGATION OR AN OBLIGATION UNDER AN OFF-BALANCE SHEET ARRANGEMENT OF A REGISTRANT.

On September 27, 2005, Cryolife, Inc., its subsidiaries, and Wells Fargo Foothill, Inc. amended their February 8, 2005 credit agreement. Item 1.01 of this report describes the amendment. It is incorporated herein by reference.

SECTION 9 - FINANCIAL STATEMENTS AND EXHIBITS

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

- (a) Financial statements of business acquired. (Not applicable.)
- (b) Pro forma financial information. (Not applicable.)
- (c) Shell company transactions. (Not applicable.)
- (d) Exhibits.

Exhibit  
Number  
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Description  
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| 10.2.1 | "First Amendment to the Credit Agreement," signed on September 27, 2005, amends the February 8, 2005 Credit Agreement between Wells Fargo Foothill, Inc., Cryolife, Inc., and its subsidiaries |
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SIGNATURES

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

CRYOLIFE, INC.

Date: September 28, 2005

By: /s/ D.Ashley Lee

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Name: D. Ashley Lee  
Title: Executive Vice President,  
Chief Operating Officer and Chief  
Financial Officer

EXHIBIT INDEX

Exhibit  
Number  
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Description  
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| 10.2.1 | "First Amendment to the Credit Agreement," signed on September |
|--------|--|

27, 2005, amends the February 8, 2005 Credit Agreement between Wells Fargo Foothill, Inc., Cryolife, Inc., and its subsidiaries

FIRST AMENDMENT TO CREDIT AGREEMENT

THIS FIRST AMENDMENT TO CREDIT AGREEMENT (this "Amendment"), made as of the 27th day of September, 2005, among CRYOLIFE, INC., a Florida corporation ("Parent"), each of Parent's Subsidiaries identified on the signature pages hereof (such Subsidiaries, together with Parent, are referred to hereinafter each individually as a "Borrower" and individually and collectively, jointly, and severally, as the "Borrowers") and WELLS FARGO FOOTHILL, INC., a California corporation ("Lender"),

W I T N E S S E T H:

WHEREAS, Borrowers and Lender are parties to that certain Credit Agreement dated as of February 8, 2005 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"; unless otherwise defined herein, all capitalized terms used in this Amendment shall have the meanings ascribed to such terms in the Credit Agreement); and

WHEREAS, Borrowers and Lender desire to amend the Credit Agreement as hereinafter set forth;

NOW, THEREFORE, in consideration of the premises set forth above, the terms and conditions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Amendment to Section 7.7. Section 7.7 of the Credit Agreement is hereby modified and amended by deleting such section in its entirety and by substituting the following therefor:

"If one or more judgments or settlements involving an aggregate amount of \$1,000,000, or more (except to the extent covered by insurance pursuant to which the insurer has accepted liability therefor in writing and except to the extent set forth on Schedule 7.7 and only in an aggregate amount up to the amount therein indicated,) shall be entered or filed against (or, in the case of a settlement claim, entered into by) any Borrower or any Subsidiary of any Borrower or with respect to any of their respective assets, and (except in the case of a settlement) the same is not released, discharged, bonded against, or stayed pending appeal before the earlier of 30 days after the date it first arises or 5 days prior to the date on which such asset is subject to being forfeited by the applicable Borrower or the applicable Subsidiary;"

2. Amendment to Exhibit C-1. Exhibit C-1 to the Credit Agreement, "Form of Compliance Certificate" is hereby modified and amended by deleting such exhibit in its entirety and by substituting Exhibit C-1, attached hereto, therefor.

3. Amendment to Schedule 7.7. The Credit Agreement is hereby modified and amended by incorporating Schedule 7.7, attached hereto, thereto.

4. No Other Amendments. Except for the amendments expressly set forth above, the text of the Credit Agreement and all other Loan Documents shall remain unchanged and in full force and effect. Each Borrower acknowledges and expressly agrees that Lender reserves the right to, and does in fact, require strict compliance with all terms and provisions of the Credit Agreement.

5. Conditions of Effectiveness. This Amendment shall become effective as of the date hereof when, and only when, Lender shall have received:

(a) counterparts of this Amendment duly executed by each Borrower; and

(b) such other information, documents, instruments or approvals as Lender or Lender's counsel may require.

6. Representations and Warranties of Borrowers. Each Borrower represents and warrants as follows:

(a) Each Borrower is a corporation duly organized, validly existing and in

good standing under the laws of the jurisdiction of its incorporation.

(b) The execution, delivery and performance by each Borrower of this Amendment are within such Borrower's corporate powers, have been duly authorized by all necessary corporate action and do not (i) contravene such Borrower's charter or by-laws, or (ii) violate the law or any material contractual restriction binding on or affecting such Borrower.

(c) No authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by any Borrower of this Amendment.

(d) Each representation or warranty of each Borrower set forth in the Credit Agreement is hereby restated and reaffirmed as true and correct on and as of the date of this Amendment, and after giving effect to this Amendment, as if such representation or warranty were made on and as of the date of, and after giving effect to, this Amendment (except to the extent that any such representation or warranty expressly relates to a prior specific date or period and except to the extent of changes in facts or circumstances permitted by the terms of the Credit Agreement).

(e) This Amendment constitutes the legal, valid and binding obligation of each Borrower, enforceable against such Borrower in accordance with its terms.

(f) No Default or Event of Default is existing.

#### 7. Reference to and Effect on the Loan Documents.

(a) Upon the effectiveness of this Amendment, on and after the date hereof each reference in the Credit Agreement to "this Agreement," "hereunder," "hereof" or words of like import referring to the Credit Agreement, and each reference in the other Loan Documents to "the Credit Agreement," "thereunder," "thereof" or words of like import referring to the Credit Agreement, shall mean and be a reference to the Credit Agreement as amended hereby.

(b) Except as specifically amended above, the Credit Agreement and all other Loan Documents, are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed. No Borrower has any knowledge of any challenge to Lender's claims arising under the Loan Documents or the effectiveness of the Loan Documents.

(c) The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of Lender under any of the Loan Documents, nor constitute a waiver of any provision of any of the Loan Documents. This Amendment shall not constitute a modification of the Credit Agreement or a course of dealing with Lender at variance with the Credit Agreement such as to require further notice by Lender to require strict compliance with the terms of the Credit Agreement and the other Loan Documents in the future, except as expressly set forth herein.

8. Costs and Expenses. Borrowers, jointly and severally, agree to pay on demand all reasonable costs and expenses in connection with the preparation, execution, delivery, administration, modification and amendment of this Amendment and the other instruments and documents to be delivered hereunder,

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including, without limitation, the reasonable fees and out-of-pocket expenses of counsel for Lender with respect thereto and with respect to advising Lender as to its rights and responsibilities hereunder and thereunder.

9. Governing Law. This Amendment shall be governed by and construed in accordance with the laws of the State of Georgia without regard to conflict of laws principles of such state.

10. Loan Document. This Amendment shall be deemed to be Loan Documents for all purposes.

11. Counterparts. This Amendment may be executed by one or more of the parties hereto on any number of separate counterparts, each of which shall be deemed an original and all of which, taken together, shall be deemed to constitute one and the same instrument. Delivery of an executed counterpart of this Amendment by facsimile transmission or by e-mail transmission of an adobe

file format document (also known as a PDF file) shall be as effective as delivery of a manually executed counterpart hereof.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized officers or representatives to execute and deliver this Amendment as of the day and year first written above.

CRYOLIFE, INC.,  
a Florida corporation, as a Borrower

By: /s/ D.A. Lee  
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Title: EVP, COO & CFO  
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CRYOLIFE TECHNOLOGY, INC.,  
a Nevada corporation, as a Borrower

By: /s/ D.A. Lee  
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Title: V.P. Finance  
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AURAZYME PHARMACEUTICALS, INC.,  
a Florida corporation, as a Borrower

By: /s/ D.A. Lee  
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Title: V.P. Finance & CFO  
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WELLS FARGO FOOTHILL, INC.,  
a California corporation, as Lender

By: /s/  
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Title: Vice President  
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EXHIBIT C-1

FORM OF COMPLIANCE CERTIFICATE

[on Parent's letterhead]

To: Wells Fargo Foothill, Inc.  
1000 Abernathy Road, N.E., Suite 1450  
Atlanta, GA 30328.  
Attn: Business Finance Division Manager

Re: Compliance Certificate dated \_\_\_\_\_

Ladies and Gentlemen:

Reference is made to that certain CREDIT AGREEMENT (the "Credit Agreement") dated as of February 8, 2005, as modified by that certain First Amendment to Credit Agreement dated as of September \_\_\_\_, 2005 by and among WELLS FARGO Foothill, INC., a California corporation, (together with its successors and assigns, "Lender"), CRYOLIFE, INC. ("Parent"), and each of its Subsidiaries party thereto. Capitalized terms used in this Compliance Certificate have the meanings set forth in the Credit Agreement unless specifically defined herein.

Pursuant to Schedule 5.3 of the Credit Agreement, the undersigned officer of Parent hereby certifies that:

1. The financial information of Parent and its Subsidiaries furnished in Schedule 1 attached hereto, has been prepared in accordance with GAAP (except for year-end adjustments and the lack of footnotes), and fairly presents in all material respects the financial condition of Parent and its Subsidiaries.

2. Such officer has reviewed the terms of the Credit Agreement and has made, or caused to be made under his/her supervision, a review in reasonable detail of the transactions and condition of Parent and its Subsidiaries during the accounting period covered by the financial statements delivered pursuant to Schedule 5.3 of the Credit Agreement.

3. Such review has not disclosed the existence on and as of the date hereof, and the undersigned does not have knowledge of the existence as of the date hereof, of any event or condition that constitutes a Default or Event of Default, except for such conditions or events listed on Schedule 2 attached hereto, specifying the nature and period of existence thereof and what action Parent and its Subsidiaries have taken, are taking, or propose to take with respect thereto.

4. The representations and warranties of Parent and its Subsidiaries set forth in the Credit Agreement and the other Loan Documents are true and correct in all material respects on and as of the date hereof (except to the extent they relate to a specified date), except as set forth on Schedule 3 attached hereto.

5. Parent and its Subsidiaries are in compliance with the applicable covenants contained in Section 6.16 of the Credit Agreement as demonstrated on Schedule 4 hereof. In addition, if the covenant being tested is solely Section 6.16(a), Schedule 4 also includes a calculation of EBITDA, the BioGlue Gross Margin and an indication of whether Excess Availability fell below the amount set forth in Section 6.16(b)(iii) of the Credit Agreement on any day during the preceding fiscal quarter.

IN WITNESS WHEREOF, this Compliance Certificate is executed by the undersigned this \_\_\_\_ day of \_\_\_\_\_, 2005.

CRYOLIFE, INC.

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

CRYOLIFE TECHNOLOGY, INC.

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

AURAZYME PHARMACEUTICALS, INC.

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

SCHEDULE 1  
FINANCIAL INFORMATION

SCHEDULE 2  
DEFAULT OR EVENT OF DEFAULT

SCHEDULE 3  
REPRESENTATIONS AND WARRANTIES

SCHEDULE 4  
FINANCIAL COVENANTS

1. Average Excess Availability plus Qualified Cash for the fiscal quarter ended \_\_\_\_\_, 200\_, is \$\_\_\_\_\_, which [IS/IS NOT] greater than or equal to the amount set forth in Section 6.16(a) of the Credit Agreement.

2.

a. MINIMUM EBITDA.

Parent's and its Subsidiaries' EBITDA, measured on a quarter-end basis, for the twelve month period ending \_\_\_\_\_, 200\_ is \$\_\_\_\_\_, which amount [is/is not] greater than or equal to the amount set forth in Section 6.16(b)(i) of the Credit Agreement for the corresponding period.

b. MINIMUM BIOGLUE GROSS MARGIN.

Parent's and its Subsidiaries' BioGlue Gross Margin, measured on a fiscal quarter-end basis, for the twelve month period ending \_\_\_\_\_, 200\_ is \_\_\_%, which [is/is not] greater than or equal to the amount set forth in Section 6.16(b)(ii) of the Credit Agreement for the corresponding period.

c. EXCESS AVAILABILITY.

Parent's and its Subsidiaries' Excess Availability plus Qualified Cash for every day in the fiscal quarter ending \_\_\_\_\_, 200\_ [did/did not] exceed the amount set for in Section 6.16(b)(iii) of the Credit Agreement.

Schedule 7.7  
Judgments and Settlements

1. In re CryoLife, Inc. Securities Litigation. United States District Court, Northern Division of Georgia, Atlanta Division. (Civil Action No. 1:02-CV-1868 BBM). A Stipulation of Settlement to be entered into between "Lead Plaintiffs", Pete and Alison Hilbig, Richard Lippe and Stanley R. Levine, on behalf of themselves and each of the class members and defendants CryoLife, Inc., Steve G. Anderson, Albert E. Heacox, David Ashley Lee, and James C. Vander Wyk. An amount not to exceed \$23,250,000 in the aggregate (with not less than \$11,000,000 covered by insurance with respect to which the insurers have accepted liability). So long as no Change of Control would be caused thereby, CryoLife, Inc. has the option of funding \$3,750,000 of the settlement with CryoLife common stock or cash.