

UNITED STATES BANKRUPTCY COURT DISTRICT OF DELAWARE

PROOF OF CLAIM
WWR# 9162718

Name of Debtor:
Regen Biologics Inc

Case Number:
11-11083

NOTE: This form should not be used to make a claim for administrative expenses arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.

Name of Creditor (the person or other entity to whom Debtor owes money or property):
CIT COMMUNICATION FINANCE CORPORATION

Name and addresses where notices should be sent:
WELTMAN, WEINBERG & REIS, CO.
175 S. THIRD ST., SUITE 900
COLUMBUS, OHIO 43215
Telephone number:
(614) 228-7272 (WWR)

Check this box to indicate that this claim amends a previously filed claim.

Court Claim Number:
(If known)
Filed on:

Name and address where payment should be sent (if different from above):
CIT TECHNOLOGY FINANCING SERVICES, INC.
10201 CENTURION PKWY N. #100
JACKSONVILLE, FL 32256
Telephone number:
(904) 620-7635

RECEIVED
MAY 12 2011
BMC GROUP

Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.
 Check this box if you are the debtor or trustee in this case.

1. Amount Of Claim At Time Case Filed: **\$7,990.37**

If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4.

If all or part of your claim is entitled to priority, complete item 5.

Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.

5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount.

Specify the priority of the claim.

Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B).

Wages, salaries, or commissions (up to \$10,950*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. §507 (a)(4).

Contributions to an employee benefit plan - 11 U.S.C. §507 (a)(5).

Up to \$2,425* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. §507 (a)(7).

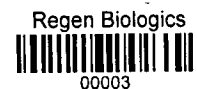
Taxes or penalties owed to governmental units - 11 U.S.C. §507 (a)(8).

Other - Specify applicable paragraph of 11 U.S.C. §507 (a)().

Amount entitled to priority:

\$ _____

*Amounts 4/1/10 and respect to the date of adjustment



2. Basis for Claim: OTHER: MISCELLANEOUS LEASED EQUIPMENT
(See instruction #2 on reverse side.)

3. Last four digits of any number by which creditor identifies debtor: **0-002**
3a. Debtor may have scheduled account as: _____
(See instruction #3a on reverse side.)

4. Secured Claim (See instruction #4 on reverse side.)
Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information.
Nature of property or right of setoff: Real Estate Motor Vehicle Other
Describe:

Value of Property: \$ ___ Annual Interest Rate ___%

Amount of arrearage and other charges as of time case filed included in secured claim,

if any: \$ ___ Basis for perfection:

Amount of Secured Claim: \$ ___ Amount Unsecured: \$ ___

6. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim.

7. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements or running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (See definition of "redacted" on reverse side.)

DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.

If the documents are not available, please explain:

Date:
April 18, 2011

Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any.

Weltman, Weinberg & Reis Co., L.P.A.
175 South Third Street, #900
Columbus, Ohio 43215 (614) 857-4326

Attorney for Creditor
[Signature]
/s/Scott D. Fink, Esq.

For Court Use Only

Lease Number: XXX-XXXXXX0-002
Lease Name: Regen Biologics Inc
PG:
Time on Books: 2154
Number of Leases: 1

Gross Contract Amount	\$ 40,261.00		
Booked Residual			
Renewal Payments	\$ 7,467.63		
Payments Made	\$ 40,261.00		
Remaining Payments	\$ 7,467.63		
Plus Use Taxes	\$ 522.73	Tax Percent	7.00%
Plus Late Fees			
Plus Insurance Fees			
Plus APS/NSF/DOC Fees			
Plus Property Taxes			
Plus Other Fees			
PrePaid Maintenance			
Placement Balance	\$ 7,990.37		



LEASE AGREEMENT

TO OUR VALUED CUSTOMER: This Lease has been written in "Plain English" When we use the words *you* and *your* in this Lease, we mean *you, our customer*, which is the Lessee indicated below. When we use the words *we, us* and *our* in this Lease, we mean the Lessor, CIT Communications Finance Corporation. Our address is 1 CIT Drive, Livingston, New Jersey 07039. Phone 1-800-549-7829. Form AFS-LA-DS 01/03 Page 1 of 2

CUSTOMER INFORMATION	Lessee Name ReGen Biologics	Tax ID #	
	Billing Street Address/City/County/State/Zip 509 Commerce Street Franklin Lakes, N.J. 07417	Phone No 201-651-5140	Tax Exempt #
	Equipment Location Street Address/City/County/State/Zip Same	Phone No ()	Lease # x456910
		Schedule # 00020	

SUPPLIER INFORMATION	Supplier Name ("Supplier") Juma Technology	Phone No 631-270-1036
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EQUIPMENT DESCRIPTION	Quantity 1	Make/Model Avaya IP office and associated equipment	Serial Number
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END OF LEASE PURCHASE OPTION	(Check one applicable box. If no box is checked, or if more than one box is checked, the Fair Market Value Purchase Option will apply.)	Plus Applicable Taxes
	<input type="checkbox"/> Fair Market Value Purchase Option	
	<input checked="" type="checkbox"/> Fixed Price Purchase Option of \$1 00	
	<input type="checkbox"/> Fixed Price Purchase Option of ___ % of the Total Cash Price	

TERM AND LEASE PAYMENT SCHEDULE	Lease Term (Months) 60	Lease Payment 649.00	Documentation Fee \$0 00	You agree to pay at the time you sign this Lease 1Mos (\$649 00) Total Advance Lease Payment. If more than one Lease Payment is required in advance, the additional amount will be applied at the end of the original term.	Plus Applicable Taxes
	Additional Provisions:				

INSURANCE AND TAXES	You are required to provide and maintain insurance related to the Equipment, and to pay any property, use and other taxes related to this Lease or the Equipment. (See Sections 4 and 6 on Page 2 of this Lease) If you are tax-exempt, you agree to furnish us with satisfactory evidence of your exemption.
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TERMS AND CONDITIONS LEASE, DELIVERY AND ACCEPTANCE You agree to lease the equipment, maintenance and services described above and in any purchase, maintenance, services or supply contract (collectively, "Supply Contract") associated with this lease agreement ("Lease") (collectively, "Equipment") on the terms and conditions shown on both pages of this Lease. If you have entered into a Supply Contract with any Supplier, you assign to us your rights under such Supply Contract, but none of your obligations (other than the obligation to pay for the Equipment if it is accepted by you as stated below and you timely deliver to us such documents and assurances as we request). If you have not entered into a Supply Contract, you authorize us to enter into a Supply Contract on your behalf. You will arrange for the delivery of the Equipment to you. When you receive the Equipment, you agree to inspect it to determine if it is in good working order. This Lease will begin on the date when the Equipment is delivered to you and the Equipment will be deemed irrevocably accepted by you upon (a) the delivery to us of a signed Delivery and Acceptance Certificate (if requested by us), or (b) 10 days after delivery of the Equipment to you if previously you have not given written notice to us of your non-acceptance. The first Lease Payment is due on or before the date the Equipment is delivered to you. The remaining Lease Payments will be due on the day of each subsequent month (or such other time period specified above) designated by us. (NOTE: Remainder of Section 1 and Sections 2 through 16 of the Lease are on Page 2)

BY SIGNING THIS LEASE (i) YOU ACKNOWLEDGE THAT YOU HAVE READ AND UNDERSTAND ALL OF THE TERMS AND CONDITIONS OF THIS LEASE, WHICH IS DOCUMENTED ON OUR FORM EFS-LA-DS 01/03, (ii) YOU AGREE THAT IF A COPY OF THIS LEASE IS SIGNED BY YOU AND THE FRONT OF THE COPY IS DELIVERED TO US BY FACSIMILE TRANSMISSION OR OTHERWISE, TO THE EXTENT ANY PROVISIONS ARE MISSING OR ILLEGIBLE OR CHANGED (AND NOT INITIALED BY BOTH YOU AND US), THE TERMS AND CONDITIONS OF OUR FORM EFS-LA-DS 01/03 IN USE ON THE DATE WE RECEIVE THE COPY SIGNED BY YOU WILL BE THE TERMS AND CONDITIONS OF THE LEASE, (iii) YOU AGREE THAT THIS LEASE IS A NET LEASE THAT YOU CANNOT TERMINATE OR CANCEL, YOU HAVE AN UNCONDITIONAL OBLIGATION TO MAKE ALL PAYMENTS DUE UNDER THIS LEASE, AND YOU CANNOT WITHHOLD, SETOFF OR REDUCE SUCH PAYMENTS FOR ANY REASON, (iv) YOU AGREE THAT YOU WILL USE THE EQUIPMENT ONLY FOR BUSINESS PURPOSES, (v) YOU WARRANT THAT THE PERSON SIGNING THIS LEASE FOR YOU HAS THE AUTHORITY TO DO SO, (vi) YOU CONFIRM THAT YOU DECIDED TO ENTER INTO THIS LEASE RATHER THAN PURCHASE THE EQUIPMENT FOR THE LOWER TOTAL CASH PRICE, AND (vii) YOU AGREE THAT THIS LEASE WILL BE GOVERNED BY THE LAWS OF THE STATE OF NEW JERSEY. YOU CONSENT TO THE JURISDICTION OF ANY COURT LOCATED WITHIN THAT STATE. YOU AND WE EXPRESSLY WAIVE ANY RIGHT TO A TRIAL BY JURY.

<u>ReGen Biologics, Inc.</u> Lessee	<u>CIT COMMUNICATIONS FINANCE CORPORATION</u> Lessor
<u>Kristin D. Urdi</u> Authorized Signature	<u>Sara Stackhouse</u> Authorized Signature
<u>1/15/05</u> Date	<u>4/22/05</u> Date
<u>Sub-CFO</u> Print Name & Title	<u>Sara Stackhouse</u> Print Name & Title

PERSONAL AND CONTINUING GUARANTY
THIS PERSONAL AND CONTINUING GUARANTY ("GUARANTY") CREATES SPECIFIC LEGAL OBLIGATIONS. When we use the words *you* and *your* in this Guaranty, we mean the Personal Guarantor(s) indicated below. When we use the words *we, us* and *our* in this Guaranty, we mean the Lessor indicated in the lease agreement identified above ("Lease"). In consideration of our entering into the Lease, you unconditionally and irrevocably guarantee to us our successors and assigns the prompt payment and performance of all obligations ("Guaranteed Obligations") under the Lease and any and all other existing or future lease agreements between us and the Lessee identified in the Lease above. You agree that this is a guaranty of payment and not of collection, and that we can proceed directly against you without first proceeding against the Lessee or against the equipment covered by the Lease or any other collateral. You waive all defenses and notices, including those of protest, presentment and demand. You agree that we can renew, extend or otherwise modify the terms of the Lease and all existing or future lease agreements and you will be bound by such changes. If we fail or delay to perfect or continue the perfection of any security interest in the equipment or any other collateral, you will not be released or discharged of or from any of the Guaranteed Obligations. If the Lessee defaults under any existing or future lease agreements with us, you will immediately perform all of the Guaranteed Obligations, including, but not limited to, paying all amounts due under the Lease. You will pay to us all expenses (including attorneys' fees) incurred by us in enforcing our rights against you or the Lessee. This is a continuing guaranty that will not be revoked or terminated by you so long as any amount is owed to us under any existing or future lease agreements, will not be discharged or affected by your death and will bind your heirs and personal representatives. You waive any right to seek repayment from the Lessee in the event you must pay us. If more than one personal guarantor has signed this Guaranty, each of you agree that your liability is joint and several. You authorize us or any of our affiliates to obtain credit bureau reports regarding your personal credit and make other credit inquiries that we determine are necessary on an ongoing basis so long as the Guaranteed Obligations are outstanding. IF A SIGNED COPY OF THIS GUARANTY IS DELIVERED TO US BY FACSIMILE TRANSMISSION, YOU AGREE THAT, NOTWITHSTANDING ANY RULE OF EVIDENCE TO THE CONTRARY, IN ANY HEARING, TRIAL OR PROCEEDING OF ANY KIND WITH RESPECT TO THIS GUARANTY, WE MAY PRODUCE A COPY OF THE DOCUMENT TRANSMITTED TO US AND SUCH COPY SHALL BE DEEMED TO BE AN ORIGINAL. YOU REPRESENT, AND ACKNOWLEDGE THAT WE ARE RELYING ON YOUR REPRESENTATION, THAT THIS GUARANTY IS COMPLETE AND LEGIBLE AND HAS NOT BEEN CHANGED TO THE EXTENT THAT ANY PROVISIONS ARE CHANGED (AND NOT INITIALED BY BOTH YOU AND US), YOU AGREE TO BE BOUND BY THE TERMS OF THE GUARANTY THAT IS PART OF OUR STANDARD FORM EFS-LA-DS 01/03. THIS GUARANTY IS GOVERNED BY THE LAWS OF THE STATE OF NEW JERSEY. YOU CONSENT TO THE JURISDICTION OF ANY COURT LOCATED WITHIN THAT STATE. BOTH YOU AND WE EXPRESSLY WAIVE ANY RIGHT TO A TRIAL BY JURY.

<u>[Signature]</u> Personal Guarantor (no title)	<u>[Signature]</u> Personal Guarantor (no title)
<u>[Signature]</u> Print Name	<u>[Signature]</u> Print Name
<u>[Signature]</u> Home Street Address/City/State/Zip	<u>[Signature]</u> Home Street Address/City/State/Zip
<u>[Signature]</u> Social Security No	<u>[Signature]</u> Social Security No
<u>[Signature]</u> Phone No	<u>[Signature]</u> Phone No

1 (Continued) You will make all payments required under this Lease to us at such address as we may specify in writing. You authorize us to adjust the Lease Payment if the Total Cash Price (which is all amounts we have paid in connection with the purchase, delivery and installation of the Equipment, including any upgrade and buyout amounts) differs from the estimated Total Cash Price. However, if the Total Cash Price exceeds the amount approved by us, we will not be obligated to purchase or lease the Equipment. If any Lease Payment or other amount payable to us is not paid within 10 days of its due date, you will pay us a late charge equal to the greater of (i) 5% of each late payment or (ii) \$5.00 for each late payment (or such lesser amount as is the maximum amount allowable under applicable law).

2 NO WARRANTIES We are leasing the Equipment to you "AS-IS" YOU ACKNOWLEDGE THAT WE DO NOT MANUFACTURE THE EQUIPMENT, WE DO NOT REPRESENT THE MANUFACTURER OR THE SUPPLIER, AND YOU HAVE SELECTED THE EQUIPMENT AND THE SUPPLIER BASED UPON YOUR OWN JUDGMENT. WE MAKE NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR OTHERWISE. YOU AGREE THAT REGARDLESS OF CAUSE, WE ARE NOT RESPONSIBLE FOR AND YOU WILL NOT ASSERT ANY CLAIM AGAINST US FOR ANY DAMAGES, WHETHER CONSEQUENTIAL, DIRECT, SPECIAL, OR INDIRECT. YOU AGREE THAT NEITHER THE SUPPLIER NOR ANY SALESPERSON, EMPLOYEE OR AGENT OF THE SUPPLIER IS OUR AGENT OR HAS ANY AUTHORITY TO SPEAK FOR US OR TO BIND US IN ANY WAY. We transfer to you for the term of this Lease any warranties made by the manufacturer or the Supplier under a Supply Contract.

3 EQUIPMENT LOCATION, USE AND REPAIR, RETURN You will keep and use the Equipment only at the Equipment Location shown on Page 1 of this Lease. You may not move the Equipment without our prior written consent. At your own cost and expense, you will keep the Equipment eligible for any manufacturer's certification, in compliance with all applicable laws and in good repair, condition and working order, except for ordinary wear and tear. You will not make any alterations, additions or replacements to the Equipment without our prior written consent. All alterations, additions and replacements will become part of the Equipment and our property at no cost or expense to us. We may inspect the Equipment at any reasonable time. Unless this Lease is renewed or you purchase the Equipment in accordance with this Lease, at the end of this Lease you will immediately deliver the Equipment to us in as good condition as when you received it, except for ordinary wear and tear, to any place in the United States that we tell you. You will pay all expenses of dismantling, crating and shipping, and you will insure the Equipment for its full replacement value during shipping.

4 TAXES AND FEES You will pay when due, either directly or to us upon our demand, all taxes, fines and penalties relating to this Lease or the Equipment that are now or in the future assessed or levied by any state, local or other government authority. We will file all personal property, use or other tax returns (unless we notify you otherwise in writing) and you agree to pay us a fee for making such filings. We do not have to contest any taxes, fines or penalties. You will pay estimated property taxes with each Lease Payment or annually, as invoiced.

5 LOSS OR DAMAGE As between you and us, you are responsible for any loss, theft or destruction of, or damage to, the Equipment (collectively "Loss") from any cause at all, whether or not insured, until it is delivered to us at the end of this Lease. You are required to make all Lease Payments even if there is a Loss. You must notify us in writing immediately of any Loss. Then, at our option, you will either (a) repair the Equipment so that it is in good condition and working order, eligible for any manufacturer's certification, or (b) pay us the amounts specified in Section 9(b) below.

6 INSURANCE You will provide and maintain at your expense (a) property insurance against the loss, theft or destruction of, or damage to, the Equipment for its full replacement value, naming us as loss payee, and (b) public liability and third party property insurance, naming us as an additional insured. You will give us certificates or other evidence of such insurance when requested. Such insurance will be in a form, amount and with companies acceptable to us, and will provide that we will be given 30 days advance notice of any cancellation or material change of such insurance. If you do not give us evidence of insurance acceptable to us, we have the right, but not the obligation, to obtain insurance covering our interest in the Equipment for the term of this Lease, including any renewals or extensions, from an insurer of our choice, including an insurer that is our affiliate. We may add the costs of acquiring and maintaining such insurance and our fees for our services in placing and maintaining such insurance (collectively, "Insurance Charge") to the amounts due from you under this Lease. You will pay the Insurance Charge in equal installments allocated to the remaining Lease Payments. If we purchase insurance, you will cooperate with our insurance agent with respect to the placement of insurance and the processing of claims. Nothing in this Lease will create an insurance relationship of any type between us and any other person. You acknowledge that we are not required to secure or maintain any insurance and we will not be liable to you if we terminate any insurance coverage that we arrange. If we replace or renew any insurance coverage, we are not obligated to provide replacement or renewal coverage under the same terms, costs, limits, or conditions as the previous coverage.

7 TITLE, RECORDING We are the owner of and will hold title to the Equipment. You will keep the Equipment free of all liens and encumbrances. Unless the Purchase Option is \$1.00, you agree that this transaction is a true lease and you hereby authorize us or our agent to file a financing statement to give public notice of our ownership of the Equipment and other property (including, without limitation, our interests in all software). However, if this transaction is deemed to be a lease intended for security, you grant us a purchase money security interest in the Equipment (including any replacements, substitutions, additions, attachments, receivables and proceeds) and authorize us or our agent to file a financing statement or any other documents we deem necessary to perfect or protect our interest in the Equipment and other property.

8 DEFAULT Each of the following is a "Default" under this Lease: (a) you fail to pay any Lease Payment or any other payment within 10 days of its due date, (b) you do not perform any of your other obligations under this Lease or in any other agreement with us or with any of our affiliates and this failure continues for 10 days after we have notified you of it, (c) you become insolvent, you dissolve or are dissolved, or you assign your assets for the benefit of your creditors, or enter (voluntarily or involuntarily) any bankruptcy or reorganization proceeding, or (d) any guarantor of this Lease dies, does not perform its obligations under the guaranty, or becomes subject to one of the events listed in clause (c) above.

9 REMEDIES If a Default occurs, we may do one or more of the following: (a) we may cancel or terminate this Lease or any or all other agreements that we have entered into with you or withdraw any offer of credit, (b) we may require you to immediately pay us, as compensation for loss of our bargain and not as a penalty, a sum equal to (i) the present value of all unpaid Lease Payments for the remainder of the term plus the present value of our anticipated residual interest in the Equipment, each discounted at 5% per year, compounded monthly, plus (ii) all other amounts due or that become due under this Lease, (c) we may require you to deliver the Equipment to us as set forth in Section 3, (d) we or our agent may peacefully repossess the Equipment without court order and you will not make any claims against us for damages or trespass or any other reason, (e) we may obtain a refund from the Supplier for any prepaid maintenance or services and apply it to any amounts that you owe us, and (f) we may exercise any other right or remedy available at law or in equity. You agree to pay all of our costs of enforcing our rights against you, including reasonable attorneys' fees. If we take possession of the Equipment, we may sell or otherwise dispose of it with or without notice, at a public or private sale, and apply the net proceeds (after we have deducted all costs related to the sale or disposition of the Equipment) to the amounts that you owe us. You agree that if notice of sale is required by law to be given, 10 days' notice will constitute reasonable notice. You will remain responsible for any amounts that are due after we have applied such net proceeds.

10 FINANCE LEASE STATUS You agree that if Article 2A-Leases of the Uniform Commercial Code applies to this Lease, this Lease will be considered a "finance lease" as that term is defined in Article 2A. By signing this Lease, you agree that either (a) you have reviewed, approved, and received, a copy of the Supply Contract or (b) that we have informed you of the identity of the Supplier, that you may have rights under the Supply Contract, and that you may contact the Supplier for a description of those rights. TO THE EXTENT PERMITTED BY APPLICABLE LAW, YOU WAIVE ANY AND ALL RIGHTS AND REMEDIES CONFERRED UPON A LESSEE BY ARTICLE 2A.

11 ASSIGNMENT YOU MAY NOT ASSIGN, SELL, TRANSFER OR SUBLEASE THE EQUIPMENT OR YOUR INTEREST IN THIS LEASE. We may, without notifying you, sell, assign, or transfer this Lease or our rights in the Equipment. You agree that the new owner will have the same rights and benefits that we have now under this Lease but not our obligations. The rights of the new owner will not be subject to any claim, defense or set off that you may have against us.

12 PURCHASE OPTION, AUTOMATIC RENEWAL If no Default exists under this Lease, you will have the option at the end of the original or any renewal term to purchase all (but not less than all) of the Equipment at the Purchase Option price shown on Page 1 of this Lease, plus any applicable taxes. Unless the Purchase Option price is \$1.00, you must give us at least 90 days written notice before the end of the original or any renewal term that you will purchase the Equipment or that you will deliver the Equipment to us. If you do not give us such written notice or if you do not purchase or deliver the Equipment in accordance with the terms and conditions of this Lease, this Lease will automatically renew for successive three-month terms until you deliver the Equipment to us. During such renewal(s) the Lease Payment will remain the same. We may cancel an automatic renewal term by sending you written notice 10 days prior to such renewal term. If the Fair Market Value Purchase Option has been selected, we will use our reasonable judgment to determine the Equipment's fair market value. If you do not agree with our determination of the Equipment's fair market value, the fair market value (on a retail basis) will be determined at your expense by an independent appraiser selected by us. Upon payment of the Purchase Option price we shall transfer our interest in the Equipment to you "AS-IS, WHERE-IS" without any representation or warranty whatsoever and this Lease will terminate.

13 INDEMNIFICATION You are responsible for any losses, damages, penalties, claims, suits and actions (collectively "Claims"), whether based on a theory of strict liability or otherwise caused by or related to (a) the manufacture, installation, ownership, use, lease, possession, or delivery of the Equipment or (b) any defects in the Equipment. You agree to reimburse us for and, if we request to defend us against any Claims.

14 CREDIT INFORMATION YOU AUTHORIZE US OR ANY OF OUR AFFILIATES TO OBTAIN CREDIT BUREAU REPORTS, AND MAKE OTHER CREDIT INQUIRIES THAT WE DETERMINE ARE NECESSARY. ON YOUR WRITTEN REQUEST, WE WILL INFORM YOU WHETHER WE HAVE REQUESTED A CONSUMER CREDIT REPORT AND THE NAME AND ADDRESS OF ANY CONSUMER CREDIT REPORTING AGENCY THAT FURNISHED A REPORT. YOU ACKNOWLEDGE THAT WITHOUT FURTHER NOTICE WE MAY USE OR REQUEST ADDITIONAL CREDIT BUREAU REPORTS TO UPDATE OUR INFORMATION SO LONG AS YOUR OBLIGATIONS TO US ARE OUTSTANDING.

15 LEASING ADDITIONAL EQUIPMENT You may request us to lease additional equipment to you by sending us a purchase order or by contacting us or the Supplier by telephone or in writing. If the total cost of such additional equipment ("Additional Equipment") is \$25,000 or less and if we agree to lease such Additional Equipment to you, we will signify our agreement by preparing and sending to you a writing ("Additional Lease") describing the Additional Equipment and specifying the amount and frequency of the Lease Payments, the Lease Term, the Purchase Option and such other terms and conditions that apply to such lease. YOU AGREE THAT IF WE DO NOT RECEIVE A WRITTEN OBJECTION TO THE ADDITIONAL LEASE FROM YOU WITHIN 10 DAYS AFTER THE DATE OF THE ADDITIONAL LEASE, YOU WILL BE DEEMED TO HAVE IRREVOCABLY ACCEPTED THE ADDITIONAL EQUIPMENT AND AGREED THAT, EXCEPT AS OTHERWISE SPECIFIED IN THE ADDITIONAL LEASE, SUCH ADDITIONAL LEASE SHALL BE GOVERNED BY ALL OF THE TERMS AND CONDITIONS OF THIS LEASE.

16 MISCELLANEOUS You agree that the terms and conditions contained in this Lease make up the entire agreement between you and us regarding the lease of the Equipment. This Lease is not binding on us until we sign it. Any change in any of the terms and conditions of this Lease must be in writing and signed by you and us. You agree, however, that we are authorized, without notice to you, to supply missing information or correct obvious errors in this Lease. If we delay or fail to enforce any of our rights under this Lease, we will still be entitled to enforce those rights at a later time. All notices shall be given in writing by the party sending the notice and shall be effective when deposited in the U.S. Mail, addressed to the party receiving the notice at its address shown on Page 1 of this Lease (or to any other address specified by that party in writing) with first class postage prepaid. All of our rights and indemnities will survive the termination of this Lease. It is the express intent of the parties not to violate any applicable usury laws or to exceed the maximum amount of time price differential or interest, as applicable, permitted to be charged or collected by applicable law, and any such excess payment will be applied to Lease Payments in inverse order of maturity, and any remaining excess will be refunded to you. If you do not perform any of your obligations under this Lease, we have the right, but not the obligation, to take any action or pay any amounts that we believe are necessary to protect our interests. You agree to reimburse us immediately upon our demand for any such amounts that we pay. You will not terminate, cancel, or request a refund from the Supplier for any prepaid maintenance or services included in this Lease and if you do receive a refund from the Supplier, you will hold those monies in trust for our benefit and not commingle the refund with any of your other funds and you will remit the refund to us upon our request. IF A SIGNED COPY OF THIS LEASE IS DELIVERED TO US BY FACSIMILE TRANSMISSION, IT WILL BE BINDING ON YOU. HOWEVER, WE WILL NOT BE BOUND BY THIS LEASE UNTIL WE ACCEPT IT BY MANUALLY SIGNING IT OR BY PURCHASING THE EQUIPMENT SUBJECT TO THE LEASE, WHICHEVER OCCURS FIRST. YOU WAIVE NOTICE OF OUR ACCEPTANCE AND WAIVE YOUR RIGHT TO RECEIVE A COPY OF THE ACCEPTED LEASE. YOU AGREE THAT, NOTWITHSTANDING ANY RULE OF EVIDENCE TO THE CONTRARY, IN ANY HEARING, TRIAL OR PROCEEDING OF ANY KIND WITH RESPECT TO THIS LEASE, WE MAY PRODUCE A COPY OF THE LEASE TRANSMITTED TO US BY FACSIMILE TRANSMISSION THAT HAS BEEN MANUALLY SIGNED BY US AND SUCH SIGNED COPY SHALL BE DEEMED TO BE THE ORIGINAL OF THE LEASE. TO THE EXTENT (IF ANY) THAT THIS LEASE CONSTITUTES CHATTEL PAPER UNDER THE UNIFORM COMMERCIAL CODE, NO SECURITY INTEREST IN THIS LEASE MAY BE CREATED THROUGH THE TRANSFER AND POSSESSION OF ANY COPY OR COUNTERPART HEREOF EXCEPT THE COPY WITH OUR ORIGINAL SIGNATURE. IF YOU DELIVER THIS LEASE TO US BY FACSIMILE TRANSMISSION, YOU ACKNOWLEDGE THAT WE ARE RELYING ON YOUR REPRESENTATION THAT THIS LEASE HAS NOT BEEN CHANGED. If you are a tax-exempt entity as defined in Section 168(h)(2) of the Internal Revenue Code and you have selected a Fair Market Value Purchase Option, the term of this Lease including any renewals or extensions, will not exceed a total of 60 months. If more than one Lessee has signed this Lease, each of you agree that your liability is joint and several.

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A NAME & PHONE OF CONTACT AT FILER (optional) Alditha Wallace-Keyes 973-422-3855	
B SEND ACKNOWLEDGMENT TO (Name and Address) CIT Communications Finance Corp 1 CIT Drive Livingston, NJ 07039	
NJ, Secretary of State	

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1 DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a ORGANIZATION'S NAME REGEN BIOLOGICS, INC					
OR 1b INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX	
1c MAILING ADDRESS 509 COMMERCE STREET			CITY FRANKLIN LAKES	STATE NJ	POSTAL CODE 07417
1d TAX ID #	SSN OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	1e TYPE OF ORGANIZATION Corporation	1f JURISDICTION OF ORGANIZATION NJ	1g ORGANIZATIONAL ID #, if any 0100920040

2 ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a ORGANIZATION'S NAME					
OR 2b INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX	
2c MAILING ADDRESS			CITY	STATE	POSTAL CODE
2d TAX ID #	SSN OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	2e TYPE OF ORGANIZATION	2f JURISDICTION OF ORGANIZATION	2g ORGANIZATIONAL ID #, if any

3 SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a ORGANIZATION'S NAME CIT Communications Finance Corporation					
OR 3b INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX	
3c MAILING ADDRESS 1 CIT Drive			CITY Livingston	STATE NJ	POSTAL CODE 07039

4 This FINANCING STATEMENT covers the following collateral Equipment now or hereafter acquired, which is sold to Debtor by Secured Party pursuant to Lease No X456910, including, but not limited to, IP OFFICE (IP 400), and all attachments, accessions, additions, substitutions, products, replacements, and rentals and a right to use license for any software related to any of the foregoing, and proceeds therefrom (including insurance proceeds) Equipment location, includes, but is not limited to

509 COMMERCE STREET
FRANKLIN LAKES, NJ 07417

5 ALTERNATIVE DESIGNATION (if applicable)	LESSEE/LESSOR	CONSIGNEE/CONSIGNOR	BAILEE/BAILOR	SELLER/BUYER	AG LIEN	NON-UCC FILING
6 This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable)	7 Check to REQUEST SEARCH REPORT(S) on Debtor(s) (optional)	8 OPTIONAL FILER REFERENCE DATA X459610	9 STACKHOUSE	All Debtors	Debtor 1	Debtor 2

14137544

iLien Coverage

Date Printed. 4/28/2005

Debtor:
REGEN BIOLOGICS, INC.
509 COMMERCE STREET
FRANKLIN LAKES, NJ 07417

lease num. X459610
Account Manager. STACKHOUSE
iLien File #. 14137544
UDS #. 6648373
Order Confirmation #: 4072457

UserID. 60043
Number of Collateral Pages Attached. 0

Transaction Type. Original
Jurisdiction. NJ, Secretary of State

Name of Debtor: Regen Biologics Inc	Case Number: 11-11083
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NOTE: This form should not be used to make a claim for administrative expenses arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.

Name of Creditor (the person or other entity to whom Debtor owes money or property):
CIT COMMUNICATION FINANCE CORPORATION

Name and addresses where notices should be sent: WELTMAN, WEINBERG & REIS, CO. 175 S. THIRD ST., SUITE 900 COLUMBUS, OHIO 43215 Telephone number: (614) 228-7272 (WWR)	<input type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim. Court Claim Number: (If known) Filed on:
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COPY

Name and address where payment should be sent (if different from above): CIT TECHNOLOGY FINANCING SERVICES, INC. 10201 CENTURION PKWY N. #100 JACKSONVILLE, FL 32256 Telephone number: (904) 620-7635	<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars. <input type="checkbox"/> Check this box if you are the debtor or trustee in this case.
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1. Amount Of Claim At Time Case Filed: <u>\$7,990.37</u> If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4. If all or part of your claim is entitled to priority, complete item 5. <input checked="" type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.	5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount. Specify the priority of the claim. <input type="checkbox"/> Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B). <input type="checkbox"/> Wages, salaries, or commissions (up to \$10,950*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier – 11 U.S.C. §507 (a)(4). <input type="checkbox"/> Contributions to an employee benefit plan – 11 U.S.C. §507 (a)(5). <input type="checkbox"/> Up to \$2,425* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use – 11 U.S.C. §507 (a)(7). <input type="checkbox"/> Taxes or penalties owed to governmental units – 11 U.S.C. §507 (a)(8). <input type="checkbox"/> Other – Specify applicable paragraph of 11 U.S.C. §507 (a)().
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2. Basis for Claim: OTHER: MISCELLANEOUS LEASED EQUIPMENT
(See instruction #2 on reverse side.)

3. Last four digits of any number by which creditor identifies debtor: 0-002

 3a. Debtor may have scheduled account as: _____
(See instruction #3a on reverse side.)

4. Secured Claim (See instruction #4 on reverse side.) Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information. Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe: Value of Property: \$___ Annual Interest Rate ___% Amount of arrearage and other charges as of time case filed included in secured claim, if any: \$___ Basis for perfection: Amount of Secured Claim: \$___ Amount Unsecured: \$___	<input type="checkbox"/> Contributions to an employee benefit plan – 11 U.S.C. §507 (a)(5). <input type="checkbox"/> Up to \$2,425* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use – 11 U.S.C. §507 (a)(7). <input type="checkbox"/> Taxes or penalties owed to governmental units – 11 U.S.C. §507 (a)(8). <input type="checkbox"/> Other – Specify applicable paragraph of 11 U.S.C. §507 (a)().
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6. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim. 7. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements or running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (See definition of "redacted" on reverse side.) DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING. If the documents are not available, please explain:	Amount entitled to priority: \$ _____ *Amounts are subject to adjustment on 4/1/10 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.
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Date: April 18, 2011	Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any. Weltman, Weinberg & Reis Co., L.P.A. Attorney for Creditor 175 South Third Street, #900 Columbus, Ohio 43215 (614) 857-4326 /s/Scott D. Fink, Esq.	For Court Use Only RECEIVED APR 18 2011 8:36 AM CLERK OF COURT DISTRICT OF DELAWARE
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Lease Number: XXX-XXXXXX0-002
 Lease Name: Regen Biologics Inc
 PG:
 Time on Books: 2154
 Number of Leases: 1

Gross Contract Amount	\$ 40,261.00		
Booked Residual			
Renewal Payments	\$ 7,467.63		
Payments Made	\$ 40,261.00		
Remaining Payments	\$ 7,467.63		
Plus Use Taxes	\$ 522.73	Tax Percent	7.00%
Plus Late Fees			
Plus Insurance Fees			
Plus APS/NSF/DOC Fees			
Plus Property Taxes			
Plus Other Fees			
PrePaid Maintenance			
Placement Balance	\$ 7,990.37		



LEASE AGREEMENT

TO OUR VALUED CUSTOMER: This Lease has been written in "Plain English" When we use the words you and your in this Lease, we mean you, our customer, which is the Lessee indicated below When we use the words we, us and our in this Lease, we mean the Lessor, CIT Communications Finance Corporation Our address is 1 CIT Drive, Livingston, New Jersey 07039 Phone 1-800-549-7829.

Form AFS-LA-DS 01/03 Page 1 of 2

CUSTOMER INFORMATION	Lessee Name ReGen Biologics	Tax ID # Tax Exempt #
	Billing Street Address/City/County/State/Zip 509 Commerce Street Franklin Lakes, N.J. 07417	Phone No 201-651-5140
	Equipment Location Street Address/City/County/State/Zip Same	Phone No ()

SUPPLIER INFORMATION	Supplier Name ("Supplier") Juma Technology	Phone No 631-270-1036
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EQUIPMENT DESCRIPTION	Quantity 1	Make/Model Avaya IP office and associated equipment	Serial Number
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END OF LEASE PURCHASE OPTION	(Check one applicable box. If no box is checked, or if more than one box is checked, the Fair Market Value Purchase Option will apply)	Plus Applicable Taxes
	<input type="checkbox"/> Fair Market Value Purchase Option	
	<input checked="" type="checkbox"/> Fixed Price Purchase Option of \$1 00	
	<input type="checkbox"/> Fixed Price Purchase Option of ___ % of the Total Cash Price	

TERM AND LEASE PAYMENT SCHEDULE	Lease Term (Months) 60	Lease Payment 649.00	Documentation Fee \$0 00	You agree to pay at the time you sign this Lease 1Mos (\$649 00) Total Advance Lease Payment If more than one Lease Payment is required in advance, the additional amount will be applied at the end of the original term	Plus Applicable Taxes
	Additional Provisions.				

INSURANCE AND TAXES You are required to provide and maintain insurance related to the Equipment, and to pay any property, use and other taxes related to this Lease or the Equipment (See Sections 4 and 6 on Page 2 of this Lease) If you are tax-exempt, you agree to furnish us with satisfactory evidence of your exemption

TERMS AND CONDITIONS 1. LEASE, DELIVERY AND ACCEPTANCE You agree to lease the equipment, maintenance and services described above and in any purchase, maintenance, services or supply contract (collectively, "Supply Contract") associated with this lease agreement ("Lease") (collectively, "Equipment") on the terms and conditions shown on both pages of this Lease If you have entered into a Supply Contract with any Supplier, you assign to us your rights under such Supply Contract, but none of your obligations (other than the obligation to pay for the Equipment if it is accepted by you as stated below and you timely deliver to us such documents and assurances as we request) If you have not entered into a Supply Contract, you authorize us to enter into a Supply Contract on your behalf You will arrange for the delivery of the Equipment to you When you receive the Equipment, you agree to inspect it to determine if it is in good working order This Lease will begin on the date when the Equipment is delivered to you and the Equipment will be deemed irrevocably accepted by you upon (a) the delivery to us of a signed Delivery and Acceptance Certificate (if requested by us), or (b) 10 days after delivery of the Equipment to you if previously you have not given written notice to us of your non-acceptance The first Lease Payment is due on or before the date the Equipment is delivered to you The remaining Lease Payments will be due on the day of each subsequent month (or such other time period specified above) designated by us (NOTE Remainder of Sections 1 and Sections 2 through 16 of the Lease are on Page 2)

BY SIGNING THIS LEASE (i) YOU ACKNOWLEDGE THAT YOU HAVE READ AND UNDERSTAND ALL OF THE TERMS AND CONDITIONS OF THIS LEASE, WHICH IS DOCUMENTED ON OUR FORM AFS-LA-DS 01/03, (ii) YOU AGREE THAT IF A COPY OF THIS LEASE IS SIGNED BY YOU AND THE FRONT OF THE COPY IS DELIVERED TO US BY FACSIMILE TRANSMISSION OR OTHERWISE, TO THE EXTENT ANY PROVISIONS ARE MISSING OR ILLEGIBLE OR CHANGED (AND NOT INITIALED BY BOTH YOU AND US), THE TERMS AND CONDITIONS OF OUR FORM AFS-LA-DS 01/03 IN USE ON THE DATE WE RECEIVE THE COPY SIGNED BY YOU WILL BE THE TERMS AND CONDITIONS OF THE LEASE, (iii) YOU AGREE THAT THIS LEASE IS A NET LEASE THAT YOU CANNOT TERMINATE OR CANCEL, YOU HAVE AN UNCONDITIONAL OBLIGATION TO MAKE ALL PAYMENTS DUE UNDER THIS LEASE, AND YOU CANNOT WITHHOLD, SETOFF OR REDUCE SUCH PAYMENTS FOR ANY REASON, (iv) YOU AGREE THAT YOU WILL USE THE EQUIPMENT ONLY FOR BUSINESS PURPOSES, (v) YOU WARRANT THAT THE PERSON SIGNING THIS LEASE FOR YOU HAS THE AUTHORITY TO DO SO, (vi) YOU CONFIRM THAT YOU DECIDED TO ENTER INTO THIS LEASE RATHER THAN PURCHASE THE EQUIPMENT FOR THE LOWER TOTAL CASH PRICE, AND (vii) YOU AGREE THAT THIS LEASE WILL BE GOVERNED BY THE LAWS OF THE STATE OF NEW JERSEY YOU CONSENT TO THE JURISDICTION OF ANY COURT LOCATED WITHIN THAT STATE. YOU AND WE EXPRESSLY WAIVE ANY RIGHT TO A TRIAL BY JURY

Lessee
ReGen Biologics, Inc
x [Signature]
Authorized Signature
Brian D. Urdi, SVP + CFO 1/24/05
Print Name & Title
Date

CIT COMMUNICATIONS FINANCE CORPORATION
Lessor
[Signature]
Authorized Signature
Sara Stackhouse 4/22/05
Print Name & Title
Date

PERSONAL AND CONTINUING GUARANTY THIS PERSONAL AND CONTINUING GUARANTY ("GUARANTY") CREATES SPECIFIC LEGAL OBLIGATIONS. When we use the words you and your in this Guaranty, we mean the Personal Guarantor(s) indicated below When we use the words we, us and our in this Guaranty, we mean the Lessor indicated in the lease agreement identified above ("Lease") In consideration of our entering into the Lease, you unconditionally and irrevocably guarantee to us our successors and assigns the prompt payment and performance of all obligations ("Guaranteed Obligations") under the Lease and any and all other existing or future lease agreements between us and the Lessee identified in the Lease above You agree that this is a guaranty of payment and not of collection, and that we can proceed directly against you without first proceeding against the Lessee or against the equipment covered by the Lease or any other collateral You waive all defenses and notices, including those of protest, presentment and demand You agree that we can renew, extend or otherwise modify the terms of the Lease and all existing or future lease agreements and you will be bound by such changes If we fail or delay to perfect or continue the perfection of any security interest in the equipment or any other collateral, you will not be released or discharged of or from any of the Guaranteed Obligations If the Lessee defaults under any existing or future lease agreements with us, you will immediately perform all of the Guaranteed Obligations, including, but not limited to, paying all amounts due under the Lease You will pay to us all expenses (including attorneys' fees) incurred by us in enforcing our rights against you or the Lessee This is a continuing guaranty that will not be revoked or terminated by you so long as any amount is owed to us under any existing or future lease agreements, will not be discharged or affected by your death and will bind your heirs and personal representatives You waive any right to seek repayment from the Lessee in the event you must pay us If more than one personal guarantor has signed this Guaranty, each of you agree that your liability is joint and several You authorize us or any of our affiliates to obtain credit bureau reports regarding your personal credit and make other credit inquiries that we determine are necessary on an ongoing basis so long as the Guaranteed Obligations are outstanding IF A SIGNED COPY OF THIS GUARANTY IS DELIVERED TO US BY FACSIMILE TRANSMISSION, YOU AGREE THAT, NOT WITHSTANDING ANY RULE OF EVIDENCE TO THE CONTRARY, IN ANY HEARING, TRIAL OR PROCEEDING OF ANY KIND WITH RESPECT TO THIS GUARANTY, WE MAY PRODUCE A COPY OF THE DOCUMENT TRANSMITTED TO US AND SUCH COPY SHALL BE DEEMED TO BE AN ORIGINAL YOU REPRESENT, AND ACKNOWLEDGE THAT WE ARE RELYING ON YOUR REPRESENTATION, THAT THIS GUARANTY IS COMPLETE AND LEGIBLE AND HAS NOT BEEN CHANGED TO THE EXTENT THAT ANY PROVISIONS ARE CHANGED (AND NOT INITIALED BY BOTH YOU AND US), YOU AGREE TO BE BOUND BY THE TERMS OF THE GUARANTY THAT IS PART OF OUR STANDARD FORM AFS-LA-DS 01/03 THIS GUARANTY IS GOVERNED BY THE LAWS OF THE STATE OF NEW JERSEY. YOU CONSENT TO THE JURISDICTION OF ANY COURT LOCATED WITHIN THAT STATE BOTH YOU AND WE EXPRESSLY WAIVE ANY RIGHT TO A TRIAL BY JURY

Personal Guarantor (no title) _____ Date _____
Print Name _____ Social Security No _____
Home Street Address/City/State/Zip _____ Phone No _____

Personal Guarantor (no title) _____ Date _____
Print Name _____ Social Security No _____
Home Street Address/City/State/Zip _____ Phone No _____

1 (Continued) You will make all payments required under this Lease to us at such address as we may specify in writing. You authorize us to adjust the Lease Payment if the Total Cash Price (which is all amounts we have paid in connection with the purchase, delivery and installation of the Equipment, including any upgrade and buyout amounts) differs from the estimated Total Cash Price. However, if the Total Cash Price exceeds the amount approved by us, we will not be obligated to purchase or lease the Equipment. If any Lease Payment or other amount payable to us is not paid within 10 days of its due date, you will pay us a late charge equal to the greater of (i) 5% of each late payment or (ii) \$3.00 for each late payment (or such lesser amount as is the maximum amount allowable under applicable law).

2 NO WARRANTIES We are leasing the Equipment to you "AS-IS" YOU ACKNOWLEDGE THAT WE DO NOT MANUFACTURE THE EQUIPMENT, WE DO NOT REPRESENT THE MANUFACTURER OR THE SUPPLIER, AND YOU HAVE SELECTED THE EQUIPMENT AND THE SUPPLIER BASED UPON YOUR OWN JUDGMENT. WE MAKE NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR OTHERWISE. YOU AGREE THAT REGARDLESS OF CAUSE, WE ARE NOT RESPONSIBLE FOR AND YOU WILL NOT ASSERT ANY CLAIM AGAINST US FOR ANY DAMAGES, WHETHER CONSEQUENTIAL, DIRECT, SPECIAL, OR INDIRECT. YOU AGREE THAT NEITHER THE SUPPLIER NOR ANY SALESPERSON, EMPLOYEE OR AGENT OF THE SUPPLIER IS OUR AGENT OR HAS ANY AUTHORITY TO SPEAK FOR US OR TO BIND US IN ANY WAY. We transfer to you for the term of this Lease any warranties made by the manufacturer or the Supplier under a Supply Contract.

3 EQUIPMENT LOCATION, USE AND REPAIR, RETURN You will keep and use the Equipment only at the Equipment Location shown on Page 1 of this Lease. You may not move the Equipment without our prior written consent. At your own cost and expense, you will keep the Equipment eligible for any manufacturer's certification, in compliance with all applicable laws and in good repair, condition and working order, except for ordinary wear and tear. You will not make any alterations, additions or replacements to the Equipment without our prior written consent. All alterations, additions and replacements will become part of the Equipment and our property at no cost or expense to us. We may inspect the Equipment at any reasonable time. Unless this Lease is renewed or you purchase the Equipment in accordance with this Lease, at the end of this Lease you will immediately deliver the Equipment to us in as good condition as when you received it, except for ordinary wear and tear, to any place in the United States that we tell you. You will pay all expenses of demisting, crating and shipping, and you will insure the Equipment for its full replacement value during shipping.

4 TAXES AND FEES You will pay when due either directly or to us upon our demand, all taxes, fines and penalties relating to this Lease or the Equipment that are now or in the future assessed or levied by any state, local or other government authority. We will file all personal property, use or other tax returns (unless we notify you otherwise in writing) and you agree to pay us a fee for making such filings. We do not have to contest any taxes, fines or penalties. You will pay estimated property taxes with each Lease Payment or annually, as invoiced.

5 LOSS OR DAMAGE As between you and us, you are responsible for any loss, theft or destruction of, or damage to, the Equipment (collectively "Loss") from any cause at all whether or not insured, until it is delivered to us at the end of this Lease. You are required to make all Lease Payments even if there is a Loss. You must notify us in writing immediately of any Loss. Then, at our option, you will either (a) repair the Equipment so that it is in good condition and working order, eligible for any manufacturer's certification, or (b) pay us the amounts specified in Section 9(b) below.

6 INSURANCE You will provide and maintain at your expense (a) property insurance against the loss, theft or destruction of, or damage to, the Equipment for its full replacement value, naming us as loss payee, and (b) public liability and third party property insurance, naming us as an additional insured. You will give us certificates or other evidence of such insurance when requested. Such insurance will be in a form, amount and with companies acceptable to us, and will provide that we will be given 30 days advance notice of any cancellation or material change of such insurance. If you do not give us evidence of insurance acceptable to us, we have the right, but not the obligation, to obtain insurance covering our interest in the Equipment for the term of this Lease, including any renewals or extensions, from an insurer of our choice, including an insurer that is our affiliate. We may add the costs of acquiring and maintaining such insurance and our fees for our services in placing and maintaining such insurance (collectively, "Insurance Charge") to the amounts due from you under this Lease. You will pay the Insurance Charge in equal installments allocated to the remaining Lease Payments. If we purchase insurance, you will cooperate with our insurance agent with respect to the placement of insurance and the processing of claims. Nothing in this Lease will create an insurance relationship of any type between us and any other person. You acknowledge that we are not required to secure or maintain any insurance and we will not be liable to you if we terminate any insurance coverage that we arrange. If we replace or renew any insurance coverage, we are not obligated to provide replacement or renewal coverage under the same terms, costs, limits, or conditions as the previous coverage.

7 TITLE, RECORDING We are the owner of and will hold title to the Equipment. You will keep the Equipment free of all liens and encumbrances. Unless the Purchase Option is \$1.00, you agree that this transaction is a true lease and you hereby authorize us or our agent to file a financing statement to give public notice of our ownership of the Equipment and other property (including, without limitation, our interests in all software). However, if this transaction is deemed to be a lease intended for security, you grant us a purchase money security interest in the Equipment (including any replacements, substitutions, additions, attachments, receivables and proceeds) and authorize us or our agent to file a financing statement or any other documents we deem necessary to perfect or protect our interest in the Equipment and other property.

8 DEFAULT Each of the following is a "Default" under this Lease: (a) you fail to pay any Lease Payment or any other payment within 10 days of its due date, (b) you do not perform any of your other obligations under this Lease or in any other agreement with us or with any of our affiliates and this failure continues for 10 days after we have notified you of it, (c) you become insolvent, you dissolve or are dissolved, or you assign your assets for the benefit of your creditors, or enter (voluntarily or involuntarily) any bankruptcy or reorganization proceeding, or (d) any guarantor of this Lease dies, does not perform its obligations under the guaranty, or becomes subject to one of the events listed in clause (c) above.

9 REMEDIES If a Default occurs, we may do one or more of the following: (a) we may cancel or terminate this Lease or any or all other agreements that we have entered into with you or withdraw any offer of credit, (b) we may require you to immediately pay us, as compensation for loss of our bargain and not as a penalty, a sum equal to (i) the present value of all unpaid Lease Payments for the remainder of the term plus the present value of our anticipated residual interest in the Equipment, each discounted at 5% per year, compounded monthly, plus (ii) all other amounts due or that become due under this Lease, (c) we may require you to deliver the Equipment to us as set forth in Section 3, (d) we or our agent may peacefully repossess the Equipment without court order and you will not make any claims against us for damages or trespass or any other reason, (e) we may obtain a refund from the Supplier for any prepaid maintenance or services and apply it to any amounts that you owe us, and (f) we may exercise any other right or remedy available at law or in equity. You agree to pay all of our costs of enforcing our rights against you, including reasonable attorneys' fees. If we take possession of the Equipment, we may sell or otherwise dispose of it with or without notice, at a public or private sale, and apply the net proceeds (after we have deducted all costs related to the sale or disposition of the Equipment) to the amounts that you owe us. You agree that if notice of sale is required by law to be given, 10 days' notice will constitute reasonable notice. You will remain responsible for any amounts that are due after we have applied such net proceeds.

10 FINANCE LEASE STATUS You agree that if Article 2A-Leases of the Uniform Commercial Code applies to this Lease, this Lease will be considered a "finance lease" as that term is defined in Article 2A. By signing this Lease, you agree that either (a) you have reviewed, approved, and received, a copy of the Supply Contract or (b) that we have informed you of the identity of the Supplier, that you may have rights under the Supply Contract, and that you may contact the Supplier for a description of those rights. TO THE EXTENT PERMITTED BY APPLICABLE LAW, YOU WAIVE ANY AND ALL RIGHTS AND REMEDIES CONFERRED UPON A LESSEE BY ARTICLE 2A.

11 ASSIGNMENT YOU MAY NOT ASSIGN, SELL, TRANSFER OR SUBLEASE THE EQUIPMENT OR YOUR INTEREST IN THIS LEASE. We may, without notifying you, sell, assign, or transfer this Lease or our rights in the Equipment. You agree that the new owner will have the same rights and benefits that we have now under this Lease but not our obligations. The rights of the new owner will not be subject to any claim, defense or set off that you may have against us.

12 PURCHASE OPTION, AUTOMATIC RENEWAL If no Default exists under this Lease, you will have the option at the end of the original or any renewal term to purchase all (but not less than all) of the Equipment at the Purchase Option price shown on Page 1 of this Lease, plus any applicable taxes. Unless the Purchase Option price is \$1.00, you must give us at least 90 days written notice before the end of the original or any renewal term that you will purchase the Equipment or that you will deliver the Equipment to us. If you do not give us such written notice or if you do not purchase or deliver the Equipment in accordance with the terms and conditions of this Lease, this Lease will automatically renew for successive three-month terms until you deliver the Equipment to us. During such renewal(s) the Lease Payment will remain the same. We may cancel an automatic renewal term by sending you written notice 10 days prior to such renewal term. If the Fair Market Value Purchase Option has been selected, we will use our reasonable judgment to determine the Equipment's fair market value. If you do not agree with our determination of the Equipment's fair market value, the fair market value (on a retail basis) will be determined at your expense by an independent appraiser selected by us. Upon payment of the Purchase Option price we shall transfer our interest in the Equipment to you "AS-IS, WHERE-IS" without any representation or warranty whatsoever and this Lease will terminate.

13 INDEMNIFICATION You are responsible for any losses, damages, penalties, claims, suits and actions (collectively "Claims"), whether based on a theory of strict liability or otherwise caused by or related to (a) the manufacture, installation, ownership, use, lease, possession, or delivery of the Equipment or (b) any defects in the Equipment. You agree to reimburse us for and, if we request, to defend us against any Claims.

14 CREDIT INFORMATION YOU AUTHORIZE US OR ANY OF OUR AFFILIATES TO OBTAIN CREDIT BUREAU REPORTS, AND MAKE OTHER CREDIT INQUIRIES THAT WE DETERMINE ARE NECESSARY. ON YOUR WRITTEN REQUEST, WE WILL INFORM YOU WHETHER WE HAVE REQUESTED A CONSUMER CREDIT REPORT AND THE NAME AND ADDRESS OF ANY CONSUMER CREDIT REPORTING AGENCY THAT FURNISHED A REPORT. YOU ACKNOWLEDGE THAT WITHOUT FURTHER NOTICE WE MAY USE OR REQUEST ADDITIONAL CREDIT BUREAU REPORTS TO UPDATE OUR INFORMATION SO LONG AS YOUR OBLIGATIONS TO US ARE OUTSTANDING.

15 LEASING ADDITIONAL EQUIPMENT You may request us to lease additional equipment to you by sending us a purchase order or by contacting us or the Supplier by telephone or in writing. If the total cost of such additional equipment ("Additional Equipment") is \$25,000 or less and if we agree to lease such Additional Equipment to you, we will signify our agreement by preparing and sending to you a writing ("Additional Lease") describing the Additional Equipment and specifying the amount and frequency of the Lease Payments, the Lease Term, the Purchase Option and such other terms and conditions that apply to such lease. YOU AGREE THAT IF WE DO NOT RECEIVE A WRITTEN OBJECTION TO THE ADDITIONAL LEASE FROM YOU WITHIN 10 DAYS AFTER THE DATE OF THE ADDITIONAL LEASE, YOU WILL BE DEEMED TO HAVE IRREVOCABLY ACCEPTED THE ADDITIONAL EQUIPMENT AND AGREED THAT, EXCEPT AS OTHERWISE SPECIFIED IN THE ADDITIONAL LEASE, SUCH ADDITIONAL LEASE SHALL BE GOVERNED BY ALL OF THE TERMS AND CONDITIONS OF THIS LEASE.

16 MISCELLANEOUS You agree that the terms and conditions contained in this Lease make up the entire agreement between you and us regarding the lease of the Equipment. This Lease is not binding on us until we sign it. Any change in any of the terms and conditions of this Lease must be in writing and signed by you and us. You agree, however, that we are authorized, without notice to you, to supply missing information or correct obvious errors in this Lease. If we delay or fail to enforce any of our rights under this Lease, we will still be entitled to enforce those rights at a later time. All notices shall be given in writing by the party sending the notice and shall be effective when deposited in the U.S. Mail, addressed to the party receiving the notice at its address shown on Page 1 of this Lease (or to any other address specified by that party in writing) with first class postage prepaid. All of our rights and remedies will survive the termination of this Lease. It is the express intent of the parties not to violate any applicable usury laws or to exceed the maximum amount of time price differential or interest, as applicable, permitted to be charged or collected by applicable law, and any such excess payment will be applied to Lease Payments in inverse order of maturity, and any remaining excess will be refunded to you. If you do not perform any of your obligations under this Lease, we have the right, but not the obligation, to take any action or pay any amounts that we believe are necessary to protect our interests. You agree to reimburse us immediately upon our demand for any such amounts that we pay. You will not terminate, cancel, or request a refund from the Supplier for any prepaid maintenance or services included in this Lease and if you do receive a refund from the Supplier, you will hold those monies in trust for our benefit and not commingle the refund with any of your other funds and you will remit the refund to us upon our request. IF A SIGNED COPY OF THIS LEASE IS DELIVERED TO US BY FACSIMILE TRANSMISSION, IT WILL BE BINDING ON YOU. HOWEVER, WE WILL NOT BE BOUND BY THIS LEASE UNTIL WE ACCEPT IT BY MANUALLY SIGNING IT OR BY PURCHASING THE EQUIPMENT SUBJECT TO THE LEASE, WHICHEVER OCCURS FIRST. YOU WAIVE NOTICE OF OUR ACCEPTANCE AND WAIVE YOUR RIGHT TO RECEIVE A COPY OF THE ACCEPTED LEASE. YOU AGREE THAT, NOTWITHSTANDING ANY RULE OF EVIDENCE TO THE CONTRARY, IN ANY HEARING, TRIAL OR PROCEEDING OF ANY KIND WITH RESPECT TO THIS LEASE, WE MAY PRODUCE A COPY OF THE LEASE TRANSMITTED TO US BY FACSIMILE TRANSMISSION THAT HAS BEEN MANUALLY SIGNED BY US AND SUCH SIGNED COPY SHALL BE DEEMED TO BE THE ORIGINAL OF THE LEASE. TO THE EXTENT (IF ANY) THAT THIS LEASE CONSTITUTES CHATTEL PAPER UNDER THE UNIFORM COMMERCIAL CODE, NO SECURITY INTEREST IN THIS LEASE MAY BE CREATED THROUGH THE TRANSFER AND POSSESSION OF ANY COPY OR COUNTERPART HEREOF EXCEPT THE COPY WITH OUR ORIGINAL SIGNATURE. IF YOU DELIVER THIS LEASE TO US BY FACSIMILE TRANSMISSION, YOU ACKNOWLEDGE THAT WE ARE RELYING ON YOUR REPRESENTATION THAT THIS LEASE HAS NOT BEEN CHANGED. If you are a tax-exempt entity as defined in Section 168(h)(2) of the Internal Revenue Code and that we have selected a Fair Market Value Purchase Option, the term of this Lease including any renewals or extensions, will not exceed a total of 60 months. If more than one Lessee has signed this Lease, each of you agree that your liability is joint and several.

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A NAME & PHONE OF CONTACT AT FILER (optional) Alditha Wallace-Keyes 973-422-3855	
B SEND ACKNOWLEDGMENT TO (Name and Address) CIT Communications Finance Corp 1 CIT Drive Livingston, NJ 07039	
NJ, Secretary of State	

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1 DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a ORGANIZATION'S NAME **REGEN BIOLOGICS, INC**

OR

1b INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

1c MAILING ADDRESS **509 COMMERCE STREET** CITY **FRANKLIN LAKES** STATE **NJ** POSTAL CODE **07417** COUNTRY **US**

1d TAX ID # SSN OR EIN ADD'L INFO RE ORGANIZATION DEBTOR 1e TYPE OF ORGANIZATION Corporation 1f JURISDICTION OF ORGANIZATION NJ 1g ORGANIZATIONAL ID #, if any 0100920040 NONE

2 ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a ORGANIZATION'S NAME

OR

2b INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

2c MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

2d TAX ID # SSN OR EIN ADD'L INFO RE ORGANIZATION DEBTOR 2e TYPE OF ORGANIZATION 2f JURISDICTION OF ORGANIZATION 2g ORGANIZATIONAL ID #, if any NONE

3 SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a ORGANIZATION'S NAME **CIT Communications Finance Corporation**

OR

3b INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

3c MAILING ADDRESS **1 CIT Drive** CITY **Livingston** STATE **NJ** POSTAL CODE **07039** COUNTRY **US**

4 The FINANCING STATEMENT covers the following collateral
 Equipment now or hereafter acquired, which is sold to Debtor by Secured Party pursuant to Lease No X456910, including, but not limited to, IP OFFICE (IP 400), and all attachments, accessions, additions, substitutions, products, replacements, and rentals and a right to use license for any software related to any of the foregoing, and proceeds therefrom (including insurance proceeds)
 Equipment location, includes, but is not limited to

509 COMMERCE STREET
 FRANKLIN LAKES, NJ 07417

5 ALTERNATIVE DESIGNATION (if applicable) LESSEE/LESSOR CONSIGNEE/CONSIGNOR BAILEE/BAILOR SELLER/BUYER AG LIEN NON-UCC FILING

6 This FINANCING STATEMENT is to be filed (or recorded) in the REAL ESTATE RECORDS. Attach Addendum (if applicable) 7 Check to REQUEST SEARCH REPORT(S) on Debtor(s) (optional) All Debtors Debtor 1 Debtor 2 ADDITIONAL FEE

8 OPTIONAL FILER REFERENCE DATA **X459610** **STACKHOUSE**

14137544

iLien Coverage

Date Printed. 4/28/2005

Debtor:
REGEN BIOLOGICS, INC.
509 COMMERCE STREET
FRANKLIN LAKES, NJ 07417

lease num. X459610
Account Manager. STACKHOUSE
iLien File #. 14137544
UDS #. 6648373
Order Confirmation #: 4072457

UserID. 60043
Number of Collateral Pages Attached. 0

Transaction Type. Original
Jurisdiction. NJ, Secretary of State