


UNITED STATES BANKRUPTCY COURT DISTRICT OF DELAWARE		PROOF OF CLAIM
Name of Debtor: <b>ReGen Biologics, Inc.</b>	Case Number: <b>11-11083-PJW</b>	
NOTE: This form should not be used to make a claim for an administrative expense 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 the debtor owes money or property): <b>Zimmer, Inc.</b>	<input type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim.  Court Claim Number: _____ (If known)  Filed on: _____	
Name and address where notices should be sent: <b>Zimmer, Inc. P.O. Box 708 1800 West Center Street Warsaw, IN 46581</b>	<div style="border: 1px solid black; padding: 10px; width: fit-content; margin: 0 auto;"> <b>RECEIVED</b>   <b>AUG 11 2011</b>   <b>BMC GROUP</b> </div>	
Telephone number: <b>800-613-6131</b>		
Name and address where payment should be sent (if different from above):	<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.	
Telephone number:		
<b>1. Amount of Claim as of Date Case Filed:</b> <u>\$ 8,821,516.12</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.	<b>5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a).</b> 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)( ).	
<b>2. Basis for Claim:</b> <u>Money loaned</u> (See instruction #2 on reverse side.)		
<b>3. Last four digits of any number by which creditor identifies debtor:</b> <u>1230, 1231, 1232, 1233</u>  <b>3a. Debtor may have scheduled account as:</b> _____ (See instruction #3a on reverse side.)		
<b>4. Secured Claim</b> (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 checked="" type="checkbox"/> Other Describe: <u>variable</u> Value of Property: \$ <u>unknown</u> Annual Interest Rate <u>   </u> %  Amount of arrearage and other charges as of time case filed included in secured claim, if any: \$ <u>                    </u> Basis for perfection: <u>UCC financing statement</u>  Amount of Secured Claim: \$ <u>5,803,499.04</u> Amount Unsecured: \$ <u>3,018,017.08</u>	Amount entitled to priority:  \$ <u>                    </u>  <i>*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.</i>	
<b>6. Credits:</b> The amount of all payments on this claim has been credited for the purpose of making this proof of claim.		
<b>7. Documents:</b> Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of 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: <u>6/21/11</u>	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.  <div style="text-align: right;"> <b>Regen Biologics</b>                00058           </div>	

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE

In re: ) Chapter 11  
 )  
ReGen Biologics, Inc., ) Case No. 11-11083 (PJW)  
 )  
Debtor. )

**STATEMENT OF CLAIM**

This claim arises out of the Credit Agreements dated as of November 30, 1998 (the "1998 Agreement") and March 14, 2000 (the "2000 Agreement"; together with the 1998 Agreement, the "Credit Agreements") by and between ReGen Biologics, Inc. (the "Debtor") and Sulzer Medica USA Holding Company ("Sulzer Medica"). Zimmer, Inc. ("Zimmer") is successor in interest to Sulzer Medica.<sup>1</sup>

The 2000 Credit Agreement is secured by the Intellectual Property Security Agreement (the "Security Agreement"), dated March 14, 2000, which granted Zimmer a security interest in "all of [the Debtor's] right and title to, and interest in, any copyrights, patents and trademarks (including without limitation those listed on Schedules A, B and C [to the Security Agreement]), designs, mechanisms, processes, methods, and instrumentation, which constitute, or directly relate to, the combination of Grantor's collagen meniscus implant product and [Zimmer's] NeOsteo growth hormone, commonly known to the parties as 'CMI-2'" (the "Collateral").

As of April 8, 2011, the following was owed to Zimmer by the Debtor:

1998 Agreement

Principal: \$2,042,600.00

Interest: \$975,417.08

TOTAL: \$3,018,017.08

2000 Agreement

Principal: \$4,000,000.00

Interest: \$1,803,499.04

TOTAL: \$5,803,499.04

<sup>1</sup> In or around 2002, Sulzer Medica changed names to Centerpulse. In or around October 2003, Zimmer acquired Centerpulse.

Exhibit 10.14

**CREDIT AGREEMENT**

THIS CREDIT AGREEMENT (this "*Credit Agreement*") is entered into as of November 30, 1998 between REGEN BIOLOGICS, INC., a Delaware corporation (herein called "Borrower") and SULZER MEDICA USA HOLDING COMPANY, a Delaware corporation (herein called "Lender").

(1) **Commitment.** Lender hereby agrees to make loans (each a "*Loan*") to Borrower, from time to time and in such amounts as Borrower shall request, up to an aggregate principal amount of Two Million Forty Two Thousand Six Hundred Dollars (\$2,042,600). The obligation of Lender to make Loans to Borrower shall terminate on November 30, 2003, or upon the occurrence and continuance of an Event of Default (such earlier date, the "*Termination Date*"). Borrower may prepay any loan without penalty or premium and any principal amounts prepaid by Borrower may be reborrowed; *provided, however*, that any principal amounts prepaid at the election of Lender pursuant to Section 3 of the Warrant (as defined below) may not be reborrowed by Borrower. The "*Warrant*" shall mean the warrant to purchase shares of Borrower's Series C Convertible Preferred Stock issued to Lender pursuant to the Series F Preferred Stock and Warrant Purchase Agreement (the "*Purchase Agreement*") dated November 30, 1998 between Borrower and Lender.

(2) **Conditions Precedent to Funding Loans.** The obligation of Lender to make Loans hereunder shall be subject to the satisfaction of both of the following conditions precedent: (a) the closing under the Purchase Agreement shall have occurred; and (b) Borrower shall have obtained a permit from the California Department of Corporations to exempt the evidence of indebtedness under this Credit Agreement from the usury provisions of the Constitution of the State of California.

(3) **Procedure for Funding a Loan.** From and after the occurrence of the conditions precedent set forth in Section 2 above and prior to the Termination Date, and subject to the credit limitation set forth in Section 1, Lender shall, upon three (3) business days prior written request by Borrower to Lender, transfer to Borrower by wire transfer in same day funds to the account of Borrower specified in such written notice the amount requested to be loaned to Borrower as set forth in such written notice; *provided, however*, that such amount shall not be less than \$500,000 except if less than \$500,000 shall remain available to be borrowed under Section 1, in which case such amount shall be not less than the remaining amount available to be borrowed under Section 1.

(4) **Principal and Interest.** All outstanding principal and interest shall be due and payable on December 1, 2003 or as determined in the last paragraph of Section 8. Interest shall accrue on the outstanding principal amount of each Loan from the date of funding of the such Loan until payment in full, at a rate of one-year LIBOR (as reported in The Wall Street Journal on the date of the funding of the Loan) per annum or the maximum rate permissible by law (the laws of the State of California shall be deemed to be the laws relating to permissible rates of interest on commercial loans), whichever is less. Interest shall be calculated on the basis of a 365-day year for the actual number of days elapsed and shall compound annually; *provided*, that no interest so compounded shall be deemed principal for purposes of Section 1.

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The interest rate on each Loan shall adjust on each anniversary of the date of the Loan (or the next business day if such anniversary is a holiday or a weekend day) to the interest rate which would be applicable to a Loan initially funded on such date.

(5) **Schedule of Loans.** Upon the funding of the initial Loan under the Credit Agreement, Borrower shall prepare and deliver to Lender the *Schedule of Loans* attached hereto as *Exhibit A*, setting forth the information to be provided thereon. Upon any additional funding of a Loan, any repayment of a Loan (in part or in full) by Borrower, any reduction in amounts owed hereunder by exercise of the Warrant, and on each anniversary of the funding of a Loan until such Loan is paid in full, Borrower shall amend the *Schedule of Loans* to reflect such event and deliver to Lender the *Schedule of Loans* as so amended.

(6) **Place of Payment.** All amounts payable hereunder shall be payable at Sulzer Medica USA Holding Company, 4000 Technology Drive, Angleton, TX 77515, unless another place of payment shall be specified in writing by Lender.

(7) **Application of Payments.** Any payment made by Borrower, or reduction in amounts owed at the election of Lender pursuant to Section 3 of the Warrant, on any Loan hereunder shall be applied first to accrued interest, and thereafter to principal.

(8) **Default.** Each of the following events shall be an "*Event of Default*" hereunder:

(a) Borrower fails to pay timely any amount due under this Credit Agreement within five (5) business days thereafter;

(b) Borrower files any petition or action for relief under any bankruptcy, reorganization, insolvency or moratorium law or any other law for the relief of, or relating to, debtors, now or hereafter in effect, or makes any assignment for the benefit of creditors or takes any corporate action in furtherance of any of the foregoing; or

(c) An involuntary petition is filed against Borrower (unless such petition is dismissed or discharged within sixty (60) days) under any bankruptcy statute now or hereafter in effect, or a custodian, receiver, trustee, assignee for the benefit of creditors (or other similar official) is appointed to take possession, custody or control of any property of Borrower.

Upon the occurrence and the continuance of an Event of Default hereunder, all unpaid principal, accrued interest and other amounts owing hereunder shall, at the option of Lender, and, in the case of an Event of Default pursuant to (b) or (c) above, automatically, be immediately due, payable and collectible by Lender pursuant to applicable law.

(9) **Competitive Arrangements.** Notwithstanding anything to the contrary set forth in this Credit Agreement, in the event that Borrower shall enter into an agreement with a Competitor of Lender involving either the licensing of Borrower's intellectual property to such Competitor or the codevelopment of intellectual property with such Competitor, in each case relating to future generations of the collagen meniscus implant and to which Lender shall not have given its written consent (each, a "*Competitive Arrangement*"), then in such event the obligation of Lender to extend any further Loans under this Agreement shall immediately terminate. In addition, in the event Borrower enters into a Competitive Arrangement, all unpaid principal, accrued interest and other amounts owing hereunder shall, at the option of Lender, be due, payable and collectible by Lender pursuant to applicable law on the date six months from the later of (i) the date Borrower enters into such Competitive Arrangement, and (ii) the date Lender provides Borrower written notice of its intent to exercise its option to accelerate repayment of the amounts owing hereunder pursuant to this Section 9. For the purposes hereof, a "*Competitor*" of Lender shall mean a corporation, partnership, limited liability company or other such entity a substantial portion of the business of which is in the orthopedic and/or trauma fields.

(10) **Notices.** All notices and other communications required or permitted hereunder shall be in writing and shall be mailed by registered or certified mail, postage prepaid, or otherwise delivered by hand, telecopier or by messenger, addressed (a) if to Lender, at Lender's address set forth on the signature page hereof, or at such other address as Lender shall have furnished to Borrower in writing, or (b) if to Borrower, one copy should be sent to its address set forth on the signature page hereof and addressed to the attention of the Corporate Secretary, or at such other address as Borrower shall have furnished to Lender. Each such notice or other communication shall for all purposes of this Credit Agreement be treated as effective or having been given when delivered if delivered personally or by messenger, courier service, telex, telegram or telecopier, or, if sent by mail, at the earlier of its receipt or seventy-two (72) hours after the same has been deposited in a regularly maintained receptacle for the deposit of the United States mail, addressed and mailed as aforesaid.

(11) **Governing Law.** This Credit Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of California, excluding conflict of laws principles that would cause the application of laws of any other jurisdiction.

BORROWER

REGEN BIOLOGICS, INC.

By: /s/ Gerald E. Bisbee, Jr.

Gerald E. Bisbee, Jr.

President and Chief Executive Officer

545 Penobscot Drive

Redwood City, CA 94063

LENDER

SULZER MEDICA USA HOLDING COMPANY

By: /s/ A. Buchel

A. Buchel

President

4000 Technology Drive

Angleton, TX 77515

[Schedule Intentionally Omitted]

## EXHIBIT 10.7

## CREDIT AGREEMENT

**THIS CREDIT AGREEMENT** (this "*Credit Agreement*") is entered into as of March 14, 2000 between **REGEN BIOLOGICS, INC.**, a Delaware corporation (herein called "*Borrower*"), and **SULZER MEDICA USA HOLDING COMPANY**, a Delaware corporation (herein called "*Lender*").

(1) **Commitment.** Lender hereby agrees to make loans (each a "*Loan*") to Borrower, subject to the conditions stated in Section 2 hereof, in such amounts as Borrower shall request, up to an aggregate principal amount of Four Million Dollars (\$4,000,000). The obligation of Lender to make Loans to Borrower shall terminate on March \_\_, 2005 (the "*Termination Date*"); *provided, however*, that Lender shall have no obligation to make Loans upon the occurrence and during the continuation of an Event of Default (as hereinafter defined). Borrower may prepay any loan without penalty or premium and any principal amounts prepaid by Borrower may be reborrowed; *provided, however*, that any principal amounts prepaid at the election of Lender pursuant to terms of the Warrant (as defined below) may not be reborrowed by Borrower. The "*Warrant*" shall mean the warrant to purchase shares of Borrower's Common Stock to be issued to Lender in connection with the CMI-2 Agreement.

Borrower agrees to use its reasonable best efforts to obtain additional equity financing from parties other than Lender or its affiliates and to close such financing by December 31, 2000. Lender shall have no present obligation to provide additional equity or debt financing to Borrower, beyond that provided hereunder, or under any presently existing or contemplated financing arrangement between Borrower and Lender.

(2) **Conditions Precedent to Funding all Loans.** The obligation of Lender to make each Loan shall be subject to the satisfaction of both of the following conditions precedent: (a) each of the operational and financial milestones stated in *Exhibit A* attached hereto (the "*Milestones*") shall have been satisfied, to Lender's reasonable satisfaction, by, or within a reasonable period after, the applicable "*Target Date*" stated in *Exhibit A*, and (b) after giving effect to the requested Loan, the aggregate outstanding Loans will not exceed the maximum aggregate Loans permitted under *Exhibit A* (the "*Maximum Outstanding Loans*").

(3) **Procedure for Funding a Loan.** From and after the occurrence of the conditions precedent set forth in Section 2 above and prior to the Termination Date, and subject to the credit limitation set forth in Section 1, Lender shall, upon three (3) business days' prior written request by Borrower to Lender, transfer to Borrower by wire transfer in same day funds, to the account of Borrower specified in such written notice, the amount requested to be loaned to Borrower as set forth in such written notice. Notwithstanding any provision to the contrary herein, in the event that Borrower completes any of the Milestones prior to the applicable Target Date, Borrower shall upon such completion be entitled to request a Loan hereunder and Lender shall make such Loan in accordance with this Section 3, subject to the remaining terms hereof.

(4) **Principal and Interest.** All outstanding principal and interest shall be due and payable on March 14, 2005 or as determined in the last paragraph of Section 8.

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Interest shall accrue on the outstanding principal amount of each Loan from the date of funding of the such Loan until payment in full, at a rate of one-year LIBOR (as reported in The Wall Street Journal on the date of the funding of the Loan) per annum or the maximum rate permissible by law (the laws of the State of California shall be deemed to be the laws relating to permissible rates of interest on commercial loans), whichever is less. Interest shall be calculated on the basis of a 365-day year for the actual number of days elapsed and shall compound annually; *provided*, that no interest so compounded shall be deemed principal for purposes of Section 1. The interest rate on each Loan shall adjust on each anniversary of the date of the Loan (or the next business day if such anniversary is a holiday or a weekend day) to the interest rate which would be applicable to a Loan initially funded on such date.

**(5) Note and Schedule of Loans.** Borrower's obligation to repay the Loans shall be evidenced by, among other things, that certain Secured Promissory Note, dated as of even date herewith, executed and delivered by Borrower on behalf of Lender, (the "Note"). Upon the funding of the initial Loan under this Credit Agreement, Borrower shall prepare and deliver to Lender the *Schedule of Loans* attached hereto as *Exhibit B*, setting forth the information to be provided thereon. Upon any additional funding of a Loan, any repayment of a Loan (in part or in full) by Borrower, any reduction in amounts owed hereunder by exercise of the Warrant, and on each anniversary of the funding of a Loan until such Loan is paid in full, Borrower shall amend the *Schedule of Loans* to reflect such event and deliver to Lender the *Schedule of Loans* as so amended.

**(6) Place of Payment.** All amounts payable hereunder shall be payable at Sulzer Medica USA Holding Company, 3 East Greenway Plaza, Suite 1600, Houston, Texas 77046-0391, unless another place of payment shall be specified in writing by Lender.

**(7) Application of Payments.** Any payment made by Borrower, or reduction in amounts owed at the election of Lender pursuant to Section 3 of the Warrant, on any Loan hereunder shall be applied first to accrued interest, and thereafter to principal.

**(8) Warranties And Representations.** Borrower represents and warrants to Lender that Borrower is the lawful owner of the entire right, title and interest in and to all the Collateral (as defined in the Intellectual Property Security Agreement dated of even date herewith by and between Lender and Borrower (the "Security Agreement")), free and clear of all material liens, charges, encumbrances and claims of infringement.

**(9) Covenants.** Borrower covenants and warrants that unless compliance is waived by Lender in writing:

(a) Borrower will, at its expense, to the extent commercially reasonable, (i) properly preserve and maintain the Collateral and defend the Collateral against any adverse claims and demands; (ii) diligently prosecute all patent, trademark or service mark or copyright applications pending on or after the date hereof; and (iii) maintain in effect all issued patents and will renew all trademark and service mark registrations, including payment of any and all maintenance and renewal fees relating thereto; (iv) protect and defend all rights in the Collateral against any claims and demands of all persons other than Lender; and (v) enforce all rights in the Collateral against any and all infringers of the Collateral.



(b) Borrower will not license or transfer any of the Collateral except with Lender's prior written consent, except for the grant of licenses and sale of products in the ordinary course of business.

(c) Borrower will, from time to time, at its expense, execute, deliver, file and record any statement, assignment, instrument, document, agreement or other paper and take any other action (including any filings with the United States Patent and Trademark Office, and any filings of financing or continuation statements under the UCC) that from time to time may be necessary or appropriate, or that the Lender may reasonably request, in order to create, preserve, upgrade in rank (to the extent required hereby), perfect, confirm or validate the security interests granted pursuant to the Security Agreement or to enable the Lender to obtain the full benefits of this Agreement, or to enable the Lender to exercise and enforce any of its rights, powers and remedies hereunder or under the Security Agreement with respect to any of the Collateral. To the extent permitted by law, Borrower hereby authorizes the Lender to execute and file financing statements or continuation statements without Borrower's signature appearing thereon. Borrower agrees that a carbon, photographic or other reproduction of this Agreement or the Security Agreement or of a financing statement is sufficient as a financing statement. Borrower shall pay the cost of, or incidental to, any such recording or filing of any financing or continuation statements concerning the Collateral.

(10) Default. Each of the following events shall be an "*Event of Default*" hereunder:

(a) Borrower fails to pay timely any amount due under this Credit Agreement within five (5) business days after such payment becomes due;

(b) Any representation or warranty by, made or deemed made herein, in the Security Agreement, or which is contained in any certificate, document or financial or other statement by the Borrower, furnished at any time under this Agreement, or in or under the Security Agreement, is incorrect in any material respect on or as of the date made or deemed made;

(c) The Borrower fails to perform or observe any other term or covenant contained in this Agreement or the Security Agreement, and such default shall continue unremedied for a period of 20 days after the earlier of (i) the date upon which an executive officer of Borrower knew or reasonably should have known of such failure, or (ii) the date upon which written notice thereof is given to Borrower by Lender;

(d) Borrower files any petition or action for relief under any bankruptcy, reorganization, insolvency or moratorium law or any other law for the relief of, or relating to, debtors, now or hereafter in effect, or makes any assignment for the benefit of creditors or takes any corporate action in furtherance of any of the foregoing; or

(e) An involuntary petition is filed against Borrower (unless such petition is dismissed or discharged within sixty (60) days) under any bankruptcy statute now or hereafter in effect, or a custodian, receiver, trustee, assignee for the benefit of creditors

(or other similar official) is appointed to take possession, custody or control of any property of Borrower.

(f) Borrower ceases in a material way to meet its supply obligations to Lender (or its affiliates), pursuant to the terms of that certain CMI-2 Distribution Agreement contemplated by Borrower and Lender as of the date hereof, to be hereafter executed (the "Supply Agreement"), unless such failure is resolved to Lender's reasonable satisfaction within one hundred fifty (150) days.

Upon the occurrence and the continuance of an Event of Default hereunder, all unpaid principal, accrued interest and other amounts owing hereunder shall, at the option of Lender, and, in the case of an Event of Default pursuant to (d) or (e) above, automatically, be immediately due, payable and collectible by Lender pursuant to applicable law. Notwithstanding any provision to the contrary herein, Lender shall have no right to exercise any remedies, whether provided herein or in the Security Agreement, pursuant to the occurrence and continuance of an Event of Default, unless Borrower shall have failed to cure such Event of Default prior to the expiration of any applicable cure period provided herein.

(11) Intellectual Property Collateral. In consideration of Lender's making Loans from time to time hereunder, Borrower, pursuant to the Security Agreement, grants Lender a security interest in any right, title or interest of Borrower in certain intellectual property of Borrower, as specifically described in the Security Agreement. Upon the full satisfaction of Borrower's obligations hereunder, Lender shall execute such releases of interest with respect to Borrower's property subject to the Security Agreement as Borrower may reasonably request.

**NOTWITHSTANDING ANY PROVISION TO THE CONTRARY HEREIN, OR IN THE SECURITY AGREEMENT, LENDER SHALL AT NO TIME HAVE THE RIGHT TO EXERCISE ANY OF THE RIGHTS AND REMEDIES GRANTED UNDER THE SECURITY AGREEMENT UNLESS AN EVENT OF DEFAULT PURSUANT TO SECTION 10(D) OR (E) HEREOF SHALL HAVE OCCURRED AND BE CONTINUING.** Lender shall indemnify Borrower and its successors and assigns against, and hold Borrower and its successors and assigns harmless from, any and all claims, actions, damages, obligations, liabilities and all costs and expenses, including, without limitation, legal fees and costs, incurred by Borrower or its successors and assigns, arising out of Lender's violation of the foregoing restrictions or the terms of the Security Agreement.

(12) **Competitive Arrangements.** Notwithstanding anything to the contrary set forth in this Credit Agreement, in the event that Borrower shall enter into an agreement with a Competitor (as defined below) of Lender involving either the licensing of Borrower's intellectual property to such Competitor or the codevelopment of intellectual property with such Competitor in each case relating to future generations of the collagen meniscus implant and to which Lender shall not have given its written consent (each, a "*Competitive Arrangement*"), then in such event the obligation of Lender to extend any further Loans under this Credit Agreement shall immediately terminate. In addition, in the event Borrower enters into a Competitive Arrangement, all unpaid principal, accrued interest and other amounts owing hereunder shall, at the option of Lender, be due, payable and collectible by

Lender pursuant to applicable law on the date six months from the later of (i) the date Borrower enters into such Competitive Arrangement, and (ii) the date Lender provides Borrower written notice of its intent to exercise its option to accelerate repayment of the amounts owing hereunder pursuant to this Section 12. For the purposes hereof, a "Competitor" of Lender shall mean a corporation, partnership, limited liability company or other such entity a substantial portion of the business of which is in the orthopedic and/or trauma fields.

(13) **Notices.** All notices and other communications required or permitted hereunder shall be in writing and shall be mailed by registered or certified mail, postage prepaid, or otherwise delivered by hand, telecopier or by messenger, addressed (a) if to Lender, at Lender's address set forth on the signature page hereof, or at such other address as Lender shall have furnished to Borrower in writing, or (b) if to Borrower, one copy should be sent to its address set forth on the signature page hereof and addressed to the attention of the Corporate Secretary, or at such other address as Borrower shall have furnished to Lender. Each such notice or other communication shall for all purposes of this Credit Agreement be treated as effective or having been given when delivered if delivered personally or by messenger, courier service, telex, telegram or telecopier, or, if sent by mail, at the earlier of its receipt or seventy-two (72) hours after the same has been deposited in a regularly maintained receptacle for the deposit of the United States mail, addressed and mailed as aforesaid.

(14) **Governing Law.** This Credit Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of California, excluding conflict of laws principles that would cause the application of laws of any other jurisdiction.

**BORROWER****REGEN BIOLOGICS, INC.**

By: /s/ Gerald E. Bisbee, Jr., Ph.D

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Gerald E. Bisbee, Jr., Ph.D  
President and Chief Executive Officer  
545 Penobscot Drive  
Redwood City, CA 94063

**LENDER****SULZER MEDICA USA HOLDING COMPANY**

By: /s/ André Buchel

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Name: André Buchel  
Title: President  
3 East Greenway Plaza, Suite 1600  
Houston, TX 77046-0391



**EXHIBIT A****MILESTONES**

<b>Milestone</b>	<b>Target Date</b>	<b>Maximum Aggregate Loans</b>
Execution and delivery of the Credit Agreement, the Warrant and the lateral letter agreement between Borrower and Lender	March 1, 2000	\$ 400,000
Execution and delivery of the CMI-2 Agreement and the Sharpshooter Agreement, between Borrower and Lender	March 31, 2000	\$1,200,000
Completion of the first leg of the Initial Dog Surgeries	May 15, 2000	\$2,950,000
Completion of Dog Study, as evidenced by completion of the histological analysis	September 25, 2000	\$3,650,000
Satisfactory evidence of an equity financing scheduled to close by December 31, 2000	December 1, 2000	\$4,000,000

**EXHIBIT B****SCHEDULE OF LOANS**

Loan Number	Date	Amount	Interest Rate	Anniversary	Repayment Date	Principal Prepaid	Interest Prepaid
				Interest Rate Adjustment			

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[SulzerMedica Letterhead]

May 8, 2000

By Facsimile (201-651-5141) and First Class Mail

Gerald E. Bisbee, Jr., Ph.D.  
ReGen Biologics, Inc.  
509 Commerce Street East, First Floor  
Franklin Lakes, NJ 07417

Re: Credit Agreement Between Sulzer Medica USA Holding Co. and ReGen Biologics Inc. dated March 14, 2000 (the "Agreement")

Dear Gary:

Attached are duplicate copies of a revised Exhibit A for the Agreement, incorporating the change to the fourth milestone according to the proposal by Sulzer. If this revised schedule is agreeable to ReGen, please execute one copy of this letter and return it to my attention.

Thank you for your attention to this matter.

Very truly yours,

/s/ David S. Wise

\_\_\_\_\_  
David S. Wise  
Secretary,  
Sulzer Medica USA Holding Co.

Enclosure

Acknowledged and Agreed:

By: /s/ Gerald E. Bisbee, Jr., Ph.D.

Date: 5/15/00

\_\_\_\_\_  
Gerald E. Bisbee, Jr., Ph.D.  
President and CEO  
ReGen Biologics, Inc.

**EXHIBIT A****MILESTONES**

<b>Milestone</b>	<b>Target Date</b>	<b>Maximum Aggregate Loans</b>
Execution and delivery of the Credit Agreement, the Warrant and the lateral letter agreement between Borrower and Lender	March 1, 2000	\$ 400,000
Execution and delivery of the CMI-2 Agreement and the Sharpshooter Agreement, between Borrower and Lender	March 31, 2000	\$1,200,000
Completion of surgery on the first leg of nine animals in the Dog Study	May 15, 2000	\$2,950,000
Completion of the histological analysis of nine animals in the Dog Study	September 25, 2000	\$3,650,000
Satisfactory evidence of an equity financing scheduled to close by December 31, 2000	December 1, 2000	\$4,000,000



[SulzerMedica Letterhead]

April 6, 2000

By Facsimile and First Class Mail

Gerald E. Bisbee, Jr., Ph.D.  
ReGen Biologics, Inc.  
509 Commerce Street East, First Floor  
Franklin Lakes, NJ 07417

Re: Intellectual Property Security Agreement Between Sulzer Medica USA Holding Co. and ReGen Biologics Inc.  
dated March 14, 2000 (the "Agreement")

Dear Gary:

Attached is a revised Schedule B for the Agreement, incorporating the correct serial number for the one pending patent application. Please acknowledge ReGen's assent to the substitution of the enclosed revised Schedule B for the original Schedule B by countersigning this letter and returning a copy to my attention.

Thank you for your attention to this matter.

Very truly yours,

/s/ David S. Wise

\_\_\_\_\_  
David S. Wise  
Secretary,  
Sulzer Medica USA Holding Co.

Enclosure

Acknowledged and Agreed:

By: /s/ Gerald E. Bisbee, Jr., Ph.D.

Date: 4/6/00

\_\_\_\_\_  
Gerald E. Bisbee, Jr., Ph.D.  
President and CEO  
ReGen Biologics, Inc.

**SCHEDULE B****UNITED STATES PATENTS AND PATENT APPLICATIONS**

<b>Description</b>	<b>Reg./Application</b>	<b>Reg./Application Date</b>
Meniscal Augmentation Device	5,681,353	10/28/97
Meniscal Augmentation Device	5,735,903	4/7/98
Meniscal Augmentation Device	09/028,284	2/24/98 (Filed)
Prosthetic Meniscus	4,880,429	11/14/89
Prosthetic Meniscus	5,007,934	4/16/91
Prosthetic Meniscus	5,116,374	5/26/92
Prosthetic Meniscus	5,158,574	10/27/92



## INTELLECTUAL PROPERTY SECURITY AGREEMENT

THIS INTELLECTUAL PROPERTY SECURITY AGREEMENT is entered into as of March 14, 2000 by and between SULZER MEDICA USA HOLDING COMPANY, a Delaware corporation ("Lender") and REGEN BIOLOGICS INC., a Delaware corporation ("Grantor").

### RECITALS

A. Lender has agreed to make certain advances of money and to extend certain financial accommodation to Grantor (the "Loans") in the amounts and manner set forth in that certain Credit Agreement by and between Lender and Grantor dated of even date herewith (as the same may be amended, modified or supplemented from time to time, the "Credit Agreement"; capitalized terms used herein are used as defined in the Credit Agreement). Lender is willing to make the Loans to Grantor, but only upon the condition, among others, that Grantor shall grant to Lender a security interest in certain intellectual property of Grantor to secure the obligations of Grantor under the Credit Agreement, it being expressly understood and agreed between Grantor and Lender that the rights and remedies provided under such security interest may be exercised only upon the occurrence and during the continuance of an Event of Default under Section 10(d) or (e) of the Credit Agreement.

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound, as collateral security for the prompt and complete payment when due of its obligations under the Credit Agreement, Grantor hereby represents, warrants, covenants and agrees as follows:

### AGREEMENT

To secure its indebtedness, obligations and liabilities under the Credit Agreement, Grantor hereby assigns, transfers, conveys and grants a security interest and mortgage to Lender, as collateral security, in and to Grantor's entire right, title and interest in, to and under all of Grantor's right and title to, and interest in, certain intellectual property of Grantor, as specifically described in *Exhibit A* attached hereto (the "Collateral"), and including without limitation, patents, copyrights or trademarks now existing or hereafter acquired with respect to the Collateral, and all applications therefor, and all proceeds thereof (such as, by way of example but not by way of limitation, license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements, all rights corresponding thereto throughout the world and all re-issues, divisions continuations, renewals, extensions and continuations-in-part thereof; **PROVIDED, HOWEVER, THAT, LENDER SHALL BE PERMITTED TO EXERCISE ITS RIGHTS AND REMEDIES WITH RESPECT TO THE COLLATERAL ONLY UPON THE OCCURRENCE AND DURING THE CONTINUANCE OF AN EVENT OF DEFAULT UNDER SECTION 10(D) OR (E) OF THE CREDIT AGREEMENT, AND AT NO OTHER TIME.**

**THE INTEREST IN THE COLLATERAL BEING ASSIGNED HEREUNDER SHALL NOT BE CONSTRUED AS A CURRENT ASSIGNMENT, BUT AS A**

**CONTINGENT ASSIGNMENT TO SECURE ALL OF GRANTOR'S INDEBTEDNESS,  
OBLIGATIONS AND LIABILITIES TO LENDER UNDER THE CREDIT  
AGREEMENT.**

The rights and remedies of Lender with respect to the security interest granted hereby are in addition to those set forth in the Credit Agreement, and those which are now or hereafter available to Lender as a matter of law or equity. Each right, power and remedy of Lender provided for herein or in the Credit Agreement, or now or hereafter existing at law or in equity shall be cumulative and concurrent and shall be in addition to every right, power or remedy provided for herein and the exercise by Lender of any one or more of the rights, powers or remedies provided for in this Intellectual Property Security Agreement, or the Credit Agreement or now or hereafter existing at law or in equity, shall not preclude the simultaneous or later exercise by any person, including Lender, of any or all other rights, powers or remedies.

**Counterparts.** This Intellectual Property Security Agreement may be executed in any number of separate counterparts, each of which, when so executed, shall be deemed an original, and all of said counterparts taken together shall be deemed to constitute but one and the same instrument.

**In Witness Whereof,** the parties have caused this Intellectual Property Security Agreement to be duly executed by its officers thereunto duly authorized as of the first date written above.

**GRANTOR:**

**REGEN BIOLOGICS, INC.**

Address of Grantor:

545 Penobscot Drive  
Redwood City, CA 94063

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_  
Attention: Gerald E. Bisbee, Jr., Ph.D.

**LENDER:**

**SULZER MEDICA USA HOLDING COMPANY**

Address of Lender:

3 East Greenway Plaza, Suite 1600  
Houston, TX 77046-0391

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_  
Attention: Vice-President, Finance

**EXHIBIT A**

**COLLATERAL**

The intellectual property of Grantor, rights in which shall constitute the Collateral hereunder, shall consist of all of Grantor's right and title to, and interest in, any copyrights, patents and trademarks (including without limitation those listed on Schedules A, B and C hereto), designs, mechanisms, processes, methods and instrumentation, which constitute, or directly relate to, the combination of Grantor's collagen meniscus implant product and Lender's NeOsteo growth hormone, commonly known to the parties as "CMI-2".

58514 v5/HN  
195#051.DOC  
080400/0936

SCHEDULE A

COPYRIGHTS

DESCRIPTION

REG./APPLICATION NO.

REG./APPLICATION DATE

None

58514 v5/HN  
195#051.DOC  
080400/0936

# SCHEDULE B

## UNITED STATES PATENTS AND PATENT APPLICATIONS

<u>DESCRIPTION</u>	<u>REG./APPLICATION NO.</u>	<u>REG./APPLICATION DATE</u>
MENISCAL AUGMENTATION DEVICE	5,681,353	10/28/97
MENISCAL AUGMENTATION DEVICE	5,735,903	4/7/98
MENISCAL AUGMENTATION DEVICE	09/028,284	2/24/98 (FILED)
PROSTHETIC MENISCUS	4,880,429	11/14/89
PROSTHETIC MENISCUS	5,007,934	4/16/91
PROSTHETIC MENISCUS	5,116,374	5/26/92
PROSTHETIC MENISCUS	5,158,574	10/27/92

58514 v5/EN  
195#051.DOC  
080400/0936



# SCHEDULE B

## FOREIGN PATENTS AND PATENT APPLICATIONS

<u>DESCRIPTION</u>	<u>COUNTRY</u>	<u>REG./APPLICATION NO.</u>	<u>REG./APPLICATION DATE</u>
MENISCAL AUGMENTATION DEVICE	AUSTRALIA	684183	5/28/98
MENISCAL AUGMENTATION DEVICE	CANADA	2,191,330	5/23/95 (FILED)
MENISCAL AUGMENTATION DEVICE	EUROPEAN	95919905	5/23/95 (FILED)
MENISCAL AUGMENTATION DEVICE	JAPAN	08-500992	5/23/95 (FILED)
MENISCAL AUGMENTATION DEVICE	WIPO	US95/06493	5/23/95 (FILED)
PROSTHETIC MENISCUS	AUSTRALIA	605723	5/9/91
PROSTHETIC MENISCUS	GERMANY	P3879921.9	3/31/93
PROSTHETIC MENISCUS	EUROPEAN	324852	3/31/93
PROSTHETIC MENISCUS	FRANCE	324852	3/31/93
PROSTHETIC MENISCUS	UNITED KINGDOM	324852	3/31/93
PROSTHETIC MENISCUS	ITALY	324852	3/31/93
PROSTHETIC MENISCUS	JAPAN	2754027	5/22/98
PROSTHETIC MENISCUS	WIPO	US88/02447	7/20/88 (FILED)
PROSTHETIC MENISCUS	AUSTRIA	461201	7/26/95

58514 v5/EN  
195#031.DOC  
080400/0936

# SCHEDULE B

## FOREIGN PATENTS AND PATENT APPLICATIONS

<u>DESCRIPTION</u>	<u>COUNTRY</u>	<u>REG. /APPLICATION No.</u>	<u>REG. /APPLICATION DATE</u>
PROSTHETIC MENISCUS	AUSTRALIA	637605	9/24/93
PROSTHETIC MENISCUS	BELGIUM	461201	7/26/95
PROSTHETIC MENISCUS	CANADA	2050471	3/1/90 (FILED)
PROSTHETIC MENISCUS	GERMANY	69021205	7/26/95
PROSTHETIC MENISCUS	EUROPEAN	461201	7/26/95
PROSTHETIC MENISCUS	SPAIN	461201	7/26/95
PROSTHETIC MENISCUS	FRANCE	461201	7/26/95
PROSTHETIC MENISCUS	UNITED KINGDOM	461201	7/26/95
PROSTHETIC MENISCUS	ITALY	461201	7/26/95
PROSTHETIC MENISCUS	JAPAN	02-505044	3/1/90 (FILED)
PROSTHETIC MENISCUS	WIPO	US90/01141	3/1/90 (FILED)

58514 v5/HN  
195#051.DOC  
080400/0936

SCHEDULE C

TRADEMARKS

<u>DESCRIPTION</u>	<u>REG./APPLICATION NO.</u>	<u>REG./APPLICATION DATE</u>
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None		
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58514 v5/HN  
195#051.DOC  
080400/0936

# UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Please return to:  
CT, a Wolters Kluwer business  
Attn: Karen Baker  
4400 Easton Commons Way  
Suite 125  
Columbus, OH 43219

DELAWARE DEPARTMENT OF STATE  
U.C.C. FILING SECTION  
FILED 10:52 AM 11/02/2009  
INITIAL FILING # 2009 3502967

SRV: 090981557

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

411 Hackensack Avenue, 10th Floor

Hackensack

STATE

POSTAL CODE

COUNTRY

NJ

07601

USA

1d. SEE INSTRUCTIONS

ADDL INFO RE  
ORGANIZATION  
DEBTOR

1e. TYPE OF ORGANIZATION

Corporation

1f. JURISDICTION OF ORGANIZATION

Delaware

1g. ORGANIZATIONAL ID #, if any

2136574

☐ 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. SEE INSTRUCTIONS

ADDL 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 8/7) - Insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME

Zimmer Holdings, Inc. (successor in interest to Sulzer Medica USA Holdings Company)

OR 3b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

3c. MAILING ADDRESS

345 East Main Street

Warsaw

STATE

POSTAL CODE

COUNTRY

IN

46580

USA

4. This FINANCING STATEMENT covers the following collateral:

All of the Debtor's right and title to, and interest in, any copyrights, patents and trademarks (including without limitation those listed on Attachment A hereto), designs, mechanisms, processes, methods and instrumentation, which constitute, or directly relate to, the combination of the Debtor's collagen meniscus implant product and the Secured Party's NeOsteo growth hormone, commonly known to the parties at "CMI-2".

5. ALTERNATIVE DESIGNATION (if applicable): ☐ LESSOR/LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEE/BAILEE ☐ SELLER/BUYER ☐ AG. LIEN ☐ NON-UCC FILING  
6. ☐ THIS FINANCING STATEMENT is to be filed (or recorded) in the REAL ESTATE RECORDS. Attach Address: ☐ Check to REQUEST SEARCH REPORT(s) on Debtor(s) ☐ All Debtors ☐ Debtor 1 ☐ Debtor 2  
7. OPTIONAL FILER REFERENCE DATA

FILING OFFICE COPY — UCC FINANCING STATEMENT (FORM UCC1) (REV. 05/22/02)

International Association of Commercial Administrators (IACA)

7692749-KB

# Attachment A

## Filings with the U.S. Patent and Trademark Office

DESCRIPTION	REG./APPLICATION NO.	REG./APPLICATION DATE
MEDICAL AUGMENTATION DEVICE	5,581,353	10/28/97
MEDICAL AUGMENTATION DEVICE	5,733,903	4/7/98
MEDICAL AUGMENTATION DEVICE	09/028,284 652810	2/24/98 (PILDED)
PROSTHETIC MEMBRANE	4,880,419	11/14/89
PROSTHETIC MEMBRANE	5,007,524	4/16/91
PROSTHETIC MEMBRANE	5,116,374	5/26/92
PROSTHETIC MEMBRANE	5,158,574	10/27/92

## Foreign Patents

DESCRIPTION	COUNTRY	REG./APPLICATION NO.	REG./APPLICATION DATE
MEDICAL AUGMENTATION DEVICE	Australia	414183	5/22/98
MEDICAL AUGMENTATION DEVICE	Canada	2,191,330	8/22/98 (PILDED)
MEDICAL AUGMENTATION DEVICE	RUSSIAN	95019903	5/22/98 (PILDED)
MEDICAL AUGMENTATION DEVICE	JAPAN	08-500992	5/22/98 (PILDED)
MEDICAL AUGMENTATION DEVICE	WFO	US9505493	5/22/98 (PILDED)
PROSTHETIC MEMBRANE	Australia	605723	5/9/91
PROSTHETIC MEMBRANE	GERMANY	73879921.9	3/31/93
PROSTHETIC MEMBRANE	EUROPEAN	324831	3/31/93
PROSTHETIC MEMBRANE	FRANCE	324832	3/31/93
PROSTHETIC MEMBRANE	United Kingdom	324832	3/31/93
PROSTHETIC MEMBRANE	ITALY	324832	3/31/93
PROSTHETIC MEMBRANE	IRAN	2754007	5/22/98
PROSTHETIC MEMBRANE	WFO	US88/02447	7/20/88 (PILDED)
PROSTHETIC MEMBRANE	ALGERIA	461281	7/26/95
PROSTHETIC MEMBRANE	Australia	637405	9/24/98
PROSTHETIC MEMBRANE	Belgium	461201	7/26/95
PROSTHETIC MEMBRANE	Canada	2050471	3/1/96 (PILDED)
PROSTHETIC MEMBRANE	GERMANY	6902305	7/26/95
PROSTHETIC MEMBRANE	EUROPEAN	461201	7/26/95
PROSTHETIC MEMBRANE	Spain	461201	7/26/95
PROSTHETIC MEMBRANE	FRANCE	461201	7/26/95
PROSTHETIC MEMBRANE	United Kingdom	461201	7/26/95
PROSTHETIC MEMBRANE	Italy	461201	7/26/95
PROSTHETIC MEMBRANE	JAPAN	02-603044	8/1/90 (PILDED)
PROSTHETIC MEMBRANE	WFO	US90/01141	5/1/90 (PILDED)

# BAKER & DANIELS

EST. 1863

**SARAH B. HERENDEEN**  
Paralegal  
Direct 317.237.1216  
sarah.herendeen@bakerd.com

**BAKER & DANIELS LLP**  
300 North Meridian Street, Suite 2700  
Indianapolis, Indiana 46204-1782  
Tel 317.237.0300 Fax 317.237.1000  
www.bakerdaniels.com

June 23, 2011

**Via Federal Express**

BMC Group, Inc.  
ReGen Biologics, Inc. Claims Processing  
18750 Lake Drive East  
Chanhassen, MN 55317

Re: In re ReGen Biologics, Inc. (Case No. 11-11083-PJW)

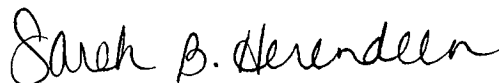
Dear Claims Agent:

Enclosed for filing in the above referenced case, please find an original and one (1) copy of the *Proof Of Claim* on behalf of Zimmer, Inc.

Please return a file-marked copy of the above-referenced document to me in the enclosed self-addressed, postage paid envelope.

Should you have any questions, please do not hesitate to contact me toll-free at 800-382-5426 (ext. 1216). Thank you for your assistance in this matter.

Sincerely,



Sarah B. Herendeen

Enclosure

cc: ☒ United States Trustee (w/encl.)



BDDDB01 6741109v1