

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

IN RE:)	Chapter 11
)	
MOLL INDUSTRIES, INC., <i>et al.</i> , ¹)	Case No. 10-11371 (MFW)
)	Joint Administration Pending
)	
Debtors.)	Related Docket Nos. 12 and 33

**FINAL ORDER PURSUANT TO SECTIONS 361 AND
363 OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 4001:
(1) AUTHORIZING USE OF CASH COLLATERAL;
(2) GRANTING ADEQUATE PROTECTION LIENS;
(3) SCHEDULING AND APPROVING THE FORM AND METHOD OF
NOTICE FOR A SUBSEQUENT HEARING; AND (4) FOR RELATED RELIEF**

Upon consideration of the motion (the "Motion")² of Moll Industries, Inc., *et al.*, the above-captioned debtors and debtors in possession (collectively, the "Debtors"), seeking entry of an order pursuant to sections 361 and 363 of the Bankruptcy Code and Rule 4001 of the Bankruptcy Rules: (1) authorizing the Debtors to use the Pre-petition Collateral (as defined herein) including cash collateral, as such term is defined in Section 363 of the Bankruptcy Code (the "Cash Collateral"); (2) granting adequate protection; (3) scheduling and approving the form and method of notice of the final hearing on the Debtors' Motion; and (4) for other related relief as necessary; and a hearing to consider the interim relief requested in the Motion having been held on April 29, 2010 (the "Interim Hearing"); and the Court having entered an order granting certain of the relief requested in the Motion on April 29, 2010 (the "Interim Order") (Docket No. 33); and a hearing to consider the final relief requested in the Motion having been held on May 27, 2010 (the "Final Hearing"); and pursuant to Bankruptcy Rule 4001, due and sufficient notice

¹ The Debtors in these cases are as follows: Moll Industries, Inc., Case No. 10-11371 (MFW); Moll Holdings, Inc., Case No. 10-11372 (MFW); Moll Europe Holdings, LLC, Case No. 10-11373 (MFW); and Moll Latin America Holdings, LLC, Case No. 10-11374 (MFW).

² Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

of the Motion having been given by the Debtors to the Notice Parties; and the Court having considered the offers of proof, evidence adduced, and the statements of counsel at the Interim Hearing and Final Hearing; and all objections to the relief requested in the Motion having been withdrawn, resolved or overruled by the Court; and it appearing to the Court that granting the relief requested is necessary to avoid immediate and irreparable harm to the Debtors and otherwise is fair and reasonable and in the best interest of the Debtors, their estates, and their creditors and is essential for the continued operation of the Debtors' business; and after due deliberation and consideration and good and sufficient cause appearing therefor,

IT IS HEREBY FOUND AND DETERMINED THAT:

A. On April 27, 2010 (the "Petition Date"), the Debtors each filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code with this Court, thereby commencing these cases (the "Chapter 11 Cases"). The Debtors are now operating their businesses and managing their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee has been appointed in the Chapter 11 Case. On May 11, 2010, pursuant to Section 1102(a)(1) of the Bankruptcy Code, the Office of the United States Trustee appointed the Official Committee of Unsecured Creditors (the "Creditors' Committee"). The Debtors' cases are being jointly administered.

B. This Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue of the Chapter 11 Cases and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

C. Notice of the Motion has been given the following pursuant to Bankruptcy Rules 2002, 4001(a), 4001(b) and Del. Bankr. L.R. 4001-2(a) and Rule 9013-1(m): (i) the Office of the United States Trustee for the District of Delaware; (ii) each of the Debtors' twenty largest unsecured creditors and/or their counsel; (iii) counsel for NexBank, SSB, as Administrative

Agent and Collateral Agent for the Debtors' pre-petition secured lenders; (iv) the United States Department of Justice; (v) the Internal Revenue Service, (vi) the United States Environmental Protection Agency, (vii) the Banks; (viii) the administrators of the Debtors' Employee Benefit Plans; and (ix) all parties that have requested special notice pursuant to Bankruptcy Rule 2002.

D. Prior to the Petition Date, the Senior Lenders made certain loans and advancements to debtor Moll Industries, Inc. ("Moll Industries") pursuant to that certain Amended and Restated Loan and Security Agreement dated as of December 31, 2004 by and among Moll Industries, Inc, as Borrowers, the Lenders that are signatories thereto (the "Senior Lenders") and Heritage Bank, SSB, as the Administrative Agent (the "Senior Agent"),³ as the same may have been amended from time to time thorough the Petition Date (the "Senior Credit Agreement"). All such loans, financial accommodations and other amounts owing by the Debtors to the Senior Agent and the Senior Lenders under, or in connection with, the Senior Credit Agreement and the other collateral and ancillary documentation executed in connection therewith (as amended, supplemented or otherwise modified, the "Senior Loan Documents") are hereinafter referred to as the "Senior Pre-Petition Obligations". The Senior Credit Agreement matured on December 31, 2009 and the Senior Pre-Petition Obligations became due and owing on that date.

E. Prior to the Petition Date, the Subordinated Lenders made certain loans and advancements to Moll Industries pursuant to that certain Amended and Restated Senior Subordinated Secured Note and Security Agreement dated as of December 31, 2004 by and among Moll Industries, Inc, as Borrowers, the Lenders that are signatories thereto (the "Subordinated Lenders") and Heritage Bank, SSB, as the Administrative Agent (the

³ Heritage Bank, SSB has since changed its name to NexBank, SSB. Thus, all references herein to the "Senior Agent" and "Subordinate Agent" are to NexBank.

“Subordinated Agent”), as the same may have been amended from time to time through the Petition Date (the “Subordinated Note”). All such loans, financial accommodations and other amounts owing by the Debtors to the Subordinated Agent and the Subordinated Lenders under, or in connection with, the Subordinated Note and the other collateral and ancillary documentation executed in connection therewith (as amended, supplemented or otherwise modified, the “Subordinated Note Documents”) are hereinafter referred to as the “Subordinated Pre-Petition Obligations”. The Subordinated Note matured March 10, 2010 and the Subordinated Pre-Petition Obligations became due and owing on that date.

F. The remaining Debtors executed individual guarantees and security agreements with respect to both the Senior Credit Agreement (collectively, the “Senior Guarantees”) and Subordinated Note (collectively, the “Subordinated Guarantees”).

G. Without prejudice to the rights, if any, of any other party other than any subsequently appointed chapter 11 or chapter 7 trustee (but subject to the limitations thereon described below in paragraphs 9 and 10), the Debtors admit that (i) the Senior Pre-Petition Obligations owing to the Senior Agent and the Senior Lenders under the Senior Credit Agreement, Senior Loan Documents and Senior Guarantees total at least \$57,714,652.01 as of the Petition Date, exclusive of attorneys fees, costs, expenses or other charges; (ii) the Subordinated Pre-Petition Obligations owing to the Subordinated Agent and the Subordinated Lenders under the Subordinated Note, Subordinated Loan Documents and Subordinated Guarantees total at least \$6,617,258.94 as of the Petition Date, exclusive of attorneys fees, costs, expenses or other charges; (iii) the Senior Pre-Petition Obligations and Subordinated Pre-Petition Obligations constitute the legal, valid and binding obligations of the Debtors, enforceable in accordance with the Senior Loan Documents, Subordinated Note Documents, Senior Guarantees, and Subordinated Guarantees (collectively, the “Loan Documents”); (iv) the Debtors granted to

the Senior Lenders and Subordinated Lenders (collectively, the “Lenders”) first priority⁴ valid, perfected and enforceable liens upon and security interests (the “Pre-Petition Liens”) in the collateral described in the Loan Documents (the “Pre-Petition Collateral”); (v) no portion of the Indebtedness or the Pre-Petition Liens are subject to avoidance, subordination, recharacterization, offset, counterclaim or defense; and (vi) all of the cash of the Debtors in existence on the Petition Date and that is acquired by the Debtors thereafter constitutes cash collateral within the meaning of § 363(a) for the benefit of the Senior Lenders and Subordinated Lenders. The Debtors further waive any rights to application of the doctrines of marshalling or surcharge (under § 506(c) or otherwise).

H. The Debtors have requested that the Court authorize their use of Cash Collateral for the purposes set forth in the budget that is attached as Exhibit 1 hereto, which may be supplemented or extended upon the express written agreement of the Agent (the “Budget”).

I. The Debtors have requested immediate entry of this Order approving the Motion on a final basis (the “Final Order”) pursuant to Bankruptcy Rule 4001(b)(1), (b)(2) and (c)(2). The Motion and this Final Order comply with Local Bankruptcy Rules 4001-2 and 4001-3. The Debtors have an immediate need to obtain use of the Cash Collateral for, among other things, the continuation of their business operations, the preservation and orderly disposition of their businesses and assets as a going concern, and the orderly administration of their estates. Without the use of Cash Collateral, the Debtors will be unable to pay necessary expenses. The ability of the Debtors to obtain liquidity through the use of the Cash Collateral is vital to the Debtors’ efforts to maximize the value of their assets. Absent granting the relief sought by this Final

⁴ Relative to parties other than the Lenders. The relative priority of the Lenders’ Pre-Petition Liens as between such liens shall remain unaffected by this Final Order.

Order, the Debtors' estates will be immediately and irreparably harmed. Thus, the use of the Cash Collateral in accordance with this Final Order is in the best interest of the Debtors' estates.

J. The Senior Agent and Subordinated Agent (collectively referred to herein as the "Agent") do not consent to the Debtors' use of the Pre-Petition Collateral, including the Cash Collateral, except in accordance with the terms and conditions contained in this Final Order. Subject to compliance with the conditions of this Final Order, the Debtors are permitted to use the Cash Collateral during the period covered by this Final Order, and in the amounts set forth in the Budget and only for the purposes set forth therein and herein.

K. The terms of this Final Order were negotiated in good faith and at arm's length between the Debtors, the Senior Agent on behalf of the Senior Lenders, and the Subordinated Agent on behalf of the Subordinated Lenders.

L. Good cause has been shown for the entry of this Final Order. In addition, the terms and conditions of the Debtors' proposed use of the Cash Collateral are fair and reasonable and reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties.

M. This Final Order is entered pursuant to, and shall be construed and be consistent with, sections 361 and 363 of the Bankruptcy Code and Bankruptcy Rule 4001(b)(2).

Based on the foregoing, and upon the record made before this Court at the Final Hearing, and good and sufficient cause appearing therefor,

IT IS HEREBY ORDERED AND ADJUDGED THAT:

1. **Motion Granted.** The Motion is GRANTED on a Final basis, as set forth herein. The Debtors shall be, and hereby are, authorized to use Cash Collateral on the terms and conditions set forth in this Final Order. The Debtors are authorized to use Cash Collateral in accordance with the Budget; *provided, however*, that the Debtors may exceed any line item in the

Budget by up to ten percent (10%) in any week, so long as the aggregate amount of the Budget for any week is not exceeded by more than ten percent (10%) (the "Variance"). Any unused portion of the Variance will carry over to the following week. The Debtors shall not make any payment of any proceeds constituting part of the Collateral (as defined below) (i) to any holder of an allowed claim under or pursuant to § 503(b)(9) or (ii) to any unsecured creditor of a Debtor on account of claim arising prior to the commencement of these Chapter 11 Cases including, without limitation, payments in satisfaction of reclamation claims of unpaid suppliers of goods delivered to a Debtor before the commencement of these Chapter 11 Cases (regardless of whether such claims have been granted administrative expense priority status pursuant to § 546(c)), prior to confirmation of any plan of reorganization or plan of liquidation, unless such payments are specifically provided for in the Budget or specifically authorized by another order of this Court.

2. **Reporting and Access.** The Debtors are directed to deliver to the Agent and Creditors' Committee on Wednesday of each week (if not sooner) a reconciliation for the prior week of all budgeted amounts that compares for each line item the amounts forecast under the Budget to the actual amount achieved by the Debtors for such week, together with all other reasonably requested information. In addition, the Debtors shall provide the Agent with reasonable access to the Debtors' facilities, books and records, at reasonable times that shall not infringe upon the Debtors' normal operations.

3. **Adequate Protection Claim.** Because the Debtors' use of Cash Collateral may result in the diminution of the value of the Cash Collateral and Senior Lenders' and Subordinated Lenders' respective interests therein, the Court hereby grants super-priority administrative expense claims against the Debtors' estates in favor of the Senior Agent, on behalf of and for the ratable benefit of the Senior Lenders and the Subordinated Agent, on behalf of and for the ratable

benefit of the Subordinated Lenders pursuant to section 507(a)(2) and 507(b) of the Bankruptcy Code, which claims shall be in the amount of any post-petition diminution in the value of the Senior Lenders' and Subordinated Lenders' interests in the Cash Collateral or any of the Pre-Petition Collateral from and after the Petition Date (the "Adequate Protection Claims"). In addition, the Adequate Protection Claims shall have priority in payment over any and all administrative expenses of the kind specified or ordered pursuant to any provision of the Bankruptcy Code, including without limitation 11 U.S.C. §§ 105, 326, 328, 330, 331, and 726, and shall at all times be senior to the rights of the Debtors, and any successor trustee or any creditor, in the Debtors' cases, or to the extent permitted by applicable law, any subsequent proceeding under the Bankruptcy Code, provided however that the Adequate Protection Claims shall be subject to the Carve-Out as defined in Paragraph 4 of this Final Order.

4. **Replacement Liens.** As additional adequate protection, and to secure the Adequate Protection Claims, the Senior Agent (on behalf of and for the ratable benefit of the Senior Lenders) and the Subordinated Agent (on behalf of and for the ratable benefit of the Subordinated Lenders), are hereby granted, effective immediately and without the necessity of the execution by the Debtors of financing statements, mortgages, security agreements, or otherwise, in accordance with section 361(2) of the Bankruptcy Code, replacement security interests and liens (collectively, the "Adequate Protection Liens") in and upon the Post-Petition Collateral (as defined below), all post-petition proceeds thereof and all post-petition assets of the Debtors and their estates (excluding, however, all claims, causes of action and proceeds thereof arising under sections 510, 544, 545, 546, 547, 548, 549, 550 and 551 of the Bankruptcy Code, collectively, "Avoidance Actions," and all proceeds therefrom) and all proceeds, rents and products of all of the foregoing and all distributions thereon (the "Post-Petition Collateral," together with the Pre-Petition Collateral, the "Collateral"), in each case to the same extent,

validity and priority as the security interests and liens of the Senior Lenders and Subordinated Lenders in and upon the Pre-Petition Collateral, whether such property and assets were acquired by the Debtors before or after the Petition Date, including: (a) all proceeds of the foregoing; (b) all accessions to, substitutions and replacements for, and profits and products of the foregoing; (c) the Pre-Petition Collateral; and (d) all property of the Debtors held by the Agent, Senior Lenders and/or Subordinated Lenders. The Adequate Protection Liens shall be subject only to (i) valid, perfected, enforceable and unavoidable liens and security interests that were superior in priority to the Pre-Petition Liens prior to the Petition Date, and only to the extent such Pre-petition Liens are not otherwise subject to avoidance or subordination; (ii) following the occurrence of the Termination Date (as defined herein), the payment of allowed professional fees and disbursements incurred by the Debtors, the Creditors' Committee, and any other official committee appointed in these cases, in an aggregate amount incurred after the Termination Date not in excess of \$100,000 (plus any unpaid professional fees and expenses authorized in the budget and allowed by the Court that were incurred prior to the occurrence of the Termination Date) (the "Professional Fee Carve-Out"); and (iii) the payment of United States Trustee Fees pursuant to 28 U.S.C. § 1930 (the "UST Carve-Out" and, together with the Professional Fee Carve-Out, the "Carve-Out").

5. **No Marshalling or Surcharge.** Neither the Adequate Protection Liens or the Pre-Petition Liens shall be subject to the doctrines of marshalling or surcharge (under § 506(c) or otherwise).

6. **Fees and Expenses.** As further adequate protection of the Agent's and Senior Lenders' and Subordinated Lenders' interests in the Pre-Petition Collateral, the Debtors shall pay the reasonable fees and disbursements of the Agent's attorneys and financial advisors incurred in connection with these Chapter 11 Cases upon submission of invoices to the Debtors with copies

to the Creditors' Committee and the United States Trustee, provided that such fees and disbursements shall be paid only to the extent that such fees and disbursements relate to Pre-petition Collateral in which the Agent and Senior Lenders and/or Subordinated Lenders have an interest or the granting of adequate protection to the Agent and Senior Lenders and/or Subordinated Lenders. The Creditors' Committee reserves its rights, however, to contest the Agent's application of such paid fees and expenses to the Senior Lenders' and/or Subordinated Lenders' claims. Subject to the following objection procedures, the Debtors shall promptly pay all reasonable fees and expenses submitted by the Agent's professionals within eleven (11) business days after receipt of such invoices. Notwithstanding the foregoing, the Debtors, the Creditors' Committee or the United States Trustee may object to the reasonableness of such fees and expenses in writing within ten (10) business days of receipt of such invoice. Any such objection must identify with specificity the particular objectionable entries. If such objection cannot be resolved within five (5) business days of service of such invoice (which deadline may be extended by mutual agreement of the Agent and the objecting party), the objecting party shall file with the Court and serve upon such professional a Fee Objection limited to the issue of the reasonableness of the disputed fees and expenses; provided that the Debtors shall timely pay in accordance with this Final Order any fees, costs and expenses not subject to a Fee Objection. Upon the filing of a Fee Objection, this Court shall schedule and conduct a hearing to determine the reasonableness of the fees and expenses identified therein. Such hearing will, at the convenience of the Court, take place on the earliest to occur of (i) the next regularly scheduled pre-set hearing date in the Chapter 11 Cases; or (ii) such other date as the Court sets. The Debtors shall remit payment promptly to the applicable professional for such fees and expenses as are determined by the Court to be reasonable.

7. **Payment of Professional Fees.** For so long as the Termination Date has not occurred, (i) the Debtors shall be permitted to pay administrative expenses allowable and payable under Sections 330, 331 and 503(b)(2) of the Bankruptcy Code, as the same becomes due and payable and in such amount as provided for in the Budget and (ii) such payments shall not be applied to reduce the Professional Fee Carve-Out.

8. **Taxes and Insurance.** The Debtors shall: (a) continue to keep the Collateral fully insured against all loss, peril and hazard; and (b) pay any and all post-petition taxes, assessments and governmental charges with respect to such Collateral in accordance with the Budget.

9. **Lien Review.** The Debtors' admissions and releases contained in paragraph G herein above (i) shall be binding on the Debtors and the Debtors' estates and any subsequently appointed chapter 7 or chapter 11 trustee and (ii) shall be binding upon all other parties in interest, including the Creditors' Committee and any other official committee appointed in these Chapter 11 Cases unless (1) a party has properly filed an adversary proceeding by no later than the date that is seventy-five days from the date of the entry of the Interim Order (or, in the case of the Creditors' Committee, August 9, 2010) (the "Investigation Termination Date") challenging the validity, perfection, enforceability, and extent of the Indebtedness and Pre-Petition Liens and any potential claims of the Debtors or their estates against Senior Agent, Subordinated Agent and/or the Senior Lenders and/or Subordinated Lenders provided, however, that, in the event of a conversion to chapter 7 or the appointment of a chapter 11 trustee prior to the Investigation Termination Date, the Investigation Termination Date shall be extended until sixty (60) days following the appointment of a chapter 7 trustee or a chapter 11 trustee. Any such adversary proceeding must be made by a party in interest with standing and must be properly commenced on or before the Investigation Termination Date. The Creditors' Committee shall be deemed to have standing. If no such action is filed on or before the

Investigation Termination Date, all holders of claims and interests as well as other parties in interest will be forever barred from bringing or taking any such action, and the Debtors' admissions and releases made in paragraph G herein above will be binding on all parties in interest. The Creditors' Committee or any other Court-appointed professionals shall not be entitled to payment in excess of \$35,000 (aggregated among all such professionals) from Cash Collateral or the Carve-Out for professional fees and expenses incurred in connection with any review and investigation of the Indebtedness or the Pre-Petition Liens. All of the Agent's rights to (i) object to any professional fee applications, and (ii) seek disgorgement of any interim fees and expenses paid, are preserved in their entirety.

10. **Lien Contests.** No Court-appointed professional shall be entitled to payment of any fees or expenses from Cash Collateral or the Carve-Out for commencing or prosecuting any claim or action, the purpose of which is to seek or the result of which would be to obtain any order, judgment, determination, declaration or similar relief (x) invalidating, setting aside, avoiding or subordinating, in whole or in part, the liens and security interests of the Agent and the Senior Lenders and/or the Subordinated Lenders in the Collateral; or (y) preventing, hindering or otherwise delaying, whether directly or indirectly, the exercise by the Agent of any of its rights and remedies under this Final Order.

11. **Books and Records.** The Debtors are directed to keep their books and records of original entry, including without limitation, records of sale, credits authorized (whether or not credit memoranda have been issued), purchases, accounts receivable, cash receipts, and cash disbursements, current and updated, so that all business activity is posted to them in the ordinary course of the Debtors' business.

12. **Termination Date.** Each of the following shall constitute a termination event (each, a "Termination Event"):

- i. the effective date of any confirmed plan of reorganization in the Chapter 11 Cases;
- ii. the occurrence of any breach by the Debtors of the Final Order (including, but not limited to, the Debtors' failure to adhere to the Budget);
- iii. the dismissal of any of the Debtors' Chapter 11 Cases or the conversion of any such case to one under Chapter 7 of the Bankruptcy Code;
- iv. upon and following the entry of an order authorizing the appointment in any of the Debtors' Chapter 11 Cases of a trustee or an examiner with enlarged powers (beyond those set forth in § 1106(a)(3) and (4) of the Bankruptcy Code), relating to the operation of the business of the Debtors;
- v. the Final Order is stayed, reversed, vacated, amended or otherwise modified in any respect without the prior written consent of Agent;
- vi. the Court enters an order granting a party relief from the automatic stay with respect to any portion of the Collateral valued at more than \$100,000;
- vii. the Court enters an order or orders granting the sale – whether in a single transaction or multiple transactions – of all or substantially all of the assets of the Debtors, *and the sale proceeds;*
- viii. the filing by the Debtors of any plan seeking permission to sell assets of the Debtors' estates without providing the Lenders the ability to bid the full amount of their respective secured claims for any property subject to their liens or security interests (subject to the rights and priorities existing between the Lenders);
- ix. this or any other Court enters an order or judgment in any of the Debtors' Chapter 11 Cases (i) modifying, limiting, subordinating or avoiding the priority of any Indebtedness or the perfection, priority or validity of the Lenders' Pre-Petition Liens or Adequate Protection Liens; (ii) permitting financing under § 364 from any person or entity other than the Senior Lenders and Subordinated Lenders that involves liens that are senior to or *pari passu* with the Lenders' Pre-Petition Liens or Adequate Protection Liens; (iii) granting any lien that is senior to or *pari passu* with the Lenders' Pre-Petition Liens or Adequate Protection Liens; or (iv) imposing, surcharging or assessing against the Senior Agent and the Senior Lenders or the Subordinated Agent or Subordinated Lenders or any Collateral any fees, costs or expenses, whether pursuant to section 506(c) of the Bankruptcy Code or otherwise; or
- x. August 25, 2010.

13. **Rights Upon Occurrence of Termination Date.** Upon the occurrence of a Termination Event (the "Termination Date") and five (5) Business Days after Agent has

provided notice of same to counsel for the Debtors, the Creditors' Committee, and the Office of the United States Trustee, absent any further order of this Court entered during such five-day period, the Debtors' ability to use Cash Collateral will terminate and the Senior Agent's and Subordinated Agent's consent to the use of Cash Collateral will be deemed withdrawn. Upon the occurrence of a Termination Date, the parties' rights to seek a Court order lifting the automatic stay, providing adequate protection, allowing for the continued use of Cash Collateral or any other relief are preserved. The parties agree that the hearing on any motion filed by either the Debtors, the Agent or the Creditors' Committee following and arising from notice of a Termination Date (including, but not limited to, a motion to continue using Cash Collateral, a motion to lift the automatic stay or a motion to terminate exclusivity) may be expedited, and will, at the convenience of the Court, take place on the earliest to occur of (i) the next regularly scheduled pre-set hearing date in the Chapter 11 Cases; or (ii) such other date as the Court sets.

14. **Survival of Liens.** The liens, security interests, administrative priorities and other rights and remedies granted to the Senior Agent for the ratable benefit of the Senior Lenders and the Subordinated Agent for the ratable benefit of the Subordinated Lenders by the provisions of this Final Order shall continue beyond and survive the expiration of this Final Order, and, to the extent permitted by applicable law, shall not be modified, altered or impaired in any manner by (a) any other financing or extension of credit or incurrence of indebtedness by the Debtors under section 364 of the Bankruptcy Code or otherwise, (b) the entry of an order or orders confirming any plan of reorganization or liquidation in these Chapter 11 Cases, or (c) the entry of an order converting any of the Chapter 11 Cases to a case under Chapter 7 of the Bankruptcy Code, dismissing any of the Chapter 11 Cases or terminating any joint administration of the Chapter 11 Cases, without the express written consent of the Agent.

15. **No Waiver.** The failure of the Agent or the Lenders to seek relief or otherwise exercise their respective rights and remedies under the Senior Loan Documents, the Subordinated Note Documents, the Senior Guarantees, the Subordinated Guarantees, or this Final Order shall not constitute a waiver of any of their respective rights thereunder, hereunder, or otherwise.

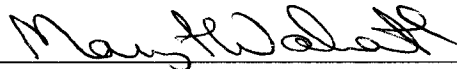
16. **Preservation of Rights to Credit Bid.** The Senior Agent, Senior Lenders, Subordinated Agent, and Subordinated Lenders, collectively and individually, shall have the right under § 363(k) to offset their bids against the full amount of their respective secured claims at any sale – whether under § 363, included as part of any restructuring plan subject to confirmation under § 1129(b)(2)(A)(iii), or otherwise – of property that is subject to their liens or security interests, subject to the various rights and priorities existing among the Lenders.

17. **No Liability.** No act committed or action taken by the Agent or the Lenders pursuant to this Final Order, including without limitation, approval of the Budget, or the collection of any indebtedness owed to the Agent or Lenders, or by virtue of the interests, rights, and remedies granted to or conferred upon the Agent and/or the Lenders under this Final Order, shall be used, construed, or deemed to hold the Agent or the Lenders to be in “control” of or participating in the governance, management, or operation of the Debtors for any purpose.

18. **Immediate Effect of Order.** Notwithstanding Bankruptcy Rule 7062, the terms and conditions of this Final Order shall: (a) be immediately enforceable pursuant to Bankruptcy Rule 8005; and (b) not be stayed absent: (i) an application by a party in interest for such stay in conformity with such Bankruptcy Rule 8005; and (ii) a hearing upon notice to the Debtors and the Agent.

19. **Retention of Jurisdiction.** The Court shall retain jurisdiction to hear and determine all matters arising from the implementation of this Final Order.

SIGNED this 27th day of May, 2010.



THE HONORABLE MARY F. WALRATH
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT A

	Actual					Projected											
	4/26/10	5/3/10	5/10/10	5/17/10	5/24/10	5/31/10	6/7/10	6/14/10	6/21/10	6/28/10	7/5/10	7/12/10	7/19/10	7/26/10			
Total product revenue	182,382	158,137	249,274	296,918	317,642	397,121	368,557	476,813	429,366	346,180	372,002	438,832	449,574	397,284			
Receipts from post-petition	(267,884)	(732,898)	(233,381)	(272,519)	(232,175)	(221,130)	(406,227)	(367,178)	(413,674)	(403,037)	(387,907)	(406,667)	(424,891)	(425,886)			
AR ending balance	1,505,795	931,034	946,927	808,840	777,183	835,327	797,657	907,292	922,983	866,126	850,221	882,386	907,069	878,467			
Other receipts	-	-	-	(103,916)	-	-	-	-	-	-	-	-	-	-			
Total purchases	200,000	181,109	193,129	260,376	432,107	457,338	318,050	234,156	390,834	328,783	209,163	271,823	331,676	301,271			
Seagrove disbursements	(30,943)	-	-	(150,278)	(161,309)	(162,986)	(214,576)	(106,894)	(194,430)	(109,395)	(137,377)	(147,067)	(147,067)	(147,067)			
Seagrove resin	-	(153,385)	(136,178)	(6,053)	(16,992)	(16,992)	(16,992)	(16,992)	(16,992)	(16,992)	(16,992)	(15,292)	(15,292)	(15,292)			
Seagrove packaging	-	(4,902)	(5,790)	(7,879)	(21,000)	(21,000)	(21,000)	(21,000)	(21,000)	(21,000)	(21,000)	(21,000)	(21,000)	(21,000)			
Seagrove freight	-	-	(3,342)	(17,928)	(26,635)	(17,928)	(18,148)	(16,242)	(16,242)	(16,242)	(2,512)	(10,500)	(1,833)	(3,728)			
Seagrove temp labor	-	-	-	-	(11,885)	(77,269)	(550)	(350)	(350)	(350)	(350)	(350)	(350)	(350)			
Seagrove maint & tooling	-	-	-	-	-	(3,184)	(1,872)	(1,692)	(1,872)	(1,692)	(1,692)	(1,872)	(1,692)	(1,692)			
Seagrove Office Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Seagrove Clean-room Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Seagrove Quiside Processes	-	-	-	(31,575)	(4,563)	(53,000)	-	(3,750)	(4,000)	(33,000)	-	(4,000)	-	(53,000)			
Seagrove utilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Tooling - Medrad	-	-	-	-	(73,806)	-	-	(6,000)	(32,100)	(21,400)	-	(5,000)	(10,000)	(5,000)			
Tooling - Bioform	(6,017)	-	-	(8,000)	(5,000)	(10,000)	(5,000)	(5,000)	(5,000)	(30,000)	(8,000)	(8,000)	(8,000)	(8,000)			
Corporate disbursements	(6,194)	-	(3,830)	(14,249)	(5,000)	(30,000)	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)			
General insurance premiums	(15,452)	(9,359)	(1,051)	(18,395)	(5,000)	(8,000)	(8,000)	(30,000)	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)	(8,000)			
Health claims	-	-	-	(30,000)	-	-	-	(8,000)	-	-	-	(12,500)	-	-			
CRO fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Board fees	(5,000)	(13,463)	(25,000)	-	(12,000)	(40,000)	(15,000)	-	(30,000)	(7,000)	-	(30,000)	(30,000)	(7,000)			
Bankruptcy fees	-	-	-	-	-	(50,000)	-	-	(50,000)	-	-	-	(50,000)	-			
Lender attorney fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Unsecured creditor committee	(2,682)	-	(3,964)	(3,298)	(25,000)	(5,000)	-	-	(25,000)	(25,000)	(5,000)	(5,000)	(5,000)	(5,000)			
Employee expenses and other	(66,288)	(181,612)	(197,093)	(263,674)	(437,107)	(462,338)	(323,050)	(239,156)	(395,834)	(333,783)	(214,163)	(276,823)	(336,676)	(306,776)			
Total disbursements	133,712	133,209	129,245	125,947	120,947	115,947	110,947	105,947	100,947	95,947	90,947	85,947	80,947	75,947			
AP ending balance	(89,390)	(16,855)	(85,450)	(7,163)	(76,758)	(85,450)	(76,758)	(85,450)	(76,758)	(85,450)	(85,450)	(76,758)	(85,450)	(76,758)			
U.S. hourly payroll	(78,659)	(16,855)	(86,758)	(7,163)	(76,758)	(85,450)	(76,758)	(85,450)	(76,758)	(85,450)	(85,450)	(76,758)	(85,450)	(76,758)			
U.S. salary payroll	(168,049)	(16,855)	(172,208)	(7,163)	(76,758)	(85,450)	(76,758)	(85,450)	(76,758)	(85,450)	(85,450)	(76,758)	(85,450)	(76,758)			
Non-AP disbursements	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
Cash inflows	267,884	732,898	233,381	536,921	349,299	338,977	406,227	367,178	413,674	403,037	387,907	406,667	424,891	425,886			
Cash outflows	(234,337)	(198,467)	(369,301)	(270,837)	(599,215)	(462,338)	(408,500)	(315,914)	(481,284)	(410,541)	(299,613)	(353,581)	(421,126)	(367,994)			
Net cash provided (used by)	33,547	534,431	(135,920)	266,084	(250,016)	(123,361)	(2,273)	51,264	(67,610)	(7,504)	88,294	53,086	2,764	42,857			
Book cash balance	180,301	714,732	578,812	844,896	594,880	471,519	469,246	520,510	452,900	445,396	533,689	586,775	589,540	622,027			
Add: Outstanding checks	98,402	65,607	70,299	146,141	174,843	184,935	129,220	95,662	158,334	133,513	85,665	110,729	134,670	122,508			
Bank cash balance	278,703	780,339	649,111	991,037	769,723	656,454	598,466	616,173	611,234	578,909	619,355	697,505	724,210	744,516			
Book cash balance - Court	164,103	844,566	828,193	767,434	742,945	822,639	830,031	872,944	886,759	731,782	752,510	804,381	827,940	805,295			
Over (Under)	16,198	(129,834)	(249,381)	77,462	(148,064)	(351,120)	(360,785)	(352,434)	(433,859)	(286,386)	(218,821)	(217,606)	(238,401)	(301,518)			
	9.0%	-18.2%	-31.1%	9.2%	-24.9%	-74.5%	-76.9%	-67.7%	-98.8%	-64.3%	-41.0%	-37.1%	-40.4%	-62.5%			

Over / Under Explanations:

Week of 5/3 - (\$129,834) - Medrad forecasted volume not achieved.

Week of 5/10 - (\$249,381) - Medrad post petition receivables not paid on 2 day terms. Paid during week of 5/17.

Week of 5/17 - \$77,462 - Additional tooling & maintenance deposits received for week of 5/24.

Note:

The fee and expenses of professionals retained by the Official Committee of unsecured creditors is capped at \$200,000 for the duration of the bankruptcy case.