

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF TENNESSEE
WESTERN DIVISION**

IN RE:)	
)	
GREYSTONE PHARMACEUTICAL, INC.)	
)	CASE NO. 09-32236
)	CHAPTER 11
DEBTOR.)	
)	

**SECOND AMENDED PLAN OF REORGANIZATION FILED BY FIRST TEXAS
MEDICAL PARTNERS, LLC**
(Dated: November 28, 2011)

FIRST TEXAS MEDICAL PARTNERS, LLC (“**First Texas**”) proposes the following Plan of Reorganization (the “**Plan**”) pursuant to the United States Bankruptcy Code (the “**Bankruptcy Code**”) for Debtor and its Estate.

**ARTICLE I.
DEFINITIONS**

Unless the context otherwise requires, the following terms shall have the following meanings when used in initially capitalized form in this Plan. Such meanings shall be equally applicable to both the singular and plural forms of such terms. Any term used in initially capitalized form in this Plan that is not defined herein, but that is defined in the Bankruptcy Code, shall have the meaning assigned to such term in the Bankruptcy Code.

1.1. Administrative Claim means an administrative expense Claim under §503(b) and §507(a)(2) of the Bankruptcy Code, including Fee Claims, whenever incurred and irrespective of whether any payment or other transfer of value has been made on behalf of such administrative expense Claim, and the fees payable to the United States Trustee under 28 U.S.C. §1930.

1.2. Allowed Amount means the amount in lawful currency of the United States of any Allowed Claim, or the number of shares representing any Allowed Interest.

1.3. Allowed Claim and Allowed Interest means, with reference to any Claim or Interest: (i) a Claim against or Interest in Debtor, proof of which, if required, was Filed on or before the Bar Date, which is not a Contested Claim or Contested Interest, (ii) if no proof of claim or interest was so Filed, a Claim against or Interest in Debtor that has been or hereafter is listed by Debtor in its Schedules as liquidated in amount and not disputed or contingent, or (iii) a Claim or Interest allowed hereunder or by Final Order. An Allowed Claim or Allowed Interest does not include any Claim or Interest or portion thereof which is a Disallowed Claim or Disallowed Interest or which has been subsequently withdrawn, disallowed, released or waived

by the holder thereof, by this Plan, or pursuant to a Final Order. Unless otherwise specifically provided in this Plan with respect to penalties assessed by the Internal Revenue Service, an Allowed Claim or Allowed Interest shall not include any amount for punitive damages or penalties.

1.4. Avoidance Actions means any claim or cause of action belonging to Debtor and arising under the Bankruptcy Code pursuant to §§544, 545, 547, 548 549, 550, 551 or 553.

1.5. Bankruptcy Code means Title 11 of the United States Code, as amended.

1.6. Bankruptcy Court means the United States Bankruptcy Court for the Western District of Tennessee.

1.7. Bar Date means the deadline by which a Claim must be timely Filed. The Bar Date was set for March 11, 2010 as to all prepetition Claims held by any creditors other than governmental units and May 3, 2010 for Claims of governmental units.

1.8. Causes of Action means all Claims or causes of action that belong to Debtor and/or that could have been brought by Debtor under state or federal law, including the Bankruptcy Code, but not including any actions released under the Plan. Such claims and causes of actions include, but are not limited to, any Claim or cause of action under a policy of insurance, claims, if any, against former officers and former directors of any of Debtor, Avoidance Actions under the Code, and any other causes of action belonging to the estate of Debtor.

1.9. Chapter 11 Case means the above entitled and numbered bankruptcy case Filed by Debtor pursuant to the provisions of Chapter 11 of the Bankruptcy Code.

1.10. Claim means: the definition set forth in §101(5) of the Bankruptcy Code, which provides that a claims is any (i) right of payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured; or (ii) a right to an equitable remedy for breach of performance if such breach gives rise to a right of payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured.

1.11. Claimant means a holder of a Claim.

1.12. Class means all of the holders of Claims against or Interests with respect to Debtor that have been designated as a class in Article III hereof.

1.13. Committee means the Official Unsecured Creditors' Committee.

1.14. Common Stock means all of the issued and outstanding shares of common stock of Debtor.

1.15. Confirmation means the entry by the Bankruptcy Court of the Confirmation Order.

1.16. Confirmation Date means the date of entry by the Bankruptcy Court of an order confirming the Plan.

1.17. Confirmation Hearing means the hearing or hearings to be held before the Bankruptcy Court in which the Plan Proponents shall seek Confirmation of this Plan.

1.18. Confirmation Order means the Order confirming this Plan, together with any supplements, amendments, or modifications thereto.

1.19. Consummation shall mean that substantially (i) all payments required to be made under the Plan on the Effective Date have been made, and (ii) all assets comprising the Transferred Assets shall have been transferred to First Texas.

1.20. Contested when used with respect to a Claim or Interest, means a Claim against or Interest in Debtor that is: (i) listed in Debtor's Schedules as disputed, contingent, or unliquidated and as to which a proof of claim has been timely Filed; (ii) listed in Debtor's Schedules as undisputed, liquidated, and not contingent and as to which a proof of Claim or Interest has been Filed with the Bankruptcy Court, to the extent the proof of Claim or Interest amount exceeds the amount provided for in Debtor's Schedules; or (iii) the subject of an objection which has been or may be timely Filed and which claim has not been allowed or disallowed by Final Order. To the extent an objection relates to the allowance of only a part of a Claim or Interest, such a Claim or Interest shall be a Contested Claim or Contested Interest only to the extent of the objection.

1.21. Cosmetic Products means those products subject to the Greystone Patents that are topically applied, sold over-the-counter and intended for use as cosmetic purposes, including wrinkle reduction.

1.22. Creditor means holder of a Claim as of the Petition Date.

1.23. Debtor means Greystone Pharmaceuticals, Inc., a Delaware corporation, Debtor in this Chapter 11 Case.

1.24. Deficiency Claims means an Allowed Claim of a Creditor, equal to the amount by which the aggregate Allowed Claims of such Creditor exceed the sum of (a) any set off rights of the Creditor permitted under §553 of the Code, plus (b) the Secured Claim of such Creditor; provided, however, that if the holder of a Secured Claim or the Class of which such Claim is a member makes the election provided in §1111(b)(2) of the Code, there shall be no Deficiency Claim in respect of such Claim.

1.25. Disallowed Claim or Disallowed Interest means a Claim against, or Interest in, Debtor, or any portion thereof, (i) that has been disallowed by Final Order, (ii) proof of which has not been filed or has been untimely Filed and as to which no Order of allowance has been entered by the Bankruptcy Court, or (iii) listed as disputed, contingent, or unliquidated and as to which no proof of claim or proof of interest has been timely Filed.

1.26. Disclosure Statement means the Disclosure Statement for this Plan, together with any supplements, amendments, or modifications thereto.

1.27. Effective Date means (i) the first business day of the first month after the Confirmation Order becomes a Final Order and is entered, provided all conditions to the effectiveness of the Plan as set forth in Article XIV have been satisfied or waived, or (ii) in the event the Confirmation Order is appealed or a motion to reconsider is filed, the thirtieth (30th) day after the entry of a Final Order denying the motion, dismissing such appeal or affirming the Bankruptcy Court's Confirmation Order; provided, however, that First Texas may accelerate the Effective Date by a writing duly executed by it and Filed with the Bankruptcy Court (the "Waiver"), and in the event that said condition is timely waived by First Texas, the Plan shall become effective on the date indicated in the Waiver, unless a stay of the Confirmation Order has been entered.

1.28. Estate means the bankruptcy estate of Debtor created by Section 541 of the Bankruptcy Code upon the commencement of the Chapter 11 Case.

1.29. Estimated Claim means any Contested Claim which is estimated in accordance with §502(c) of the Code. For purposes of voting, the estimated amount of such Contested Claim shall be deemed the Allowed Amount of such Claim.

1.30. Fee Claim means a Claim for fees and expense reimbursements under Sections 330 or 503(b) of the Bankruptcy Code.

1.31. Filed means filed with the Bankruptcy Court.

1.32. Final Order means: (i) an order of the Bankruptcy Court or any other court of competent jurisdiction as to which the time to appeal, petition for certiorari, or move for reargument or rehearing has expired and as to which no appeal, petition for certiorari, or other proceedings for reargument or rehearing, shall then be pending or, (ii) in the event that an appeal, writ of certiorari, reargument or rehearing thereof has been sought, such order of the Bankruptcy Court shall have been affirmed by the highest court to which such order may be appealed, or certiorari has been denied, and the time to take any further appeal, petition for certiorari or move for reargument or rehearing shall have expired; provided, however, that the Confirmation Order may be treated as a Final Order at the option of First Texas if no stay pending appeal has been obtained.

1.33. General Unsecured Claims means all Claims except for Administrative Claims, Priority Tax Claims, Secured Tax Claims, Class 1 Claims, Class 2 Claims, Class 3 Claims, Class 4 Claims and any Claims relating to Interests.

1.34. Greystone Patents means the patent rights identified on Exhibit A to the Plan. The term shall also mean and include the patent rights held by Debtor pursuant to its license agreements with Auxano Diagnostics, LLC and its affiliates.

1.35. Impaired shall have the meaning set forth in §1124 of the Bankruptcy Code.

1.36. Initial Administrative Claim Bar Date means the date set by the Bankruptcy Court as the deadline by which the holders of Administrative Claims arising prior to November 1, 2011 must file an application for payment of any unpaid Administrative Claims existing as of

November 1, 2011. The Initial Administrative Claim Bar Date has been set for December 6, 2011.

1.37. Insurance Companies means any company providing insurance coverage of any type to Debtor.

1.38. Interest means the equity interests in the Common Stock or any options, warrants or rights to purchase or acquire such stock or any other form of ownership interest that was held immediately prior to or on the Petition Date.

1.39. Legal Rate means, with respect to Claim, the interest rate accruing upon judgments as set forth in 28 U.S.C. § 1961.

1.40. Lender means BLN Capital Funding, LLC and Fifth Third Bank, in its capacity as a secured creditor of BLN Capital Funding, LLC.

1.41. License Fees means, to the extent First Texas sublicenses its rights to Greystone Patents, any license fees charged by First Texas shall be divided 25% to Debtor and 75% to First Texas, unless otherwise provided herein.

1.42. Lien means all valid and enforceable liens, security interests, claims and encumbrances against any property of Debtor's estate which are permitted by, or not avoided pursuant to, the Bankruptcy Code.

1.43. Liquidation Agent means the Person designated by the Committee to act as Debtor's agent to implement the post-Effective Date obligations of Debtor under the Plan.

1.44. Material Adverse Change means a change in the enterprise value, business operations or financial condition of Debtor that existed as of the Effective Date, which, in the sole judgment of First Texas's board of directors, materially and adversely diminishes the value of Debtor's assets or business prospects from their condition as of the date this Plan is initially Filed.

1.45. Net Cash Received means the cash actually received by First Texas or the Liquidation Agent after the Effective Date, whether by negotiation, litigation, settlement or otherwise, from a specified Cause of Action minus payment of fees, costs and expenses incurred in connection with such specified Cause of Action; Provided, however, that Debtor shall not be deemed to have any Net Cash Received unless the Liquidation Agent holds at least \$25,000 in cash after payment of (i) any and all compensation due to the Liquidation Agent, (ii) all professional fees due for services provided to the Liquidation Agents, (iii) all expenses incurred by the Liquidation Agent in connection with the Plan, (iv) all quarterly fees due to the United States Trustee program, and (v) any amounts due to First Texas.

1.46. Newly Developed Products means products for applications developed and marketed by First Texas after the Effective Date that utilize the Greystone Patents, but are currently not addressed by any existing Greystone product.

1.47. Order means an order or judgment of the Bankruptcy Court.

1.48. Person means an individual, corporation, limited liability company, entity, partnership, joint venture, trust, estate, unincorporated organization or governmental unit, or any agency or political subdivision of a governmental unit.

1.49. Petition Date means November 2, 2009.

1.50. PHI Over-the-Counter Products means those PHI Products subject to the Greystone Patents that may be sold over-the-counter.

1.51. PHI Products means those products subject to the Greystone Patents containing drugs that have been approved by, or are pending approval before, the Food and Drug Administration for approved uses, including diabetic skin ulcers, pressure ulcers (stages I to IV) stasis ulcers, skin irritations, cuts and post-sinus surgery.

1.52. Plan means this Plan of Reorganization, as it may be amended or modified from time to time as permitted herein or in accordance with Section 1127 of the Bankruptcy Code.

1.53. Plan Documents means this Plan, the Disclosure Statement, and any and all other documents necessary to effectuate this Plan, and all exhibits and attachments to any of the foregoing.

1.54. Priority Claim means all Claims entitled to priority under Section 507(a)(2)-(a)(7) and (a)(9) of the Bankruptcy Code.

1.55. Priority Tax Claim means all Claims for Taxes entitled to priority under section 507(a)(8) of the Bankruptcy Code, and shall include all Tax Claims secured by assets of the Estates.

1.56. Pro Rata means in the same proportion that the amount of an Allowed Claim or Allowed Interest in any Class of Claims or Class of Interests bears to the aggregate amount of all Claims or Interests in such Class, including in such aggregate amount both the Allowed Claims or Allowed Interests and any then unresolved Disputed Claims or Disputed Interests which may apply to that Class of Claims or Interests as of the date of any distribution payment made pursuant to this Plan.

1.57. Record Holder means an equity security holder or creditor whose claim is based on a security of record and who is the holder of record of the security on the date the order approving the disclosure statement is entered or on another date fixed by the Bankruptcy Court, for cause, after notice and a hearing.

1.58. Retained Assets means all Causes of Action (other than the 3M Claims) and any property of the Estate of Debtor that First Texas chooses not to obtain on the Effective Date. Within ninety (90) days after the Effective Date, First Texas shall provide to the Trustee a list of the Retained Assets.

1.59. Royalty Payments means those payments to be made post Effective Date based on actual receipts from sales of products covered by the Greystone Patents and shall be calculated as follows:

12% on sales of PHI Products

8% on sales of Cosmetic Products

6% on sales of PHI Over-the Counter

6% on sales of Veterinary Products

12% total payment for diagnostic reduced by both advance royalties to be paid to Auxano under the Plan as well as all future royalties due to Auxano with a 6% minimum to be paid to Greystone.

Administrative claim payments and any I.R.S. claim payments funded by First Texas will offset against royalty payment obligations.

One year after the expiration date of each Greystone Patent, First Texas shall have no further obligation to make any payments with respect to sales of the product or products covered by the expired patent, provided however, that if a generic competitor of any product covered by the expired patent becomes available in the market, First Texas's obligation to make any payments with respect to sale of the product formerly subject to the patent shall immediately cease. For each of the Newly Developed Products covered by the Greystone Patents, First Texas shall pay one-third of the amounts set forth above.

1.60. Schedules means those schedules and statements of financial affairs Filed by Debtor under Federal Rule of Bankruptcy Procedure 1007, as same may be amended from time to time.

1.61. Secured means an Allowed Claim that is secured by a lien on or security interest in property in which the Estate has an interest, or that is subject to setoff under Section 553 of the Bankruptcy Code, to the extent of the value of a Claimant's interest in the Estate's interest in such property, or to the extent of the amount subject to setoff, as the case may be.

1.62. Taxes means and includes all federal state, county and local income, ad valorem, excise, stamp and other taxes of any type or nature whatsoever.

1.63. Tax Claims mean any and all Secured or Priority Claims of any Entity for the payment of any Taxes (a) accorded a priority pursuant to §507(a)(8) of the Code or (b) secured by valid Liens on assets of any Debtor existing on the Confirmation Date. Additionally, all Liens securing Tax Claims shall be deemed and legally treated as released, voided and discharged on the Confirmation Date.

1.64. 3M Claims means any and all Causes of Action, contract rights and claims that Debtor has or may have against 3M Corporation or any of its affiliates that ever dealt with Debtor or that ever sold any product subject to any patent right held by Debtor.

1.65. Transferred Assets means any and all assets of Debtor, both tangible and intangible, including without limitation the 3M Claims, except for the Retained Assets.

1.66. Unsecured Claim means any Claim that is not an Administrative Claim, a Priority Claim, a Priority Tax Claim, or a Secured Claim, including but not limited to: (a) Claims under executory contracts and unexpired leases that have heretofore been rejected, that are rejected under this Plan or that may be rejected prior to the Confirmation Date (but not

including administrative expenses arising from an executory contract or unexpired lease which has heretofore been rejected); (b) Claims for unpaid wages or benefits (including claims for vacation, sick and holiday pay) to the extent not entitled to be Priority Claims as provided herein; (c) amounts owed to taxing authorities that are not Tax Claims and (d) any other obligations, liabilities, damages or any other Claim held against Debtor of every type and nature whatsoever incurred on or before the Petition Date.

1.67. Veterinary Products means those PHI Products subject to the Greystone Patents that may be sold for veterinary use.

ARTICLE II. TREATMENT OF NON-CLASSIFIED CLAIMS

Administrative Claims and Priority Tax Claims are not classified under section 1123(a)(1) of the Code for purposes of voting or receiving distributions under the Plan.

2.1. Administrative Claims.

(a) **General Allowed Administrative Claims.** Each holder of an Administrative Claim, except for the Administrative Claim of Lender (Class 2) and except as otherwise set forth in sections (b), (c), and (d) of this section 2.1 of the Plan shall receive either: (i) with respect to Administrative Claims which are Allowed Claims on the Effective Date, the amount of such holder's Allowed Claim in cash on the Effective Date or as soon thereafter as is practicable; (ii) with respect to Administrative Claims which become Allowed Claims after the Effective Date, the amount of such holder's Allowed Claim in one cash payment as soon as practicable after such claim becomes an Allowed Administrative Claim; or (iii) such other less favorable treatment agreed upon by First Texas and such holder. Any person or Entity that asserts an Administrative Claim arising after November 1, 2011 that is not paid on the Effective Date shall be required to file with the Bankruptcy Court an application for payment of such asserted Administrative Claim and to serve notice thereof on all parties entitled to such notice. Any such applications must be filed within sixty (60) days from the Effective Date. The failure to file timely the application as required under this section of the Plan shall result in the Claim being forever barred and discharged. An Administrative Claim with respect to which an application has been properly Filed pursuant to this section of the Plan and to which no objection has been filed or an objection has been filed but overruled by the Bankruptcy Court, shall become an Allowed Administrative Claim to the extent such claim is allowed by Final Order.

(b) **Fee Claims of Professionals.** Each professional person whose retention with respect to this Chapter 11 Case has been approved by the Bankruptcy Court or who holds, or asserts, an Administrative Claim that is a Fee Claim shall be required to file with the Bankruptcy Court a preliminary fee application on or before the Initial Administrative Claim Bar date. Each such professional shall also be required to file a final fee application within sixty (60) days after the Effective Date and to serve notice thereof on all parties entitled to such notice pursuant to applicable Bankruptcy Rules and in accordance with any orders entered in these cases regarding the compensation of professionals. Payments of Bankruptcy Court-approved compensation shall be made promptly after the order approving such compensation becomes a

Final Order. Neither First Texas nor Debtor will have any obligation for any Fee Claim that is disallowed or not approved by the Bankruptcy Court.

(c) **Administrative Tax Claims.** Each holder of an Administrative Claim for Taxes for which Debtor is responsible and any other Taxes of Debtor payable pursuant to Section 507(a)(1) of the Bankruptcy Code shall be paid the Allowed Amount of such holder's Claim in cash, in full, on the latest of: (i) the Effective Date, (ii) if Contested or unknown to the applicable Debtor, the date such Claim is Allowed by Final Order, or (iii) the date such payment is due under applicable law. Any person or Entity that asserts an Administrative Claim for Taxes arising after November 1, 2011 that is not paid on the Effective Date shall be required to file with the Bankruptcy Court an application for payment of such asserted Administrative Claim and to serve notice thereof on all parties entitled to such notice. Any such claims must be filed within sixty (60) days from the Effective Date. The failure to file timely the application as required under this section of the Plan shall result in the Claim being forever barred and discharged. An Administrative Claim for Taxes with respect to which an application has been properly Filed pursuant to this section and to which no objection has been filed or an objection has been filed but overruled by the Bankruptcy Court, shall become an Allowed Administrative Claim to the extent such claim is allowed by Final Order. .

(d) **Payment of Fees to U.S. Trustee.** All fees payable under 28 U.S.C. § 1930 shall be paid in cash in full when due by Debtor.

2.2. Priority Tax Claims. Each Allowed Secured or Priority Tax Claim shall be paid the Allowed Amount of such Claim in cash, in full, in accordance with the provisions of section 1129(a) of the Code. If any Allowed Tax Claim is not paid in cash in full on the latest of (i) the Effective Date; (ii) the date a Contested Tax Claim is allowed in whole or in part by Final Order, or (iii) the date such payment is due under applicable law, then the unpaid portion of such Allowed Tax Claims shall bear interest from the Effective Date until the date of payment at the Legal Rate or at the Rate set forth in 26 U.S.C. § 6621 if applicable; provided, however, that at First Texas's election Allowed Priority Tax Claims may be paid in equal quarterly installments over a period ending not later than five years after Petition Date. Each Contested Priority Tax Claim shall become an Allowed Priority Tax Claim only upon entry of, and only to the extent such claim is allowed by, a Final Order. Additionally, First Texas may in its sole discretion choose to prepay Allowed Priority Tax Claims, in full or in part with penalty. All payments made to the United States Department of Treasury/Internal Revenue Service shall be first applied to those portions of the unpaid taxes withheld from the salary of Debtor's employees.

ARTICLE III. DESIGNATION OF CLASSES OF CLAIMS AND INTERESTS

Pursuant to Section 1123 of the Bankruptcy Code, the Plan creates the following Classes of Claims and Interests.

3.1. Class 1 -- Priority Claims Other Than Priority Tax Claims. Class 1 consists of all Allowed Priority Claims against Debtor, excluding any such Claims that were paid prior to the Effective Date. This Class is impaired under the Plan.

3.2. Class 2 -- Secured and Administrative Claims of Lender. This Class consists of the prepetition Secured Claim, post-petition Secured Claim and Administrative Claim of the Lender, all of which Secured and Administrative Claims are hereby deemed irrevocably Allowed for all purposes under the Plan. Fifth Third asserts a Secured Claim in the amount of \$1,675,516.00. First Texas maintains that the balance of this Secured Claim is subject to review. Lender holds a Lien on substantially all of Debtor's assets to secure its Allowed Claim hereunder. This class of claims is impaired under the Plan.

3.3. Class 3 -- Other Secured Claims. This Class consists of separate subclasses for any Allowed Secured Claims against Debtor, other than the Class 2 Secured Claim and other than the Class 4 Junior Secured Creditors. This Class is impaired under the Plan.

3.4. Class 4 -- Claims of Junior Secured Creditors. This Class consists of all Allowed Claims of the forty-one Persons (excluding Lender) identified on Debtor's Amended Schedule D listing of Secured Claims Filed with the Bankruptcy Court on November 30, 2009. This Class is impaired under the Plan.

3.5. Class 5 -- General Unsecured Claims. This Class consists of all Allowed Unsecured Claims against Debtor. This class of claims is impaired under the Plan.

3.6. Class 6 -- Record Holders of Interests. This Class consists of the Record Holders of Interests in Debtor and any other Persons claiming an ownership interest in or right to an ownership interest in Debtor. This class is impaired under the Plan.

ARTICLE IV. PROVISIONS FOR SATISFACTION OF CLASSIFIED CLAIMS AND INTERESTS

The treatment of and consideration to be received by holders of Allowed Claims pursuant to the Plan shall be in full settlement, release and discharge of their respective Claims against Debtor and its assets and any associated lien or encumbrance. The treatment of Classified Claims pursuant to the Plan is detailed below:

4.1. Class 1 -- Priority Claims Other Than Priority Tax Claims. All Allowed Priority Claims in Class 1 shall be Paid in Full in Cash by no later than six months after the Effective Date. Notwithstanding anything herein to the contrary, the term Paid in Full shall include interest from the Effective Date at the Legal Rate with respect to Allowed Priority Claims not paid on the Effective Date or upon entry of a Final Order allowing such claims. If this Class of Claims does not vote to accept the Plan, then Allowed Priority Claims in Class 1 shall be paid on the Effective Date or, if Disputed on the Effective Date, upon entry of a Final Order allowing such claims.

4.2. Class 2 -- Secured and Administrative Claims of Lender. The Class 2 Claim of the Lender, which is an Allowed Claim pursuant to Section 3.2 of the Plan, shall be satisfied by the payment to Fifth Third Bank of 100% of its Allowed Claim on the Effective Date.

4.3. Class 3 -- Other Secured Claims. Except to the extent that a Class 3 Claimant may otherwise agree, each holder of an Allowed Secured Class 3 Claim shall be fully satisfied, at First Texas's option, by one of the following:

(a) **Note Option:** Each holder of a Class 3 Claim shall retain all liens securing such Claim until such Claim is fully paid or until such holder otherwise agrees. The terms and provisions relating to such liens shall be set forth in appropriate documents agreed to between the parties, or, in the event of disagreement, as directed by the Bankruptcy Court. First Texas shall execute a note payable to the Class 3 Claimant and deliver it to the holder of such Claim, along with an appropriate mortgage and/or security agreement, no later than the tenth (10th) Business Day after the later of the Effective Date or the date that such Claim becomes an Allowed Claim. The initial principal amount of each Class 3 Claim shall be equal to the lesser of (i) the amount which the Bankruptcy Court shall determine is equal to the value of the assets securing such Claim or (ii) the amount of the Class 3 Claim. Any such note will be paid over a period of five years after the Effective Date in equal monthly installments of principal and interest at a rate of 4.25% per annum. To the extent that any Creditor has a Deficiency Claim in addition to its Class 3 Claim, the Deficiency Claim shall be treated under this Plan as an Unsecured Class 5 Claim.

(b) **Unimpairment Option:** At the option of both First Texas, any Class 3 Claim may be deemed unimpaired. If such election is to be made, it must be made on or before the Effective Date. Any arrearage or other amounts owed as of the Effective Date (and any other payments which may at such date be required to make each such Claim unimpaired) shall be paid in cash, in full, on or before the forty-fifth (45th) Business Day after the Effective Date or as shall otherwise be agreed to in writing by the holder of such Claim, and all other defaults with respect to such Claim required to be cured by section 1124(2) of the Bankruptcy Code shall be cured on or prior to the forty-fifth (45th) Business Day after the Effective Date as shall be agreed to in writing by the holder of such Claim, and from and after the date of such cure any previously accelerated indebtedness shall be reinstated and any default rate of interest shall no longer apply, but shall be deemed waived (not forgiven). Each Class 3 claimant whose claim is unimpaired pursuant to the terms hereof shall retain such lien as such Creditor held prior to the Petition Date. After the reinstatement of its Class 3 Claim, each Class 3 Creditor will receive payments in accordance with the instruments governing such Claim or as such Creditor may otherwise in writing agree. Furthermore, after such unimpairment, each Class 3 Creditor will be entitled to exercise all rights, privileges, and remedies available to it under the instruments governing its Class 3 Claim in accordance with the terms for such instruments, without need for any application to or order of the Bankruptcy Court.

(c) **Cash Option:** First Texas may also elect, at any time on or before the Effective Date, to Pay in Full a Class 3 Secured Claim in Cash on or promptly after the Effective Date.

(d) **Abandonment Option:** First Texas may also elect, at any time on or before the Effective Date, to fully satisfy a Class 3 Claim by abandoning the collateral securing such Claim to the holder of such Claim. To the extent that any Creditor has a Deficiency Claim in addition to its rights in the abandoned collateral, the Deficiency Claim shall be treated under this Plan as an Unsecured Class 5 Claim.

(e) **Release of Lien:** Upon the satisfaction of any Class 3 Secured Claim pursuant to any of the methods provided for in this Plan other than by abandonment, the holder of such Class 3 Secured Claim shall execute all instruments and documents necessary to release its Lien securing such Claim or note.

4.4. Class 4 -- Claims of Junior Secured Creditors. The Class 4 Claims will be satisfied through Royalty Payments, License Fees, and a percentage of Net Cash Received from (i) the 3M Claims and (ii) any other Causes of Action set forth in this section 4.4 (collectively, the "Class 4 Recovery Sources"). Class 4 Claimants will be entitled to receive seventy-five percent (75%) of the Royalty Payments until the holders of Allowed Class 4 Claims have been paid the principal amount of their Allowed Class 4 Claim, without interest. In addition to the foregoing, Class 4 claimants shall receive forty-five percent (45%) of the Net Cash Received from the 3M Claims as detailed in Exhibit B, and seventy-five percent (75%) of the Net Cash Received by Debtor from any other Causes of Action pursued by the Liquidation Agent. First Texas's obligations to the holders of Class 4 Claims shall end upon the earlier of the payment of one hundred percent of the Allowed Claims in this Class, without interest, or the date that is one year after the expiration of all of the Greystone Patents. Moreover, notwithstanding anything herein to the contrary, the holders of Allowed Class 4 Claims shall not, under any circumstance, be entitled to receive more than one hundred percent of their Allowed Claims in total from the Class 4 Recovery Sources, without interest, and once Class 4 claimants have been paid this amount, all obligations of First Texas to the holders of Class 4 Claims shall automatically terminate.

All payments due to the holders of Class 4 Claims shall be made semi-annually on a Pro Rata basis in July and January for the six-month periods ended in June and December, respectively. Notwithstanding the foregoing, First Texas shall have no obligation to make any Pro Rata payment to a holder of an Allowed Class 4 Claim unless such holder is owed an unpaid aggregate amount in excess of Fifty Dollars (\$50.00). Any person or Entity having a Contested Class 4 Claim shall be entitled to payment only after that Claim becomes an Allowed Claim pursuant to a Final Order. Upon entry of a Final Order creating an Allowed Claim from a Contested Claim, the holder of the Allowed Claim shall be paid promptly.

The Liquidation Agent shall have the sole right to request from First Texas information and documentation reasonably required to verify that all Royalty Payments due and License Fees due have been made. First Texas shall provide to the Liquidation Agent reports reflecting the Net Cash Received from the sale of products subject to the Greystone Patents within thirty (30) days after the end of each quarter. If a dispute arises regarding this issue, then First Texas and the Liquidation Agent shall mediate the dispute through the use of a mutually agreeable mediator. If mediation fails, solely the Liquidation Agent shall have the right to pursue any legal action required to enforce the payment obligations to Class 4 claimants under this Plan. In the event First Texas prevails in any such litigation, then First Texas shall be entitled to recover its reasonable legal fees in the defense of the action from future Royalty Payments prior to making any additional Royalty Payments to the holders of Allowed Class 4 Claims. In the event First Texas desires to sell all or substantially all of its assets to an entity that has working capital in excess of \$2,000,000, then First Texas may assign to such purchaser its obligations to the holders of Class 4 Claims under this Plan. Alternatively, in the event First Texas desires to sell all or substantially all of its assets, First Texas may satisfy in full its obligations to the holders of

Allowed Class 4 Claims by distributing the Net Sales Amount, on a Pro Rata basis with the holders of Class 4 Claims and Class 5 Claims combined, to each such holder a lump sum payment based on the present value of the unpaid amount of each holder's Allowed Class 4 or 5 Claim, without interest. The present value shall be calculated by assuming that the amount due would be paid in equal annual payments through the date that is one year after the date on which the last Greystone Patent will expire and by applying a six percent (6%) discount factor. Once holders of Allowed Class 4 and 5 Claims receive one hundred percent (100%) of the Allowed Claim, without interest, any balance of the Net Sales Amount shall be retained by First Texas. Notwithstanding the foregoing, any sale of all or substantially all of First Texas's assets must be to an entity that is not affiliated in any way with either First Texas. Furthermore, should First Texas or an affiliate of either reacquire within two (2) years of such sale a material portion of the assets included in the sale, then the obligations to Class 4 Creditors under this Plan shall be automatically reinstated.

4.5. Class 5 -- General Unsecured Claims. The Class 5 Claims will be satisfied through Royalty Payments, License Fees, and a percentage of Net Cash Received from (i) the 3M Claims and (ii) any other Causes of Action set forth in this section 4.5 (collectively, the "Class 5 Recovery Sources"). Class 5 claimants will be entitled to receive twenty-five percent (25%) of the Royalty Payments the holders of until Allowed Class 4 Claims have been paid the principal amount of their Allowed Class 4 Claims, without interest as illustrated in Exhibit B. After Class 4 claimants have been paid the principal amount of their Allowed Class 4 Claims, without interest, the holders of Allowed Class 5 Claims will be entitled to receive one hundred percent (100%) of the Royalty Payments. In addition to the foregoing, until such time as Allowed Class 4 Claims have been paid one hundred percent of their claims, without interest, Class 5 claimants shall receive fifteen percent (15%) of the Net Cash Received from the 3M Claims, and twenty-five percent (25%) of the Net Cash Received from any other Causes of Action pursued by the Liquidation Agent. Once the holders of Class 4 Claims have been paid one hundred percent of their claims, without interest, Class 5 claimants shall be paid sixty percent (60%) of the Net Cash Received from the 3M Claims, and one hundred percent (100%) of the Net Cash Received from any other Causes of Action pursued by the Liquidation Agent. First Texas's obligations to the holders of Class 5 Claims shall end upon the earlier of the payment of one hundred percent of the Allowed Claims in this Class, without interest, or the date that is one year after the expiration of all of the Greystone Patents. Moreover, notwithstanding anything herein to the contrary, the holders of Allowed Class 5 Claims shall not, under any circumstance, be entitled to receive more than one hundred percent of their Allowed Claims in total from the Class 5 Recovery Sources, without interest, and once Class 5 claimants have been paid this amount, all obligations of First Texas to the holders of Class 5 Claims shall terminate.

All payments due to the holders of Class 5 Claims shall be made semi-annually on a Pro Rata basis in July and January for the six-month periods ended in June and December, respectively. Notwithstanding the foregoing, First Texas shall have no obligation to make any Pro Rata payment to a holder of an Allowed Class 5 Claim unless such holder is owed an unpaid aggregate amount in excess of Fifty Dollars (\$50.00). Any Person having a Contested Class 5 Claim shall be entitled to payment only after that Claim becomes an Allowed Claim pursuant to a Final Order. Upon entry of a Final Order creating an Allowed Claim from a Contested Claim, the holder of the Allowed Claim shall be paid promptly.

The Liquidation Agent shall have the sole right to request from First Texas information and documentation reasonably required to verify that all Royalty Payments due and License Fees due have been made. First Texas shall provide to the Liquidation Agent reports reflecting the Net Cash Received from the sale of products subject to the Greystone Patents within thirty (30) days after the end of each quarter. If a dispute arises regarding this issue, then First Texas and the Liquidation Agent shall mediate the dispute through the use of a mutually agreeable mediator. If mediation fails, solely the Liquidation Agent shall have the right to pursue any legal action required to enforce the payment obligations to Class 5 claimants under this Plan. In the event First Texas prevails in any such litigation, then First Texas shall be entitled to recover its reasonable legal fees in the defense of the action from future Royalty Payments prior to making any additional Royalty Payments to the holders of Allowed Class 5 Claims. In the event First Texas desires to sell all or substantially all of its assets to an entity that has working capital in excess of \$2,000,000, then First Texas may assign to such purchaser its obligations to the holders of Class 5 Claims under this Plan. Alternatively, in the event First Texas desires to sell all or substantially all of its assets, First Texas may satisfy in full its obligations to the holders of Allowed Class 5 Claims by distributing the Net Sales Amount, on a Pro Rata basis with the holders of Class 4 Claims and Class 5 Claims combined, to each such holder through a lump sum payment based on the present value of the unpaid amount of each holder's Allowed Class 5 Claim, without interest. The present value shall be calculated by assuming that the amount due would be paid in equal annual payments through the date that is one year after the date on which the last Greystone Patent will expire and by applying a six percent (6%) discount factor. Once holders of Allowed Class 4 and 5 Claims receive one hundred percent (100%) of the Allowed Claim, without interest, any balance of the Net Sales Amount shall be retained by First Texas. Notwithstanding the foregoing, any sale of all or substantially all of First Texas's assets must be to an entity that is not affiliated in any way with either First Texas. Furthermore, should First Texas or an affiliate of either reacquire within two (2) years of such sale a material portion of the assets included in the sale, then the obligations to Class 5 Creditors under this Plan shall be automatically reinstated.

Class 6 -- Equity Holders. After all Debt Holders (Classes 1 to 5) are paid in full, all Royalty Payments shall be paid to the Holders of Interests in Debtor until all Debtor's patents have expired. All payments due to the holders of Class 6 Claims shall be made semi-annually on a Pro Rata basis in July and January for the six-month periods ended in June and December, respectively. Notwithstanding the foregoing, First Texas shall have no obligation to make any Pro Rata payment to a holder of an Allowed Class 6 Claim unless such holder is owed an unpaid aggregate amount in excess of Fifty Dollars (\$50.00).

The Liquidation Agent shall have the sole right to request from First Texas information and documentation reasonably required to verify that all Royalty Payments due have been made. First Texas shall provide to the Liquidation Agent reports reflecting the Net Cash Received from the sale of products subject to the Greystone Patents within thirty (30) days after the end of each quarter. If a dispute arises regarding this issue, then First Texas and the Liquidation Agent shall mediate the dispute through the use of a mutually agreeable mediator. If mediation fails, solely the Liquidation Agent shall have the right to pursue any legal action required to enforce the payment obligations to Class 6 claimants under this Plan. In the event First Texas prevails in any such litigation, then First Texas shall be entitled to recover its reasonable legal fees in the

defense of the action from future Royalty Payments prior to making any additional Royalty Payments to the holders of Allowed Class 6 Claims.

ARTICLE V. VOTING ON THE PLAN

5.1. Voting Classes: Classes 1, 2, 3, 4, 5 and 6 are entitled to vote on the Plan.

5.2. Requirements for Acceptance: With respect to any Class of Claims which is impaired and entitled to vote, such Class of Claims shall have accepted the Plan if it is accepted by at least two thirds (2/3) in amount and more than one half (1/2) in number of the Allowed Claims of such Class (excluding Insiders) that vote on the Plan. **Confirmation Under Bankruptcy Code Section 1129(b):** If any impaired Class of Claims shall fail to accept the Plan in accordance with Bankruptcy Code section 1129(a), First Texas expects to request that the Bankruptcy Court confirm the Plan in accordance with Bankruptcy Code section 1129(b).

5.4. Counting Votes: With respect to any ballot that does not clearly designate the Class to which it relates, First Texas shall have the right to make that determination, after consultation with the Trustee and the Committee, based on its knowledge of the Claim and Debtor's business. Any such good faith decision by First Texas shall be final and binding. Any ballots that are signed and returned, but not expressly voted either for acceptance or rejection of the Plan shall be counted as ballots for the acceptance of the Plan unless the Bankruptcy Court rules otherwise.

5.5. Voting Confirmation Requirement: In order to confirm this Plan, in addition to meeting the other requirements of section 1129 of the Code, at least one impaired Class of creditors must vote in favor of the Plan.

ARTICLE VI. MEANS OF EXECUTION

Provided that 100% of the Allowed Claim of Fifth Third Bank on the Class 2 Claim has been Paid in Full, the Transferred Assets of Debtor shall be transferred to First Texas on the Effective Date free and clear of any and all liens, security interests, and adverse claims of any nature whatsoever. First Texas shall have the unrestricted right to assign the Transferred Assets without altering the Debtor's right to payment. First Texas shall have the right to designate at any time assets to be excluded from the Transferred Assets. The Retained Assets shall continue to be assets of Debtor to be administered by the Liquidation Agent in accordance with the terms of this Plan.

First Texas will provide financing in an amount of approximately \$5,000,000, which will be used to implement the Plan and for working capital. First Texas has acquired a funding agreement in the amount of approximately \$5,000,000, which will be used to implement the Plan. First Texas intends to obtain the funding from MSB Fairway Capital Partners ("MSB"). Information about MSB is available from its website at www.msbfairway.com. The initial draw on this line of credit for payments due on Effective Date, other expenses (fees of legal counsel for First Texas) and for working capital is expected to be not less than \$2,500,000.

After approval of the First Texas Disclosure Statement, First Texas will establish a \$300,000 security deposit. The deposit will be established within a reasonable period of time, but no later than the date of the Confirmation Hearing. If the First Texas Plan is confirmed, and First Texas does not have the funding to meet the obligations required as of the Effective Date of the Plan, then the security deposit will be forfeited to the Debtor. If confirmation of the First Texas Plan is denied, then the security deposit shall be released back to First Texas. Until the security deposit is established, First Texas' Administrative Claim for DIP financing of approximately \$325,000 shall serve as the security deposit.

On or prior to the Confirmation Date, the Committee, after consultation with First Texas, shall select a "Liquidation Agent" and file a notice with the Bankruptcy Court identifying the Liquidation Agent to act as Debtor's agent to implement the post Effective Date obligations under the Plan. That selection, as well as the terms and condition of appointment, shall be subject to the consent of First Texas, such consent not to be unreasonably withheld. On the Effective Date, to the extent that Debtor does not have cash totaling at least \$25,000, First Texas shall pay to Debtor the amount required to bring Debtor's cash up to \$25,000. This sum shall be used by the Liquidation Agent to perform his obligations under the Plan. Once the Debtor has cash totaling \$50,000.00 or more, the Liquidation Agent shall return to First Texas the amounts advanced to Debtor on the Effective Date. The Liquidation Agent shall pursue all Causes of Action (other than the 3M Claims) and shall have responsibility to liquidate any other Retained Assets and to take any action related to the payments due from First Texas under the Plan. Any Net Cash Received by the Liquidation Agent arising from the pursuit of Causes of Action shall be paid to First Texas for distribution in accordance with the terms of this Plan. The Liquidation Agent shall also be responsible for taking any and all actions remaining related to the administration of Debtor's Bankruptcy Case, including without limitation disposing of all Retained Assets and closing Debtor's Bankruptcy Case.

ARTICLE VII. EXECUTORY CONTRACTS

7.1. Executory Contracts and Leases: Except with respect to the agreements identified in section 7.2 below, unexpired leases rejected as a matter of law pursuant to § 365(d)(4) of the Bankruptcy Code, and executory contracts and unexpired leases previously assumed or rejected and approved by the Bankruptcy Court, all other executory contracts and unexpired leases entered into prior to the Petition Date which are not expressly assumed by Debtor pursuant to a Motion filed on or before the Confirmation Date, shall be deemed to have been rejected under § 365(a) as of the earlier of (i) the effective date of rejection provided by an order of the Bankruptcy Court approving the rejection of the contract or lease, or (ii) the Confirmation Date.

Debtor may file any time prior to the entry of the Confirmation Order a motion to assume, assume and assign or reject any executory contract. Any executory contract or unexpired lease not expressly assumed herein or by separate order of the Bankruptcy Court shall be deemed rejected upon entry of the Confirmation Order, unless a motion to assume that specific contract is pending as of that date. Any claim arising as a result of rejection of an executory contract by virtue of the Confirmation Order shall be filed on or before thirty (30) days from the date the Confirmation Order is entered on the Bankruptcy Court's docket and will be treated as an Unsecured Claim in Class 5. Any rejection damages claim not timely filed shall be

deemed waived and disallowed without further action by Debtor or First Texas.

7.2. Assignment of Debtor's Contractual Rights with Auxano and Others: The entry of a Final Order providing for the assignment to First Texas of Debtor's existing contractual relationship with Auxano Diagnostics, LLC and its affiliates pursuant to Section 365 of the Bankruptcy Code is a condition precedent to the Effective Date. Debtor shall timely file a motion requesting this assignment to be scheduled for hearing simultaneously with the Confirmation Hearing. To the extent that Debtor is the holder of other licenses related to products developed or in development, First Texas reserves the right to require the entry of Final Orders providing for the assumption and assignment to First Texas of these contracts prior to the Effective Date. With respect to each executory contract related to any of the Greystone Patents, other than those with Auxano Diagnostics, LLC and its affiliates, each such contract shall automatically be assumed and assigned to First Texas on the Effective Date, and no cure payment shall be required with respect any such contract unless any party holding such an executory contract files timely an objection to Confirmation of the Plan indicating the nature and amount of the alleged default by no later than ten (10) days prior to the date scheduled for the Confirmation Hearing on this Plan.

ARTICLE VIII. RETENTION AND PURSUIT OF CAUSES OF ACTION

8.1. Causes of Action: Debtor (and First Texas with respect to the 3M Claims, which shall be automatically transferred and assigned to First Texas pursuant to the terms of this Plan) retain and reserve all Causes of Action, which include Avoidance Actions, for pursuit, settlement or abandonment by Debtor post-confirmation and after the Effective Date. The Liquidation Agent will be solely responsible for evaluating, funding and pursuing any or none of the Causes of Action (other than the 3M Claims) based on his reasonable business judgment for the benefit of the Reorganized Debtor. The Liquidation Agent shall have the widest possible latitude in deciding whether or not to pursue any possible Cause of Action, including without limitation any preference or other Avoidance Action. First Texas will be solely responsible for evaluating, funding and pursuing any or none of the Causes of Action included in the 3M Claims based on its reasonable business judgment. First Texas shall have the widest possible latitude in deciding whether or not to pursue any possible Cause of Action included in the 3M Claims, including without limitation any preference or other Avoidance Action. Unless an Avoidance Action or Cause of Action against a Creditor or other Person or entity is expressly waived, relinquished, released, compromised or settled in the Plan or any Final Order, Debtor expressly reserves such Avoidance Action or Cause of Action for later adjudication (including, without limitation, Avoidance Actions and Causes of Actions not specifically identified or of which Debtor may presently be unaware or which may arise or exist by reason of additional facts or circumstances unknown to Debtor at this time or facts or circumstances which may change or be different from those which Debtor now believes to exist) and, therefore, no preclusion doctrine, including, without limitation, the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, waiver, estoppel (judicial, equitable or otherwise) or laches shall apply to such Avoidance Action or Cause of Action upon or after the Confirmation or consummation of the Plan based on the Disclosure Statement, the Plan or the Confirmation Order, except where such Avoidance Action or Cause of Action has been expressly released in the Plan or other Final Order. In addition, Debtor expressly reserves the right pursuant to the Bankruptcy Code to assert

or adopt as a defense any claims in any lawsuit in which Debtor is a defendant or an interested party, irrespective of whether a Cause of Action has been commenced based upon such claim.

NOTICE TO POTENTIAL DEFENDANTS: Except as otherwise provided in the Plan or Confirmation Order, any Person to whom Debtor has incurred an obligation (whether on account of services, purchase or sale of goods or otherwise), or who has received services from Debtor or a transfer of money or property of Debtor, or who has transacted business with Debtor, or leased equipment or property from Debtor should assume that such obligation, transfer, or transaction may be reviewed by Debtor subsequent to the Effective Date and may, if appropriate, be the subject of a Cause of Action after the Effective Date, whether or not (i) such Person has filed a proof of Claim in this Chapter 11 Case; (ii) such Person's proof of Claim has been objected to by Debtor; (iii) such Person's Claim was included in Debtor's Schedules; or (iv) such Person's scheduled Claim has been objected to by Debtor or has been identified by Debtor as disputed, contingent, or unliquidated. Except as expressly provided in the Plan, the Confirmation Order shall not bar Debtor by res judicata, collateral estoppel or otherwise from collecting, prosecuting or defending any matter, Avoidance Action or Cause of Action.

All creditors identified in Attachment 3.b.1 to Debtor's Statement of Financial Affairs in Debtor's Chapter 11 Case, which attachment lists all entities receiving payments from Debtor in the 90 days preceding the Petition Date, may be the defendant of an Avoidance Action or other Cause of Action if the total payments made to them exceeds \$5,475. Exhibit A hereto identifies persons and entities known at this time as having received payments from Debtor during the 90 days prior to the Petition Date (including debt service payments) totaling more than \$5,475; thus, they are the potential defendants of a preference Avoidance Action pursuant to section 547 of the Bankruptcy Code. The identified Persons on Exhibit A are in no way intended to be an exhaustive list, and Debtor may add to or amend the identified claims after the Confirmation Date. The Plan reserves and retains any and all other Causes of Action regardless of whether they are specifically identified on Exhibit A or expressly referred to herein.

All recipients of payments during the ninety days prior to the Petition Date, as identified on Debtor's Statement of Financial Affairs, Attachment 3.b.1, or more specifically on Exhibit A are advised that they are expected to be subject to a future adversary proceeding for avoidance and recovery of preference payments pursuant to sections 547 and 550 of the Bankruptcy Code. Each creditor and party in interest is advised to review closely the Plan, Debtor's filed Schedules and Statement of Financial Affairs, Docket No. 45, and the creditor's prior dealings with Debtor, to determine whether any Cause of Action or Avoidance Action may be pursued against it. The failure to list or expressly identify in the Plan or the Disclosure Statement any potential or existing Avoidance Action or Cause of Action is not intended to limit the rights of Debtor to pursue any Avoidance Action or Cause of Action.

With assistance from Debtor and the Committee, First Texas is investing and believes claims exist 3M Corporation and its affiliates. Without limiting its right to pursue other claims relating to Debtor's relationship with 3M Corporation and its affiliates and relating to 3M's manufacture and sale of products covered by patents in which Debtor has an interest, the 3M Claims including claims relating to the Greystone Patents, relating to the licensing relationship between 3M Corporation and/or its affiliates and 3M failure to negotiate in good faith an appropriate and fair royalty or license agreement.

8.2. Settlement of Causes of Action: After the Effective Date, Debtor, acting through the Liquidation Agent, shall have the exclusive right, authority, and sole discretion to institute, prosecute, abandon, settle, or compromise any and all such Causes of Action (other than the 3M Claims) and Avoidance Actions without the consent or approval of any third party and without any further order of Bankruptcy Court. First Texas shall have the exclusive right, authority, and discretion to institute, prosecute, abandon, settle, or compromise any and all Causes of Action included in the 3M Claims without the consent or approval of any third party and without any further order of Bankruptcy Court. First Texas may enter into any settlement of a 3M Claim that may be for any consideration that it believes to be in its best interest (and not necessarily in the best interest of the creditors) including, inter alia, the right to permit First Texas to accept zero-cash or non-cash benefits.

ARTICLE IX. CLAIM OBJECTIONS AND DISTRIBUTION

9.1. Automatically Disallowed Claims: With respect to any Claim for which Debtor has insurance coverage (excluding self-insurance), the holder of such a Claim will be treated as an Allowed Claim only to the extent that the holder of the Claim can establish that such Claim is not recoverable under Debtor's insurance. Unless the holder obtains a Final Order establishing that the Claim is not recoverable under Debtor's insurance, such Claim is automatically disallowed and will be entitled to no distribution.

9.2. Claims Objection Process: Debtor, First Texas or any other party in interest may file with the Bankruptcy Court, within 120 days after the Effective Date or such other later time as may be fixed by the Bankruptcy Court, a written objection to the allowance or classification of any Claim in any Class (except for the Class 2 Claim of Lender, which has been Allowed pursuant to Section 3.2 of the Plan), which objection shall be served upon the Claimant and other parties in interest. Subject to Section 11.1 of the Plan, the failure to object to or to examine any Claim for the purposes of voting on this Plan shall not be deemed a waiver of such party's right to object to, or re-examine the Claim in whole or in part within the above-described time period.

9.3. Distributions: Subject to Rule 9010 of the Federal Bankruptcy Rules, all distributions, notices and requests to holders of Allowed Claims shall be sent to them at the address of each such holder as set forth on the proof of claim filed by such holder or at their last-known address if no proof of claim is filed. First Texas, Debtor or any holder of an Allowed Claim may designate in writing any other address for purposes of this section, which designation shall be effective only upon actual receipt by First Texas or Debtor.

If the holder of an Allowed Claim fails to negotiate a check issued to such holder within 120 days of the date such check was issued, then First Texas will have the right to consider the amount of Cash attributable to such check unclaimed. In such event, such holder's Claim will no longer be deemed to be allowed, and such holder will be deemed to have no further Claim in respect of such check and will not participate in any distributions under the Plan. If a distribution is returned to Debtor pursuant to an incomplete or incorrect address, as to such distribution, within 120 days of the return of such distribution, then the amount of cash

attributable to the distribution will be deemed unclaimed and such holder will be deemed to have no further claim and will not participate in any further distributions under the Plan.

9.4. Transfer of Claim: In the event that the holder of any Claim shall transfer such Claim, it shall immediately advise Debtor and First Texas in writing of such transfer. Debtor and First Texas shall be entitled to assume that no transfer of any Claim has been made by any holder unless and until Debtor and First Texas have received written notice to the contrary. Each transferee of any Claim shall take such Claim subject to the provisions of the Plan and to any request made, waiver or consent given or other action taken hereunder and, except as otherwise expressly provided in such notice, Debtor and First Texas shall be entitled to assume conclusively that the transferee named in such notice shall thereafter be vested with all rights and powers of the transferor under the Plan.

9.5. No Distributions Pending Allowance of Claims. No payments or distributions shall be made with respect to all or any portion of a Contested Claim unless and until such Claim becomes an Allowed Claim, or Allowed Interest, as determined by Final Order.

9.6. Precluded Distributions. No distribution shall be made in violation of Bankruptcy Code § 502(d) (to an entity or transferee liable for recoverable property for an avoidable transfer). Debtor or First Texas shall notify each affected Creditor of any contention that Bankruptcy Code § 502(d) prohibits any distribution to such Creditor. If such notice is given, the Claim held by such creditor will be treated as a Disputed Claim hereunder.

9.7. Treatment of Contingent or Unliquidated Claims. Until such time as a contingent Claim becomes fixed and Allowed, such Claim shall be treated as a Contested Claim for purposes related to voting, allowance, and distributions under this Plan. The Bankruptcy Court upon request by Debtor or First Texas shall in a summary proceeding for each such contingent Claim or unliquidated Claim, by estimation determine the allowability of each such contingent or unliquidated Claim for purposes of voting on this Plan.

ARTICLE X. LIQUIDATION AGENT

10.1. Debtor's Officer and Representative. Pursuant to Bankruptcy Code Section 1129(a)(5), the Liquidation Agent shall serve as the sole director and officer of Debtor after the Effective Date. Pursuant to Bankruptcy Code Section 1123(b)(3)(B), the Liquidation Agent is appointed as the official representative to retain, enforce, pursue, settle and compromise each and every right, Claim and Cause of Action on behalf of Debtor's estate. The initial Liquidation Agent shall be chosen by the Committee on or before the Confirmation Date, after consultation with and subject to the consent of First Texas, not to be reasonably withheld.

10.2. Appointment of Successor. The Liquidation Agent may resign at any time and may appoint a successor Liquidation Agent. A notice identifying the successor Liquidation Agent shall be filed with the Bankruptcy Court and served on the Office of the United States Trustee, First Texas and counsel for the Committee. A successor Liquidation Agent shall also be appointed by the Bankruptcy Court if it determines based on a motion filed in the Bankruptcy Court that the Liquidation Agent should be removed from that position.

10.3. Responsibilities and Authority. The Liquidation Agent shall have the responsibilities and authority provided in the Plan. Generally and without limitation, the Liquidation Agent shall be responsible for implementing this Plan for the benefit of all holders of Allowed Claims as provided by this Plan, subject to the continued jurisdiction of the Bankruptcy Court. The Liquidation Agent is also responsible for winding down Debtor's affairs, including, without limitation, filing final tax returns and terminating any benefit plans remaining in existence as of the Effective Date. The Liquidation Agent shall have full authority and discretion to investigate, pursue, settle, and collect any Causes of Action (other than any of the 3M Claims), without notice or Bankruptcy Court approval; provided however that any settlement of a Cause of Action that is not an Avoidance Action shall require prior Bankruptcy Court approval.

10.4. Additional Agents. The Liquidation Agent is authorized to hire employees and agents, upon reasonable terms acceptable to the Liquidation Agent, to assist with performance of duties under the Plan. In enforcing and pursuing rights, Claims and Causes of Action, the Liquidation Agent shall retain counsel or other professionals upon such reasonable terms not inconsistent with this Plan as may be agreed upon by such counsel or other professionals and the Liquidation Agent. The Liquidation Agent is authorized to pay post-Effective Date expenses, including the fees of any attorneys, accountants, independent contractors, employees, or agents, as such expenses come due without approval of the Bankruptcy Court.

10.5. Indemnification. The Liquidation Agent shall serve during the duration of his or her appointment without a surety bond. Neither the Liquidation Agent nor any of his or her respective employees or agents shall be personally liable for payments to be made to the holders of Claims under this Plan. The Liquidation Agent shall have no liability to Debtor, or any Claimant, except for his or her own gross negligence or willful misconduct, and shall not be liable for any act or omission of any of his or her respective employees or agents unless the Liquidation Agent acted with gross negligence or willful misconduct in the selection or retention of such employee or agent. The Liquidation Agent shall be entitled to indemnification from Debtor for any claims or actions asserted against him in his role as Liquidation Agent, unless he or she is found by Final Order to have been guilty of gross negligence or willful misconduct. The Liquidation Agent shall be entitled to a full release as a part of the Final Decree in this Chapter 11 Case.

10.6. Covenants of the Liquidation Agent. The Liquidation Agent shall not pledge, encumber, or hypothecate any of Debtor's remaining assets or post-Effective Date cash without the prior approval of the Bankruptcy Court.

10.7. § 1123 Compliance: The Liquidation Agent shall, on or before the Effective Date, cause a provision to be inserted in Debtor's corporate charter prohibiting it from issuing any non-voting equity securities in compliance with § 1123(a)(6) of the Code.

ARTICLE XI. RELEASES

11.1. Releases. The Lender, the Committee, the Trustee, and First Texas as well as their professionals and all of their respective officers, directors, employees, and agents of each (collectively, the "Released Parties") are hereby released and discharged from any and all claims,

lawsuits or demands that have been, could have been, or which may in the future be asserted by Debtor or by any third party for any act or omission in connection with or arising out of transactions, relationships, or dealings relating to the negotiation or implementation of the Plan, the settlement of Claims and releases incorporated in the Plan, the solicitation of votes for or confirmation of the Plan, any Pre-Petition or Post-Petition Claim of any kind, and any other matter pertaining to Debtor's business or Chapter 11 case, except for willful misconduct or gross negligence as determined by a Final Order, and they shall have no liability to each other or any holder of any Claim or Interest for any act or omission in connection with or arising out of, transactions, relationships or dealings relating to the negotiation or implementation of the Plan, the settlement of Claims and releases incorporated in the Plan, the solicitation of votes for or confirmation of the Plan, any Pre-Petition or Post-Petition Claim of any kind, and any other matter pertaining to Debtor's Business or Chapter 11 case except for willful misconduct or gross negligence as determined by a Final Order. Notwithstanding anything in the Plan to the contrary, no party, person, or entity shall be released from any liability for Avoidance Actions for transfers occurring prior to the Effective Date under the terms of the Plan, or as a result of confirmation of the Plan.

ARTICLE XII.

EFFECT OF CONFIRMATION AND RETENTION OF JURISDICTION

12.1. Discharge: Except as otherwise expressly provided in the Plan or in the Confirmation Order, the Confirmation Order will operate as a discharge, pursuant to Bankruptcy Code Section 1141(d), to the fullest extent permitted by applicable law, as of the Effective Date, of any and all Debts of, and Claims of any nature whatsoever against Debtor and First Texas that arose at any time prior to the Effective Date, whether known or unknown, including any and all Claims for principal and interest, whether accrued before, on or after the Petition Date. Without limiting the generality of the foregoing, on the Effective Date, Debtor and First Texas will be discharged from any Claim or debt that arose prior to the Confirmation Date and from any and all debts of the kind specified in Bankruptcy Code Sections 502(g), 502(h), or 502(i), regardless of whether (a) a proof of claim based on such debt was filed pursuant to Bankruptcy Code Section 501, (b) a Claim based on such debt is an Allowed Claim pursuant to Bankruptcy Code Section 502, or (c) the holder of a Claim based on such debt has voted to accept the Plan. As of the Effective Date, except as otherwise expressly provided in the Plan or in the Confirmation Order, all persons and entities, including all holders of a Claim, will be forever precluded and permanently enjoined to the fullest extent permitted by applicable law from asserting directly or indirectly against Debtor, First Texas or any of its respective successors and assigns, or the assets or properties of any of them, any other or further Claims, debts, rights, causes of action, remedies, liabilities, or anything based upon any act, omission, document, instrument, transaction, or other activity of any kind or nature that occurred prior to the Effective Date or that occurs in connection with implementation of the Plan and the Confirmation Order will contain appropriate injunctive language to that effect. In accordance with the foregoing, except as specifically provided in the Plan or in the Confirmation Order, the Confirmation Order will be a judicial determination of the discharge of all such Claims and other debts and liabilities against Debtor, pursuant to Bankruptcy Code Sections 524 and 1141, and such discharge will void any judgment obtained against Debtor, at any time, to the extent that such judgment relates to a discharged Claim or any other liability arising prior to the Effective Date. Any holder of a Claim or liability of Debtor that arose before the Effective Date that does not file an application or other

Bankruptcy Court-approved pleading by appropriate bar date set forth in this Plan, in the Confirmation Order or another order of this Bankruptcy Court will be forever barred from asserting such Claim against Debtor, First Texas or against any of their respective properties, including without limitation the Transferred Assets, regardless of whether or not the Claims, Administrative Expenses, debts and liabilities are known or knowable by the holder of the Claim, Administrative Expense, cause of action, liability or debt.

12.2. General Injunction. Pursuant to Bankruptcy Code Sections 105, 1123, 1129 and 1141, in order to preserve and implement the various transactions contemplated by and provided for in the Plan, as of the Confirmation Date, except as otherwise provided in the Plan or in the Confirmation Order, all persons or entities that have held, currently hold or may hold a Claim or other debt, liability, or Interest that is discharged pursuant to the terms of the Plan are and will be permanently enjoined and forever barred to the fullest extent permitted by law from taking any of the following actions on account of any such discharged Claims, debts, liabilities, or Interests, other than actions brought to enforce any rights or obligations under the Plan or the Plan Documents:

- (a) commencing or continuing in any manner any action or other proceeding against Debtor, First Texas, the Liquidation Agent or their respective properties;
- (b) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against Debtor, First Texas, the Liquidation Agent or their respective properties;
- (c) creating, perfecting or enforcing any lien or encumbrance against Debtor, First Texas, the Liquidation Agent or their respective properties;
- (d) asserting a set-off, right of subrogation, or recoupment of any kind against any debt, liability or obligation due to Debtor, First Texas, or the Liquidation Agent; or
- (e) commencing or continuing, in any manner or in any place, any action that does not comply with or is inconsistent with the provisions of the Plan or the Confirmation Order.

Debtor, First Texas, and the Liquidation Agent will have the right to independently seek enforcement of this general injunction provision. This general injunction provision is an integral part of the Plan and is essential to its implementation.

The Confirmation Order shall also constitute an injunction against the pursuit against Debtor or First Texas of any Claim or Administrative Expense except as otherwise provided in this Plan. Persons asserting entitlement to payment of Administrative Expenses incurred prior to the Confirmation Date and holders of Claims shall be permanently enjoined from asserting any Claim against Debtor, First Texas or Debtor's Assets based upon any act or omission, transaction or other activity that occurred prior to the Confirmation Date, except as expressly authorized in this Plan, whether or not a proof of claim or interest was filed and whether or not such Claim is allowed under § 502 of the Bankruptcy Code. The rights afforded under this Plan and the treatment of Administrative Expenses, and Claims under the Plan shall be in exchange for and in complete satisfaction, discharge, and release of all Claims.

12.3. Binding Effect: The provisions of this Plan as described herein shall be binding upon, and inure to the benefit of, all Persons described herein and/or claiming an interest in any and all property in which Debtor has an interest and such Persons' successors, heirs and assigns whether or not such Persons vote to accept the Plan. Failure to file a timely objection to the Plan will be deemed to be an agreement to the terms of the Plan for purposes of § 1129(a)(9). Without limiting the foregoing, the provisions of this Plan shall bind all holders of Claims and Interests, whether or not they accept this Plan.

12.4. Vesting of Property: Debtor's transfer of the Transferred Assets to First Texas shall be free and clear of all liens, Claims, and encumbrances or other interests. First Texas shall not and does not assume or be responsible for any liability of Debtor other than those expressly set forth in this Plan. First Texas shall be protected from liability or responsibility with respect to any such liability to the maximum extent allowed by law and permitted under the Bankruptcy Code, including under Bankruptcy Code Sections 363(m), 365, and 1141. This Plan will evidence the release of any and all Liens, Claims, encumbrances or other interests against all property dealt with by the Plan.

EXCEPT AS OTHERWISE SET FORTH IN THE PLAN, FIRST TEXAS WILL NOT ASSUME ANY OBLIGATION, DEBT OR LIABILITY OF DEBTOR THAT AROSE PRIOR TO THE EFFECTIVE DATE AND THE SAME SHALL EITHER BE DISCHARGED BY THE BANKRUPTCY COURT OR RESOLVED OR SATISFIED BY DEBTOR.

12.5. Jurisdiction: Notwithstanding the entry of the Confirmation Order or the occurrence of the Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction over this Chapter 11 Case and any of the proceedings related to this Chapter 11 Case pursuant to § 1142 of the Code and 28 U.S.C. § 1334 to the fullest extent permitted by the Code and other applicable law, including, without limitation, such jurisdiction as is necessary to implement the Plan. Without intending to limit the generality of the foregoing, the Bankruptcy Court shall have exclusive jurisdiction:

(a) over all claims or rights in, liens on, or title to, property to be administered by the Liquidation Agent, including, but not limited to, any equitable relief in connection therewith;

(b) to determine the allowability of claims upon objection to such claims by Debtor or any Creditor;

(c) to determine any tax liability pursuant to Bankruptcy Code Section 505;

(d) to determine requests for payment of administrative expenses;

(e) to adjudicate all claims objections and adversary proceedings brought by Debtor against third parties;

(f) to adjudicate Causes of Action, irrespective of who prosecutes them;

(g) to implement the provisions of the Plan and enter orders in aid of Confirmation and consummation of the Plan, including, without limitation, appropriate orders to

enforce the right, title and powers of Debtor, First Texas or the Liquidation Agent from actions by holders of Claims against Debtor;

(h) to determine classification, voting, treatment, allowance, estimation, withdrawal, disallowance, or reconsideration of claims and any objections relating thereto;

(i) to fix, liquidate, or estimate claims;

(j) to modify the Plan pursuant to Bankruptcy Code Section 1127;

(k) to correct any defect, to cure any mistake or omission or reconcile any inconsistency in the Plan or the Confirmation Order as may be necessary or appropriate to carry out the purposes and intent of the Plan;

(l) to adjudicate any Causes of Action that arose prior to the Confirmation Date or in connection with the implementation of the Plan, including Avoidance Actions;

(m) to determine any and all applications for compensation and reimbursement pursuant to § 330 of the Code;

(n) to resolve any disputes concerning whether a Person or entity had sufficient notice of the reorganization case, the applicable claims Bar Date, the hearing on the approval of the Disclosure Statement as containing adequate information, the hearing on the Confirmation of the Plan for the purpose of determining whether a Claim is discharged hereunder or for any other purpose;

(o) to enter a Final Order closing the reorganization case; and

(p) to hear and determine any other such matter as may be provided for under Title 28 or any other title of the United States Code and any reference to the Bankruptcy Court, the Bankruptcy Code, the Bankruptcy Rules, other applicable law, the Plan or the Confirmation Order.

ARTICLE XIII. MODIFICATION OF THE PLAN

First Texas may withdraw the Plan or propose written modifications to the Plan any time prior to the Effective Date upon such notice as the Bankruptcy Court may require. If the circumstances warrant, after the Effective Date and before substantial consummation of the Plan, First Texas may modify the Plan provided that (a) the Plan, as modified, meets the requirements of the Code; (b) the Bankruptcy Court, after notice and a hearing, confirms the Plan as modified under Bankruptcy Code § 1129; (c) the circumstances warrant such modification; and (d) such modification does not materially and adversely affect holders of Claims. Unless within the time fixed by the Bankruptcy Court a creditor changes its previous acceptance or rejection of the Plan, such previous election shall be deemed applicable to the amended or modified Plan. This Plan may not be modified without First Texas's consent.

**ARTICLE XIV.
CONDITIONS TO THE EFFECTIVE DATE**

The Effective Date shall not occur unless:

14.1. A Confirmation Order acceptable to First Texas shall have been entered.

14.2. Should an appeal of the Confirmation Order be filed prior to the Effective Date, First Texas may (but is not required to) elect to proceed with the provisions of the Plan provided that the Plan has not been stayed by either the Bankruptcy Court or by an appellate court.

14.3. Employment Agreements have been agreed to and entered into by First Texas and key past employees of Debtor.

14.4. No Material Adverse Change shall have occurred with respect to Debtor's business or First Texas.

14.5. A Final Order shall have been entered providing for the assignment to First Texas of all of Debtor's contractual rights with Auxano.

14.6. The Bar Date has passed.

14.7. First Texas shall have determined in good faith that the aggregate amount of Administrative and Priority Claims total less than \$1,850,000 (excluding amounts due Lender).

14.8. First Texas shall have determined in good faith that the aggregate amount of Class 4 and Class 5 Claims ultimately to be Allowed total less than \$23,000,000.

14.9. Currently, no Claims have been identified in Class 3. In the event any Claims are identified in Class 3, First Texas shall have determined in good faith that such Claim does not constitute a Material Adverse Change.

Any of the conditions above can be waived by First Texas in their sole discretion by filing a written notice with the Bankruptcy Court.

**ARTICLE XV.
MISCELLANEOUS PROVISIONS**

15.1. Necessary Documents: Upon entry of the Confirmation Order, Debtor shall be authorized to execute all documents reasonably required by the Plan to effectuate the Plan, including, but not limited to, all bills of sale, contracts or other agreements reasonably necessary to transfer to First Texas all of the Transferred Assets or to otherwise effectuate the Plan.

15.2. Security Deposits: To the extent Debtor has posted security deposits (with landlords, utilities or otherwise) Pre-Petition, those amounts may be set off against Allowed Claims only upon the written consent of Debtor or upon entry of a Final Order authorizing such offset. To the extent Debtor has posted security deposits (with landlords, utilities or otherwise) Post-Petition, the deposit shall be returned to First Texas upon request.

15.3. Quarterly Fees: All fees payable under 28 U.S.C. § 1930, for quarters ending prior to the entry of the Final Decree shall be paid in full by Debtor.

15.4. Confirmation Order and Plan Control: To the extent the Confirmation Order and/or the Plan is inconsistent with the Disclosure Statement, any other agreement entered into between or among Debtor and any third party, the Plan controls the Disclosure Statement and any such agreements and the Confirmation Order (and any other Orders of the Bankruptcy Court) shall be construed together and consistent with the terms of the Plan.

15.5. Consent to Jurisdiction: By accepting any distribution or payment under or in connection with the Plan, by filing any Proof of Claim, by filing any motion, response, objection or other pleading in the Bankruptcy Case, by voting on the Plan, or by entering an appearance in the Chapter 11 Case, all Creditors and other parties in interest have consented, and will be deemed to have expressly consented to the jurisdiction of the Bankruptcy Court for all purposes with respect to any and all matters relating to, arising under or in connection with the Plan or the Chapter 11 Case, including the matters and purposes set forth in the Plan. The Bankruptcy Court will maintain jurisdiction to the fullest extent allowed under applicable law over all matters set forth in the Plan.

15.6. Final Accounting and Chapter 11 Case Closing: Debtor, acting through the Liquidation Agent, shall be responsible for preparing and filing any required motion and the final accounting necessary to close the Chapter 11 Case. This Chapter 11 Case may be closed notwithstanding the pendency of any claims objections, other contested motions, Causes of Action or Avoidance Actions, over which the Bankruptcy Court shall retain jurisdiction.

15.7. Destruction of Records: After the Effective Date, Debtor shall have the right to destroy or cause to be destroyed records of Debtor that are determined to no longer be needed, provided however, that the Liquidation Agent must give First Texas 30 days prior written notice before destroying any records and shall deliver to First Texas any records that it wishes to retain. Any other objection to the destruction of such records must be raised as an objection to confirmation of the Plan or shall be deemed to be waived.

15.8. No Interest: Except as expressly stated in the Plan or otherwise Allowed by Final Order of the Bankruptcy Court, no holder of an Allowed Claim will be entitled to the accrual of post-Petition Date or post Effective Date interest or the payment of post-Petition Date or post Effective Date interest, penalties, or late charges on account of such Claim for any purpose.

15.9. Modification of Payment Terms: First Texas and Debtor shall have the right to modify the treatment of any Allowed Claim, as provided in Bankruptcy Code section 1123(a)(4), at any time after the Effective Date, upon the consent of the holder of such Allowed Claim.

15.10. Dissolution of Unsecured Creditors Committee. On the Effective Date, the Committee shall be dissolved and its members shall be deemed relieved of all of their prior duties and responsibilities and shall be without any further duties, responsibilities and authority in connection with the Chapter 11 case or the Plan and its implementation. Debtor, acting through the Liquidation Agent, will continue to make financial information and wind-down plans

reasonably available to the members of the Committee. The Liquidation Agent will consult with the members of the Committee when reasonably requested with regard to winding down Debtor's operations, liquidating assets, pursuing Causes of Action and distributing assets.

15.11. Request for Relief under Section 1129(b). In the event any Impaired Class of Claims or Interests shall fail to accept this Plan in accordance with Section 1129(a) of the Bankruptcy Code, the Plan Proponents request the Bankruptcy Court to confirm this Plan in accordance with the provisions of Section 1129(b) of the Bankruptcy Code.

15.12. Headings. All heading utilized in this Plan for convenience and reference only, and shall not constitute a part of this Plan for any other purpose.

15.13. Due Authorization. Each and every Claimant and Interest holder who elects to participate in the distributions provided for herein warrants that such Claimant or Interest holder is authorized to accept, in consideration of such Claim against or Interest in Debtors, the distributions provided for in this Plan and that there are not outstanding commitments, agreements, or understandings, expressed or implied, that may or can in any way defeat or modify the rights conveyed or obligations undertaken by such Claimant or Interest holder under this Plan.

15.14. Authorization of Corporate Action. All matters and actions provided for under this Plan involving the corporate structure of Debtor or corporate action to be taken by or required of Debtor or its affiliates shall be deemed to have occurred and be effective as provided herein, and shall be deemed to be authorized and approved in all respects without any requirement for further action by the stockholders or directors of Debtor. Specifically, all amendments to the certificate of incorporation and By-laws of Debtor pursuant to this Plan and all other corporate action on behalf of any Debtor, as may be necessary to put into effect or carry out the terms and intent of this Plan and the orders and decrees of the Bankruptcy Court entered in the Chapter 11 Case, may be effected, exercised and taken without further action by the directors or stockholders of Debtor, with like effect as if effected, exercised and taken by unanimous action of the directors and stockholders of Debtor, as contemplated by applicable state corporate law.

15.15. Further Assurances and Authorizations. Upon the request of First Texas, Debtor shall seek such orders, judgments, injunctions, and rulings that may be reasonably required to carry out further the intentions and purposes, and to give full effect to the provisions, of this Plan. All terms and provisions of this Plan shall be construed in favor of First Texas. References in this Plan to First Texas's discretion shall be construed in accordance with and subject to First Texas's rights and obligations under the Loan and Investment Documents.

15.16. Applicable Law. Except to the extent that the Bankruptcy Code or other federal law is applicable, the rights, duties and obligations arising under this Plan shall be governed by and construed and enforced in accordance with the internal laws of the State of Tennessee without reference to the laws of other jurisdictions.

15.17. No Interest. Except as expressly stated in this Plan, or allowed by the Bankruptcy Court, no interest, penalty or late charge is to be Allowed on any Claim subsequent to the Petition Date.

15.18. No Attorneys' Fees. No attorneys' fees will be paid with respect to any Claim, other than Claims of professionals employed by Debtor, the Trustee or the Committee, except as specified herein or as allowed by a prior order of the Bankruptcy Court.

15.19. Post-Confirmation Actions. After Confirmation, First Texas or Debtor may with the approval of the Bankruptcy Court, and so long as it does not materially or adversely affect the interest of Creditors, remedy any defect or omission, or reconcile any inconsistencies in the Plan or in the Order of Confirmation, in such manner as may be necessary to carry out the purposes and effect of the Plan.

15.20. Setoff. Except as specifically provided in the Plan, no Creditor shall retain any contractual or statutory right to set off any asset in which Debtor has an interest in satisfaction of that Creditor's pre-petition Claim.

15.21. Notice of Default. In the event of any alleged default under the Plan, any Creditor or party-in-interest must give a written default notice to First Texas, with a copy to its counsel, specifying the nature of the default. Upon receipt of the default notice, First Texas shall have fifteen (15) days to cure such default from the time of receipt of the default notice. If such default has not been cured within the applicable time period, the default may be brought to the attention of the Bankruptcy Court or any other court of competent jurisdiction.

15.22. No Transfer Tax. Pursuant to section 1146 of the Bankruptcy Code, all transfers made and to be made pursuant to this Plan may not be taxed under any law imposing a stamp tax or any other tax on the transfer of assets.

15.23. Notices. Any notices required under this Plan or after the Effective Date shall be sent by email and first class mail to the following individuals:

To First Texas:

Douglas M. Alrutz
Wyatt, Tarrant & Combs, LLP
1715 Aaron Brenner Drive, Suite 800
Memphis, TN 38120-4367
901-537-1071
dalrutz@wyattfirm.com

with a copy to:

Jerry B. Sellman, Esq.
100 E. Broad Street, Suite 340
Columbus, OH 43215
614-403-4544

To Debtor:

c/o _____, Liquidation Agent

with a copy to:

To the Committee:

Richard Tripeer, Committee Chairman
6358 Blue Heron Cove
Memphis, Tennessee 38120

with a copy to:

David J. Cocke
Evans Petree, PC
1000 Ridgeway Loop Road, Suite 200
Memphis, Tennessee 38120
901-525-6781
dcocke@evanspetree.com

To the Trustee:

Office of the U.S. Trustee
One Memphis Place
200 Jefferson Avenue, Suite 400
Memphis, Tennessee 38103

with a copy to:

Karen P. Dennis
200 Jefferson Avenue, Suite 400
Memphis, Tennessee 38103
901-544-3251
Karen.P.Dennis@usdoj.gov

Any party may change the identity of the person to be notified or the address to which such notifications should be sent by filing a notice of the change with the Bankruptcy Court.

DATED: November 28, 2011

Respectfully submitted,

/s/ Douglas M. Alrutz

Douglas M. Alrutz (BPR 11389)
Wyatt, Tarrant & Combs, LLP
1715 Aaron Brenner Dr., Ste. 800
Memphis, TN 38120-4367
Phone (901) 537-1000
Fax (901)537-1010

Counsel for First Texas Medical Partners, LLC

CERTIFICATE OF SERVICE

I here by certify that on the 2nd day of December, 2011, a copy of the foregoing was served on the parties listed on the mailing matrix as noted in Docket Entry No. 591.

/s/ Douglas M. Alrutz

EXHIBIT A TO PLAN

1. U.S. Patents
 - (a) U.S. Patent No. 6,149,947 – Compositions of Oak Bark Extract Related Synthetic Compositions and Method of Using Same
 - (i) Current, maintenance fees paid to date.
 - (A) Next maintenance fee due November 21, 2011.
 - (B) Patent Expires November 6, 2012
 - (b) U.S. Patent No. 7,014,870 – Compositions of Oak Bark Extract Related Synthetic Compositions and Method of Using Same
 - (i) Current, maintenance fees paid to date.
 - (A) Switched entity status from Small Entity to Large Entity in view of 3M license
 - (B) Patent believed to expire November 6, 2012, unless eligible for extension.
2. U.S. Patent Applications
 - (a) Treatment of Wounds and Compositions Employed
 - (i) Serial No. 12/565,244 (C/M 5015878-32)
 - (A) Awaiting examination and additional testing
 - (b) Wound Dressings Incorporating Honey
 - (i) Serial No. 12/393,520 (C/M 5015878-10)
 - (A) Pending
 - (1) Office Action 10/1/10 – response was due January 1, 2011
3. PCT Applications
 - (a) Methods for Using Human Neutrophil Elastase as an Indicator of Active Wound Infection
 - (i) PCT/US09/54532 9 C/M 5015878-0030)

(A) Pending

(B) National Stage Entry was due February 20, 2011

4. Foreign Patent Applications

(a) Europe

(i) Treatment of Wounds and Compositions Employed

(A) Application No. 2794072.5 (C/M 5015878-11)

(1) Spencer Fane paid the 2009 annuity

(2) Pending

(b) Canada

(i) Treatment of Wounds and Compositions Employed

(A) Application No. 2468390 (C/M 5015878-13)

(1) Spencer Fane paid the 2009 annuity

(2) Pending

(ii) Methods for the Treatment of Wounds Using Time Release Compositions

(A) Application No. 2571314 (C/M 5015878-25)

(1) Pending

(c) Australia

(i) Methods for the Treatment of Wounds Using Time Release Compositions

(A) Application No. 2005258225 (C/M 5015878-24)

(1) Annuity was due with penalty – December 22, 2010

(2) Pending

(d) Japan

(i) Treatment of Wounds and Compositions Employed

(A) Debtor declined to pursue

(ii) Methods for the Treatment of Wounds Using Time Release Compositions

- (A) Application No. 2007518276 (C/M 5015878-28)
 - (1) Pending
- (e) China
 - (i) Methods for the Treatment of Wounds Using Time Release Compositions
 - (A) Application No. 200580024950.7 (C/M 5015878-26)
 - (1) Debtor declined to pursue, but is pending
- (f) Hong Kong
 - (i) Treatment of Wounds and Compositions Employed
 - (A) Application No. 5102570.9 (C/M 5015878-16)
 - (1) Pending
- 5. Foreign Patents
 - (a) Australia
 - (i) Treatment of Wounds and Compositions Employed
 - (A) Australian Patent No. 200235929 (C/M 5015878-15)
 - (1) Issued June 5, 2008
 - (2) Pending
 - (B) Spencer Fane paid the 2009 annuity
 - (b) New Zealand
 - (i) Treatment of Wounds and Compositions Employed
 - (A) New Zealand Patent No. 533252 (C/M 5015878-12)
 - (1) Issued July 13, 2006
 - (2) Spencer Fane paid the 2009 annuity – next annuity due November 2012

EXHIBIT B TO PLAN

Examples - until Jr. Secured paid*

3M - 60% portion of claim

75%	Jr. Secured	45%
25%	Unsecured	15%

6% Royalty

75%	Jr. Secured	4.5%
25%	Unsecured	1.5%

12% Royalty

75%	Jr. Secured	9.0%
25%	Unsecured	3.0%

60099906.2