

UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF OHIO  
EASTERN DIVISION

IN RE:

|                                     |   |                                 |
|-------------------------------------|---|---------------------------------|
| EVERGREEN HOMES, LLC, <i>et al.</i> | ) | Case No. 07-51261               |
|                                     | ) | (Jointly Administered with Case |
|                                     | ) | Nos. 07-51262 and 07-51263)     |
| Debtors                             | ) |                                 |
|                                     | ) | Chapter 11                      |
|                                     | ) |                                 |
|                                     | ) | Honorable Marilyn Shea-Stonum   |
|                                     | ) | Chief Bankruptcy Judge          |

**FIRST AMENDED JOINT PLAN OF LIQUIDATION UNDER CHAPTER 11  
OF THE BANKRUPTCY CODE PROPOSED BY THE DEBTORS  
AND THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS**

Evergreen Homes, LLC, Evergreen Investment Corporation and Evergreen Builders, LLC, the above-captioned debtors and debtors-in-possession, propose jointly with the Official Committee of Unsecured Creditors the following chapter 11 plan of liquidation pursuant to section 1121(a) of title 11 of the United States Code:

**ARTICLE I.**

**DEFINITIONS AND INTERPRETATION**

**DEFINITIONS.** The following terms used herein shall have the respective meanings defined below (such meanings to be equally applicable to both the singular and plural):

**1.1 Administrative Expense Claim** means any right to payment constituting a cost or expense of administration of any of the Cases allowed under sections 503(b), 507(a)(1), and 1114(e) of the Bankruptcy Code, including, without limitation, any actual and necessary costs and expenses of preserving the Estates; any actual and necessary costs and expenses of operating the Debtors' businesses; any indebtedness or obligations incurred or assumed by the Debtors, as debtors-in-possession, during the Cases, including, without limitation, for the acquisition or lease of property or an interest in property; or the rendition of services, any allowances of compensation and reimbursement of expenses to the extent allowed by Final Order under sections 328(a), 330 or 503 of the Bankruptcy Code, and any fees or charges assessed against the Estates under section 1930 of chapter 123 of title 28 of the United States Code.

**1.2 Agreement** means the Evergreen Liquidating Trust Agreement substantially in the form of Exhibit 1 hereto.

**1.3 Allowed** means, with reference to any Claim, (i) any Claim against the Debtors that has been listed by the Debtors in the Schedules, as such Schedules may be amended by the Debtors from time to time in accordance with Bankruptcy Rule 1009, as liquidated in amount and not disputed or contingent and for which no contrary proof of claim has been filed, (ii) any timely filed Claim as to which no objection to allowance has been interposed in accordance with section 8.1 hereof or such other applicable period of limitation fixed by the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, or as to which any objection has been determined by a Final Order to the extent such objection is determined in favor of the respective holder, or (iii) any Claim expressly allowed by a Final Order or hereunder.

**1.4 Authorized Agent** means Charles Deutchman, as to be approved by the Confirmation Order, and where the term is used with respect to rights, powers or obligations on or after the Effective Date it shall mean the Liquidating Trustee.

**1.5 Avoidance Actions** means any actions commenced, or that may be commenced, before or after the Effective Date pursuant to sections 542, 544, 545, 547, 548, 549, 550, 551 or 553 of the Bankruptcy Code.

**1.6 Bankruptcy Code** means title 11 of the United States Code, as amended from time to time, as applicable to these Cases.

**1.7 Bankruptcy Court** means the United States District Court for the Northern District of Ohio (Eastern Division), having jurisdiction over these Cases and, to the extent of any reference made under section 157 of title 28 of the United States Code, the unit of such District Court having jurisdiction over these Cases under section 151 of title 28 of the United States Code.

**1.8 Bankruptcy Rules** means the Federal Rules of Bankruptcy Procedure as promulgated by the United States Supreme Court under section 2075 of title 28 of the United States Code, as amended from time to time, applicable to these Cases, and any Local Rules of the Bankruptcy Court.

**1.9 Beneficiaries** means all Persons entitled to receive distributions from the Evergreen Liquidating Trust pursuant to the Plan and the Agreement.

**1.10 Cases** means the within captioned jointly administered chapter 11 bankruptcy cases filed on the Petition Date.

**1.11 Cash** means legal tender of the United States of America.

**1.12 Causes of Action** means any and all actions, causes of action, liabilities, obligations, rights, suits, damages, judgments, claims and demands whatsoever, including but not limited to Avoidance Actions, whether known or unknown, existing or hereafter arising, in law, equity, or otherwise, based in whole or in part upon any act or omission or other event occurring prior to the Petition Date or during the course of these Cases, arising out of, relating to or in connection with the pre-bankruptcy and/or post-bankruptcy Debtors.

**1.13 Claim** has the meaning set forth in section 101(5) of the Bankruptcy Code.

**1.14 Claims Register** means the list maintained by Debtors listing all Claims as scheduled and/or filed in the Cases.

**1.15 Class** means any group of Claims or Equity Interests classified by the Plan in accordance with section 1122(a)(1) of the Bankruptcy Code.

**1.16 Collateral** means any property or interest in property of the Estates subject to a lien, charge or other encumbrance to secure the payment or performance of a Claim, which lien, charge or other encumbrance is not subject to avoidance under the Bankruptcy Code.

**1.17 Committee** means the statutory committee of unsecured creditors appointed by the Office of the United States Trustee in these Cases pursuant to section 1102 of the Bankruptcy Code, as the composition of the same has been or may be modified by the addition or removal of members from time to time.

**1.18 Confirmation Date** means the date on which the Clerk of the Bankruptcy Court enters the Confirmation Order.

**1.19 Confirmation Hearing** means the hearing to be held by the Bankruptcy Court regarding confirmation of the Plan, as such hearing may be adjourned or continued from time to time.

**1.20 Confirmation Order** means the order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code.

**1.21 Debtor** means any one of the Debtors.

**1.22 Debtors** means Evergreen Homes, LLC, Evergreen Investment Corporation and Evergreen Builders, LLC, and where the term is used with respect to rights or obligations on or after the Effective Date, it shall mean the Liquidating Trustee.

**1.23 Disbursing Agent** means the Liquidating Trustee.

**1.24 Disclosure Statement** means the disclosure statement relating to the Plan, including, without limitation, all exhibits, schedules and attachments thereto, as approved by the Bankruptcy Court pursuant to section 1125 of the Bankruptcy Code.

**1.25 Disputed** means, with respect to any Claim which has not been Allowed pursuant to the Plan or a Final Order:

(a) if no proof of claim has been filed by the applicable deadline: (i) a Claim that has been or hereafter is listed on the Schedules as disputed, contingent or unliquidated; or (ii) a Claim that has been or hereafter is listed on the Schedules as other than disputed, contingent or unliquidated, but as to which the Debtors or any other party in interest has interposed an objection or request for estimation which has not been withdrawn or determined by a Final Order; or

(b) if a proof of claim or request for payment of an Administrative Expense Claim

has been filed by the applicable deadline: (i) a Claim for which no corresponding Claim has been or hereafter is listed on the Schedules; (ii) a Claim for which a corresponding Claim has been or hereafter is listed on the Schedules as other than disputed, contingent or unliquidated, but the nature or amount of the Claim as asserted in the proof of claim varies from the nature and amount of such Claim as listed on the Schedules; (iii) a Claim for which a corresponding Claim has been or hereafter is listed on the Schedules as disputed, contingent or unliquidated; or (iv) a Claim for which a timely objection or request for estimation is interposed by the Debtors which has not been withdrawn or determined by a Final Order.

**1.26 Disputed Claim Amount** means the amount set forth in the proof of claim relating to a Claim that is Disputed or an amount estimated pursuant to an order of the Bankruptcy Court in respect of a Claim that is Disputed in accordance with section 502(a) of the Bankruptcy Code and Bankruptcy Rule 3018.

**1.27 Disputed Claim Reserve** shall have the meaning set forth in Section 8.3 hereof.

**1.28 Distribution Record Date** means the Confirmation Date.

**1.29 Effective Date** means a Business Day on or after the Confirmation Date specified by the Debtors on which (i) no stay of the Confirmation Order is in effect, and (ii) the conditions to the effectiveness of the Plan specified in section 10.2 hereof have been satisfied or waived.

**1.30 Equity Interest** means the interest of any holder of an equity security of the Debtors represented by any issued and outstanding shares of common or preferred stock or other instrument evidencing a present ownership interest in one or more of the Debtors, whether or not transferable, or any option, warrant or right, contractual or otherwise, to acquire any such interest.

**1.31 Estates** means the bankruptcy estates of Evergreen Homes, LLC, Evergreen Investment Corporation and Evergreen Builders, LLC respectively, in these Cases pursuant to section 541 of the Bankruptcy Code.

**1.32 Evergreen Liquidating Trust** means that certain trust that will come into existence upon the Effective Date into which all of the assets, rights, powers and obligations of the Debtors will vest pursuant to the Plan, which trust shall be formed pursuant to and governed by the Agreement.

**1.33 Final Order** means an order or judgment of the Bankruptcy Court entered by the Clerk of the Bankruptcy Court on the docket in the Cases that has not been reversed, vacated or stayed and as to which (i) the time to appeal, petition for certiorari or move for a new trial, reargument or rehearing has expired and as to which no appeal, petition for certiorari or other proceeding for a new trial, reargument or rehearing shall then be pending, or (ii) if an appeal, writ of certiorari, new trial, reargument or rehearing thereof has been sought, such order or judgment of the Bankruptcy Court shall have been affirmed by the highest court to which such order was appealed, or certiorari shall have been denied or a new trial, reargument or rehearing shall have been denied or resulted in no modification of such order, and the time to take any further appeal, petition for certiorari or move for a new trial, reargument or rehearing shall have expired.

**1.34 General Unsecured Claim** means any Claim against the Debtors that is (i) not a Capital Crossing Secured Claim, Subordinated Secured Participation Claim, Administrative Expense Claim, Priority Tax Claim, Other Secured Claim or Priority Non-Tax Claim, or (ii) otherwise determined by the Bankruptcy Court to be a General Unsecured Claim.

**1.35 Impaired** shall have the meaning ascribed to it in section 1124 of the Bankruptcy Code.

**1.36 Insurance Claim** means any claim against one or more of the Debtors to the extent it may be covered and payable under any Insurance Policy of any Debtor and/or the Debtors.

**1.37 Insurance Policy** means any policy of insurance and agreements relating thereto covering the Debtors or that may be available to provide coverage for claims against the Debtors.

**1.38 Insurer** means any entity that has issued an Insurance Policy to the Debtor.

**1.39 Law** means any law, rule, regulation, order, decree or other requirement having the force of law and, where applicable, any interpretation thereof by an authority having jurisdiction with respect thereto or charged with administration thereof.

**1.40 Lien** means a judicial lien as defined in section 101(36) of the Bankruptcy Code; a lien as defined in section 101(37) of the Bankruptcy Code; a security interest as defined in section 101(51) of the Bankruptcy Code; a statutory lien as defined in section 101(53) of the Bankruptcy Code; and any other lien, interest, charge or encumbrance.

**1.41 Liquidating Trustee** means the trustee of the Evergreen Liquidating Trust appointed in accordance with the Agreement.

**1.42 Liquidation Expense Reserve Account** means the bank account or investment(s) established by the Liquidating Trustee to pay and reserve for all reasonable costs, expenses and fees incurred in connection with maintaining the Evergreen Liquidating Trust and the Trust Assets.

**1.43 Person** has the meaning set forth in section 101(41) of the Bankruptcy Code.

**1.44 Petition Date** means April 29, 2007.

**1.45 Plan** means this joint chapter 11 plan of liquidation, including exhibits, schedules and/or attachments annexed hereto, as the same may be amended or modified from time to time in accordance with the provisions of the Bankruptcy Code, the Bankruptcy Rules and the terms hereof.

**1.46 Plan Proponents** means the Debtors and the Committee.

**1.47 Priority Non-Tax Claim** means any Claim, other than an Administrative Expense Claim or a Priority Tax Claim, entitled to priority in payment as specified in section 507(a)(3), (4), (5), (6), (7) or (9) of the Bankruptcy Code.

**1.48 Priority Tax Claim** means any Claim of a governmental unit of the kind entitled to priority in payment as specified in sections 502(i) and 507(a)(8) of the Bankruptcy Code.

**1.49 Pro Rata Share** means a proportionate share, so that the ratio of the consideration distributed on account of an Allowed Claim in a Class to the amount of such Allowed Claim is the same as the ratio of the amount of the consideration distributed on account of all Allowed Claims in such Class to the amount of all Allowed Claims in such Class.

**1.50 Professionals** means any Bankruptcy Court approved professional person employed by the applicable entity in these Cases at any time before the Confirmation Date.

**1.51 Reserve Income** means the interest earned on all funds maintained in the Disputed Claim Reserve on account of a Claim that is Disputed prior to the distribution of such funds (based upon the average rate of interest earned on all accounts and investments in which the Disputed Claim Reserve are invested as estimated by the Liquidating Trustee).

**1.52 Sale Transaction** means the sale of any assets of any of the Estates approved by the Bankruptcy Court by a Final Order prior to the Effective Date pursuant to section 363 of the Bankruptcy Code, or the sale, transfer or other disposition of the business and/or assets of the Debtors.

**1.53 Schedules** means the schedules of assets and liabilities and the statements of financial affairs filed by the Debtors under section 521 of the Bankruptcy Code, Bankruptcy Rule 1007 and the Official Bankruptcy Forms of the Bankruptcy Rules, as such schedules and statements have been or may be supplemented or amended from time to time through the Confirmation Date.

**1.54 Secured Claim** means a Claim (i) secured by Collateral, to the extent of the value of such Collateral (a) as set forth in the Plan, (b) as agreed to by the holder of such Claim and the Debtor, or (c) as determined by a Final Order, including the Final DIP Order, in accordance with section 506(a) of the Bankruptcy Code; or (ii) secured by the amount of any rights of setoff of the holder thereof under section 553 of the Bankruptcy Code.

**1.55 Tax Code** means title 26 of the United States Code, as amended from time to time.

**1.56 Trust Assets** means all of the assets of the Debtors and property of their respective Estates, including, but not limited to, the Causes of Action, all of which shall vest in the Evergreen Liquidating Trust on the Effective Date pursuant to the Plan and in accordance with the Agreement.

**1.57 Voting Class** means Class 4 designated in Article III of the Plan.

**1.58 Voting Procedures Order** means that certain Order (A) Approving Proposed Disclosure Statement, (B) Establishing Procedures for Solicitation and Tabulation of Votes to Accept or Reject Proposed Joint Plan of Liquidation and (C) Scheduling Certain Dates in Connection Therewith entered by the Bankruptcy Court in these cases together with any exhibits or documents attached thereto.

**INTERPRETATION; APPLICATION OF DEFINITIONS  
AND RULES OF CONSTRUCTION**

The words “herein,” “hereof,” “hereto,” “hereunder,” and other words of similar import refer to the Plan as a whole and not to any particular section, subsection, or clause contained therein. The words “including” and “include” and other words of similar import shall be deemed to be followed by the phrase “without limitation.” A term used herein that is not defined herein shall have the meaning assigned to that term in the Bankruptcy Code or Bankruptcy Rules. Wherever from the context it appears appropriate, each term stated shall include both singular and plural, and pronouns shall include the masculine, feminine and neuter regardless of how stated. The rules of construction contained in section 102 of the Bankruptcy Code shall apply to the Plan. The headings in the Plan are for convenience of reference only and shall not limit or otherwise affect the provisions hereof. The exhibits attached to this Plan are incorporated into and are part of this Plan as if fully set forth in this Plan.

**ARTICLE II.**

**ADMINISTRATIVE EXPENSE CLAIMS AND PRIORITY TAX CLAIMS**

**2.1 Administrative Expense Claims.** Except to the extent that a holder of an Allowed Administrative Expense Claim agrees to a different treatment, on the Effective Date or as soon thereafter as is reasonably practicable, the Liquidating Trustee shall pay to each holder of an Allowed Administrative Expense Claim, in full satisfaction of such Claim, an amount in Cash equal to the Allowed amount of such Claim.

**2.2 Compensation and Reimbursement Claims.** All Professionals or other Persons seeking an award by the Bankruptcy Court of compensation for services rendered or reimbursement of expenses incurred through and including the Confirmation Date under sections 327, 328, 330, 331, 503(b)(2), 503(b)(3), 503(b)(4) or 503(b)(5) of the Bankruptcy Code (i) shall file their respective final applications for allowance of compensation for services rendered and reimbursement of expenses incurred by the date that is thirty (30) days after the Confirmation Date, unless otherwise ordered by the Bankruptcy Court; and (ii) shall be paid in full by the Liquidating Trustee in such amounts as are allowed by the Bankruptcy Court (A) upon the date upon which the order relating to any such Administrative Expense Claim is entered, or (B) upon such other terms as may be mutually agreed upon between the holder of such an Administrative Expense Claim and the Liquidating Trustee.

**2.3 Fees Under 28 U.S.C. §1930.** All fees payable in the Cases under 28 U.S.C. §1930, as agreed by the Debtors and Committee or as determined by the Bankruptcy Court, will, if not previously paid in full, be paid in Cash on the Effective Date and will continue to be paid by the Liquidating Trustee as required under 28 U.S.C. §1930 until such time as an order is entered by the Bankruptcy Court closing the Cases.

**2.4 Priority Tax Claims.** Except to the extent that a holder of an Allowed Priority Tax Claim agrees to a different treatment, on the Effective Date, or as soon thereafter as is reasonably

practicable, the Liquidating Trustee shall pay to each holder of an Allowed Priority Tax Claim, in full satisfaction of such Claim, an amount in Cash equal to the Allowed amount of such Claim. To the extent that the holder of an Allowed Priority Tax Claim is not paid Cash equal to the Allowed Amount of such Claim on the Effective Date, such holder shall be entitled to interest at a rate determined under applicable non-bankruptcy Law.

### ARTICLE III.

#### CLASSIFICATION OF CLAIMS AND EQUITY INTERESTS

The following table designates the Classes of Claims against and Equity Interests in the Debtors and specifies which of those Classes are (i) impaired or unimpaired by the Plan, (ii) entitled to vote to accept or reject the Plan in accordance with section 1126 of the Bankruptcy Code and (iii) deemed to reject the Plan:

| <u>Class</u> | <u>Designation</u>              | <u>Impairment</u> | <u>Entitled to Vote</u> |
|--------------|---------------------------------|-------------------|-------------------------|
| Class 1      | Capital Crossing Secured Claims | Unimpaired        | No                      |
| Class 2      | Other Secured Claims            | Unimpaired        | No                      |
| Class 3      | Priority Non-Tax Claims         | Unimpaired        | No                      |
| Class 4      | General Unsecured Claims        | Impaired          | Yes                     |
| Class 5      | Equity Interest                 | Impaired          | No (deemed to reject)   |

For convenience of identification, the Plan classifies the Allowed Claims in Class 2 as a single Class. This Class is actually a group of subclasses, depending on the underlying property securing such Allowed Claims, and each subclass is treated hereunder as a distinct Class for voting and distribution purposes.

### ARTICLE IV.

#### TREATMENT OF CLAIMS AND EQUITY INTERESTS

**4.1 Class 1 – Capital Crossing, a Division of Lehman Brothers Bank, FSB (“Capital Crossing”) Secured Claims.** Except to the extent that the Capital Crossing Secured Claims have been paid and satisfied prior to the Effective Date, on or as soon as reasonably practicable after the Effective Date, Capital Crossing shall receive in full satisfaction of such Claims, title to all real estate in which Capital Crossing holds a first mortgage. Such properties consist of homes under land contract which have an Auditor’s valuation of \$269,060.00; homes under rental agreement which have an Auditor’s valuation of \$121,010.00; new construction which has an Auditor’s valuation of \$414,820.00; rehab homes held for sale which have an Auditor’s valuation of \$173,510.00; and

vacant lots which have an Auditor's valuation of \$909,050.00. The total Auditor's valuation of property to be conveyed is \$1,887,450.00. Capital Crossing is negotiating the terms of a proposed sale of assets which if reported and confirmed will result in full satisfaction of its claims prior to confirmation. The liens securing such Allowed Capital Crossing Secured Claims shall be deemed released at such time as the Capital Crossing Secured Claim is paid in full.

**4.2 Class 2 – Other Secured Claims.** On or as soon as reasonably practicable after the Effective Date, each holder of an Allowed Other Secured Claim shall receive, at the option of the Liquidating Trustee, and in full satisfaction of such Claim, either (i) Cash in an amount equal to one hundred percent (100%) of the Allowed Other Secured Claim (taking into account sections 506(a)(1) and 506(b) of the Bankruptcy Code); (ii) the proceeds of the sale or disposition of the Collateral securing such Allowed Other Secured Claim to the extent of the value of the holder's secured interest in such Collateral, net of the costs of disposition of such Collateral; (iii) such other distribution as necessary to satisfy the requirements of the Bankruptcy Code, including the surrender of any such collateral; or (iv) such other treatment as the Liquidating Trustee and such holder of Other Secured Claim may agree. In the event that a holder of an Other Secured Claim is treated in accordance with clause (i) or (ii) of this section 4.2, the Liens securing such Other Secured Claim shall be deemed released.

**4.3 Class 3 - Priority Non-Tax Claims.** Except to the extent that a holder of an Allowed Priority Non-Tax Claim against the Debtors agrees to a different treatment of such Claim, on the Effective Date or as soon thereafter as is reasonably practicable, each holder of an Allowed Priority Non-Tax Claim shall receive one hundred percent (100%) of the Allowed Amount of such Priority Non-Tax Claims or a Pro Rata Share of all remaining Cash after payment, or treatment consistent with sections 8.3 and 8.5 hereof, of all Allowed Claims in sections 2.1, 2.2, 2.3, 2.4, and 4.2 on the Effective Date or as soon thereafter as is practicable.

**4.4 Class 4 - General Unsecured Claims.** The holders of Allowed General Unsecured Claims shall receive their Pro Rata Share of all remaining Cash after payment in full of all Allowed Claims, or treatment consistent with sections 8.3 and 8.5 hereof, pursuant to sections 2.1, 2.2, 2.3, 2.4, 4.1, 4.2 and 4.3 at such times as the Liquidating Trustee deems practicable, however, in the event that Cash available for distribution to Allowed Class 4 Claims exceeds Five Hundred Thousand Dollars, an initial distribution to Allowed Class 4 Claims shall be made no later than ninety (90) days from the date on which the Trust Assets available for distribution to Class 4 Claims exceeds Five Hundred Thousand Dollars.

**4.5 Class 5 - Equity Interests.** All Equity Interests issued by the Debtors other than Equity Interests in Evergreen Homes, LLC shall be merged by operation of section 5.1 hereof on the Effective Date. On the Effective Date, the Equity Interests of Evergreen Homes, LLC shall be transferred or conveyed to the Evergreen Liquidating Trust for the benefit of the Beneficiaries of the Evergreen Liquidating Trust. Each holder of an Equity Interest shall neither receive nor retain any property or interest in property on account of such Equity Interest unless and until all Allowed Claims are paid in full with interest.

## ARTICLE V.

### SUBSTANTIVE CONSOLIDATION OF EVERGREEN HOMES, LLC, EVERGREEN INVESTMENT CORPORATION AND EVERGREEN BUILDERS, LLC

**5.1 Substantive Consolidation.** On the Effective Date (i) all assets (and proceeds thereof) of the Estates of Evergreen Investment Corporation and Evergreen Builders, LLC and all liabilities of Evergreen Investment Corporation and Evergreen Builders, LLC shall be deemed merged or treated as though they were merged into and with the assets and liabilities of the Estate of Evergreen Homes, LLC; (ii) no distributions shall be made under the Plan on account of inter-company claims among the Debtors and all such Claims shall be eliminated; (iii) all guarantees of the Debtors of the obligations of any other Debtors shall be deemed eliminated and extinguished such that any Claim against any Debtor and any guaranty thereof executed by any other Debtor and any joint or several liability of any of the Debtors shall be deemed to be one obligation of Consolidated Evergreen Homes, LLC; and (iv) each and every claim filed or to be filed in any of the Cases shall be deemed to be filed against Evergreen Homes, LLC; provided, however, that (a) for the purposes of determining the availability of the right of set-off under section 553 of the Bankruptcy Code, the Debtors shall be treated as separate entities so that, subject to the other provisions of section 553 of the Bankruptcy Code debts due to any of the Debtors may not be set-off against the debts of any of the other Debtors, and (b) for purposes of determining the Plaintiff of, and availability of defenses to, Avoidance Actions, the Debtors may, at the option of the Liquidating Trustee, be treated as separate entities. To the extent that a creditor is holding an Allowed Claim against more than one of the Debtors' Estates, such creditors shall be treated as a holder of an Allowed Claim as against Evergreen Homes, LLC.

## ARTICLE VI.

### PROVISIONS GOVERNING DISTRIBUTIONS

**6.1 Distribution Record Date.** As of the close of business on the Confirmation Date, the various registers for each of the Classes of Claims or Equity Interests as maintained by the Debtors, or their agents, shall be deemed closed, and there shall be no further changes in the record holders of any of the Claims or Equity Interests unless otherwise specifically provided under the Plan. Neither the Debtors nor the Evergreen Liquidating Trustee shall have any obligation to recognize any transfer of the Claims or Equity Interests occurring on or after the Confirmation Date.

**6.2 Method of Distributions Under the Plan.**

(a) **Effective Date Payments and Transfers by the Debtors.** On the Effective Date, the Debtors shall remit to the Liquidating Trustee, all assets and property of the Estates, and the Liquidating Trustee shall pay, as soon as practicable, holders of Allowed Claims pursuant to section 2.1, 2.2, 2.3, 2.4, 4.1, 4.2 and 4.3 an amount in Cash equal to the Allowed amount of such Claims or in such other amounts as set forth in the Plan. The transfer of the assets as described in the preceding sentence to the Evergreen Liquidating Trust shall be made for the benefit of the Beneficiaries, in each case, but only to the extent that the Beneficiaries are entitled to distributions

under the Plan.

(b) **Disbursing Agent.** All distributions under the Plan will be made by the Liquidating Trustee. The Liquidating Trustee will not be required to give any bond or surety or other security for the performance of its duties unless otherwise ordered by the Bankruptcy Court, and in the event that the Liquidating Trustee is otherwise so ordered, all costs and expenses of procuring any such bond or surety will be borne by the Evergreen Liquidating Trust. The Liquidating Trustee shall be empowered to (i) effect all actions and execute all agreements, instruments and other documents necessary to perform its duties under the Plan and/or Evergreen Liquidating Trust, (ii) make all distributions contemplated in the Plan, (iii) employ professionals to represent it with respect to its responsibilities under the Plan and (iv) exercise such other powers as may be vested in the Liquidating Trustee by order of the Bankruptcy Court, pursuant to the Plan and/or Liquidating Trust, or as deemed by the Liquidating Trustee to be necessary and proper to implement the provisions of the Plan. Except as otherwise ordered by the Bankruptcy Court, the amount of any reasonable fees and expenses incurred by the Liquidating Trustee on or after the Effective Date (including without limitation, taxes) and any reasonable compensation and expense reimbursement claims (including, without limitation, reasonable attorneys' fees and other professional fees and expenses) made by the Liquidating Trustee shall be paid in Cash subject to the terms and conditions of the Evergreen Liquidating Trust.

(c) **Distributions of Cash.** At the option of the Liquidating Trustee, any Cash payment to be made hereunder may be made by check or wire transfer or as otherwise required or provided in applicable agreements.

(d) **Delivery of Distributions.** Subject to Bankruptcy Rule 9010, unless otherwise provided in the Plan, all distributions to any holder of an Allowed Claim will be made to the holder of each Allowed Claim at the address of such holder as listed in the Schedules, or on the books and records of the Debtors unless the Debtors or Liquidating Trustee, as the case may be, have been notified, in advance, in writing, of a change of address, including, without limitation, by the timely filing of a proof of claim or interest by such holder that provides an address for such holder different from the address reflected in the Schedules or in the Debtors' books and records. In the event that any distribution to any holder is returned as undeliverable, no distribution to such holder will be made unless and until the Liquidating Trustee has been notified of the then current address of such holder, at which time or as soon as reasonably practicable thereafter, such distribution will be made to such holder without interest; provided, however, that, such undeliverable distributions will be deemed unclaimed property under section 347(b) of the Bankruptcy Code at the expiration of ninety (90) days after the date of distribution in accordance with the section on unclaimed distributions below. The Liquidating Trustee will have no obligation to attempt to locate any holder of an Allowed Claim other than by reviewing the Schedules and its books and records (including any proofs of claim filed against the Debtors).

**6.3 Withholding and Reporting Requirements.** In connection with the Plan and the Evergreen Liquidating Trust and all instruments issued in connection therewith and distributed thereon, the Liquidating Trustee shall comply with all applicable withholding and reporting requirements imposed by any federal, state or local taxing authority, and all distributions under the Plan shall be subject to any such withholding or reporting requirements.

**6.4 Time Bar to Cash Payments.** Checks issued in accordance with the Plan in respect of Allowed Claims shall be null and void if not negotiated within sixty (60) days after the date of issuance thereof. Requests for reissuance of any check shall be made to the Liquidating Trustee by the holder of the Allowed Claim to whom such check was originally issued. Any Claim in respect of such a voided check shall be made on or before thirty (30) days after the expiration of the sixty (60) day period following the date of issuance of such check. Thereafter, the amount represented by such voided check shall irrevocably revert to the Evergreen Liquidating Trust and any Claim in respect of such voided check shall be discharged and forever barred from assertion against the Debtors and their property or the Evergreen Liquidating Trust, as the case may be.

**6.5 Minimum Distributions.** No payment of Cash less than \$50 shall be made by the Liquidating Trustee. Any Trust Assets that are undistributable in accordance with this section 6.5 shall vest in the Evergreen Liquidating Trust for the benefit of its Beneficiaries.

**6.6 Setoffs.** The Debtors or the Liquidating Trustee, as the case may be, may, but shall not be required, to set off against any Claim (for purposes of determining the Allowed amount of such Claim on which distribution shall be made), any claims of any nature whatsoever that the Debtors may have against the holder of such Claim, but neither the failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtors or the Liquidating Trustee of any such claim the Debtors may have against the holder of such Claim.

**6.7 Transactions on Business Days.** If the Effective Date or any other date on which a transaction may occur under the Plan shall occur on a day that is not a Business Day, the transactions contemplated by the Plan to occur on such day shall instead occur on the next Business Day but shall be deemed to have been completed as of the required date.

**6.8 Allocation of Plan Distribution Between Principal and Interest.** All distributions in respect of any Allowed Claim shall be allocated first to the principal amount of such Allowed Claim, as determined for federal income tax purposes, and thereafter, to the remaining portion of such Claim comprising interest, if any (but solely to the extent that interest is an allowable portion of such Allowed Claim).

## ARTICLE VII.

### MEANS FOR IMPLEMENTATION AND EXECUTION OF THE PLAN

#### 7.1 The Evergreen Liquidating Trust

(a) **Execution of the Agreement.** On the Effective Date, the Agreement shall be executed, and all other necessary steps shall be taken to establish the Evergreen Liquidating Trust and the beneficial interests therein, which shall be for the benefit of all creditors and parties in interest entitled to receive distributions under the Plan. This section 7.1 sets forth certain of the rights, duties and obligations of the Liquidating Trustee. In the event of any conflict between the terms of section 7.1 of the Plan and the terms of the Agreement, the terms of the Agreement shall govern.

(b) **Purpose of Evergreen Liquidating Trust.** The Evergreen Liquidating Trust shall be established and maintained for the sole purpose of liquidating and distributing assets of the Estates and proceeds thereof (Trust Assets) in accordance with Treasury Regulation section 30.1.7701-4(d), and resolving and administering Claims, with no objective to continue or engage in the conduct of a trade or business.

(c) Transfer of Assets of the Estates to the Evergreen Liquidating Trust.

(i) On the Effective Date, right, title and interest to all assets as described in section 6.2(a) hereof shall vest in the Evergreen Liquidating Trust as Trust Assets.

(ii) On the Effective Date, the Estates shall be deemed to assign, set over, transfer and convey to the Evergreen Liquidating Trust all of their right, title and interest in assets of the Estates, including but not limited to titled real estate and interests in mortgages. To the extent that certain assets of the Estates, because of their nature or because they will accrue subsequent to the Effective Date, cannot be assigned, set over, transferred or conveyed to the Evergreen Liquidating Trust on the Effective Date, such assets shall be deemed assigned, set over, transferred and conveyed to the Evergreen Liquidating Trust as soon as practical after the Effective Date.

(iii) On or after the Effective Date, the Liquidating Trustee shall continue as a plaintiff in all litigation or Causes of Action (on behalf of the Beneficiaries) in which the Debtors were plaintiffs prior to the Effective Date. All recoveries and proceeds arising from litigation and Causes of Action shall be deemed assigned, set over, transferred and conveyed to the Evergreen Liquidating Trust upon receipt thereof. All fees and costs of the Liquidating Trustee (and agents thereof) arising from or relating to pursuing litigation or Causes of Action or other services performed at the request of the Liquidating Trustee on behalf of the Evergreen Liquidating Trust shall be paid as a first priority in right of distribution from the Evergreen Liquidating Trust.

(iv) The transfer of assets of the Estates, including but not limited to the owned real estate and mortgage notes, to the Liquidating Trust shall be made for the benefit of the Beneficiaries, in each case, but only to the extent the Beneficiaries are entitled to distributions under the Plan.

(d) **Governance of Evergreen Liquidating Trust.** The Evergreen Liquidating Trust shall be governed by the Liquidating Trustee in accordance with the Agreement and consistent with the Plan.

(e) **The Liquidating Trustee.** The designation of the Liquidating Trustee shall be effective on the Effective Date without the need for a further order of the Bankruptcy Court. The Liquidating Trustee shall exercise reasonable business judgment to administer Trust Assets and to make timely distributions from the Evergreen Liquidating Trust to its Beneficiaries.

(f) **Nontransferability of Interests in the Evergreen Liquidating Trust.** The beneficial interests in the Evergreen Liquidating Trust shall not be certificated and are not transferable (Except as otherwise provided in the Agreement).

(g) **Cash.** The Liquidating Trustee may invest Cash consisting of the Trust Assets (including any earnings thereon or proceeds therefrom) in short term overnight investments or longer term investments as permitted by section 345 of the Bankruptcy Code; *provided, however*, that such investments are investments permitted to be made by a liquidating trust within the meaning of Treasury Regulation section 301.7701-4(d), as reflected therein, or under applicable Internal Revenue Service guidelines, rulings, or other controlling authorities.

(h) **Costs and Expenses of the Liquidating Trustee.** The costs and expenses of the Evergreen Liquidating Trust, including the fees and expenses of the Liquidating Trustee and its retained professionals, shall be paid out of the Evergreen Liquidating Trust. Such costs and expenses shall be treated as administrative expenses of the Estates, having, however, a first priority in right of distribution, and without the need for Bankruptcy Court authorization or entry of a Final Order. The Liquidating Trustee shall retain such amounts as are reasonably necessary (at the discretion of the Liquidating Trustee) to meet the future fees and expenses incurred in administering the Evergreen Liquidating Trust in the Liquidation Expense Reserve Account.

(i) **Compensation of the Liquidating Trustee.** The Liquidating Trustee shall be entitled to reasonable compensation, which shall be on economic terms agreeable to the Committee and established prior to the Effective Date. The compensation payable to the Liquidating Trustee shall be treated consistent with section 7.1(h).

(j) **Distribution of Trust Assets.** The Liquidating Trustee shall distribute at least annually and in accordance with the Agreement, beginning on the Effective Date or as soon thereafter as is practicable, the Trust Assets on hand (including any Cash received from the Debtors on the Effective Date, and treating as Cash for purposes of this section 7.1 any permitted investments under Section 7.1(g) hereof), Except such amounts (i) as would be distributable to a holder of a Disputed Claim if such Disputed Claim had been Allowed prior to the time of such distribution (but only until such Claim is resolved); (ii) as are reasonably necessary to meet contingent liabilities and to maintain the value of the assets of the Evergreen Liquidating Trust during liquidation; (iii) to pay reasonable expenses (including, but not limited to, any taxes imposed on the assets of the Evergreen Liquidating Trust or in respect of the Evergreen Liquidating Trust); and (iv) to satisfy other liabilities incurred by the Evergreen Liquidating Trust in accordance with this Plan or the Agreement.

(k) **Retention of Professionals by the Liquidating Trustee.** The Liquidating Trustee may retain and reasonably compensate counsel and other professionals to assist in its duties as Liquidating Trustee on such terms as the Liquidating Trustee deems appropriate without Bankruptcy Court approval. The Liquidating Trustee may retain any professional who represented parties in interest (including the Debtors or the Committee) in the Cases.

(l) **Authority to Grant Releases.** Without limiting the generality of section 7.6 hereof, in connection with the compromise and settlement of any Causes of Action, the Liquidating Trustee is authorized to release and discharge, to the fullest extent permitted by law, non-Debtor parties to Causes of Action from all Claims and Causes of Action that the Committee or the Liquidating Trustee (as successor to the Debtors on behalf of the Beneficiaries) has or may have, whether known or unknown, against such Persons. Any settlement effectuated prior to the Confirmation Date, upon notice thereof to the Bankruptcy Court, shall be deemed incorporated into

the Plan and entry of the Confirmation Order including provisions of such settlement shall be deemed a settlement pursuant to section 1123(b)(3)(A) of the Bankruptcy Code.

(m) **Attorney-Client Privilege.** Any attorney-client privilege, work-product privilege or other privilege or immunity that the Estates or Committee are entitled to assert in the Causes of Action shall vest in the Liquidating Trustee (and the attorneys and agents of the Liquidating Trustee) and the Liquidating Trustee shall be entitled to assert such privilege and immunity to the same extent that the Debtors and Committee were entitled to do so prior to the Effective Date.

(n) **Transfer of Claims of Debtors and Their Estates to Evergreen Liquidating Trust.** Included among assets and property of the Estates referred to in section 6.2(a) are Causes of Action. A full investigation of potential Causes of Action has not been undertaken by either the Debtors or the Committee. It is, however, the Committee's belief that potential Causes of Action may exist as against, among others, (i) Persons (and/or subsidiaries and affiliates thereof) identified in the Debtors' items 3(a) and 3(b) of the respective Debtors' Statements of Financial Affairs with respect to Avoidance Actions (and other Persons subsequently discovered by the Committee or Liquidating Trustee as having received payments that should have been listed and identified in item 3(a) or 3(b) of the respective Debtors' Statements of Financial Affairs and were not); (ii) other Causes of Action identified by the Liquidating Trustee in the course of their post-Effective Date due diligence.

(o) **Federal Income Tax Treatment of Evergreen Liquidating Trust.**

(i) **Trust Assets Treated as Owned by Creditors.** For all federal income tax purposes, all parties (including, without limitation, the Debtors, the Liquidating Trustee and the holders of beneficial interests in the Evergreen Liquidating Trust) shall treat the transfer of the Trust Assets to the Evergreen Liquidating Trust for the benefit of the Beneficiaries thereof, whether Allowed on or after the Effective Date, as (A) a transfer of the Trust Assets directly to the Beneficiaries (other than to the extent allocable to Disputed General Unsecured Claims) followed by (B) the transfer by the Beneficiaries to the Evergreen Liquidating Trust of the Trust Assets in exchange for beneficial interests in the Evergreen Liquidating Trust. Accordingly, Beneficiaries shall be treated for federal income tax purposes as the grantors and owners of their respective shares of the Trust Assets.

(ii) **Tax Reporting.**

(A) The Liquidating Trustee shall file returns for the Evergreen Liquidating Trust as a grantor trust pursuant to Treasury Regulation section 1.671-1 through 4(a) and in accordance with this section 7.1(o). The Liquidating Trustee shall also annually send to each record holder of a beneficial interest a separate statement setting forth the holder's share of items of income, gain, loss, deduction or credit and will instruct all such holders to report such items on their federal income tax returns or to forward the appropriate information to the beneficial holders with instructions to report such items on their federal income tax returns. The Evergreen Liquidating Trust's taxable income, gain, loss, deduction or credit will be allocated (subject to section 7.1(o)(ii)(C) hereof, relating to Disputed General Unsecured Claims) to the holders of Allowed

General Unsecured Claims in accordance with their relative beneficial interests in the Evergreen Liquidating Trust.

(B) As soon as possible after the Effective Date, but in no event later than permitted by applicable non-bankruptcy law, the Liquidating Trustee shall make a good faith valuation of the Trust Assets. Such valuation shall be made available from time to time, to the extent relevant, and used consistently by all parties (including, without limitation, the Debtors, the Liquidating Trustee, and the holders of Allowed General Unsecured Claims) for all federal income tax purposes. The Liquidating Trustee shall also file (or cause to be filed) any other statements, returns or disclosures relating to the Evergreen Liquidating Trust that are required by any governmental unit.

(C) Subject to definitive guidance from the Internal Revenue Service or a court of competent jurisdiction to the contrary (including the receipt by the Liquidating Trustee of a private letter ruling if the Liquidating Trustee so requests one, or the receipt of an adverse determination by the Internal Revenue Service upon audit if not contested by the Liquidating Trustee), the Liquidating Trustee shall (i) treat any Trust Assets allocable to, or retained on account of, Disputed Claims as held by one or more discrete trusts for federal income tax purposes (the “Disputed Claim Reserve”) in accordance with the trust provisions of the Tax Code (section 641 *et seq.*); (ii) treat as taxable income or loss of the Disputed Claim Reserve, with respect to any given taxable year, the portion of the taxable income or loss of the Evergreen Liquidating Trust that would have been allocated to the holders of Disputed Claims had such Claims been Allowed on the Effective Date (but only for the portion of the taxable year with respect to which such Claims are unresolved); (iii) treat as a distribution from any reserve established under Evergreen Liquidating Trust any increased amounts distributed by the Evergreen Liquidating Trust as a result of any Disputed Claims resolved earlier in the taxable year, to the extent such distributions relate to taxable income or loss of the Evergreen Liquidating Trust determined in accordance with the provisions hereof; and (iv) to the extent permitted by applicable law, report consistent with the foregoing for state and local income tax purposes. All holders of Allowed General Unsecured Claims shall report, for tax purposes, consistent with the foregoing.

(D) The Liquidating Trustee shall be responsible for payments, out of the Trust Assets, of any taxes imposed on the Evergreen Liquidating Trust or the Trust Assets, including any Disputed Claim Reserve established under the Evergreen Liquidating Trust. In the event, and to the extent any Cash retained on account of Disputed General Unsecured Claims in any Disputed Claim Reserve established under the Evergreen Liquidating Trust is insufficient to pay the portion of any such taxes attributable to the taxable income arising from the assets allocable to, or retained on account of Disputed General Unsecured Claims, such taxes shall be (i) reimbursed from any subsequent Cash amounts retained on account of Disputed General Unsecured Claims, or (ii) to the extent such Disputed General Unsecured Claims have subsequently been resolved, deducted from any amounts distributable by the Liquidating Trustee as a result of the resolutions of such Disputed General Unsecured Claims.

(E) The Liquidating Trustee may request an expedited determination of taxes of the Evergreen Liquidating Trust under section 505(b) of the Bankruptcy Code for all returns filed for, or on behalf of, the Evergreen Liquidating Trust for all taxable periods

through the dissolution of the Evergreen Liquidating Trust.

(p) **Dissolution.** The Evergreen Liquidating Trust and the Liquidating Trustee shall be discharged or dissolved, as the case may be, at such time as (i) all Disputed General Unsecured Claims have been resolved, (ii) all Trust Assets have been liquidated and (iii) all distributions required to be made by the Liquidating Trustee under the Plan have been made, but in no event shall the Evergreen Liquidating Trust be dissolved later than a period that would adversely affect the status of the Evergreen Liquidating Trust as a liquidating trust for federal income tax purposes. The Evergreen Liquidating Trust shall only exist for a period as long as is necessary to facilitate or complete the recovery and liquidation of the Trust Assets and distribution of their proceeds. The Liquidating Trustee shall not unduly prolong the duration of the Evergreen Liquidating Trust and shall at all times endeavor to resolve, settle or otherwise dispose of all claims that constitute Trust Assets and to effect the distribution of the Trust Assets in accordance with the terms hereof and terminate the Evergreen Liquidating Trust as soon as practicable. Prior to and upon termination of the Evergreen Liquidating Trust, the Trust Assets will be distributed to the Beneficiaries of Evergreen Liquidating Trust, pursuant to the provisions set forth in sections V.E and V.F of the Evergreen Liquidating Trust and Articles 2 and 4 of the Plan.

(q) **Indemnification of Liquidating Trustee.** The Liquidating Trustee and the Liquidating Trustee's agents and professionals shall not be liable for actions taken or omitted in its capacity as, or on behalf of, the Liquidating Trustee, except those acts arising out of its or their own willful misconduct, gross negligence, bad faith, self-dealing, breach of fiduciary duty or *ultra vires* acts, and each shall be entitled to indemnification and reimbursement for fees and expenses in defending any and all of its actions or inactions in its capacity as, or on behalf of, the Liquidating Trustee, except for any actions or inactions involving willful misconduct, gross negligence, bad faith, self-dealing, breach of fiduciary duty; or *ultra vires* acts. Any indemnification claim of the Liquidating Trustee (and the other parties entitled to indemnification under this subsection 7.1(q)) shall be satisfied first from the Trust Assets. The Liquidating Trustee shall be entitled to rely, in good faith, on the advice of its retained professionals.

**7.2 Distributions to Holders as of the Confirmation Date.** As of the close of business on the Confirmation Date, the Claims Register, the equity register and transfer and other registers as maintained by the Debtors and/or their respective agents, as applicable, will be closed and there will be no further changes in the record holder of any Claim or Equity Interest. The Liquidating Trustee will have no obligation to recognize any transfer of any Claim or Equity Interest occurring after the Confirmation Date. The Liquidating Trustee will instead be authorized and entitled to recognize and deal for all purposes under the Plan with only those record holders stated on the Claims Register and other registers as of the close of business on the Confirmation Date.

**7.3 Closing of Cases by Charitable Gift.** If at any time the Liquidating Trustee determines with consent of the Committee that the expense of administering the Evergreen Liquidating Trust so as to make a final distribution to Allowed Claims is likely to exceed the value of the Trust Assets remaining in the Evergreen Liquidating Trust, the Liquidating Trustee shall apply to the Bankruptcy Court for authority to (i) reserve any amounts necessary to close the Cases; (ii) donate any balance to a charitable organization exempt from federal income tax under section 501(c)(3) of the Tax Code that is unrelated to the Debtors and any insider of the Debtors; and (iii)

close the Cases in accordance with the Bankruptcy Code and Bankruptcy Rules. Notice of such application shall be given electronically, to the extent practicable, to those parties who have filed requests for notices and whose electronic addresses remain current and operating.

**7.4 Release of Liens.** Except as otherwise specifically provided in or contemplated by the Plan or in any contract, instrument or other agreement or document created in connection with the Plan, (i) each holder of: (a) any purported Secured Claim and/or (b) any judgment, personal property or ad valorem tax, warehouse or artisan or similar Lien Claim, in each case regardless of whether such Claim is an Allowed Claim, shall, on or immediately before the Effective Date and regardless of whether such Claim has been scheduled or proof of such Claim has been filed: (y) turn over and release to the Estates any and all property of the Debtors or Estates that secures or purportedly secures such Claim, or such Lien and/or Claim shall automatically, and without further action by the Debtors or the Liquidating Trustee, as the case may be, be deemed released and (z) execute such documents and instruments as the Debtors or Liquidating Trustee, as the case may be, requires to evidence the holder of a Claim's release of such property or Lien, and if such holder refuses to execute appropriate documents or instruments, the Debtors or the Liquidating Trustee, as the case may be, in its discretion, file a copy of the Confirmation Order in the appropriate recording office, which shall serve to release any holder of a Claim's rights in such property; and (ii) on the Effective Date, all right, title and interest in such property shall revert or be transferred to the Evergreen Liquidating Trust as Trust Assets, free and clear of all Claims, interests, and Liens of any kind.

**7.5 Cancellation of Existing Securities and Agreements.** On the Effective Date, except as expressly provided in this Plan, the securities, promissory notes, trust indentures, share certificates, security agreements, deeds of trust, collateral agency agreements and other instruments evidencing or securing a Claim shall be deemed cancelled without further act or action under any applicable agreement or Law, and the obligations of the Debtors and the Liquidating Trustee, as successor to the Debtors under the agreements, instruments, trust indentures and certificates governing and securing such Claims, as the case may be, shall be discharged.

**7.6 Liquidating Trustee's Post-Confirmation Role.** All rights and obligations of the Debtors under this Plan that exist or continue on or after the Effective Date shall vest in the Liquidating Trustee and shall be rights and obligations exercisable by the Liquidating Trustee on and after the Effective Date. Further, the Liquidating Trustee shall perform each of the following acts as soon as practicable on or after the Effective Date:

(a) **General Powers.** In furtherance of and consistent with the purpose of the Evergreen Liquidating Trust and the Plan, the Liquidating Trustee shall (A) have the power and authority to hold, manage, sell and distribute the Trust Assets in accordance with the Plan, (B) have the power and authority to prosecute and resolve, in the name of the Debtors and/or the name of the Liquidating Trustee, Causes of Action, (C) have the power and authority to prosecute and resolve objections to Disputed Claims, (D) have the power and authority to perform such other functions as are provided in the Plan and (E) have the power and authority to administer the closure of the Cases. The Liquidating Trustee shall be responsible for all decisions and duties with respect to the Evergreen Liquidating Trust and the Trust Assets. In all circumstances, the Liquidating Trustee shall act in the best interests of all beneficiaries of the Evergreen Liquidating Trust and in furtherance of the purpose of the Evergreen Liquidating Trust.

(b) **Payments and Transfers.** On the Effective Date, or as soon thereafter as is reasonably practicable the Liquidating Trustee, shall make payments and transfers to holders of Allowed Claims to claimants in the manner set forth at sections 2.1, 2.2, 2.3, 2.4, 4.1, 4.2, 4.3 and 4.4 hereof, and in accordance with section 6.2 hereof.

(c) **Administration of Taxes.** The Liquidating Trustee shall be authorized to exercise all powers regarding the Debtors' tax matters, including filing tax returns, to the same extent as if the Liquidating Trustee were the debtor in possession. The Liquidating Trustee shall (A) complete and file within ninety (90) days of the filing for dissolution by Evergreen Homes, LLC, Evergreen Investment Corporation and Evergreen Builders, LLC to the extent not previously filed, the Debtors' final federal, state, and local tax returns; (B) request an expedited determination of any unpaid tax liability of the Debtors under section 505(b) of the Bankruptcy Code for all tax periods of the Debtors ending after the Petition Date through the liquidation of the Debtors as determined under applicable tax laws, to the extent not previously requested; and (C) represent the interest and account of the Debtors before any taxing authority in all matters, including, but not limited to, any action, suit, proceeding or audit.

(d) **Claims Administration, Prosecution, Objection to Claims, and Plan Distributions.** The Liquidating Trustee shall have the power and authority to prosecute and resolve objections to Disputed Administrative Expense Claims, Disputed Priority Tax Claims, Disputed Secured Claims, Disputed Priority Non-Tax Claims and Disputed General Unsecured Claims. The Liquidating Trustee shall have the right, power and authority to retain and assert all defenses, rights of setoff, recoupment and counterclaims with respect to each of the foregoing. The Liquidating Trustee shall also have the power and authority to hold, manage and distribute Plan distributions to the holders of Allowed Claims consistent with applicable provisions of this Plan.

Notwithstanding the foregoing, all Insurance Claims that arose prior to the Petition Date shall be deemed Allowed in the greater of (i) an amount equal to the amount of any remaining self-insured retention under the Insurance Policy applicable to such Insurance Claim, divided by the number of Insurance Claims to which the applicable Insurance Policy and self-insured retention applies; or (ii) \$0.00. The allowance of an Insurance Claim pursuant to this provision shall not be deemed an admission of liability by Debtors, and therefore shall not be conclusive as to the Debtors' liability in any proceeding by the holder of an Insurance Claim against an Insurer.

**7.7 Books and Records.** Unless applicable non-bankruptcy law permits the distribution or destruction of certain of the Debtors' business records at an earlier date, the Liquidating Trustee shall have the responsibility of storing and maintaining books and records until one year after the Effective Date, after which time such books and records may, at the sole discretion of the Liquidating Trustee, be abandoned or destroyed without further Bankruptcy Court order, unless applicable non-bankruptcy law requires the retention and maintenance of any such books and records for a longer period, in which instance the Liquidating Trustee shall retain such books and records for at least the minimum period required by applicable non-bankruptcy law. For purposes of this section, books and records include computer generated or computer maintained books and records and computer data, as well as electronically generated or maintained books and records or data, along with books and records of the Debtors maintained by or in possession of third parties and all of the claims and rights of the Debtors in and to their books and records, wherever located.

**7.8 Corporate Action.** On the Effective Date, the Liquidating Trustee shall perform each of the actions and effect each of the transfers required by the terms of the Plan in the time period allocated therefor, and all matters provided for under the Plan that would otherwise require approval of the stockholders, directors or comparable governing bodies of the Debtors shall be deemed to have occurred and shall be in effect from and after the Effective Date pursuant to the applicable general corporation law (or other applicable governing law) of the state in which the Debtors incorporated or organized, without any requirement of further action by the stockholders or directors (or other governing body) of the Debtors.

**7.9 Effectuating Documents and Further Transactions.** The Debtors and/or Liquidating Trustee, as the case may be, are authorized and directed to execute, deliver, file or record such contracts, instruments, releases, indentures, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

**7.10 Securities Exempt.** The beneficial interests in the Evergreen Liquidating Trust satisfy the requirements of section 1145 of the Bankruptcy Code and, therefore, such interests are exempt from registration under the Securities Act of 1933, as amended, and any state or local law requiring registration.

## ARTICLE VIII.

### PROCEDURES FOR DISPUTED CLAIMS

**8.1 Objections to Claims.** The Debtors, the Committee and, from and after the Effective Date, the Liquidating Trustee, shall be entitled to object to Administrative Expense Claims, Priority Tax Claims, Secured Claims, Priority Non-Tax Claims and General Unsecured Claims.

**8.2 No Distribution Pending Allowance.** Notwithstanding any other provision hereof, if any portion of a Claim is a Disputed Claim, no payment or distribution provided hereunder shall be made on account of such Claim unless and until such Disputed Claim becomes an Allowed Claim.

**8.3 Reserve on Account of Disputed Claims**

(a) **Establishment and Maintenance of Reserve for Disputed Claims.** The Liquidating Trustee shall maintain the Disputed Claim Reserve at an amount equal to the aggregate of 100% of the distributable amounts to which holders of such Disputed Claims would be entitled under the Plan if such Disputed Claims were Allowed Claims in their Disputed Claim Amounts or such lesser amount as required by a Final Order. For purposes of effectuating the provisions of this section 8.3(a) and the distributions to holders of Allowed Claims, the Bankruptcy Court shall set, may fix or liquidate the amount of Disputed Claims pursuant to section 502(c) of the Bankruptcy Code, in which event the amounts so fixed or liquidated shall be deemed the amounts of the Disputed Claims

for purposes of distribution under this Plan. In lieu of fixing or liquidating the amount of any Disputed Claim, the Bankruptcy Court may determine the amount to be reserved for such Disputed Claim or such amount may be fixed by agreement in writing between the Liquidating Trustee and the holder of a Disputed Claim.

(b) **Distributions Upon Allowance of Disputed Claims.** The holder of a Disputed Claim that becomes an Allowed Claim shall receive distributions in Cash from the Disputed Claim Reserve as soon as practicable following the date on which such Disputed Claim becomes an Allowed Claim pursuant to a Final Order. Such distributions shall be made in accordance with the Plan based upon the distributions that would have been made to such holder under the Plan if the Disputed Claim had been an Allowed Claim on or prior to the Effective Date. No holder of a Disputed Claim shall have any Claim against the Disputed Claim Reserve or the Evergreen Liquidating Trust with respect to such Claim until such Disputed Claim shall become an Allowed Claim, and no holder of a Disputed Claim shall have any right to interest on such Disputed Claim Except for any Reserve Income earned thereon.

**8.4 Resolution of Disputed Claims.** Unless otherwise ordered by the Bankruptcy Court after notice and a hearing, following the Effective Date, the Liquidating Trustee shall have the right, to the exclusion of all others (except as to applications for allowances of compensation and reimbursement of expenses under sections 328(a), 330 and 503 of the Bankruptcy Code), to make and file objections to Claims and shall serve a copy of each objection upon the holder of the Claim to which the objection is made as soon as practicable, but in no event later than one hundred eighty (180) days after the Effective Date (subject, however, to the right the Liquidating Trustee to seek an extension of time to file such objections by seeking such extension with approval from the Bankruptcy Court).

**8.5 Estimation.** The Debtors or the Liquidating Trustee (as the case may be) may at any time request that the Bankruptcy Court estimate any contingent, unliquidated or Disputed Claim pursuant to section 502(c) of the Bankruptcy Code regardless of whether the Debtors previously objected to such Claim, and the Bankruptcy Court will retain jurisdiction to estimate any Claim at any time during litigation concerning any objection to any Claim, including, without limitation, during the pendency of any appeal relating to any such objection. In the event that the Bankruptcy Court estimates any contingent, unliquidated or Disputed Claim, the amount so estimated shall constitute either the Allowed amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on the amount of such Claim, the Debtors or the Liquidating Trustee (as the case may be) may pursue supplementary proceedings to object to the allowance of such Claim. All of the aforementioned objection, estimation and resolution procedures are intended to be cumulative and not exclusive of one another. On and after the Confirmation Date, Claims that have been estimated may be compromised, settled, withdrawn or otherwise resolved subsequently, without further order of the Bankruptcy Court.

**8.6 Distributions to Holders of Allowed Claims Upon Disallowance of Disputed Claims.** Subject to section 7.2 hereof, upon disallowance of any Disputed Claim, each holder of an Allowed Claim in the same Class as the disallowed Disputed Claim will be entitled to its Pro Rata Share of Cash equal to the distribution that would have been made in accordance with the Plan to the

holder of such Disputed Claim had such Disputed Claim been an Allowed Claim on or prior to the Effective Date. Such distributions on account of disallowed Disputed Claims will be made as soon as practicable after the fifteenth business day following allowance or disallowance of the last Disputed Claim. Upon allowance or disallowance of all or a portion of such Disputed Claims, the Debtor, or the Liquidating Trustee, as the case may be, will make appropriate distributions in accordance with the Plan.

## ARTICLE IX.

### EXECUTORY CONTRACTS AND UNEXPIRED LEASES

**9.1 Executory Contracts and Unexpired Leases.** On the Effective Date, all executory contracts and unexpired leases to which any Debtor is a party shall be deemed rejected as of the Effective Date, except for an executory contract or unexpired lease that (i) has been assumed or rejected pursuant to Final Order of the Bankruptcy Court entered prior to the Effective Date or (ii) is the subject of a separate motion to assume or reject (or terminate or modify, as the case may be) filed under sections 365, 1113 and/or 1114 of the Bankruptcy Code by the Debtors prior to the Effective Date.

Notwithstanding the foregoing, any agreements, documents or instruments relating thereto (including Insurance Policies), that are postpetition contracts shall continue to operate unaffected by the Plan, with the Insurers responsible for claims in accordance with the terms and provisions of such postpetition contracts (including Insurance Policies) unless otherwise terminated by the Liquidating Trustee. The Debtors' Insurance Policies that have expired as of the Confirmation Date (whether entered into prior or subsequent to the Petition Date) are not executory contracts subject to assumption or rejection. The Insurers shall be responsible for continuing coverage obligations under such Insurance Policies, regardless of the payment status of any retrospective or other insurance premiums.

Nothing contained in the Plan shall constitute or be deemed to be a waiver of any cause of action that the Debtors may hold against any Person, including, without limitation, any Insurer under any of the Debtors' Insurance Policies.

**9.2 Approval of Rejection of Executory Contracts and Unexpired Leases.** Entry of the Confirmation Order shall constitute the approval, pursuant to sections 365(a), 1113 and/or 1114 of the Bankruptcy Code, of the rejection of the executory contracts and unexpired leases rejected as of the Effective Date pursuant to the Plan.

**9.3 Rejection Claims.** In the event that the rejection of an executory contract or unexpired lease by the Debtors pursuant to the Plan results in damages to the other party or parties to such contract or lease, a Claim for such damages, if not heretofore evidenced by a filed proof of claim, shall be forever barred and shall not be enforceable against the Debtors or any property to be distributed under the Plan unless a proof of claim is filed with the Bankruptcy Court and served upon the Liquidating Trustee on or before the date that is thirty (30) days after the Confirmation Date. The

foregoing sentence shall not, however, be applicable to any separate pre-Confirmation Date order of the Bankruptcy Court authorizing rejection of an executory contract or unexpired lease wherein a separate deadline by which rejection damages claims was established.

## ARTICLE X.

### EFFECTIVENESS OF THE PLAN

**10.1 Condition Precedent to Confirmation of Plan.** The following are conditions precedent to the confirmation of the Plan:

(a) The Bankruptcy Court shall have entered a Confirmation Order in form and substance satisfactory to the Committee.

**10.2 Conditions Precedent to Effective Date.**

(a) No stay of the Confirmation Order shall then be in effect.

(b) The Debtors shall have sufficient Cash to pay the sum of (i) Allowed Administrative Expense Claims, Allowed Priority Tax Claims, Allowed Other Secured Claims and Allowed Priority Non-Tax Claims, and the Professional fees that have accrued but not been paid; and/or (ii) an amount that would be required to distribute to the holders of Disputed Secured Claims, Disputed Administrative Expense Claims, Disputed Priority Tax Claims, and Disputed Priority Non-Tax Claims if all such Claims are subsequently Allowed, as set forth more fully in Article VII hereof; and/or (iii) the Claimants have agreed to accept deferred payment

**10.3 Satisfaction of Conditions.** Any actions required to be taken on the Effective Date shall take place and shall be deemed to have occurred simultaneously, and no such action shall be deemed to have occurred prior to the taking of any other such action. If the Committee decides that one of the conditions precedent set forth in section 10.2 hereof cannot be satisfied and the occurrence of such condition is not waived or cannot be waived, then the Committee shall file a notice of the failure of the Effective Date with the Bankruptcy Court.

**10.4 Effect of Nonoccurrence of Conditions to Effective Date.** If each of the conditions to consummation and the occurrence of the Effective Date has not been satisfied or duly waived, the Confirmation Order may be vacated by the Bankruptcy Court. If the Confirmation Order is vacated pursuant to this section, the Plan shall be null and void in all respects, and nothing contained in the Plan shall constitute a waiver or release of any Claims against the Debtors.

## ARTICLE XI.

### EFFECT OF CONFIRMATION

#### 11.1 Vesting of Assets.

(a) As of the Effective Date, all property of the Estates shall vest in the Evergreen Liquidating Trust, and shall constitute the Trust Assets.

(b) As of the Effective Date, all assets of the Estates shall be free and clear of all Claims and Liens, Except as provided in the Plan or the Confirmation Order.

**11.2 Release of Assets.** Until the Effective Date, the Bankruptcy Court shall retain jurisdiction of the Debtors and their assets and properties. Thereafter, jurisdiction of the Bankruptcy Court shall be limited to the subject matter set forth in Article XI hereof.

**11.3 Binding Effect.** Except as otherwise provided in section 1141(d)(3) of the Bankruptcy Code, on and after the Confirmation Date, the provisions of the Plan shall bind any holder of a Claim against, or Equity Interest in any one or more of the Debtors and their respective successors and assigns, including, but not limited to, the Evergreen Liquidating Trust and the Liquidating Trustee, whether or not the Claim or Equity Interest of such holder is impaired under the Plan and whether or not such holder has Accepted the Plan.

**11.4 Term of Injunctions or Stays.** Unless otherwise expressly provided herein, all injunctions or stays arising under or entered during the Cases under sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the closing of the Cases.

**11.5 Causes of Action.** Except as otherwise provided in the Plan, on and after the Effective Date, the Liquidating Trustee will have the exclusive right to enforce any and all Causes of Action against any person. The Liquidating Trustee may prosecute, defend, enforce, abandon, settle or release any or all Causes of Action as it deems appropriate, without the need to obtain approval or any other or further relief from the Bankruptcy Court. The Liquidating Trustee may, in its sole discretion, offset any such claim held against a person, against any payment due such person under the Plan; *provided, however*, that any claims of the Debtors arising before the Petition Date shall first be offset against Claims against the Debtors arising before the Petition Date, subject in each instance, however, to the limitations of section 6.6 hereof. All defenses and rights of avoidance of the Debtors shall be retained and may be exercised by the Liquidating Trustee.

**11.6 Injunction.** On and after the Confirmation Date, all persons are permanently enjoined from commencing or continuing in any manner any action or proceeding (whether directly, indirectly, derivatively, or otherwise) on account of or respecting any claim, debt, right or cause of action of the Debtors for which the Liquidating Trustee retains sole and exclusive authority to pursue in accordance with the Plan.

**11.7 Injunction Against Interference with Plan.** Upon the entry of the Confirmation Order, all holders of Claims and Equity Interests and other parties in interest, along with their respective present or former employees, agents, officers, directors or principals, shall be enjoined from taking any actions to interfere with the implementation or consummation of the Plan.

## **ARTICLE XII.**

### **RETENTION OF JURISDICTION**

**12.1 Jurisdiction of Bankruptcy Court.** The Bankruptcy Court shall retain jurisdiction of all matters arising under, arising out of, or related to the Cases and the Plan pursuant to, and for the purposes of, sections 105(a) and 1142 of the Bankruptcy Code and for, among other things, the following purposes:

- (a) To hear and determine motions for the assumption, assumption and assignment or rejection of executory contracts or unexpired leases and the allowance of Claims resulting therefrom;
- (b) To determine any motion, adversary proceeding, application, contested matter, and other litigated matter pending on or commenced after the Confirmation Date, including, without limitation, any proceeding to recover a Cause of Action;
- (c) To ensure that distributions to holders of Allowed Claims are accomplished as provided herein;
- (d) To consider Claims or the allowance, classification, priority, compromise, estimation or payment of any Claim;
- (e) To enter, implement, or enforce such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, reversed, revoked, modified or vacated;
- (f) To issue injunctions, enter and implement other orders, and take such other actions as may be necessary or appropriate to restrain interference by any person with the consummation, implementation or enforcement of the Plan, the Confirmation Order or any other order of the Bankruptcy Court;
- (g) To hear and determine any application to modify the Plan in accordance with section 1127 of the Bankruptcy Code, to remedy any defect or omission or reconcile any inconsistency in the Plan, the Disclosure Statement or any

order of the Bankruptcy Court, including the Confirmation Order, in such a manner as may be necessary to carry out the purposes and effects thereof;

- (h) To hear and determine all applications under sections 328, 330, 331 and 503(b) of the Bankruptcy Code for awards of compensation for services rendered and reimbursement of expenses incurred by Professionals prior to the Confirmation Date;
- (i) To hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of the Plan, the Confirmation Order, any transactions or payments contemplated hereby, or any agreement, instrument, or other document governing or relating to any of the foregoing;
- (j) To hear and determine disputes arising in connection with the interpretation, implementation or enforcement of the Agreement, and to hear and determine all matters involving or relating to the Evergreen Liquidating Trust or the Liquidating Trustee.
- (k) To take any action and issue such orders as may be necessary to construe, enforce, implement, execute and consummate the Plan or to maintain the integrity of the Plan following consummation;
- (l) To recover all assets of the Debtors' property of the Estates, wherever located, which jurisdiction shall not be limited as a result of the transfer of such assets and property to the Liquidating Trust pursuant to the Plan;
- (m) To determine such other matters and for such other purposes as may be provided in the Confirmation Order;
- (n) To hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505 and 1146 of the Bankruptcy Code (including, without limitation, matters with respect to any taxes payable by a trust or reserve established in furtherance of the Plan);
- (o) To hear and determine any other matters related hereto and not inconsistent with the Bankruptcy Code and title 28 of the United States Code; and

- (p) To enter a final decree closing the Cases.

## ARTICLE XIII.

### CRAMDOWN RESERVATION

**13.1 Nonconsensual Confirmation.** If any impaired class votes to Accept the Plan by the requisite statutory majorities provided in sections 1126(c) and 1126(d) of the Bankruptcy Code, as applicable, or if any impaired class is deemed to have rejected the Plan, the Debtors and the Committee each respectively reserve the right to undertake to have the Bankruptcy Court confirm the Plan under section 1129(c) of the Bankruptcy Code and/or amend the Plan in accordance with section 14.9 hereof to the extent necessary to obtain entry of the Confirmation Order.

## ARTICLE XIV.

### MISCELLANEOUS PROVISIONS

**14.1 Disposition of Creditors' Committee.** The Committee shall disband and be released of its duties and obligations on the Effective Date. Any rights or duties of the Committee under the Agreement shall be exercised by the chairman of the Committee as of the Confirmation Date, which Committee chairman shall continue to take all actions required of the Committee as of the Effective Date.

**14.2 Record Date.** At the close of business on the Confirmation Date, the Claims Register shall be closed.

**14.3 Substantial Consummation.** On the Effective Date or as soon thereafter as practicable, the Plan shall be deemed to be “substantially consummated” as contemplated under sections 1101 and 1127(b) of the Bankruptcy Code.

**14.4 Exemption from Transfer Taxes.** Subject to orders entered by the Bankruptcy Court authorizing certain sales of real property in connection with any sale transaction, pursuant to section 1146(c) of the Bankruptcy Code, the assignment or surrender of any lease or sublease, or the delivery of any deed or other instrument of transfer under, in furtherance of, or in connection with the Plan, including any deeds, bills of sale or assignments executed in connection with any disposition of assets contemplated by the Plan shall not be subject to any stamp, real estate transfer, mortgage recording, sales, use, or other similar tax.

**14.5 Exculpation.** None of the Debtors, Committee nor any of their respective members, officers, directors, employees, advisors, professionals or agents, (collectively, “Exculpation Parties”) shall have or incur any liability to any holder of a Claim or Equity Interest for any act or omission in connection with, related to, or arising out of the Cases, including, without limitation, negotiations regarding or concerning the Plan, the pursuit of confirmation of the Plan, the consummation of the Plan, or the administration of the Estates or the Plan or the property to be distributed under the Plan,

Except for willful misconduct or gross negligence, and, in all respects, the Exculpation Parties shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under the Plan.

**14.6 Discharge of Claims and Termination of Equity Interests.** Except as otherwise specifically provided herein or in the Confirmation Order, the rights afforded in the Plan and the payments and distributions to be made hereunder shall discharge all existing debts and Claims, and terminate all Equity Interests of any kind, nature or description whatsoever against or in the Estates or any of their assets or properties to the fullest extent permitted by section 1141 of the Bankruptcy Code. Except as otherwise provided herein or in the Confirmation Order, upon the Effective Date, all existing Claims against the Estates shall be, and shall be deemed to be, discharged and terminated, and all holders of Claims and Equity Interests shall be precluded and enjoined from asserting against the Estates, or any of its assets or properties, any other or further Claim or Equity Interest based upon any act or omission, transaction or other activity of any kind or nature that occurred prior to the Effective Date, whether or not such holder has filed a proof of Claim or is listed in the Schedules.

**14.7 Post-Confirmation Date Fees and Expenses.**

(a) **Fees and Expenses of Professionals.** The Liquidating Trustee shall, in the ordinary course of business and without the necessity for any approval by the Bankruptcy Court, pay the reasonable fees and expenses, incurred after the Effective Date, of the professional persons employed by the Liquidating Trustee in connection with the implementation and consummation of the Plan, the claims reconciliation process and any other matters as to which such professionals may be engaged. The fees and expenses of such professionals shall be paid within ten (10) Business Days after submission of a detailed invoice therefor. If the Liquidating Trustee disputes the reasonableness of any such invoice, the Liquidating Trustee shall timely pay the undisputed portion of such invoice, and the Liquidating Trustee or the affected professional may submit such dispute to the Bankruptcy Court for a determination of the reasonableness of such invoice.

**14.8 Payment of Statutory Fees.** On the Effective Date, and thereafter as may be required, the Liquidating Trustee shall pay all fees payable pursuant to section 1930 of chapter 123 of title 28 of the United States Code.

**14.9 Modification of Plan.** The Plan may be amended, modified, or supplemented by the Debtors and the Committee in the manner provided for by section 1127 of the Bankruptcy Code or as otherwise permitted by law without additional disclosure pursuant to section 1125 of the Bankruptcy Code, except as the Bankruptcy Court may otherwise direct. In addition, after the Confirmation Date, so long as such action does not materially adversely affect the treatment of holders of Claims or Equity Interests under the Plan, the Debtors and Committee may institute proceedings in the Bankruptcy Court to remedy any defect or omission or reconcile any inconsistencies in the Plan or the Confirmation Order, with respect to such matters as may be necessary to carry out the purposes and effects of the Plan. Prior to the Effective Date, the Debtors and Committee may make appropriate technical adjustments and modifications to the Plan without further order or approval of the Bankruptcy Court, *provided* that such technical adjustments and modifications do not adversely affect in a material way the treatment of holders of Claims or Equity

Interests.

**14.10 Revocation or Withdrawal of Plan.** The Committee reserves the right to revoke or withdraw the Plan at any time prior to the Confirmation Date. If the Committee takes such action, the Plan shall be deemed null and void. In such event, nothing contained herein shall be deemed to constitute a waiver or release of any Claim by or against the Debtors or any other person or to prejudice in any manner the rights of the Debtors or any other person in any further proceedings involving the Debtors.

**14.11 Courts of Competent Jurisdiction.** If the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising out of the Plan, such abstention, refusal, or failure of jurisdiction shall have no effect upon and shall not control, prohibit, or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.

**14.12 Severability.** If, prior to the entry of the Confirmation Order, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void or unenforceable, the Bankruptcy Court, at the request of the Debtors and Committee, shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of the Plan will remain in full force and effect and will in no way be affected, impaired, or invalidated by such holding, alteration or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

**14.13 Governing Law.** Except to the extent that the Bankruptcy Code or other federal law is applicable, or to the extent an exhibit hereto provides otherwise, the rights, duties and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with, the laws of the State of Ohio, without giving effect to the principles of conflicts of law thereof.

**14.14 Exhibits.** All exhibits, schedules, addendum or other others annexed to the Plan are deemed incorporated into and are a part of the Plan as if set forth in full herein.

**14.15 Successors and Assigns.** All the rights, benefits and obligations of any person named or referred to in the Plan shall be binding on, and shall inure to the benefit of, the heirs, executors, administrators, successors and/or assigns of such person.

**14.16 Time.** In computing any period of time prescribed or allowed by the Plan, unless otherwise set forth herein or determined by the Bankruptcy Court, the provisions of Bankruptcy Rule 9006 shall apply.

**14.17 Notices.** All notices, requests and demands to or upon the Debtors to be effective shall be in writing and, unless otherwise expressly provided herein, shall be deemed to have been duly

given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as follows:

If to Debtor:            MENTZER and MYGRANT ltd  
                              Howard E. Mentzer, Esquire  
                              I Cascade Plaza, Suite 1445  
                              Akron, Ohio 44308  
                              Telephone: 330-376-7500  
                              Facsimile: 330-376-8018

If to the Committee: GOLDMAN & ROSEN LTD.  
                              Michael A. Steel, Esquire  
                              11 South Forge Street  
                              Akron, OH 44304  
                              Telephone: 330-255-0723  
                              Facsimile: 330-315-7540

Dated: June 2, 2008

Respectfully submitted,

Evergreen Homes, LLC, Evergreen Investment  
Corporation and Evergreen Builders, LLC

By: /s/Charles Deutchman  
Name: Charles Deutchman  
Title: Chief Operating Officer

The Official Committee of Unsecured Creditors

By: /s/Bernard J. Wolak  
Name: Bernard J. Wolak  
Committee Chair

Presented by:

/s/ Howard E. Mentzer

Howard E. Mentzer (0020324)

MENTZER and MYGRANT ltd

I Cascade Plaza, Suite 1445

Akron, OH 44308

*Counsel for Debtors/Debtors in Possession*

and

/s/ Michael A. Steel

Michael A. Steel (0072367)

GOLDMAN & ROSEN, LTD

11 South Forge Street

Akron, Oh 44304

*Attorney for the Official Committee of Unsecured Creditors*

**EXHIBITS**

Exhibit 1 Trust Agreement

**UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF OHIO  
EASTERN DIVISION**

|                                     |   |                                 |
|-------------------------------------|---|---------------------------------|
| IN RE:                              | ) |                                 |
|                                     | ) |                                 |
| EVERGREEN HOMES, LLC, <i>et al.</i> | ) | Case No. 07-51261               |
|                                     | ) | (Jointly Administered with Case |
|                                     | ) | Nos. 07-51262 and 07-51263)     |
| Debtors                             | ) |                                 |
|                                     | ) | Chapter 11                      |
|                                     | ) |                                 |
|                                     | ) | Honorable Marilyn Shea-Stonum   |
|                                     | ) | Chief Bankruptcy Judge          |

**TRUST AGREEMENT**

by and among

EVERGREEN HOMES, LLC, EVERGREEN INVESTMENT CORPORATION  
and EVERGREEN BUILDERS, LLC  
as Debtors and Debtors-in-possession,

and

OFFICIAL COMMITTEE OF UNSECURED CREDITORS  
as representatives of Beneficiaries

and

\_\_\_\_\_  
as Liquidating Trustee

Dated: \_\_\_\_\_, 2008

**Exhibit 1**

THIS AGREEMENT ("Agreement") is made this \_\_\_\_\_ day of \_\_\_\_\_, 2008, by and among Evergreen Homes, LLC, Evergreen Investment Corporation and Evergreen Builders, LLC, debtors and debtors-in-possession (collectively "Debtors"), the Official Committee of Unsecured Creditors ("Committee") and \_\_\_\_\_ (together with any successors, the "Liquidating Trustee") under the Plan (as defined below).

**RECITALS:**

A. On April 29, 2007, each of the Debtors filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Northern District of Ohio, Eastern Division ("Bankruptcy Court"), which cases are pending before the Honorable Marilyn Shea-Stonum and are being jointly administered at Case No. 07-51261 under the caption *In re Evergreen Homes, LLC, et al.* (the "Cases").

B. By order, dated \_\_\_\_\_, 2008, the Bankruptcy Court confirmed the Joint Plan of Liquidation (as same may have been or may be amended or modified, the "Plan." (Capitalized terms used herein without definition shall have the respective meanings assigned to such terms in the Plan.)

C. Article 7 of the Plan calls for, *inter alia*, the creation of the Evergreen Liquidating Trust to hold and reduce to Cash all Trust Assets, for the benefit of the Beneficiaries, to resolve and object to Claims, and to distribute proceeds of Trust Assets to Allowed Claims in accordance with the Plan.

D. The Evergreen Liquidating Trust is created on behalf of and for the benefit of the Beneficiaries.

E. The Evergreen Liquidating Trust is created pursuant to, and to effectuate, the Plan for the primary purpose of liquidating the Trust Assets, including but not limited to real estate and mortgage deeds, for the benefit of the Beneficiaries as a liquidating trust, in accordance with Treasury Regulation § 301.7701-4(d), and Revenue Procedure 94-45 I.R.B. 1994-28, 124, (July 11, 1994) ("Revenue Procedure 94-45") (or any subsequent Revenue Procedures that may be issued), with no objective to continue or engage in the conduct of a trade or business except to the extent reasonably necessary to, and consistent with, the liquidating purpose of the Evergreen Liquidating Trust.

F. The Evergreen Liquidating Trust provides that the Beneficiaries of the Evergreen Liquidating Trust will be treated as the grantors of the Evergreen Liquidating Trust and deemed owners of the Trust Assets. The Evergreen Liquidating Trust requires the Liquidating Trustee to file returns for the Evergreen Liquidating Trust as a grantor trust pursuant to Treasury Regulation § 1.671-1 through 4(a).

G. The Evergreen Liquidating Trust is intended to qualify as a "grantor trust" for federal income tax purposes with the Beneficiaries treated as the grantors and owners of the trust.

H. All of the Evergreen Liquidating Trust's income and/or recoveries are to be treated

as subject to tax on a current basis to the Beneficiaries who will be responsible for payment of any tax due.

I. Subject to Section I.F. hereof, the Evergreen Liquidating Trust contains a fixed determinable termination date that is not more than five years from the date of creation of the Evergreen Liquidating Trust and that is reasonable based on all the facts and circumstances.

J. The investment powers of the Liquidating Trustee other than those reasonably necessary to maintain the value of the Trust Assets and to further the liquidating purpose of the Evergreen Liquidating Trust, are limited to powers to invest in demand and time deposits, such as short-term certificates (or overnight swaps) of deposit, in banks or other savings institutions, or other temporary, liquid investments, such as Treasury bills.

K. The Evergreen Liquidating Trust is required to distribute to the Beneficiaries its net income plus all net proceeds from the sale or other liquidation of assets, except that the Evergreen Liquidating Trust may retain an amount of net proceeds or net income reasonably necessary to maintain the value of the Trust Assets, to fund the Liquidation Expense Reserve Account and the Disputed Claim Reserve.

NOW, THEREFORE, in consideration of the promises and the mutual covenants and agreements contained herein and in the Plan, the Debtors, the Committee, and the Liquidating Trustee agree as follows:

## SECTION I

### THE EVERGREEN LIQUIDATING TRUST

**A. Creation.** In accordance with section 7.1 of the Plan, on the Effective Date of the Plan, the Evergreen Liquidating Trust is hereby created, including but not limited to real estate and mortgage interests.

**B. Objective and Purpose.** The Evergreen Liquidating Trust shall be established and maintained for the sole purpose of liquidating and distributing the Trust Assets in accordance with Treasury Regulation 301.7701- 4(d) and resolving and administering Claims, with no objection to continue or engage in the conduct of a trade or business.

**C. Acceptance.** The Liquidating Trustee accepts the terms, provisions and conditions of this Agreement and the Plan and agrees to observe, perform and abide hereby and thereby.

**D. Intention of Parties to Establish Grantor Trust.** This Agreement is intended to create a grantor trust for United States federal income tax purposes, and to the extent provided by law, shall be governed and construed in all respects as such a grantor trust. The Evergreen Liquidating Trust is not intended to constitute nor shall the formation of the Evergreen Liquidating Trust be interpreted as creating an association, partnership or joint venture of any kind.

**E. Transfer of Assets to Evergreen Liquidating Trust.**

1. On the Effective Date, right, title and interest to all assets of the Debtors and the Estates, including but not limited to real estate and mortgages, shall vest in the Evergreen Liquidating Trust as Trust Assets consistent with section 7.1 (c) of the Plan.

2. On the Effective Date, the Estates shall be deemed to assign, set over, transfer and convey to the Evergreen Liquidating Trust all of their right, title and interest in assets of the Estates. To the extent that certain assets of the Estates, because of their nature or because they will accrue subsequent to the Effective Date, cannot be assigned, set over, transferred or conveyed to the Evergreen Liquidating Trust on the Effective Date, such assets shall be deemed assigned, set over, transferred and conveyed to the Evergreen Liquidating Trust as soon as practical after the Effective Date.

3. On or after the Effective Date, the Liquidating Trustee shall continue as a plaintiff in all litigation or Causes of Action (on behalf of the Beneficiaries) in which the Debtors were plaintiffs prior to the Effective Date. All recoveries and proceeds arising from litigation and Causes of Action shall be deemed assigned, set over, transferred and conveyed to the Evergreen Liquidating Trust upon receipt thereof. All fees and costs of the Liquidating Trustee (and agents thereof) arising from or relating to pursuing litigation or Causes of Action or other services performed at the request of the Liquidating Trustee on behalf of the Evergreen Liquidating Trust shall be paid as a first priority in right of distribution from the Evergreen Liquidating Trust.

4. The transfer of assets of the Estates to the Liquidating Trust shall be made for the benefit of the Beneficiaries, in each case, but only to the extent the Beneficiaries are entitled to distributions under the Plan.

5. For all purposes of the Internal Revenue Code of 1986 ("IRS Code"), as amended, all Persons (including, without limitation, the Debtors, the Liquidating Trustee and the Beneficiaries) shall treat the transfer of the Trust Assets to the Evergreen Liquidating Trust through the Debtors and/or agents of the Debtors as set forth in this Section I.E, as the deemed transfer of such assets to the Beneficiaries followed by the deemed transfer of such assets by the Beneficiaries to the Evergreen Liquidating Trust. Thus, the Beneficiaries shall be treated as the grantors and owners of the Evergreen Liquidating Trust for federal income tax purposes.

6. The Liquidating Trustee and the Beneficiaries will value the Trust Assets as set forth in section 7.1(o)(ii)(B) of the Plan and such valuations will be consistently used for all federal income tax purposes.

**F. Termination of Evergreen Liquidating Trust.**

1. The Evergreen Liquidating Trust will terminate no later than the fifth (5<sup>th</sup>) anniversary of the Effective Date; provided, however, on or prior to the date six (6) months prior to such termination, the Bankruptcy Court, upon motion by a party in interest, may extend the term of the Evergreen Liquidating Trust for a finite period if it is necessary or appropriate in furthering the

liquidating purpose thereof. Multiple extensions can be obtained so long as Bankruptcy Court approval is obtained at least six (6) months prior to the expiration of each extended term; provided, however, that the Liquidating Trustee receives an opinion of counsel or a favorable ruling from the Internal Revenue Service ("IRS") that any further extension would not adversely affect the status of the trust as a liquidating trust and grantor trust for federal income tax purposes.

2. Prior to and upon termination of the Evergreen Liquidating Trust, the Trust Assets will be distributed to the Beneficiaries in accordance with the Plan and subject to this Agreement. If at any point prior to such termination date, the Liquidating Trustee determines that further disbursements of the Trust Assets are unwarranted, the Liquidating Trustee shall provide notice of the Liquidating Trustee's intention to make a final disbursement to the Beneficiaries. Absent the filing of a timely objection thereto, the Liquidating Trustee shall thereafter be authorized to and shall make the final disbursement of the Trust Assets to the Beneficiaries in accordance with their distribution rights under the Plan and this Agreement. Ninety (90) days after the final disbursement, the Liquidating Trustee shall stop payment on any check(s) remaining unpaid and such unclaimed funds shall thereafter be used to satisfy any outstanding expenses of administering the Evergreen Liquidating Trust and the remaining balance, if any, shall thereafter be paid to a charity to be selected by the Liquidating Trustee in accordance with section 7.3 of the Plan.

3. The Liquidating Trustee shall not unduly prolong the duration of the Evergreen Liquidating Trust and shall at all times endeavor to resolve, settle or otherwise dispose of all claims that constitute Trust Assets and to effect the distribution of the Trust Assets to the Beneficiaries in accordance with the terms hereof and terminate the Evergreen Liquidating Trust as soon as practicable.

## SECTION II

### LIQUIDATING TRUSTEE

**A. Appointment.** The Committee has determined to appoint \_\_\_\_\_, to serve as the initial Liquidating Trustee under the Plan, and the Liquidating Trustee hereby accepts such appointment and agrees to serve in such capacity, upon the Effective Date of the Plan. A Successor Trustee (as defined in Section V.C hereof) may be appointed in the event that the Liquidating Trustee is removed or resigns pursuant to this Agreement or the Liquidating Trustee otherwise vacates the position.

**B. Generally.** The Liquidating Trustee's powers are exercisable solely in a fiduciary capacity consistent with, and in furtherance of, the purposes of the Evergreen Liquidating Trust and not otherwise, except that the Liquidating Trustee may administer the Trust Assets as permitted by the provisions of Section II.D hereof. The Liquidating Trustee shall have the authority to bind the Evergreen Liquidating Trust, but shall for all purposes hereunder be acting in the capacity as Liquidating Trustee and not personally or individually. The Liquidating Trustee shall not be obligated to give any bond, surety or other security for the performance of any duties or obligations hereunder. The Liquidating Trustee shall be entitled to engage in all such activities as the Liquidating Trustee deems necessary and appropriate, in the Liquidating Trustee's sole discretion, except where

Committee approval may be required as set forth herein; provided, however, that such activities do not conflict with the purpose of the Evergreen Liquidating Trust and are in the best interests of the Beneficiaries; and provided, further, that the Liquidating Trustee shall devote such time and effort as is necessary to timely and properly fulfill all such duties.

**C. Scope of Authority.** The responsibilities and authority of the Liquidating Trustee shall include: (i) administering and liquidating the Trust Assets; (ii) facilitating the prosecution or settlement of Causes of Action, including but not limited to Avoidance Actions; (iii) facilitating the prosecution or settlement of objections to and estimations of Claims against the Debtors; (iv) calculating and implementing all distributions in accordance with the Plan and this Agreement; (v) filing all required tax returns and paying taxes and all other obligations on behalf of the Evergreen Liquidating Trust from funds held by the Evergreen Liquidating Trust; (vi) periodic reporting to the Bankruptcy Court, the Committee and parties in interest of the status of the Claims resolution process, distributions on account of Allowed Claims against the Debtors; and (vii) such other responsibilities as may be vested in the Liquidating Trustee pursuant to the Plan, this Agreement, any Final Order of the Bankruptcy Court or as may be necessary and proper to carry out the provisions of the Plan.

**D. Powers.**

1. In connection with the administration of the Evergreen Liquidating Trust, except as otherwise set forth in this Agreement or the Plan, the Liquidating Trustee is authorized to perform any and all acts necessary and reasonable to accomplish the purposes of the Evergreen Liquidating Trust. Without limiting, but subject to the foregoing, and subject in all respects to the other terms and conditions of this Agreement, the Liquidating Trustee shall be expressly authorized, but shall not be required, to:

(a) pursue and prosecute Causes of Action or to refrain from pursuing any Cause of Action, based upon the Liquidating Trustee's assessment of the net benefit expected to be received by the Evergreen Liquidating Trust in connection therewith (taking into account the costs and expenses projected to be incurred in connection therewith, the likelihood of success on the merits, and the range of potential recoveries to be received by the Evergreen Liquidating Trust);

(b) compromise, settle, resolve and collect on any Causes of Action upon such terms and conditions as the Liquidating Trustee deems appropriate and in the best interests of the Evergreen Liquidating Trust without further approval of the Bankruptcy Court. All compromises and settlements shall be deemed final and binding upon all parties in interest in the applicable Cases. The Liquidating Trustee shall have the right, power and authority to retain and assert all defenses, rights to setoff, recoupment, avoidance rights and counterclaims with respect to any Cause of Action;

(c) review, analyze and, as appropriate, prosecute objections to Claims and any claims arising after the Petition Date ("Post-Petition Date Claims"), including any Administrative Expense Claims;

(d) compromise, settle and resolve any Disputed Claims upon such terms

and conditions as the Liquidating Trustee deems appropriate and in the best interests of the Evergreen Liquidating Trust without further approval of the Bankruptcy Court. All compromises and settlements shall be deemed final and binding upon all parties in interest in the Cases;

(e) review, litigate and settle (without further approval of the Bankruptcy Court) or otherwise resolve Claims and Post-Petition Date Claims (including any Administrative Expense Claims), Causes of Action or other disputes involving or arising out of alleged building code violations;

(f) maintain all accounts, make distributions to Beneficiaries of the Evergreen Liquidating Trust from the Trust Assets and take other actions consistent with the Plan in the name of the Evergreen Liquidating Trust, provided, however, that the Liquidating Trustee shall not be entitled to use the Debtors' bank accounts that are in existence as of the Effective Date and shall be required to open new bank or other depository accounts in the name of the Evergreen Liquidating Trust as may be necessary or appropriate in the discretion of the Liquidating Trustee to enable the Liquidating Trustee to administer the Evergreen Liquidating Trust in accordance with the terms of this Agreement;

(g) the power to invest funds in and withdraw, make distributions and pay expenses, taxes, and other obligations owed by the Evergreen Liquidating Trust from funds held by the Liquidating Trustee in accordance with the Plan and this Agreement;

(h) maintain, in respect of the Evergreen Liquidating Trust and the Beneficiaries, books and records relating to the assets and income of the Evergreen Liquidating Trust and the payment of expenses of, and liabilities of, claims against or assumed by, the Evergreen Liquidating Trust in such detail and for such period of time as may be necessary to enable him to make full and proper accounting in respect thereof in accordance with this and to comply with applicable provisions of law. Except as provided herein, nothing in this Agreement requires the Evergreen Liquidating Trust or the Liquidating Trustee to file any accounting or seek approval of any court with respect to the administration of the Evergreen Liquidating Trust, or as a condition for making any payment or distribution out of the Trust Assets. Beneficiaries shall have the right upon thirty (30) days prior written notice delivered to the Liquidating Trustee to inspect such books and records, provided that, if so requested, such Beneficiary shall have entered into a confidentiality agreement satisfactory in form and substance to the Liquidating Trustee;

(i) retain or engage, without the necessity of obtaining any approval from the Bankruptcy Court, such employees, independent contractors, professional persons, and agents as are appropriate, necessary or desirable to complete (i) disbursements to Beneficiaries of the Evergreen Liquidating Trust and (ii) the general administration of the Evergreen Liquidating Trust as required by this Agreement and applicable law;

(j) incur any reasonable and necessary expenses on behalf of the Evergreen Liquidating Trust in carrying out the Liquidating Trustee's obligations and responsibilities on behalf of the Evergreen Liquidating Trust and make ordinary and reasonable disbursements from Trust Assets to pay the ordinary and necessary expenses of administering the Evergreen Liquidating Trust,

without the necessity of providing any notice or seeking or obtaining any approval of the Bankruptcy Court with respect to such disbursements;

(k) make interim and final disbursements of the Trust Assets to the Beneficiaries of the Evergreen Liquidating Trust in accordance with the terms of this Agreement, the Plan and applicable law;

(l) execute, deliver, file and/or record such contracts, instruments, releases, indentures, and other agreements or documents, and to take such actions, as may be necessary, desirable or appropriate to administer the Evergreen Liquidating Trust;

(m) prepare and file tax and informational returns on behalf of the Evergreen Liquidating Trust as required by applicable federal, state and local law, and in accordance with the terms of this Agreement;

(n) file with the Bankruptcy Court and/or the Office of the United States Trustee the reports and other documents required by the Plan or otherwise required to close the Cases;

(o) take any and all actions required in connection with the Pension Plans, including, but not limited to, their standard termination or distressed termination, as necessary;

(p) notwithstanding any other provisions of the Plan or this Agreement, to pay any and all fees of the Office of the United States Trustee as and when such fees become due, which payments shall be paid by the Liquidating Trustee from the Trust Assets; and

(q) take all other actions not inconsistent with the provisions of the Plan or the Agreement that the Liquidating Trustee deems reasonably necessary or desirable in connection with the administration of the Evergreen Liquidating Trust.

**E. Additional Powers.** Except as otherwise set forth in this Agreement or in the Plan, and subject to the retained jurisdiction of the Bankruptcy Court as provided for in the Plan, but without prior or further authorization, the Liquidating Trustee may control and exercise authority over the Trust Assets and over the protection, conservation and disposition thereof. No person dealing with the Evergreen Liquidating Trust shall be obligated to inquire into the authority of the Liquidating Trustee in connection with the protection, conservation or disposition of the Trust Assets. It is intended that a signed copy of this Agreement serve as adequate proof of the Liquidating Trustee's authority to act if such proof is required for any reason by any third party.

**F. Limitation of Liquidating Trustee's Authority.**

1. No Trade or Business. The Liquidating Trustee shall not, and shall not be authorized to, engage in any trade or business with respect to the Trust Assets or any proceeds therefrom except to the extent reasonably necessary or appropriate to, and consistent with, the liquidating purpose of the Evergreen Liquidating Trust and the Liquidating Trustee shall take such

actions consistent with the prompt orderly liquidation of the Trust Assets as are required by applicable law and consistent with the treatment of the Evergreen Liquidating Trust as an Evergreen Liquidating Trust under Treasury Regulation 301.7701-4(d) and Revenue Procedure 94-45 (or any subsequent Revenue Procedures that may be issued), and such actions permitted herein.

2. Released Claims. The Liquidating Trustee shall not have any authority to pursue any Claims and/or Causes of Action waived, exculpated or released in accordance with the provisions of the Plan or Final Order of the Bankruptcy Court.

3. Investment and Safekeeping of the Trust Assets. All Trust Assets received by the Evergreen Liquidating Trust shall, until distributed or paid over as herein provided, be held in trust for the benefit of the Beneficiaries, but need not be segregated unless and to the extent required by applicable law or by the Plan. The Liquidating Trustee shall be under no liability for interest or producing income on any Trust Assets received by the Evergreen Liquidating Trust hereunder and held for distribution or payment to the Beneficiaries. Investments of any Trust Assets held by the Evergreen Liquidating Trust shall be administered in a manner in which individuals of ordinary discretion and judgment would act in the management of their own affairs; provided, however, that the right and power of the Liquidating Trustee to invest the Trust Assets, the proceeds thereof, or any income earned by the Evergreen Liquidating Trust, shall be limited to the right and power to invest such assets (pending periodic distributions in accordance with this Section II.F.3 hereof) in demand and time deposits, such as short-term certificates of deposit, in banks or other savings institutions, or other temporary liquid investments, such as Treasury bills; and, provided, further, that the scope of any such permissible investments shall be limited to include only those investments that an Evergreen Liquidating Trust, within the meaning of Treasury Regulation 8 301.7701-4(d) and Revenue Procedure 94-45 (or any subsequent Revenue Procedures that may be issued), may be permitted to hold, pursuant to the Treasury Regulations, or any modification in the IRS guidelines, whether set forth in IRS rulings, other IRS pronouncements or otherwise.

4. Limiting Transfers. The Liquidating Trustee shall not take, or cause the Evergreen Liquidating Trust to take, any action that would cause the interests in the Evergreen Liquidating Trust to be considered readily tradable on a secondary market (or a substantial equivalent thereof) within the meaning of Section 7704(b)(2) of the IRS Code, and Treasury Regulations § 1.7704-1(c), and the Liquidating Trustee shall not permit any transfer of an interest in the Evergreen Liquidating Trust if it would cause the Evergreen Liquidating Trust (were it classified as a partnership rather than a grantor trust) to be treated as a "publicly traded partnership" as defined in IRS Code § 7704.

**G. Liability of Liquidating Trustee.** In no event shall the Liquidating Trustee, the Liquidating Trustee's officers, employees, independent contractors or any of the Liquidating Trustee's professionals, agents or representatives (or their designees) be held personally liable for any claim asserted against the Evergreen Liquidating Trust, the Liquidating Trustee, the Liquidating Trustee's officers, employees, independent contractors and/or any of the Liquidating Trustee's professionals, agents or representatives (or their designees), except to the extent occasioned by or based there upon their own fraud, willful misconduct or gross negligence. Specifically, the Liquidating Trustee, the Liquidating Trustee's officers, employees, independent contractors or any of the Liquidating Trustee's

professionals, agents or representatives (or their designees) shall not be liable for any negligence or any error of judgment in either case made in good faith, in the exercise of its or their business judgment or with respect to any action taken or omitted to be taken in good faith, except to the extent that the action taken or omitted to be taken by the Liquidating Trustee, the Liquidating Trustee's officers, employees, independent contractors or any of the Liquidating Trustee's professionals, agents or representatives (or their designees) is determined by a Final Order of a court of competent jurisdiction to be due to their own respective fraud, gross negligence or willful misconduct.

**H. Reliance by Liquidating Trustee.** Except as otherwise provided in Section II.F hereof:

1. The Liquidating Trustee may rely, and shall be protected in acting upon, any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order or other paper or document believed by the Liquidating Trustee to be genuine and to have been signed or presented by the proper party or parties;

2. The Liquidating Trustee may consult with legal counsel, financial or accounting advisors and other professionals, and the Liquidating Trustee shall not be liable for any action taken or omitted to be taken by him in accordance with the advice thereof; and

3. All persons or entities hired by, retained by, doing business with or otherwise dealing with the Liquidating Trustee shall look only to the Trust Assets to satisfy any liability incurred by the Liquidating Trustee on behalf of the Evergreen Liquidating Trust to such persons or entities in carrying out the terms of this Agreement, and the Liquidating Trustee shall have no personal obligation to satisfy any such liability, except to the extent such liability or obligation arises as a result of the fraud, gross negligence or willful misconduct of the Liquidating Trustee as determined in accordance with Section II.G of this Agreement, in which case the Trust Assets shall not be subject to such claims or liabilities.

**I. Authorization to Expend Trust Assets.** The Liquidating Trustee may expend the Trust Assets (i) to pay expenses of administration of the Evergreen Liquidating Trust (including, but not limited to, the fees and expenses of the Liquidating Trustee, its officers, employees, and independent contractors and any of its professionals, agents or representatives, any taxes imposed on the Evergreen Liquidating Trust or in respect of the Trust Assets, and any fees and expenses incurred in connection with any Causes of Action), and (ii) to satisfy other liabilities incurred or assumed by the Evergreen Liquidating Trust (or to which the assets are otherwise subject) in accordance with this Agreement or the Plan.

**J. Compensation of the Liquidating Trustee.**

1. The costs and expenses of the Evergreen Liquidating Trust, including the fees and expenses of the Liquidating Trustee and its retained professionals, shall be paid out of the Evergreen Liquidating Trust. Such costs and expenses shall be treated as administrative expenses of the Estates, having, however, a first priority in right of distribution, and without the need for Bankruptcy Court authorization or entry of a Final Order. The Liquidating Trustee shall retain such

amounts as are reasonably necessary (at the discretion of the Liquidating Trustee) to meet the future fees and expenses of interest in administering the Evergreen Liquidating Trust in the Liquidation Expense Reserve Account.

2. The Liquidating Trustee shall be entitled to reasonable compensation, which shall be on economic terms agreeable to the Committee and established prior to the Effective Date. The compensation payable to the Liquidating Trustee shall be treated consistent with this section. The Liquidating Trustee, and the officers, employees and independent contractors of the Liquidating Trustee shall be entitled to receive compensation at their standard hourly rates for services rendered on behalf of the Evergreen Liquidating Trust.

3. All compensation and other amounts payable to the Liquidating Trustee shall be paid from the Trust Assets. If the cash in the Evergreen Liquidating Trust shall be insufficient to compensate and reimburse the Liquidating Trustee, as the case may be, for any amounts to which he is entitled hereunder, then the Liquidating Trustee is hereby authorized to reduce to cash in a commercially reasonable manner that portion of the Trust Assets necessary so as to effect such compensation and reimbursement.

**K. Exculpation; Indemnification.** From and after the Effective Date, the Liquidating Trustee, the Liquidating Trustee's officers, employees, independent contractors, or any of the Liquidating Trustee's professionals, agents or representatives (or their designees) shall be and hereby are exculpated by all persons, and entities including, without limitation, holders of Claims against the Debtors and other parties in interest, from any and all claims, causes of action and other assertions of liability arising out of the discharge of the powers and duties conferred upon the Liquidating Trustee by this Agreement, the Plan or any order of the Bankruptcy Court entered pursuant to or in furtherance of the Plan or this Agreement, or applicable law or otherwise, except only for actions or omissions to act only to the extent determined by a Final Order of a court of competent jurisdiction to be due to the fraud, gross negligence or willful misconduct of the Liquidating Trustee, the Liquidating Trustee's officers, employees, independent contractors, or any of the Liquidating Trustee's professionals, agents or representatives (or their designees) after the Effective Date. No holder of a Claim against the Debtors or any other party in interest will have or be permitted to pursue any claim or cause of action against the Liquidating Trustee, the Evergreen Liquidating Trust or the Liquidating Trustee's officers, employees, independent contractors, professionals, agents or representatives (or their designees) for making payments in accordance with the Plan or this Agreement or for implementing the provisions of the Plan or this Agreement except in cases of fraud, gross negligence or willful misconduct. The Evergreen Liquidating Trust shall indemnify, defend and hold harmless the Liquidating Trustee, the Liquidating Trustee's officers, employees, independent contractors and any of the Liquidating Trustee's professionals, agents or representatives (or their designees) from and against any and all claims, causes of action, liabilities, obligations, losses, damages or expenses (including attorneys' fees) (except to the extent determined by a Final Order of a court of competent jurisdiction to arise out of the fraud, gross negligence or willful misconduct of the Liquidating Trustee, or any of the Liquidating Trustee's officers, employees, independent contractors, or any of the Liquidating Trustee's professionals, agents or representatives (or their designees) but this parenthetical shall only apply to those individuals or entities to which such finding or findings of fraud, gross negligence or willful misconduct shall have been made) to the fullest extent

permitted by applicable law. Any action taken or omitted to be taken with the approval of the Bankruptcy Court will conclusively be deemed not to constitute fraud, gross negligence or willful misconduct.

**L. Confidentiality.** The Liquidating Trustee shall, and shall cause the Liquidating Trustee's officers, employees, independent contractors or any of the Liquidating Trustee's professionals, agents or representatives (or their designees) to, during the period that the Liquidating Trustee serves as Liquidating Trustee under this Agreement, hold strictly confidential and not use for personal gain any material, non-public information of or pertaining to the Debtors or any Beneficiary or any entity to which any of the Trust Assets relate or of which the Liquidating Trustee has become aware in its capacity as such, other than in connection with the Liquidating Trustee carrying out the objectives and purposes of the Evergreen Liquidating Trust.

**M. Final Decree.** It shall be the duty of the Liquidating Trustee to seek and obtain a final decree or decrees from the Bankruptcy Court in the Cases upon full administration of the Evergreen Liquidating Trust, and with respect to the other Debtors as soon as reasonably practicable after the Effective Date of the Plan.

**N. Termination.** The duties, responsibilities and powers of the Liquidating Trustee will terminate on the date the Evergreen Liquidating Trust is dissolved under applicable law in accordance with the Plan and this Agreement, or by an Order of the Bankruptcy Court or by entry of a final decree closing the Cases, whichever date is later.

### SECTION III

#### BENEFICIARIES

**A. Identification of Beneficiaries.** To determine the actual names, addresses and tax identification numbers of the Beneficiaries, the Liquidating Trustee shall be entitled to conclusively rely on the names, addresses and tax identification numbers in the records maintained by the Debtors. If a Beneficiary has not filed a proof of claim or request for Administrative Expense Claim, or provided written notice indicating such information, the Liquidating Trustee shall be entitled to conclusively rely on the names, addresses and tax identification numbers reflected in the applicable Schedules or, if more recent, contained in the Debtors' records. Each Beneficiary's right to distribution from the Evergreen Liquidating Trust shall be that accorded to such Beneficiary under the Plan. Each distribution by the Liquidating Trustee to the Beneficiaries shall be made in accordance with the Plan and terms set forth herein.

**B. Withholding.** The Liquidating Trustee shall withhold from the amounts distributable to the Beneficiaries from the Trust Assets at any time such sum or sums as may be required to be withheld under the applicable income tax laws of the United States or of any state or political subdivision thereof. Notwithstanding any other provision of this Agreement or the Plan, each Beneficiary receiving a distribution or payment from the Evergreen Liquidating Trust shall have sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any governmental unit on account of such distribution or payment.

**C. Tax Identification Numbers.** The Liquidating Trustee shall require any Beneficiary to furnish to the Liquidating Trustee its tax identification number as assigned by the IRS and the Liquidating Trustee may condition any distribution to any Beneficiary upon receipt of such tax identification number.

## SECTION IV

### DISTRIBUTIONS

**A. Disputed Claim Reserve.** The Liquidating Trustee shall maintain, in accordance with the Liquidating Trustee's powers and responsibilities under the Plan and this Agreement, a Disputed Claim Reserve; provided, however, that the Liquidating Trustee may not retain cash or cash equivalents in excess of a reasonable amount to meet any claims or contingent liabilities (including the Disputed Claims), to maintain the value of the Trust Assets during liquidation or to pay unpaid and estimated or anticipated future expenses of the Evergreen Liquidating Trust. Such amounts (net of any expenses, including any taxes, of the escrow relating thereto) shall be distributed, as provided herein and in the Plan, after such Disputed Claims are resolved.

**B. Application of Trust Assets.** The Liquidating Trustee on behalf of the Evergreen Liquidating Trust shall apply all other cash constituting Trust Assets and any proceeds therefrom in the order and reflecting the priorities set forth below:

**FIRST**, to pay all the costs and expenses of the Evergreen Liquidating Trust including, without limitation, funding of the Liquidation Expense Reserve Account for the post confirmation fees and expenses and any and all costs, expenses and liabilities incurred by the Liquidating Trustee in connection with the performance of his duties under this Agreement, including the payment of any professionals, agents or other representatives (and designees) retained by the Liquidating Trustee.

**SECOND**, to the holders of Allowed Claims, classified and unclassified under the Plan in accordance with the terms and conditions of the Plan.

Notwithstanding anything to the contrary in this Section IV, prior to making any distribution to Class 4 Claims under the Plan, the Liquidating Trustee may retain such amounts (i) to pay estimated expenses of administration (including, but not limited to, the fees and expenses of the Liquidating Trustee, any taxes imposed on the Evergreen Liquidating Trust or in respect of the assets of the Evergreen Liquidating Trust, and fees and expenses in connection with litigation), (ii) to satisfy other liabilities incurred or assumed by the Evergreen Liquidating Trust (or to which the Trust Assets are otherwise subject), all for the term of the Evergreen Liquidating Trust and in accordance with this Agreement or the Plan, and (iii) to satisfy the post confirmation fees and expenses detailed in the Plan; provided, however, that, from the net amount distributable, the Liquidating Trustee may reserve, in accordance with the provisions of Sections IV.C and IV.D hereof, such amounts necessary for the Disputed Claim

Reserve.

The Evergreen Liquidating Trust hereby grants to the Liquidating Trustee a first-priority lien on and security interest in the Trust Assets to secure the payment of all amounts owed to, accrued or reserved on account of, the Liquidating Trustee or any persons or entities, including, but not limited to, professionals, to be retained by the Liquidating Trustee hereunder or otherwise due hereunder. The Evergreen Liquidating Trust agrees to take such actions and execute such documents as the Liquidating Trustee deems appropriate to perfect the Liquidating Trustee's lien and security interest hereunder. The Liquidating Trustee is authorized to execute and deliver all documents on behalf of the Evergreen Liquidating Trust and the Liquidating Trustee to accomplish the purposes of this Agreement and the Plan.

**C. Distribution.** The Evergreen Liquidating Trust shall distribute at least annually and in accordance with the Plan and the Agreement to the Beneficiaries all net cash recoveries plus all net cash proceeds from the liquidation of the Trust Assets (including as cash for this purpose, all cash equivalents) in accordance with this Section, except that the Evergreen Liquidating Trust may retain an amount of net proceeds or net income reasonably necessary to maintain the Liquidation Expense Reserve Account and the Disputed Claim Reserve. Notwithstanding any other provision of this Agreement or the Plan to the contrary, distributions or payments may be deferred or delayed in the discretion of the Liquidating Trustee for a reasonable time in the event that such deferral is necessary to permit investments to reach maturity, in the event that additional time is needed to make a proper distribution or payment, or in the event that the receipt of additional funds is necessary to make meaningful payments.

**D. Undeliverable, Unclaimed and Returned Distributions.**

1. If any distribution or payment to a Beneficiary is returned to the Evergreen Liquidating Trust as undeliverable, no further distributions or payments will be made to such Beneficiary, and such Beneficiary will not be entitled to any further distributions or payments, unless and until the Liquidating Trustee is notified in writing of such Beneficiary's correct address. If any check issued to a Beneficiary in respect of a distribution or payment from the Evergreen Liquidating Trust remains outstanding for more than ninety (90) days following the date of such check, no further distributions or payments will be made to such Beneficiary, and such Beneficiary will not be entitled to any further distributions or payments. Nothing contained in this Agreement or the Plan shall require the Debtors, the Liquidating Trustee, or any of their respective agents, employees, attorneys or professionals to attempt to locate any Beneficiary.

2. Notwithstanding anything in this Agreement or the Plan to the contrary, any Beneficiary of an undeliverable distribution or payment who does not assert an entitlement to such distribution or payment before ninety (90) days after the later of (i) the Effective Date and (ii) the date of mailing of the undelivered Distribution or payment shall have its remaining unpaid Claim discharged and shall be forever barred from asserting any such Claim against the Evergreen Liquidating Trust, the Debtors or the Estates. Any unclaimed Cash held by the Evergreen Liquidating Trust on account of such unclaimed, undeliverable distributions or payments and any investment

yields thereon, as of the expiration of the time limit set forth in this paragraph shall become the property of the Evergreen Liquidating Trust.

3. **No Interest on Claims.** Except as set forth in a Final Order of the Bankruptcy Court, no Beneficiary shall be entitled to interest accruing on or after the Petition Date on a Claim, however, funds held by the Liquidating Trustee for the benefit of Beneficiaries will accrue interest and such interest will inure to the benefit of the Beneficiaries. Except as otherwise provided in a Final Order of the Bankruptcy Court, interest shall not accrue or be paid on any Disputed Claim with respect to the period from the Petition Date to the date a final distribution or payment is made thereon if and after any such Disputed Claim, or any part thereof, becomes an Allowed Claim, provided, however, that Reserve Income will inure to the benefit of holders of Disputed Claims that become Allowed Claims.

**E. Rounding.** Whenever any payment of a fraction of a dollar would otherwise be called for, the actual payment shall reflect a rounding of such fraction down to the nearest whole dollar.

**F. Setoffs.** Pursuant to section 553 of the Bankruptcy Code and applicable non-bankruptcy law, the Liquidating Trustee may set off or recoup against any Allowed Claim and the distributions to be made thereon pursuant to this Agreement and the Plan, the claims, rights and Causes of Action of any nature that the Estates, the Debtors or the Evergreen Liquidating Trust may hold against such Beneficiary prior to any distribution on account of such Allowed Claim. The Liquidating Trustee's election not to exercise such setoff or recoupment rights, pursuant to this provision, shall not constitute a waiver of or in any way affect such claims, rights and Causes of Action which the Estates, the Debtors or the Liquidating Trustee may possess against such Beneficiary. To the extent that the amount of the Estates', the Debtors' or the Liquidating Trustee's claim, right or Cause of Action exceeds the amount of the Allowed Claim or distribution against which it is set off, the Liquidating Trustee shall reserve their right to recover the full amount of such excess from such Beneficiary.

**G. De minimis Distributions.** If the amount due any Beneficiary would result in a distribution or payment in an amount less than twenty-five dollars (\$25.00), such Beneficiary shall not receive such distribution or payment.

**H. Taxes.** The Liquidating Trustee will comply with all tax withholding and reporting requirements imposed by all governmental entities, and all distributions or payments pursuant to this Agreement and the Plan will, to the extent applicable, be subject to such withholding and reporting requirements. The Liquidating Trustee shall be authorized to take any and all actions that may be necessary or appropriate to comply with such withholding and reporting requirements. Notwithstanding any other provision of this Agreement or the Plan, each entity receiving a distribution or payment pursuant to this Agreement or the Plan shall have sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any governmental unit, including income, withholding and other tax obligations, on account of such distribution or payment. Pending the implementation of satisfactory arrangements and/or mechanisms to comply with the requirements of this Section, any distribution or payment to be made pursuant to the Plan shall be treated as undeliverable.

**I. Compliance with Laws.** Any and all distributions or payments of Trust Assets shall be in compliance with applicable laws, including, but not limited to, applicable federal and state securities laws.

**J. Final Disbursements of Evergreen Liquidating Trust and Unclaimed Property After the Final Disbursement Date.** The Liquidating Trustee is authorized to terminate the Evergreen Liquidating Trust in accordance with the terms of this Agreement and the Plan when the Liquidating Trustee determines that no further disbursements of the respective assets of the Evergreen Liquidating Trust are possible, among other conditions.

**K. Estate Representatives.** Pursuant to section 1123(b)(3)(B) of the Bankruptcy Code, the Liquidating Trustee shall serve as the representative of the Estates, and the Evergreen Liquidating Trust on and following the Effective Date.

## **SECTION V SUCCESSOR TRUSTEES**

**A. Removal.** The Liquidating Trustee may only be removed by order of the Bankruptcy Court, for cause, including: (i) fraud, gross negligence or willful misconduct in connection with the affairs of the Evergreen Liquidating Trust; (ii) physical or mental disability that substantially prevents the Liquidating Trustee from performing the duties as Liquidating Trustee hereunder; (iii) breach of fiduciary duty; or (iv) failure, in good faith judgment of the Committee, to reasonably perform the duties as Liquidating Trustee hereunder.

**B. Resignation.** The Liquidating Trustee may resign by giving not less than sixty (60) days prior written notice thereof to the Committee and the Bankruptcy Court. Such resignation shall become effective on the later to occur of (i) the date specified in such notice and (ii) the selection of a Successor Trustee (defined herein) and the acceptance by such Successor Trustee of such appointment, unless otherwise ordered by the Bankruptcy Court.

**C. Appointment of Successor Trustee.** In the event of the death, resignation or removal of the Liquidating Trustee, the Committee shall appoint a successor to the Liquidating Trustee ("Successor Trustee"). Notice of any Successor Trustee shall be filed with the Bankruptcy Court and provided to the Beneficiaries. Any Successor Trustee appointed hereunder shall execute an instrument accepting such appointment hereunder and shall file such acceptance with the Evergreen Liquidating Trust's records. Thereupon, such Successor Trustee shall, without any further act, become vested with all the Trust Assets, properties, rights, powers, trusts and duties of his or her or its predecessor in the Evergreen Liquidating Trust with like effect as if originally named herein; provided, however, that a removed or resigning trustee shall, nevertheless, when requested in writing by the Successor Trustee, execute and deliver an instrument or instruments conveying and transferring to such Successor Trustee under the Evergreen Liquidating Trust all of the rights in connection with the Trust Assets, properties, rights, powers, trusts and duties of such predecessor trustee.

**D. Trust Continuance.** The death, resignation or removal of the Liquidating Trustee

shall not operate to terminate the Evergreen Liquidating Trust created by this Agreement or revoke any existing agency (other than the agency of such Liquidating Trustee as Liquidating Trustee) created pursuant to the terms of this Agreement or invalidate any action previously taken by the Liquidating Trustee. The Liquidating Trustee agrees that the provisions of this Agreement shall be binding on or inure to the benefit of any Successor Trustee.

**E. Turnover of Documents.** Upon the resignation or removal of the Liquidating Trustee, the Liquidating Trustee shall promptly: (i) execute and deliver, by the effective date of resignation or removal, all such documents, instruments, and other writings as may be required to effect the termination of the Liquidating Trustee's capacity under this Agreement and conveyance of the Trust Assets there held by the Liquidating Trustee to the Successor Trustee; (ii) deliver to the Successor Trustee all documents, instruments, books, records and other writings relating to the Evergreen Liquidating Trust as may be in the possession or under control of the Liquidating Trustee; and (iii) otherwise assist and cooperate in effecting the assumption of the rights, powers, duties and obligations under this Agreement by the Successor Trustee.

## **SECTION VI REPORTING**

**A. Tax and Other Reports.** As soon as practicable after the end of each calendar year, and as soon as practicable upon termination of the Evergreen Liquidating Trust, the Liquidating Trustee shall submit to the Bankruptcy Court a written report including: (i) financial statements of the Evergreen Liquidating Trust at the end of such calendar year or period and the receipts and disbursements of the Evergreen Liquidating Trust for such period; (ii) a description of any action taken by the Liquidating Trustee in the performance of his duties, which materially and adversely affects the Evergreen Liquidating Trust and of which notice has not previously been given to the Beneficiaries; and (iii) subject to Section VI.B hereof, a separate statement for each Beneficiary setting forth the holder's share of items of income, gain, loss, deduction or credit and instructing all such holders to report such items on their federal income tax returns. The Liquidating Trustee shall promptly submit additional appropriate reports to the Bankruptcy Court and whenever an adverse material event or change occurs which affects either the Evergreen Liquidating Trust or the rights of the Beneficiaries hereunder.

### **B. Federal Income Tax.**

1. Grantor Trust Status. Subject to definitive guidance from the IRS or a court of competent jurisdiction to the contrary (including the issuance of applicable Treasury Regulations, the receipt by the Liquidating Trustee of a private letter ruling if the Liquidating Trustee so requests one, or the receipt of an adverse determination by the IRS upon audit if not contested by the Liquidating Trustee), the Liquidating Trustee shall file returns for the Evergreen Liquidating Trust as a grantor trust pursuant to Treasury Regulation § 1.671-1 through 4(a).

2. Allocations of Evergreen Liquidating Trust Taxable Income. All of the Evergreen Liquidating Trust's income is subject to tax on a current basis, regardless of whether the Liquidating Trustee has established a reserve for Disputed Claims. Subject to the provisions of

Section VI.B.1 hereof, allocations of Evergreen Liquidating Trust taxable income among Beneficiaries shall be determined by reference to the manner in which an amount of cash equal to such taxable income would be distributed (without regard to any restriction on distributions described herein) if, immediately prior to such deemed distribution, the Evergreen Liquidating Trust had distributed all of its other assets (valued for this purpose at their tax book value) to Beneficiaries (treating to the extent determined by the Liquidating Trustee in his sole discretion, any holder of a Disputed Claim against the Debtors, for this purpose, as a current Beneficiary entitled to distributions), taking into account all prior and concurrent distributions from the Evergreen Liquidating Trust (including all distributions held in reserve pending the resolution of Disputed Claims). Similarly, taxable losses of the Evergreen Liquidating Trust will be allocated among Beneficiaries by reference to the manner in which an economic loss would be borne immediately after a liquidating distribution of the remaining Trust Assets. The tax book value of the Trust Assets on the Effective Date for this purpose shall be as set forth in the liquidation analysis attached to the Disclosure Statement, or, if acquired later, the fair market value of such assets on the date such assets were acquired by the Evergreen Liquidating Trust, adjusted in either case in accordance with tax accounting principles prescribed by the IRS Code, the regulations promulgated thereunder and other applicable administrative and judicial authorities and pronouncements.

C. **Other.** The Liquidating Trustee shall also file (or cause to be filed) any other statements, returns or disclosures relating to the Evergreen Liquidating Trust, that are required to be filed by any applicable governmental unit or under applicable law, guidelines, rules and regulations.

## SECTION VII TRANSFER OF BENEFICIARY'S INTERESTS

A. **Transfer of Beneficial Interests.** Each of the Beneficiaries may sell, transfer, assign or otherwise dispose of directly or indirectly ("Transfer"), the beneficial interests owned by it; provided, however, that (i) such Transfer does not subject the Evergreen Liquidating Trust to the registration requirements of either the Securities and Exchange Act of 1934, as amended, or the Investment Company Act of 1940, as amended; (ii) any such Transfer is not carried out on a national security exchange or system of automated dissemination of quotations of securities prices; (iii) the Evergreen Liquidating Trust will not participate in the establishment of a market for its beneficial interests or the inclusions of beneficial interests thereon, nor will it recognize any transaction made on such market for any purpose that could subject the Evergreen Liquidating Trust to entitle level taxation for state and federal income tax purposes or affect the Evergreen Liquidating Trust tax status for state or federal income tax purposes; and (iv) upon the closing of any such Transfer, in writing, of such transfer and a new address for the transfer, provided, however, that failing such notice, the Liquidating Trustee shall not have any legal obligation to recognize the transferee as the legal owner of the beneficial interest.

## SECTION VIII MISCELLANEOUS PROVISIONS

A. **Amendment; Waiver.** This Agreement cannot be amended, waived, modified or changed after the Effective Date without prior consent of the Liquidating Trustee and the Committee;

provided, however, that in no event shall a change be made to this Agreement that would be inconsistent with the Plan or adversely affect the federal income tax status of the Evergreen Liquidating Trust as a "grantor trust."

**B. Intention of Parties to Establish Grantor Trust.** This Agreement is intended to create a "liquidating trust," as defined in Treasury Regulations § 301.7701-4(d), to be taxed as a grantor trust for federal income tax purposes and, to the extent provided by law, shall be governed and construed in all respects as a grant or trust.

**C. Preservation of Privilege.** In connection with the rights, claims, and Causes of Action that constitute the Trust Assets, any attorney-client privilege, work-product privilege, or other privilege or immunity attaching to any documents, work-product or communications (whether written or oral) transferred to the Evergreen Liquidating Trust shall vest in the Evergreen Liquidating Trust and its representatives, and the Debtors and the Liquidating Trustee are authorized to take all necessary actions to effectuate the transfer of such privileges.

**D. Cooperation.** The Debtors shall each respectively provide the Liquidating Trustee with copies of such of their books and records as the Liquidating Trustee shall reasonably require for the purpose of performing his duties and exercising his powers hereunder.

**E. Laws as to Construction.** This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio, without giving effect to rules governing the conflict of law.

**F. Relationship to Plan.** The principal purpose of this Agreement is to aid in the implementation and effectuation of the Plan, and therefore, is subject to the provisions of the Plan. In the event of a conflict between the Plan and this Agreement, this Agreement shall control.

**G. Severability.** If any provision of this Agreement or the application thereof to any person or circumstance shall be finally determined by a court of competent jurisdiction to be invalid or unenforceable to any extent, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and such provision of this Agreement shall be valid and enforced to the fullest extent permitted by law unless this Agreement, as modified, will no longer effectuate the intent of the parties hereto in all material respects.

**H. Disposition of the Committee.** The Committee shall disband and be released of its duties and obligations on the Effective Date. Any rights or duties of the Committee under this Agreement shall be exercised by the chairman of the Committee existing as of the Confirmation Date, and which Committee chairman shall continue to take all actions required of the Committee as of the Effective Date. The Liquidating Trustee (on behalf of the Evergreen Liquidating Trust) shall be permitted to retain the professionals of the Committee.

**I. Professionals of the Liquidating Trustee.** The Liquidating Trustee shall retain GOLDMAN & ROSEN, LTD. as counsel to the Evergreen Liquidating Trust. The Liquidating

Trustee may employ and retain such other professionals as the Liquidating Trustee deems necessary and appropriate, including, without limitation, Debtors' counsel. Such professionals shall be paid from the Liquidation Expense Reserve Account in accordance with this Agreement.

**J. Retention of Jurisdiction; Venue.** The Bankruptcy Court shall retain jurisdiction over any dispute pertaining to this Agreement to the fullest extent permitted under applicable law and the Plan. In the event that the Bankruptcy Court lacks jurisdiction or fails or refuses to exercise jurisdiction, the parties agree to bring any claims or causes of action arising out of, relating to or in connection with the Agreement in the United States District Court for the Northern District of Ohio, and hereby irrevocably submit to the jurisdiction of such Court. The parties hereto irrevocably waive any objection to the laying of venue in any action, suit or proceeding arising out of, relating to or in connection with this Agreement that is brought in the aforementioned Court and further waive any claim of *forum non conveniens*.

**K. Notices.** Any notice or other communication hereunder shall be in writing and shall be deemed to have been sufficiently given, for all purposes, if deposited, postage prepaid, in a post office or letter box addressed to the person for whom such notice is intended at such addresses as set forth below or such other address as filed with the Bankruptcy Court.

If to the Debtors, the Evergreen Liquidating Trust or the Liquidating Trustee, or the Committee:

Debtors:                    MENTZER and MYGRANT ltd  
                                  Howard E. Mentzer, Esquire  
                                  I Cascade Plaza, Suite 1445  
                                  Akron, Ohio 44308

Evergreen Liquidating Trust or the Liquidating Trustee:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Committee:                GOLDMAN & ROSEN, LTD.  
                                  Michael A. Steel, Esquire  
                                  11 South Forge Street  
                                  Akron, OH 44304

**L. Notices if to a Beneficiary.** Any notice or other communication hereunder shall be in writing and shall be deemed to have been sufficiently given, for all purposes, if deposited, postage prepaid, in a post office or letter box addressed to the person for whom such notice is intended to the name and address determined in accordance with Section III.A hereof.

**M. Headings.** The section headings contained in this Agreement are solely for

convenience of reference and shall not affect the meaning or interpretation of this Agreement or of any term or provision hereof.

**N. Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be deemed an original but all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have either executed and acknowledged this Agreement, or caused it to be executed and acknowledged on their behalf by their duly authorized officers or members all as of the date first above written.

**EVERGREEN HOMES, LLC**

By: \_\_\_\_\_  
Charles Deutchman  
Its: Chief Operating Officer

**EVERGREEN INVESTMENT CORPORATION**

By: \_\_\_\_\_  
Charles Deutchman  
Its: Chief Operating Officer

**EVERGREEN BUILDERS, LLC**

By: \_\_\_\_\_  
Charles Deutchman  
Its: Chief Operating Officer

**OFFICIAL COMMITTEE OF UNSECURED CREDITORS**

By: \_\_\_\_\_  
Bernard J. Wolak  
Its: Chairman

**LIQUIDATING TRUSTEE**

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

Dated: \_\_\_\_\_

Respectfully submitted,

Evergreen Homes, LLC, Evergreen Investment  
Corporation and Evergreen Builders, LLC

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

Name: Charles Deutchman

Title: Chief Operating Officer

The Official Committee of Unsecured Creditors

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

Name: Bernard J. Wolak

Committee Chairman