

**UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF ALABAMA**

In re:

JUDSON COLLEGE,

Debtor.

Chapter 11

Case No. 24-20004

**NOTICE OF FILING OF PLAN SUPPLEMENT IN CONNECTION WITH
CHAPTER 11 PLAN OF JUDSON COLLEGE**

On January 8, 2024 (the "Petition Date"), Judson College, the debtor in the above-referenced case (the "Debtor"), filed a voluntary petition for relief under Chapter 11 of Title 11, United States Code, 11 U.S.C. §§ 101 *et seq.* (the "Bankruptcy Code"), in the United States Bankruptcy Court for the Southern District of Alabama (the "Bankruptcy Court"), commencing bankruptcy case number 24-20004 (the "Chapter 11 Case").

On January 25, 2024, the Bankruptcy Court entered the *Order (I) Approving the Disclosure Statement; (II) Approving the Form and Contents of the Solicitation Package and Ballots; (III) Approving the Form and Manner of Notice of the Confirmation Hearing; (IV) Approving Procedures for Distribution of Solicitation Packages; (V) Approving Procedures for Vote Tabulations; (VI) Establishing a Record Date and a Voting Deadline for Receipt of Ballots; (VII) Establishing the Deadline and Procedures for Filing Objections to Confirmation of the Plan and Asserted Cure Amounts for Executory Contracts and Unexpired Leases that may be Assumed as Part of the Plan; and (VIII) Granting Related Relief* [Docket No. 79] (the "Plan Procedures Order").

Pursuant to the Plan Procedures Order, the Bankruptcy Court approved the form of the *Disclosure Statement for Chapter 11 Plan of Judson College* [Docket No. 76] (including all exhibits thereto and as amended, modified, or supplemented from time to time, the "Disclosure Statement") and authorized the Debtor to solicit votes on the *Chapter 11 Plan of Judson College* [Docket No. 75] (as amended, modified, or supplemented from time to time, the "Plan")¹

In accordance with the Plan, the Debtor hereby provides notice of the exhibits to the Plan Supplement (as may be modified, amended, or supplemented, the "Plan Supplement"):

Exhibit 1	Plan Trust Agreement (including identification of the Plan Trustee)
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¹ Unless otherwise defined, all capitalized terms used herein and in the Exhibits hereto shall have the meanings provided in the Plan or Disclosure Statement, as applicable.

Exhibit 2	Articles and Bylaws for the Reorganized Debtor
Exhibit 3	Assumed Executory Contracts and Unexpired Leases
Exhibit 4	Plan Trust Causes of Action
Exhibit 5	Revested Causes of Action
Exhibit 6	Ancillary Real Estate
Exhibit 7	Archival and Historical Items
Exhibit 8	External Trusts

The documents contained in the Plan Supplement are integral to, and are considered part of, the Plan. These documents have not yet been approved by the Bankruptcy Court. If the Plan is confirmed, the documents contained in this Plan Supplement will be approved by the Bankruptcy Court pursuant to the Confirmation Order and binding on all creditors and other parties in interest.

The Plan Supplement documents attached hereto remain subject to (i) further review, negotiations, and modifications and (ii) final documentation in a manner consistent with the Plan and the Plan Support Agreement. The Debtor reserves all rights to amend, modify, or supplement the Plan Supplement, and any of the documents contained herein, in accordance with the terms of the Plan. If material amendments or modifications are made to any of these documents, the Debtor will file a redline with the Bankruptcy Court marked to reflect the same.

A hearing to consider confirmation of the Plan is currently scheduled to begin on **March 19, 2024 at 9:30 a.m. (Central Time)** before the Honorable Henry Callaway, at the United States Bankruptcy Court for the Southern District of Alabama, Courtroom 2 West, 113 St. Joseph St., Mobile, AL 36602 (the “Confirmation Hearing”). The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except for an announcement of the adjourned date made at the Confirmation Hearing. Additionally, the Plan may be modified in accordance with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure and other applicable law, without further notice, prior to or as a result of the Confirmation Hearing.

Objections, if any, to confirmation of the Plan and approval of the documents in this Plan Supplement, must be in writing, must be filed with the clerk of the Bankruptcy Court, electronically via CM/ECF at <https://ecf.alsb.uscourts.gov/> or at 113 St. Joseph St., Mobile, AL 36602, together with proof of service, and shall state the name and address of the objector, all grounds for the objection and the amount of the Claim(s) held by the objector. Any such objection must be filed with the Bankruptcy Court and served so that it is actually received by the Bankruptcy Court, ***on or before 5:00 p.m. prevailing Central Time on March 12, 2024*** and served upon (i) counsel for the Debtor, Bradley Arant Boult Cummings LLP, 1819 Fifth Avenue North, Birmingham, AL 35203 (Attn: Jay Bender, jbender@bradley.com and James Bailey, jbailey@bradley.com) and Silver Voit Garrett & Watkins, Attorneys at Law, P.C., 4317-A Midmost Drive, Mobile, AL 36609 (Attn: Alexandra Garrett, agarrett@silvervoit.com); (ii) the Bankruptcy Administrator, 113 St. Joseph Street, Suite 520, Mobile, AL 36602 (Attn: Melissa Wetzel, melissa_wetzel@alsb.uscourts.gov); and (iii) all other parties requesting or entitled to receive notice in this case.

Copies of the exhibits contained in this Plan Supplement, and all documents filed in the Chapter 11 Case, including the Plan and Disclosure Statement, are available by visiting the Bankruptcy Court's website at <https://ecf.alsb.uscourts.gov> in accordance with the procedures and fees set forth therein.

Dated: February 27, 2024

BRADLEY ARANT BOULT CUMMINGS LLP
Jay Bender
James Bailey
One Federal Place
1819 Fifth Avenue North
Birmingham, Alabama 35203

- and -

SILVER VOIT GARRETT & WATKINS,
ATTORNEYS AT LAW, P.C.
Alexandra Garrett
4317-A Midmost Drive
Mobile, Alabama 36609

Counsel to the Debtor

Exhibit 1
Plan Trust Agreement
(See attached)

Plan Trust Agreement

This Plan Trust Agreement ("**Agreement**" or "**Plan Trust Agreement**") is made this ___ day of _____, 2024, by and between Judson College, a debtor and debtor-in-possession (the "**Debtor**") in the Chapter 11 bankruptcy case (the "**Case**") pending in the United States Bankruptcy Court for the Southern District of Alabama (the "**Bankruptcy Court**") styled *In re Judson College* (Bankr. Case No. 24-20004), and Brian R. Walding (the "**Plan Trustee**"). Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Plan (as hereinafter defined).

WHEREAS, on January 8, 2024, the Debtor filed its voluntary petition under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the "**Bankruptcy Code**");

WHEREAS, on January 8, 2024, the Debtor filed its Chapter 11 plan (the "**Plan**");

WHEREAS, on March ___, 2024, the Bankruptcy Court entered an order confirming the Plan (the "**Confirmation Order**");

WHEREAS, the Plan and the Confirmation Order provide for the establishment of the Plan Trust, execution of this Agreement, and the appointment of the Plan Trustee to administer the Plan Trust for the benefit creditors in accordance with the Plan;

WHEREAS, the Plan Trust is established pursuant to the Plan and this Agreement as a liquidating trust in accordance with Treasury Regulation Section 301.7701-4(d) and Revenue Procedure 94-45 for the sole purpose of liquidating the Plan Trust Assets, 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 Plan Trust and the Plan;

WHEREAS, the Plan Trust is established for the benefit of the holders of Allowed Claims that are entitled to receive Distributions from the Plan Trust under the Plan (each a "**Beneficiary**" and collectively, "**Beneficiaries**"); and

WHEREAS, the Plan Trust is intended to qualify as a "grantor trust" for US federal income tax purposes pursuant to Sections 671-677 of the Internal Revenue Code, with the Plan Trust beneficiaries treated as the grantors and owners of the Plan Trust.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and in the Plan, the Debtor and the Plan Trustee agree that the Plan Trust shall be comprised, held, and disposed of as follows:

Declaration of Trust

The Debtor and the Plan Trustee enter into this Agreement to effectuate the Distribution of the Plan Trust Assets to the Beneficiaries, pursuant to the Plan and the Confirmation Order;

Pursuant to Section V.D of the Plan, Paragraphs ___ of the Confirmation Order, and Section 2.03 of this Agreement, all right, title, and interest in, under, and to the Plan Trust Assets

shall be absolutely and irrevocably assigned to the Plan Trust, to its successors in trust and its successors and assigns;

TO HAVE AND TO HOLD unto the Plan Trustee and its successors in trust; and

IT IS HEREBY FURTHER COVENANTED AND DECLARED, that the Plan Trust Assets and all other property held from time to time by the Plan Trust under this Agreement and any proceeds thereof and earnings thereon (collectively, "**Plan Trust Assets**") are to be held by the Plan Trust and applied on behalf of the Plan Trust by the Plan Trustee, on the terms and conditions set forth herein and in the Plan, solely for the benefit of the Beneficiaries and for no other party.

ARTICLE I Recitals, Definitions, and Interpretations

Section 1.01 Recitals. The Recitals are incorporated into and made terms of this Agreement.

Section 1.02 Plan Definitions. All terms used in this Agreement, but not defined herein, shall have the same meanings set forth in the Plan.

Section 1.03 Interpretation, Headings. All references herein to specific provisions of the Plan or Confirmation Order are without exclusion or limitation of other applicable provisions of the Plan or Confirmation Order. Words denoting the singular number shall include the plural number and vice versa, and words denoting one gender shall include the other gender. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the provisions of this Agreement.

Section 1.04 Conflict Among Documents. In the event of any inconsistency between the Plan or Confirmation Order, as applicable, on the one hand, and this Agreement, on the other hand, the Plan or Confirmation Order, as applicable, shall control and take precedence.

ARTICLE II Establishment of Trust

Section 2.01 Effectiveness of Agreement; Name of Trust. This Agreement shall become effective on the Plan Effective Date. The Plan Trust shall be officially known as the "**Judson College Plan Trust.**"

Section 2.02 Purpose of Trust. The Debtor and the Plan Trustee, pursuant to the Plan and in accordance with Bankruptcy Code, hereby create the Plan Trust for the primary purpose of collecting, holding, administering, distributing, and liquidating the Plan Trust Assets for the benefit of the Beneficiaries, in accordance with the terms and conditions of this Agreement and the Plan, and 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 Plan Trust.

Section 2.03 Transfer of Trust Assets.

(a) Conveyance of Plan Trust Assets. The Debtor hereby grants, releases, assigns, transfers, conveys, and delivers, on behalf of the Beneficiaries, the Plan Trust Assets to the Plan Trust, as of the Effective Date, in trust for the benefit of the Beneficiaries to be administered and applied, as specified in this Agreement and the Plan. The Plan Trustee shall have no duty to arrange for any of the transfers contemplated under this Agreement or by the Plan, or to ensure their compliance with the terms of the Plan and the Confirmation Order and shall be conclusively entitled to rely on the legality and validity of such transfers.

(b) Title to Plan Trust Assets. Pursuant to the Plan, all of the Debtor's right, title, and interest in and to the Plan Trust Assets, including all such assets held or controlled by third parties, are automatically vested in the Plan Trust on the Effective Date, free and clear of all liens, claims, encumbrances, and other interests, except as specifically provided in the Plan, and such transfer is on behalf of the Beneficiaries to establish the Plan Trust. The Plan Trust shall be authorized to obtain possession or control of, liquidate, and collect all of the Plan Trust Assets in the possession or control of third parties and to pursue all of the Plan Trust Causes of Action. On the Effective Date, the Plan Trust shall stand in the shoes of the Debtor for all purposes with respect to the Plan Trust Assets and administration of the Claims. To the extent any law or regulation prohibits the transfer of ownership of any of the Plan Trust Assets from the Debtor to the Plan Trust and such law is not superseded by the Bankruptcy Code, the Plan Trust's interest shall be a lien upon and security interest in such Plan Trust Assets, in trust, nevertheless, for the sole use and purposes set forth in Section 2.02, and this Agreement shall be deemed a security agreement granting such interest thereon without need to file financing statements or mortgages. By executing this Agreement, the Plan Trustee on behalf of the Plan Trust hereby accepts all of such property as Plan Trust Assets, to be held in trust for the Beneficiaries, subject to the terms of this Agreement and the Plan.

(c) Capacity of Trust. Notwithstanding any state or federal law to the contrary or anything herein, the Plan Trust itself shall have the capacity, in its own right and name, to act or refrain from acting, including the capacity to sue and be sued and to enter into contracts. The Plan Trust may alone be the named movant, respondent, party plaintiff or defendant, or the like in all adversary proceedings, contested matters, and other state or federal proceedings brought by or against it, and may settle and compromise all such matters in its own name.

(d) Acceptance by Plan Trustee. The Plan Trustee accepts its appointment as Plan Trustee of the Plan Trust.

ARTICLE III Trust Administration

Section 3.01 Rights, Powers, and Privileges of Plan Trustee Generally. Except as otherwise provided in this Agreement, the Plan, or the Confirmation Order, the Plan Trustee on behalf of the Plan Trust may control and exercise authority over the Plan Trust Assets, over the

acquisition, management, and disposition thereof, and over the management and conduct of the affairs of the Plan Trust. In administering the Plan Trust Assets, the Plan Trustee shall endeavor not to unduly prolong the Plan Trust's duration, with due regard that undue haste in the administration of the Plan Trust Assets may fail to maximize value for the benefit of the Beneficiaries and otherwise be imprudent and not in the best interests of such Beneficiaries.

Section 3.02 Power to Contract. Except as otherwise specifically restricted in the Plan, Confirmation Order, or this Agreement, the Plan Trustee shall have the right and power on behalf of the Plan Trust, and also may cause the Plan Trust, to enter into any covenants or agreements binding the Plan Trust, and to execute, acknowledge, and deliver any and all instruments that are necessary or deemed by the Plan Trustee to be consistent with and advisable in furthering the purpose of the Plan Trust.

Section 3.03 Ultimate Right to Act Based on Advice of Counsel or Other Professionals. Nothing in this Agreement shall be deemed to prevent the Plan Trustee from taking or refraining to take any action on behalf of the Plan Trust that, based upon the advice of counsel or other professionals, the Plan Trustee determines it is obligated to take or to refrain from taking in the performance of any duty that the Plan Trustee may owe the Beneficiaries or any other Person under the Plan, Confirmation Order, or this Agreement.

Section 3.04 Powers of Plan Trustee. The Plan Trustee shall have the power to take the following actions on behalf of the Plan Trust and any powers reasonably incidental thereto that the Plan Trustee, in its reasonable discretion, deems necessary or appropriate to fulfill the purpose of the Plan Trust, unless otherwise specifically limited or restricted by the Plan or this Agreement:

- (a) Hold legal title to the Plan Trust Assets and to any and all rights of the Debtor and the Beneficiaries in or arising from the Plan Trust Assets.
- (b) Manage, invest, supervise, protect, and where appropriate, cause the Plan Trust to abandon the Plan Trust Assets, including causing the Plan Trust to invest any moneys held as Plan Trust Assets in accordance with the terms of Section 3.09 hereof.
- (c) Open and maintain bank accounts on behalf of or in the name of the Plan Trust.
- (d) Cause the Plan Trust to enter into any agreement or execute any document or instrument required by or consistent with the Plan, the Confirmation Order or this Agreement, and to perform all obligations thereunder.
- (e) Subject to Article VIII of this Agreement, collect and liquidate all Plan Trust Assets, including the sale of any Plan Trust Assets.
- (f) Protect and enforce the rights to the Plan Trust Assets (including any Plan Trust Causes of Action) vested in the Plan Trust and Plan Trustee by this Agreement and the Plan by any method deemed appropriate, including, without limitation, by judicial proceedings or otherwise.

(g) Investigate any Plan Trust Assets, including potential Causes of Action and cause the Plan Trust to seek the examination of any Person pursuant to Federal Rule of Bankruptcy Procedure.

(h) Cause the Plan Trust to employ and pay professionals and other third parties pursuant to this Agreement.

(i) Cause the Plan Trust to pay all of its lawful expenses, debts, charges, taxes, and other liabilities, and make all other payments relating to the Plan Trust Assets.

(j) Subject to Article VIII of this Agreement, cause the Plan Trust to pursue, commence, prosecute, compromise, settle, dismiss, release, waive, withdraw, abandon, or resolve all Causes of Action, including being substituted as the real party in interest in lieu of the Debtor in any litigation pending in which the Debtor is a party.

(k) Subject to Article VIII of this Agreement, calculate and make all Distributions on behalf of the Plan Trust to the Beneficiaries provided for in, or contemplated by, the Plan and this Agreement.

(l) Cause the Plan Trust to withhold from the amount distributable to any Person the maximum amount needed to pay any tax or other charge that the Plan Trustee has determined, based upon the advice of its agents and/or professionals, may be required to be withheld from such Distribution under the income tax or other laws of the United States or of any state or political subdivision thereof.

(m) In reliance upon the Debtor's schedules and the official Claims register maintained in the Chapter 11 Case, maintain a register evidencing the beneficial interest herein held by each Beneficiary and, in accordance with Section 3.09 of this Agreement, such register may be the official Claims register maintained in the Chapter 11 Cases.

(n) Cause the Plan Trust to make all tax withholdings, file tax information returns, file and prosecute tax refund claims, make tax elections by and on behalf of the Plan Trust, and file tax returns for the Plan Trust, as a grantor trust under IRC section 671 and Treasury Income Tax Regulation section 1.671-4, pursuant to and in accordance with the Plan and Article VII hereof, and pay taxes, if any, payable for and on behalf of the Plan Trust; provided, however, that notwithstanding any other provision of this Agreement, the Plan Trustee shall have no personal responsibility for the signing or accuracy of the Debtor's tax returns that are due to be filed after the Effective Date or for any tax liability related thereto.

(o) Cause the Plan Trust to abandon or donate any Plan Trust Assets that the Plan Trustee subject to Article VIII determines to be too impractical to distribute to Beneficiaries or of inconsequential value to the Plan Trust and Beneficiaries to a charitable organization, as determined by the Plan Trustee.

(p) Cause the Plan Trust to send annually to Beneficiaries, in accordance with the tax laws, a separate statement stating a Beneficiary's interest in the Plan Trust and its

share of the Plan Trust's income, gain, loss, deduction or credit, and to instruct all such Beneficiaries to report such items on their federal tax returns.

(q) Cause the Plan Trust to seek a determination of tax liability or refund under Section 505 of the Bankruptcy Code.

(r) Cause the Plan Trust to establish such reserves for taxes, assessments, and other expenses of administration of the Plan Trust, as may be necessary and appropriate for the proper operation of matters incident to the Plan Trust.

(s) Cause the Plan Trust to purchase and carry all insurance policies that the Plan Trustee deems reasonably necessary or advisable, and to pay all associated insurance premiums and costs out of the Plan Trust Assets.

(t) Subject to Article VIII of this Agreement, if the Plan Trustee has a conflict or if any of the Plan Trust Assets are situated in any state or other jurisdiction in which the Plan Trustee is not qualified to act as trustee, nominate, and appoint a Person duly qualified to act as trustee in such state or jurisdiction in accordance with the terms of this Agreement.

(u) Take all other actions consistent with the provisions of the Plan that the Plan Trustee deems reasonably necessary or desirable to administer the Plan Trust.

Section 3.05 Exclusive Authority to Pursue Plan Trust Causes of Action. Subject to the approval of the Oversight Committee, as provided herein, the Plan Trust shall have the exclusive right, power, and interest to pursue, settle, waive, release, abandon, or dismiss the Plan Trust Causes of Action. The Plan Trust shall be the sole representative of the Estate, under Section 1123(b)(3) of the Bankruptcy Code, with respect to the Plan Trust Causes of Action.

Section 3.06 Abandonment. If, in the Plan Trustee's reasonable judgment and subject to approval of the Oversight Committee, any non-cash Plan Trust Assets cannot be sold in a commercially reasonable manner or the Plan Trustee believes in good faith that such property has inconsequential value to the Plan Trust or its Beneficiaries, the Plan Trustee shall have the right to cause the Plan Trust to abandon or otherwise dispose of such property, including by donation of such property to a charity determined by the Plan Trustee.

Section 3.07 Responsibility for Payment of Claims. As of the Effective Date, the Plan Trust shall become responsible for paying Distributions to the Beneficiaries entitled to receive Distributions from the Plan Trust pursuant to the Plan. The Debtor shall retain the right to object to the allowance of any Claim on any ground. The Plan Trust shall also be entitled to assert all of the Estate's rights under, without limitation, Section 558 of the Bankruptcy Code. The Plan Trust may also seek estimation of any Claims under and subject to Section 502(c) of the Bankruptcy Code.

Section 3.08 Agents and Professionals. The Plan Trustee may, but shall not be required to, consult with and retain attorneys, financial advisors, accountants, appraisers, and other professionals the Plan Trustee believes have qualifications necessary to assist in the administration of the Plan Trust, including professionals previously retained by the Debtor. For the avoidance of doubt, and without limitation of applicable law, nothing in this Agreement shall limit the Plan

Trustee from engaging counsel or other professionals, including the Plan Trustee itself or the Plan Trustee's firm or their affiliates, to do work for the Plan Trust. The Plan Trustee may pay the reasonable salaries, fees and expenses of such Persons out of the Plan Trust Assets in the ordinary course of business.

Section 3.09 Safekeeping and Investment of Plan Trust Assets. All moneys and other assets received by the Plan Trustee shall, until distributed or paid over as provided herein and in the Plan, be held in trust for the benefit of the Beneficiaries, but need not be segregated in separate accounts from other Plan Trust Assets, unless and to the extent required by law or the Plan. The Plan Trustee shall not be under any obligation to invest Plan Trust Assets. Neither the Plan Trust nor the Plan Trustee shall have any liability for interest or producing income on any moneys received by them and held for Distribution or payment to Beneficiaries, except as such interest shall actually be received by the Plan Trust or Plan Trustee, which shall be distributed as provided in the Plan. Except as otherwise provided by the Plan, the powers of the Plan Trustee to invest any moneys held by the Plan Trust, other than those powers reasonably necessary to maintain the value of the assets and to further the Plan Trust's liquidating purpose, shall be limited to powers to invest 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; provided, however, that the scope of permissible investments shall be limited to include only those investments that a Plan Trust, within the meaning of Treas. Reg. § 3.01.7701-4(d), may be permitted to hold pursuant to the Treasury Regulations, or any modification of the IRS guidelines, whether set forth in IRS rulings, IRS pronouncements, or otherwise. For the avoidance of doubt, the provisions of section 11-2.3 of the Estates, Power, and Trusts Law of New York, or any similar state law, shall not apply to this Agreement. Notwithstanding the foregoing, the Plan Trustee shall not be prohibited from engaging in any trade or business on its own account, provided that such activity does not interfere or conflict with the Plan Trustee's administration of the Plan Trust.

Section 3.10 Maintenance and Disposition of Trust Records. The Plan Trustee shall maintain accurate records of the administration of Plan Trust Assets, including receipts and disbursements and other activity of the Plan Trust. The books and records maintained by the Plan Trustee may be disposed of by the Plan Trustee at the later of (a) such time as the Plan Trustee determines that the continued possession or maintenance of such books and records is no longer necessary for the benefit of the Plan Trust or its Beneficiaries, or (b) upon the termination and completion of the winding down of the Plan Trust.

Section 3.11 Reporting Requirements. The Plan Trustee shall provide any Oversight Committee member the information and reports they may reasonably request concerning Trust administration. To the extent feasible and practicable as determined by the Plan Trustee, each Distribution by the Plan Trustee shall be accompanied by a report to the Beneficiaries which details and accounts for the Plan Trust Assets remaining since the prior report. The report shall include a summary of expenses incurred by the Plan Trustee and Distributions made on account of Allowed Claims. After the Plan Trustee makes all Distributions provided by the Plan and this Agreement, the Plan Trustee shall file a final report with the Bankruptcy Court which details and accounts for the Plan Trust Assets and contains a summary of expenses incurred by the Plan Trustee and Distributions made on account of Allowed Claims.

Section 3.12 Conflicts of Interest. Conflicts of interest of the Plan Trustee will be addressed by the Oversight Committee, as set forth below in Article VIII. If no Oversight Committee is established or serving, the Plan Trustee will appoint a disinterested Person to handle any matter where the Plan Trustee has identified a conflict of interest or the Bankruptcy Court, on motion of a party in interest, has determined one exists. In the event the Plan Trustee is unwilling or unable to appoint a disinterested Person to handle any such matter, the Bankruptcy Court, on notice and hearing, may do so.

Section 3.13 No Bond Required. Notwithstanding any state or other applicable law to the contrary, the Plan Trustee shall be exempt from giving any bond or other security in any jurisdiction and shall serve hereunder without bond.

Section 3.14 Charitable Donations. The Plan Trustee subject to the approval of the Oversight Committee may donate any remaining proceeds to a charitable organization after the Plan Trustee has made all Distributions possible, pursuant to the terms and conditions of this Agreement.

ARTICLE IV Distributions

Section 4.01 Distribution and Reserve of Plan Trust Assets. Following the transfer of Plan Trust Assets to the Plan Trust, the Plan Trustee shall make continuing efforts on behalf of the Plan Trust to collect, liquidate, and distribute all Plan Trust Assets, subject to the reserves required under the Plan or this Agreement.

(a) **Distributions.** Subject to Article VIII of this Agreement, the Plan Trustee shall cause the Plan Trust to distribute the Plan Trust's net Cash income and net Cash proceeds from the liquidation of the Plan Trust Assets to the Beneficiaries, except the Plan Trust may retain an amount of net income and other Plan Trust Assets reasonably necessary to maintain the value of the Plan Trust Assets or to meet expenses, claims and contingent liabilities of the Plan Trust and Plan Trustee, and retention of such amount may preclude Distributions to Beneficiaries.

(b) **Reserves; Pooling of Reserved Funds.** Before any Distribution can be made, the Plan Trustee shall, in its reasonable discretion, establish, supplement, and maintain reserves in an amount sufficient to meet any and all expenses and liabilities of the Plan Trust, including attorneys' fees and expenses, the fees and expenses of other professionals, and any fees owed the Bankruptcy Administrator. The Plan Trustee need not maintain the Plan Trust's reserves in segregated bank accounts and may pool funds in the reserves with each other and other funds of the Plan Trust; provided, however, that the Plan Trust shall treat all such reserved funds as being held in a segregated manner in its books and records.

(c) **Distributions Net of Reserves and Costs.** Distributions shall be made net of reserves in accordance with the Plan and also net of the actual and reasonable costs of making the Distributions.

(d) **Right to Rely on Professionals.** Without limitation of the generality of Section 6.06 of this Agreement, in determining the amount of any Distribution or reserves, the Plan Trustee may rely and shall be fully protected in relying on the advice and opinion of the Plan Trust's financial advisors, accountants, or other professionals.

Section 4.02 Method and Timing of Distributions. Distributions to the Beneficiaries will be made from the Plan Trust in accordance with the terms of the Plan and this Agreement.

Section 4.03 Withholding from Distributions. The Plan Trustee, in its discretion, may cause the Plan Trust to withhold from amounts distributable from the Plan Trust to any Beneficiary any and all amounts as may be sufficient to pay the maximum amount of any tax or other charge that has been or might be assessed or imposed by any law, regulation, rule, ruling, directive, or other governmental requirement on such Beneficiary or the Plan Trust with respect to the amount to be distributed to such Beneficiary. The Plan Trustee shall determine such maximum amount to be withheld by the Plan Trust, in its sole, reasonable discretion and shall cause the Plan Trust to distribute to the Beneficiary any excess amount withheld.

Section 4.04 Tax Identification Numbers. The Plan Trustee may require any Beneficiary to furnish its taxpayer identification number as assigned by the Internal Revenue Service and may condition any Distribution to any Beneficiary upon receipt of such identification number. If a Beneficiary does not timely provide the Plan Trustee with its taxpayer identification number, in the manner and by the deadline established by the Plan Trustee, then the Distribution to such Beneficiary shall be administered in accordance with Section 4.05 of this Agreement.

Section 4.05 Unclaimed and Undeliverable Distributions. If any Distribution to a Beneficiary is returned to the Plan Trustee, as undeliverable or is otherwise unclaimed, no further Distributions to such Beneficiary shall be made unless and until the Plan Trustee has determined the then-current address of such Beneficiary at which time the Distribution shall be made to such Beneficiary without interest; provided however that such Distribution shall be deemed unclaimed property under Section 347(b) of the Bankruptcy Code at the expiration of one year from the date on which such Distribution was initially attempted to be made provided that the Plan Trustee shall use reasonable efforts to locate a Beneficiary if any Distribution is returned as undeliverable. After such date all unclaimed property or interests in property shall revert to the Plan Trustee automatically and without the need for a further order from the Bankruptcy Court (notwithstanding any applicable federal, provincial, or state escheat, abandonment, or unclaimed property laws to the contrary), and the claim of any holder to such property or interest in property shall be forever barred.

Section 4.06 Voided Checks; Request for Reissuance. Distribution checks issued to Beneficiaries shall be null and void if not negotiated within ninety (90) days after the date of issuance thereof. Requests for reissuance of any check shall be made, in writing, directly to the Plan Trustee by the Beneficiary that was originally issued such check. All such requests shall be made promptly. Distributions in respect of voided checks shall be treated as unclaimed Distributions under the Plan and administered under Section 4.05 of this Agreement.

Section 4.07 Conflicting Claims. If any conflicting claims or demands are made or asserted with respect to the beneficial interest of a Beneficiary under this Agreement, or if there is

any disagreement between the assignees, transferees, heirs, representatives, or legatees succeeding to all or a part of such an interest resulting in adverse claims or demands being made in connection with such interest, then, in any of such events, the Plan Trustee shall be entitled, in its sole discretion, to refuse to comply with any such conflicting claims or demands.

(a) The Plan Trustee may elect to cause the Plan Trust to make no payment or Distribution with respect to the beneficial interest, subject to the conflicting claims or demand, or any part thereof, and to refer such conflicting claims or demands to the Bankruptcy Court, which shall have exclusive jurisdiction over resolution of such conflicting claims or demands. Neither the Plan Trust, nor the Plan Trustee shall be or become liable to any of such parties for their refusal to comply with any such conflicting claims or demands, nor shall the Plan Trust or Plan Trustee be liable for interest on any funds which may be so withheld.

(b) The Plan Trustee shall be entitled to refuse to act until either (i) the rights of the adverse claimants have been adjudicated by a Final Order of the Bankruptcy Court, or (ii) all differences have been resolved by a valid written agreement, among all such parties, to the satisfaction of the Plan Trustee, which agreement shall include a complete release of the Plan Trust and Plan Trustee. Until the Plan Trustee receives written notice that one of the conditions of the preceding sentence is met, the Plan Trustee may deem and treat the Beneficiary as the absolute owner under this Agreement of the beneficial interest in the Plan Trust and as the Beneficiary identified as the owner of that interest in the books and records maintained by the Plan Trustee. The Plan Trustee may deem and treat such Beneficiary as the absolute owner for purposes of receiving Distributions and any payments on account thereof for federal and state income tax purposes, and for all other purposes whatsoever.

(c) In acting or refraining from acting under, and in accordance with this Section 4.07 of the Agreement, the Plan Trustee shall be fully protected and incur no liability to any purported claimant or any other Person to the extent set forth in Article VI of this Agreement.

Section 4.08 Priority of Expenses of Trust. The Plan Trust must pay or reserve for all of its expenses before making Distributions.

ARTICLE V

Beneficiaries

Section 5.01 Interest Beneficial Only. The ownership of a beneficial interest in the Plan Trust shall not entitle any Beneficiary to any title in, or to the Plan Trust Assets, or to any right to call for a partition or division of such assets or to require an accounting.

Section 5.02 Ownership of Beneficial Interests Hereunder. Each Beneficiary shall own a beneficial interest herein, which shall, subject to Section 4.01 herein, the Plan, and Confirmation Order, be entitled to a Distribution in the amounts, and at the times, set forth in the Plan.

Section 5.03 Evidence of Beneficial Interest. Ownership of a beneficial interest in the Plan Trust Assets shall not be evidenced by any certificate, security, or receipt or in any other form or manner whatsoever, except as maintained on the books and records of the Plan Trust by the Plan Trustee.

Section 5.04 No Right to Accounting. Except as set forth in Section 9.03 of this Agreement, neither the Beneficiaries, nor their successors, assigns, creditors, or any other Person shall have any right to an accounting by the Plan Trustee, and the Plan Trustee shall not be obligated to provide any accounting to any Person. Nothing in this Agreement is intended to require the Plan Trustee, at any time or for any purpose, to file any accounting or seek approval of any court with respect to the administration of the Plan Trust or as a condition for making any advance, payment, or Distribution out of Plan Trust Assets or the proceeds thereof.

Section 5.05 No Standing. Except as expressly provided in this Agreement, a Beneficiary shall not have standing to direct, or to seek to direct the Plan Trust or Plan Trustee to do or not to do, any act, or to institute any action or proceeding at law or in equity, against any Person upon or with respect to the Plan Trust Assets.

Section 5.06 Requirement of Undertaking. The Plan Trustee may request the Bankruptcy Court to require, in any suit for the enforcement of any right or remedy, under this Agreement, or in any suit against the Plan Trustee for any action taken or omitted by it as Plan Trustee, that the filing party litigant in such suit pay the costs of such suit, including reasonable attorneys' fees, against any party litigant in such suit; provided, however, that the provisions of this Section 5.06 shall not apply to any suit by the Plan Trustee.

Section 5.07 Limitation on Transferability. It is understood and agreed that the beneficial interests herein shall be non-transferable and non-assignable, during the term of this Agreement except by operation of law. An assignment by operation of law shall not be effective until appropriate notification and proof thereof is submitted to the Plan Trustee, and the Plan Trustee may continue to cause the Plan Trust to pay all amounts to or for the benefit of the assigning Beneficiaries, until receipt of proper notification and proof of assignment by operation of law. The Plan Trustee may rely upon such proof without the requirement of any further investigation.

Section 5.08 Exemption from Registration. The rights of the Beneficiaries arising under this Agreement may be deemed "securities" under applicable law. However, such rights have not been defined as "securities" under the Plan because (a) the parties hereto intend that such rights shall not be securities, and (b) if the rights arising under this Agreement in favor of the Beneficiaries are deemed to be "securities," the exemption from registration under section 1145 of the Bankruptcy Code is intended to be applicable to such securities. No party to this Agreement shall make a contrary or different contention.

Section 5.09 Delivery of Distributions. Subject to the terms of this Agreement, the Plan Trustee shall cause the Plan Trust to make Distributions to Beneficiaries in the manner provided in the Plan.

ARTICLE VI
Indemnification and Third Party Rights

Section 6.01 Parties Dealing With the Plan Trustee. In the absence of actual knowledge to the contrary, any Person dealing with the Plan Trust, or the Plan Trustee shall be entitled to rely on the authority of the Plan Trustee, or any of the Plan Trustee's agents to act in connection with the Plan Trust Assets. There is no obligation of any Person dealing with the Plan Trustee to inquire into the validity, expediency, or propriety of any transaction by the Plan Trustee or any agent of the Plan Trustee.

Section 6.02 Limitation of Trustee's and Oversight Committee's Liability. In exercising the rights granted herein, the Plan Trustee shall exercise the Plan Trustee's best judgment. The affairs of the Plan Trust shall be properly managed, and the interests of all of the Beneficiaries safeguarded. Neither the Plan Trustee, any member of the Oversight Committee, nor their respective firms, companies, affiliates, partners, officers, directors, members, employees, professionals, advisors, attorneys, financial advisors, investment bankers, disbursing agents, or agents, and any of such Person's successors and assigns shall incur any responsibility or liability, by reason of any error of law or fact or of any matter or thing done, or suffered or omitted to be done under or in connection with this Agreement, whether sounding in tort, contract, or otherwise, except for fraud, gross negligence, or willful misconduct that is found by a final judgment (not subject to further appeal or review) of a court of competent jurisdiction to be the direct and primary cause of loss, liability, damage, or expense suffered. In no event shall the Plan Trustee or Oversight Committee be liable for indirect, punitive, special, incidental, or consequential damage or loss (including but not limited to lost profits) whatsoever, even if the Plan Trustee or Oversight Committee has been informed of the likelihood of such loss or damages, and regardless of the form of action.

Section 6.03 No Liability for Acts of Other Persons. None of the Persons identified in the immediately preceding Section 6.02 of this Agreement shall be liable for the act or omission of any other Person identified in that section.

Section 6.04 No Liability for Acts of Predecessors. No successor Plan Trustee shall be in any way responsible for the acts or omissions of any Plan Trustee in office prior to the date on which such successor becomes the Plan Trustee, unless a successor Plan Trustee expressly assumes such responsibility.

Section 6.05 No Liability for Good Faith Error of Judgment. The Plan Trustee shall not be liable for any error of judgment made in good faith, unless it shall be finally determined by a final judgment of a court of competent jurisdiction (not subject to further appeal or review) that the Plan Trustee was grossly negligent or engaged in willful misconduct, in ascertaining the pertinent facts.

Section 6.06 Reliance by Plan Trustee and Oversight Committee on Documents and Advice of Counsel or Other Persons. Except as otherwise provided herein, the Plan Trustee and Oversight Committee 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 them to be genuine and to have been signed or presented by the proper party or parties.

The Plan Trustee and Oversight Committee also may engage and consult with their respective legal counsel and other agents and advisors, and shall not be liable for any action taken, omitted, or suffered by them in reliance upon the advice of such counsel, agents, or advisors.

Section 6.07 No Liability For Acts Approved by Bankruptcy Court or Oversight Committee. The Plan Trustee and Oversight Committee shall have the right at any time to seek instructions from the Bankruptcy Court concerning the administration or disposition of the Plan Trust Assets and the Claims required to be administered by the Plan Trust. Neither the Oversight Committee nor the Plan Trustee shall be liable for any act or omission that has been approved by the Bankruptcy Court, and all such actions or omissions shall conclusively be deemed not to constitute fraud, gross negligence, or willful misconduct. The Plan Trustee shall not be liable for any act or omission approved by the Oversight Committee, under Article VIII of this Agreement, or otherwise, and all such actions or omissions shall conclusively be deemed not to constitute fraud, gross negligence, or willful misconduct.

Section 6.08 No Personal Obligation for Trust Liabilities. Persons dealing with the Plan Trustee shall have recourse only to the Plan Trust Assets to satisfy any liability incurred by the Plan Trustee, and the Plan Trustee shall have no personal obligation to satisfy any such liability.

Section 6.09 Indemnification. The Plan Trustee and the members of the Oversight Committee, and their respective firms, companies, affiliates, partners, officers, directors, members, employees, professionals, advisors, attorneys, financial advisors, investment bankers, disbursing agents, or agents and any of such parties' successors and assigns (collectively, the "**Indemnified Parties**" and each, an "**Indemnified Party**") shall, to the fullest extent permitted by applicable law, be defended, held harmless, and indemnified by the Plan Trust, from time to time, and receive reimbursement from and against any and all loss, liability, expense (including counsel fees), or damage of any kind, type or nature, whether sounding in tort, contract, or otherwise, that the Indemnified Parties may incur or sustain in connection with the exercise or performance of any of the Plan Trust's, Plan Trustee's, or Oversight Committee's powers and duties under this Agreement or in rendering services by the Indemnified Party to the Plan Trust, Plan Trustee, or Oversight Committee (the "**Indemnified Conduct**"), including, without limitation, the costs of counsel or others in investigating, preparing, defending, or settling any action or claim (whether or not litigation has been initiated against the Indemnified Party), or in enforcing this Agreement (including its indemnification provisions), except if such loss, liability, expense, or damage is finally determined by a final judgment (not subject to further appeal or review) of a court of competent jurisdiction to result directly and primarily from the fraud, gross negligence, or willful misconduct of the Indemnified Party asserting this provision. All indemnification liabilities of the Plan Trust under this Section 6.09, shall be an expense of the Plan Trust. The amounts necessary for such indemnification and reimbursement shall be paid by the Plan Trust out of the available Plan Trust Assets, after reserving for all actual and anticipated expenses and liabilities of the Plan Trust. The Plan Trustee shall not be personally liable for the payment of any Plan Trust expense, claim, or other liability of the Plan Trust, and no Person shall look to the Plan Trustee or other Indemnified Parties personally for the payment of any such expense or liability.

Section 6.10 No Implied Obligations. The Plan Trustee shall not be liable, except for the performance of such duties and obligations as are specifically set forth herein, and no implied covenants or obligations shall be read into this Agreement against the Plan Trustee.

Section 6.11 Confirmation of Survival of Provisions. Without limitation in any way of any provision of this Agreement, the provisions of this Article VI shall survive the death, dissolution, liquidation, resignation, replacement, or removal, as may be applicable, of the Plan Trustee, or the termination of the Plan Trust or this Agreement, and shall inure to the benefit of the Plan Trustee's and the Indemnified Parties' heirs and assigns.

ARTICLE VII Tax Matters

Section 7.01 Tax Treatment of Trust. Pursuant to and in accordance with the Plan, for all federal income tax purposes, the Debtor, the Beneficiaries, the Plan Trustee, and the Plan Trust shall treat the Plan Trust, as a Liquidation Trust, within the meaning of Treasury Income Tax Regulation Section 301.7701-4(d) and IRS Revenue Procedure 94-45, and transfer of the Plan Trust Assets to the Plan Trust shall be treated as a transfer of the Plan Trust Assets by the Debtors to the Beneficiaries in satisfaction of their Allowed Claims, followed by a transfer of the Plan Trust Assets by the Beneficiaries to the Plan Trust in exchange for their pro rata beneficial interests in the Plan Trust. The Beneficiaries shall be treated as the grantors and owners of the Plan Trust for federal income tax purposes.

Section 7.02 Annual Reporting and Filing Requirements. Pursuant to and in accordance with the terms of the Plan and this Agreement, the Plan Trustee shall file tax returns for the Plan Trust, as a grantor trust, pursuant to Treasury Income Tax Regulation Section 1.671-4(a).

Section 7.03 Tax Treatment of Reserves for Disputed Claims. The Plan Trustee may, in the Plan Trustee's sole discretion, determine the best way to report for tax purposes with respect to any reserve for Disputed Claims, including (a) filing a tax election to treat any and all reserves for Disputed Claims as a Disputed Ownership Fund ("DOF"), within the meaning of Treasury Income Tax Regulation Section 1.468B-9 for federal income tax purposes, rather than to tax such reserve as a part of the Plan Trust, or (b) electing to report as a separate trust or sub-trust or other entity. If an election is made to report any reserve for disputed claims as a DOF, the Plan Trust shall comply with all federal and state tax reporting and tax compliance requirements of the DOF, including but not limited to the filing of a separate federal tax return for the DOF and the payment of federal and/or state income tax due.

Section 7.04 Valuation of Plan Trust Assets. After the Effective Date, but in no event later than the due date for timely filing of the Plan Trust's first federal income tax return (taking into account applicable tax filing extensions), the Plan Trustee shall (a) determine the fair market value of the Plan Trust Assets as of the Effective Date, based on the Plan Trustee's good faith determination, (b) advise the Oversight Committee of such valuation, and (c) establish appropriate means to apprise the Beneficiaries of such valuation. The valuation shall be used consistently by all parties (including, without limitation, the Debtors, the Plan Trust, the Plan Trustee, and the Beneficiaries) for all federal income tax purposes.

ARTICLE VIII Oversight Committee

Section 8.01 Appointment, Composition, and Governance of Oversight Committee.

The Liquidation Trust Oversight Committee (the "**Oversight Committee**") shall be initially comprised of five (5) members, who are: (A) the Plan Trustee (B) Frank Mann; (C) First Cahawba Bank; (D) Marion Community Bank; and Regions Bank, as Indenture Trustee. By acceptance of a membership on the Oversight Committee, a member agrees to the terms of this Agreement. A member of the Oversight Committee may resign at any time on written notice to the remaining members of the Oversight Committee members and the Plan Trustee. The resignation shall be effective on the later of (a) the date specified in the notice, or (b) thirty (30) days after the date the notice is delivered. A member of the Oversight Committee may be removed for cause, upon a finding of such cause by the Bankruptcy Court. Upon the resignation or removal of a member of the Oversight Committee, the Plan Trustee shall nominate and the remaining members of the Oversight Committee shall approve the new member. In the event of an impasse, the Plan Trustee and remaining members of the Oversight Committee shall present their nominees to the Bankruptcy Court through a joint-filed motion and request the Bankruptcy Court to make the selection.

Section 8.02 Approval and Authorization.. The Plan Trustee shall obtain prior approval of any material decision by the Oversight Committee including, but not limited to, settling any Cause of Action or abandoning any asset. A vote by the majority of the Oversight Committee shall constitute approval. The Plan Trustee may make requests on behalf of the Plan Trust for approval or authorization by the Oversight Committee of non-material matters and shall keep the Oversight Committee apprised of its actions in a reasonable manner.

Section 8.03 Appointment of Supplemental Trustee. The Oversight Committee shall approve the Plan Trustee's appointment of any Supplemental Trustee (defined in Section 9.07 below) in accordance with Section 9.07 of this Agreement, and the removal and replacement of any Supplemental Trustee under that provision.

Section 8.04 No Compensation or Reimbursement of Oversight Committee Expenses. Members of the Oversight Committee shall not be entitled to compensation for their service on the committee from Plan Trust Assets, nor shall they be entitled to reimbursement of expenses including, but not limited to, legal fees, from Plan Trust Assets. To the extent the Indenture Trustee is a member of the Oversight Committee, this Section shall not be construed to prevent the Indenture Trustee from reimbursing its fees and expenses in accordance with the Indenture from Distributions

Section 8.05 Oversight Committee Member's Conflicts of Interest. The Oversight Committee members shall disclose any actual or potential conflicts of interest that such member has, with respect to any matter arising during the administration of the Plan Trust to the other Oversight Committee members and the Plan Trustee, and such member shall be recused from voting on any matter on which such member has an actual or potential conflict of interest.

Section 8.06 Plan Trustee's Conflicts of Interest. The Plan Trustee shall disclose to the Oversight Committee any conflicts of interest that the Plan Trustee has with respect to any matter

arising during administration of the Plan Trust. In the event that the Plan Trustee cannot take any action, by reason of an actual or potential conflict of interest, the Oversight Committee, acting by majority shall be authorized to take any such action(s) in the Plan Trustee's place and stead, including without limitation the retention of professionals (which may include professionals retained by the Plan Trustee) for the purpose of taking such actions. The Bankruptcy Court shall hear and finally determine any dispute arising out of this section.

Section 8.07 Appointment of Replacement Oversight Committee Members. In the event, an Oversight Committee is not yet formed, no one is willing to serve on the Oversight Committee, or there shall have been no Oversight Committee members for a period of thirty (30) consecutive days, then the Plan Trustee may, during such vacancy and thereafter, ignore any reference in this Agreement, the Plan, or the Confirmation Order to an Oversight Committee, and all references to the Oversight Committee's rights and responsibilities in the Plan, this Agreement and the Confirmation Order will be null and void.

ARTICLE IX

Plan Trustee Selection, Removal, Replacement, and Compensation

Section 9.01 Initial Plan Trustee. The Plan Trustee has been selected, pursuant to the Plan, and is appointed, effective as of the Effective Date. The initial trustee shall be the Plan Trustee. Any party in interest may seek removal of the Plan Trustee, for cause, upon the filing of a motion with the Bankruptcy Court. The Bankruptcy Court shall hear and finally determine any dispute regarding removal of the Plan Trustee.

Section 9.02 Term of Service. The Plan Trustee shall serve until (a) the completion of the administration of the Plan Trust Assets and the Plan Trust, including the winding up of the Plan Trust, in accordance with this Agreement and the Plan; (b) termination of the Plan Trust in accordance with the terms of this Agreement and the Plan; or (c) the Plan resignation, death, incapacity or removal. In the event the Plan Trustee's appointment terminates, by reason of death, dissolution, liquidation, resignation, or removal, the Plan Trustee shall be immediately compensated for all reasonable fees and expenses accrued through the effective date of termination, whether or not previously invoiced. The provisions of Article VI of this Agreement shall survive the resignation or removal of any Plan Trustee.

Section 9.03 Resignation of Plan Trustee. The Plan Trustee may resign at any time, on written notice to the Oversight Committee, Bankruptcy Administrator, and Bankruptcy Court. The resignation shall be effective on the later of (a) the date specified in the notice of resignation, or (b) the date that is thirty (30) days after the date such notice is filed with the Bankruptcy Court and served on the Oversight Committee members and the Bankruptcy Administrator. In no case shall the resignation of the Plan Trustee be effective on less than thirty (30) days' notice. In the event of a resignation, the resigning Plan Trustee shall render to the Oversight Committee and the Bankruptcy Administrator, a full and complete accounting of monies and assets received, disbursed, and held during the term of office of that Plan Trustee. The resignation, death, incapacitation, dissolution, liquidation, or removal of the Plan Trustee shall not terminate the Plan Trust, or revoke any existing agency created pursuant to this Agreement, or invalidate any action theretofore taken by the Plan Trustee.

Section 9.04 Appointment of Successor Plan Trustee. Upon the resignation, death, incapacity, or removal of a Plan Trustee, a successor Plan Trustee shall be appointed by the Oversight Committee. In the event no party in interest seeks the appointment of a successor Plan Trustee, the Bankruptcy Court may do so on its own motion. Any successor Plan Trustee, so appointed, shall consent to and accept its appointment, as successor Plan Trustee, which may be done by e-mail or through acquiescence in not objecting to a motion for approval of its appointment as successor Plan Trustee. Any successor Plan Trustee may be appointed to serve only on an interim basis.

Section 9.05 Powers and Duties of Successor Plan Trustee. A successor Plan Trustee shall have all the rights, privileges, powers, and duties of its predecessor under this Agreement, the Plan, and Confirmation Order.

Section 9.06 Trust Continuance. Compensation of Plan Trustee and Costs of Administration. The Plan Trustee shall receive fair and reasonable compensation for its services, which shall be a charge against, and paid out of, the Plan Trust Assets. All costs, expenses, and obligations incurred by the Plan Trustee (or professionals who may be employed by the Plan Trustee in administering the Plan Trust, in carrying out their other responsibilities under this Agreement, or in any manner connected, incidental, or related thereto) shall be paid by the Plan Trust from the Plan Trust Assets, prior to any Distribution to the Beneficiaries. The terms of the compensation of the Plan Trustee and the timing and manner of payment are set forth on **Exhibit A** hereto.

Section 9.07 Appointment of Supplemental Plan Trustee. Subject to Article VIII of this Agreement, if the Plan Trustee has a conflict, or any of the Plan Trust Assets are situated in any state or other jurisdiction in which the Plan Trustee is not qualified to act as trustee, the Plan Trustee shall nominate and appoint a Person duly qualified to act as trustee (the "**Supplemental Trustee**") in such state or jurisdiction and require from each such Supplemental Trustee, such security as may be designated by the Plan Trustee, in its sole discretion. The Plan Trustee may confer upon such Supplemental Trustee all of the rights, powers, privileges, and duties of the Plan Trustee hereunder, subject to the conditions and limitations of this Agreement, except as modified or limited by the laws of the applicable state or other jurisdiction (in which case, the laws of the state or other jurisdiction in which such Supplemental Trustee is acting shall prevail to the extent necessary). The Plan Trustee shall require such Supplemental Trustee to be answerable to the Plan Trustee for all monies, assets, and other property that may be received in connection with the administration of all the Plan Trust Assets, by the Supplemental Trustee. Subject to Article VIII of this Agreement, the Plan Trustee may remove such Supplemental Trustee, with or without cause, and appoint a successor Supplemental Trustee, at any time, by executing a written instrument declaring such Supplemental Trustee be removed from office and specifying the effective date and time of removal.

ARTICLE X Trust Duration

Section 10.01 Duration. Once the Plan Trust becomes effective upon the Effective Date of the Plan, the Plan Trust and this Agreement shall remain and continue in full force and effect, until the Plan Trust is terminated.

Section 10.02 Termination on Payment of Trust Expenses and Distribution of Trust

Upon the payment of all costs, expenses, and obligations incurred in connection with administering the Plan Trust, and the Distribution of all Plan Trust Assets in accordance with the provisions of the Plan, the Confirmation Order, and this Agreement, the Plan Trust shall terminate and the Plan Trustee shall have no further responsibility in connection therewith except as may be required to effectuate such termination under relevant law.

Section 10.03 Termination After Five Years. If the Plan Trust has not been previously terminated, pursuant to Section 10.02 hereof, on the fifth anniversary of the Effective Date, and unless the Plan Trust term has been extended in accordance with Section ____ of the Plan (such extension to be approved by the Bankruptcy Court within six months of the beginning of the extended term), the Plan Trustee shall distribute all of the Plan Trust Assets to the Beneficiaries, in accordance with the Plan, and immediately thereafter, the Plan Trust shall terminate and the Plan Trustee shall have no further responsibility in connection therewith except to the limited extent set forth in Section 10.05 of this Agreement.

Section 10.04 No Termination by Beneficiaries. The Plan Trust may not be terminated at any time by the Beneficiaries.

Section 10.05 Continuance of Trust for Winding Up; Discharge and Release of Plan Trustee. After the termination of the Plan Trust and solely for the purpose of liquidating and winding up the affairs of the Plan Trust, the Plan Trustee shall continue to act as such, and until its responsibilities have been fully performed. Except as otherwise specifically provided herein, upon the Distribution of the Plan Trust Assets including all excess reserves, the Oversight Committee members, the Plan Trustee, and the Plan Trust's professionals and agents shall be deemed discharged under this Agreement and have no further duties or obligations hereunder. Upon a motion by the Plan Trustee, the Bankruptcy Court may enter an order relieving the Oversight Committee members and the Plan Trustee, its employees, and the Plan Trust's professionals and agents of any further duties, discharging and releasing the Plan Trustee from all liability related to the Plan Trust, and releasing the Plan Trustee's bond, if any.

**ARTICLE XI
Miscellaneous**

Section 11.01 Cumulative Rights and Remedies. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights and remedies under law or in equity.

Section 11.02 Notices. All notices to be given to Beneficiaries may be given by ordinary mail, or may be delivered personally, to the Beneficiaries at the addresses appearing on the books kept by the Plan Trustee. Any notice or other communication which may be or is required to be given, served, or sent to the Plan Trustee shall be in writing and shall be sent by registered or certified United States mail, return receipt requested, postage prepaid, or transmitted by hand delivery or facsimile (if receipt is confirmed) addressed as follows:

(a) If to the Plan Trust or the Plan Trustee:

Brian R. Walding
2227 1st Avenue South, Suite 100
Birmingham, Alabama 35233
205-307-5050
bwalding@waldinglaw.com

or to such other address as may from time to time be provided in written notice by the Plan Trustee.

Section 11.03 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Alabama, without giving effect to rules governing the conflict of laws.

Section 11.04 Successors and Assigns. This Agreement shall inure to the benefit of and shall be binding upon the Parties and their respective successors and assigns.

Section 11.05 Particular Words. Reference in this Agreement to any Section or Article is, unless otherwise specified, to that such Section or Article under this Agreement. The words "hereof," "herein," and similar terms shall refer to this Agreement and not to any particular Section or Article of this Agreement.

Section 11.06 Execution. All funds in the Plan Trust shall be deemed in *custodia legis* until such times as the funds have actually been paid to or for the benefit of a Beneficiary, and no Beneficiary or any other Person can execute upon, garnish or attach the Plan Trust Assets or the Plan Trustee in any manner or compel payment from the Plan Trust except by Final Order of the Bankruptcy Court. Payments will be solely governed by the Plan and this Agreement.

Section 11.07 Amendment. This Agreement may be amended, by written agreement of the Plan Trustee and the Oversight Committee, or by order of the Bankruptcy Court; provided, however, that such amendment may not be inconsistent with the Plan or Confirmation Order.

Section 11.08 No Waiver. No failure or delay of any party to exercise any right or remedy, pursuant to this Agreement, shall affect such right or remedy or constitute a waiver thereof.

Section 11.09 No Relationship Created. Nothing contained herein shall be construed to constitute any relationship created by this Agreement as an association, partnership, or joint venture of any kind.

Section 11.10 Severability. If any term, provision, covenant, or restriction contained in this Agreement is held by a court of competent jurisdiction or other authority to be invalid, void, unenforceable, or against its regulatory policy, the remainder of the terms, provisions, covenants, and restrictions contained in this Agreement shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

Section 11.11 Further Assurances. Without limitation of the generality of Section 3.04 of this Agreement, the Parties agree to execute and deliver all such documents and notices and to take all such further actions as may reasonably be required from time to time to carry out the intent

and purposes and provide for the full implementation of this Agreement and the pertinent provisions of the Plan, and to consummate the transactions contemplated hereby.

Section 11.12 Counterparts. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

Section 11.13 Jurisdiction. The Bankruptcy Court shall have exclusive jurisdiction and venue to hear and finally determine all matters among the Parties arising out of or related to this Agreement or the administration of the Plan Trust.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date set forth above.

Judson College

By: _____

Name: _____

Title: _____

Brian R. Walding

By: _____

Name: _____

Title: _____

OVERSIGHT COMMITTEE

Frank Mann

First Cahawba Bank

By: _____
Its: _____

Marion Community Bank

By: _____
Its: _____

Regions Bank, as Indenture Trustee

By: _____
Its: _____

EXHIBIT A

Terms of Compensation of Plan Trustee

- Compensation. The Plan Trustee shall be compensated on a hourly basis at a rate of \$445 per hour provided any travel time shall be paid at 50% of that rate. From the Plan Trust Assets, a retainer in the amount of \$25,000 shall be delivered to the Plan Trustee and held in trust until the Plan Trustee submits its final invoice. Upon submission and approval of the of the Plan Trustee's final invoice, said invoice shall be paid from the retainer and the balance distributed in accordance with the terms of the Plan and the Plan Trust Agreement.
- Payment of Monthly Fee and Start-Up Costs; Full Fee for Initial Month. The Plan Trustee's monthly fee, together with payment of any start-up costs and expenses under the above paragraph, shall be payable out of the Plan Trust Assets beginning on the Effective Date and continuing thereafter until the Plan Trustee is discharged. The first monthly fee shall be incurred immediately on the Confirmation Date, but not payable until the appointment of the Plan Trustee on the Effective Date. The Plan Trustee shall be entitled to payment of its entire monthly fee, without prorating, for and beginning with the month in which the Plan Trustee is appointed.
- Means and Timing of Payment. The Plan Trustee's monthly fee shall be automatically paid in advance by wire transfer or equivalent electronic means in the Plan Trustee's discretion on the Effective Date and thereafter on the first day of each month though and including the month in which the Plan Trustee is discharged.

Exhibit 2

Articles and Bylaws for Debtor

The Debtor shall continue to operate under its prepetition Articles and Bylaws, copies of which are available upon written request to the Debtor's counsel.

Exhibit 3

Assumed Executory Contracts and Unexpired Leases

1. Confidential Mediation Settlement Document dated as of March 24, 2023 by and among all of the Mediation Parties¹, as the same has or may have been amended from time to time thereafter.
2. Plan Support Agreement dated December 15, 2023, by and among all of the Mediation Parties.
3. Any and all policies in effect as of the Effective Date providing insurance coverage to the Debtor, the Debtor's property, the Campus Property, or the Debtor's trustees, officers, and/or employees; provided, however, that if the Debtor's proposed settlement of the Insurance Coverage Litigation is approved by the Bankruptcy Court prior to the Effective Date and Indian Harbor Insurance Co. performs all its obligations under such settlement, then the policy issued by Indian Harbor Insurance Co. shall not be included among the assumed executory contracts.

¹ Capitalized terms have the same meanings assigned to such terms in the Plan.

Exhibit 4

Plan Trust Causes of Action

1. Any and all Estate Causes of Action of the College, excluding:
 - a. Any and all Released Causes of Action; and
 - b. Any and all Revested Causes of Action.
2. Without limitation of the foregoing, the Plan Trust Causes of Action shall include (a) any and all Causes of Action of the Debtor against any and all accountants and accounting firms that performed accounting work for the Debtor prior to the Petition Date, including without limitation, Jo Anne Morina CPA, Haynes Downard, LLP, and Brannum CPA, (b) any and all Causes of Action to enforce any settlement agreements to which the Debtor is a party, including without limitation, the settlement agreements pertaining to the compromise and settlement of (i) the Insurance Coverage Litigation, (ii) the Faulkner Trust-Trustmark Litigation, and (iii) the Liver Trust-Robertson Banking Litigation, and (c) any and all Causes of Action of the Debtor against any of the External Trusts, excluding the Faulkner Trust and the Liver Trust.

Exhibit 5

Revested Causes of Action

1. Any and all Causes of Action of the Debtor against the Foundation.
2. Any and all Causes of Action of the Debtor regarding or relating to any and all trademarks, tradenames, copyrights, and other intellectual property rights used or usable in connection with the historic, educational operations of the Debtor, including all rights with respect to the name "Judson College
3. Any and all Causes of Action of the Debtor regarding or relating to the Campus Property.

Exhibit 6

Ancillary Real Estate

1. 302 East Lafayette St., Marion, AL 36756 -single family dwelling;
2. 303 East Lafayette St., Marion, AL 36756 -single family dwelling;
3. 210 East Lafayette St., Marion, AL 36756 – single family dwelling;
4. 401 Bibb St., Marion, AL 36756 -single family dwelling;
5. 405 Bibb St., Marion, AL 36756 -single family dwelling;
6. 201 Troupe St., Marion, AL 36756 -single family dwelling;
7. 2/10 mineral interest, Parcel #22-03-07-02, Cleburne County, AL;
8. Parcel #052B282, Lot 369, Sec. 2 Four Seasons, Newnan, GA – vacant lot;
9. 1.9 acres, Parcel 09-07-35-0-002-023.001, Etowah County, AL;
10. 2.8 acres, Parcel 09-07-35-0-001-002.001, Etowah County, AL;
11. Parcel 27-09-32-4-003-014.00, Sylacauga, Talladega County, AL;
12. Interest in 246 ½ acres in Dale County, Alabama under the Last Will and Testament of Marie Donnell.

Exhibit 7

Archival and Historical Items

All documents, photographs, drawings, and images, whether in their original format or electronically stored, as well as tangible personal property having historical significance to the college, its alumni, the Baptist Entities, or the Marion, Alabama community, including but not limited to the following:

1. Minutes of the Meetings of the Judson College Board of Trustees;
2. Minutes of the Meetings of the Judson College Executive Committee of the Board of Trustees;
3. Diplomas;
4. Artist renderings of the college campus;
5. 1948 General Plan map of campus;
6. Newspaper clippings related to the college, campus, surrounding community, students, or alumni;
7. Photographs of student events or campus life.

Exhibit 8

External Trusts²

1. JC Faulkner Testamentary Trust (Regions Bank, trustee)
2. Ruch Fund (Georgia Baptist Foundation, trustee)
3. Bettie Mae Person Foundation (Regions Bank, trustee)
4. Riddle Trust (First Alabama Bank of Huntsville, trustee)
5. Eppes/McCord Endowment/Trust (Southern Baptist Foundation, trustee)

² This list excludes External Trusts that were the subject of settlement agreements reached with the Debtor prior to the Petition Date (see Disclosure Statement for additional detail) or that shall be released from any claims of the Debtor on the Effective Date, including specifically any External Trusts for which the Alabama Baptist Foundation serves as trustee.