

**AGREEMENT TO SETTLE CERTAIN DISPUTES, FUND
CHAPTER 11 PLAN, AND TRANSFER CERTAIN ASSETS**

THIS AGREEMENT TO SETTLE CERTAIN DISPUTES, FUND CHAPTER 11 PLAN, AND TRANSFER CERTAIN ASSETS (the "Agreement"), dated December 11, 2009, is made upon the complete execution of the Parties by and among Kenneth P. Neumann ("KPN"), Jean L. Neumann, KJET Office Building LLC, Kreutzer Road LLC, KDJET LLC, KPN Michigan LLC, KPN Michigan Pool LLC, and KPN Sterling Woods LLC (collectively and including KPN, the "KPN Entities") on the one hand, and the chapter 11 estates of Neumann Homes, Inc., NDC Fabrications, LLC, Neumann Homes of Colorado, LLC, Neumann Homes of Wisconsin, LLC, Neu Pro Co., LLC, Precision Framing Systems, LLC, Neumann Homes of Michigan, LLC, NHI Sky Ranch, LLC, and Sky Ranch, LLC (collectively the "Debtors") (the foregoing parties collectively referred to as the "Parties") on the other hand.

Recitals

WHEREAS, on November 1, 2007, certain of the Debtors filed voluntary petitions for relief pursuant to chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.*, as amended (the "Bankruptcy Code") and commenced their respective bankruptcy cases (the "November 1 Cases") in the United States Bankruptcy Court for the Northern District of Illinois (the "Bankruptcy Court"); and

WHEREAS, on November 15, 2007, all of the remaining Debtors (i.e., all of the Debtors that did not file voluntary petitions for relief under chapter 11 of the Bankruptcy Code on November 1, 2007) filed voluntary petitions for relief pursuant to chapter 11 of the Bankruptcy Code and commenced their respective bankruptcy cases (the "November 15 Cases") in the Bankruptcy Court; and

WHEREAS, the November 1 Cases and the November 15 Cases are being jointly administered under the caption *In re Neumann Homes, Inc., et al.*, pending before the Bankruptcy Court with bankruptcy case numbers 07-20412 through 07-20417, 07-214618, 07-21469, and 07-21470 (collectively, the "Cases"); and

WHEREAS, on November 7, 2007, the Official Committee for the Unsecured Creditors (the "Creditors' Committee" or the "Committee") was appointed by the United States Trustee pursuant to section 1102 of the Bankruptcy Code; and

WHEREAS, on December 10, 2008, the Creditors' Committee initiated an adversary proceeding in the Bankruptcy Court (Adv. No. 08-01000) against KPN and Jean L. Neumann captioned *Official Committee of Unsecured Creditors of Neumann Homes, Inc., v. Kenneth P., Neumann and Jean L. Neumann* (the "Committee Adversary") alleging various causes of action against KPN and Jean L. Neumann; and

WHEREAS, KPN and Jean L. Neumann filed a motion to dismiss the Committee Adversary ("Motion to Dismiss") and a motion to withdraw the reference (the "Withdrawal Motion") to the Bankruptcy Court from the United States District Court for the Northern District of Illinois (Eastern Division) of the Committee Adversary; and

WHEREAS, the Withdrawal Motion was denied without prejudice by the District Court (Case No. 09 CV 169) (the "District Court Case"), and the Committee Adversary was subsequently withdrawn and dismissed with prejudice by order of the Bankruptcy Court; and

WHEREAS, the Debtors have asserted various claims that are substantially similar to those asserted by the Committee in the Committee Adversary and certain additional claims in the adversary proceeding captioned *Neumann Homes, Inc., et al. v. Kenneth P. Neumann, et al.* (Adv. No. 09-00594) (the "Debtors' First Adversary"), including, but not limited to, claims to

avoid certain allegedly preferential transfers and under Chapter 5 of the Bankruptcy Code as set forth in the Debtors' previously filed Petition in Intervention and Complaint in the Debtors' Adversary; and

WHEREAS, on October 31, 2009, the Debtors initiated another adversary proceeding in the Bankruptcy Court (Adv. No. 09-01111) against KPN and IHP Investment Fund III, L.P. captioned *Neumann Homes, Inc., et al., v. IHP Investment Fund III, L.P. and Kenneth P., Neumann* (the "Debtors' Second Adversary") alleging various causes of action against KPN and IHP Investment Fund III, L.P.; and

WHEREAS, although the time for the KPN Entities and IHP Investment Fund III, L.P. to respond to the Debtors' previously filed Complaints in the Debtors' First Adversary and the Debtors' Second Adversary has not yet expired, and the KPN Entities have not filed a response to the Complaints, the KPN Entities contest the allegations in the Debtors' Complaints and deny any liability in connection with the Debtors' First Adversary and the Debtors' Second Adversary; and

WHEREAS, from November 1, 2007 until September 30, 2008, the Debtors rented office space (the "Debtors' Office") in and were operating out of an office building owned by KJET Office Building, LLC, pursuant to a lease (the "Debtors' Lease") between KJET Office Building LLC, as landlord, and the Debtors, as tenants; and

WHEREAS, the Debtors are asserting a claim to certain furniture (the "Furniture") that is located in the Debtors' Office, and KJET Office Building LLC asserts that the Furniture is its property and not the Debtors' property or otherwise property of the Debtors' bankruptcy estates; and

WHEREAS, KJET Office Building LLC has informally asserted various administrative priority claims against the Debtors for, among other things, unpaid rent under the Debtors' Lease in an amount of at least \$170,000 (the "Administrative Rent Claim"), which claim Debtor disputes, and KPN and certain of the other KPN Entities have informally asserted administrative priority claims of at least \$2,000,000 (the "Other Administrative Claims", and, collectively with the Administrative Rent Claim, the "Administrative Claims") against one or more of the Debtors based on alleged post-bankruptcy contractual relationships with one or more of the Debtors and/or goods or services provided to with one or more of the Debtors post-bankruptcy, which Administrative Claims the Debtors deny; and

WHEREAS, prior to the filing of the Committee Adversary, the Debtors conducted an investigation that resulted in the claims asserted in the Committee Adversary, the Debtors' First Adversary, and the Debtors' Second Adversary (collectively, the "Adversary Proceedings") by, among other things: i) reviewing the Debtors' books and records in the Debtor's possession and ii) discussing matters relating to the claims asserted in the Adversary Proceedings with KPN. No discovery has occurred in the Adversary Proceedings or taken place in the District Court Case; and

WHEREAS, the Debtors also investigated the Administrative Claims and the disputes related to the Furniture (collectively with the Adversary Proceedings, and the District Court Case, the "Estate Disputes"); and

WHEREAS, the Parties understand that the Committee has conducted an investigation of the claims in the Estate Disputes, and that the Committee has been consulted throughout the negotiations leading up to this Agreement, and that the Committee interviewed and had access to

KPN, had access to information known by the Debtors, and had access to voluminous documents and records provided by KPN; and

WHEREAS, KPN and Jean L. Neumann and the other KPN Entities deny any and all liability related to the Estate Disputes and have formally or informally asserted various defenses to each of the Estate Disputes; and

WHEREAS, the Debtors have informed the KPN Entities that the Debtors have proposed, desire and intend to seek to confirm a Chapter 11 plan of liquidation (the "Plan") in the Cases; and

WHEREAS, the Debtors have initiated several adversary proceedings (the "Trade Creditor Preference Adversaries"), including, but not limited to, the adversary proceedings captioned *Neumann Homes, Inc., et al., v. Clear Channel Outdoor, Inc.* (Adv. No. 09-1097), *Neumann Homes, Inc., et al., v. American Express Company* (Adv. No. 09-1098), *Neumann Homes, Inc., et al., v. Safeco Business Insurance* (Adv. No. 09-1099), *Neumann Homes, Inc., et al., v. Cardmember Services, Inc.* (Adv. No. 09-1100), *Neumann Homes, Inc., et al., v. Premium Assignment Corp.* (Adv. No. 09-1101), *Neumann Homes, Inc., et al., v. Worknet, Inc.* (Adv. No. 09-1102), *Neumann Homes, Inc., et al., v. D&B Advertising* (Adv. No. 09-1103), *Neumann Homes, Inc., et al., v. Compass Signs* (Adv. No. 09-1104), *Neumann Homes, Inc., et al., v. Paddock Publications, Inc.* (Adv. No. 09-1105), *Neumann Homes, Inc., et al., v. Kenosha News Publishing Corporation* (Adv. No. 09-1108), *Neumann Homes, Inc., et al., v. Copy Xpress* (Adv. No. 09-1109), and *Neumann Homes, Inc., et al., v. Another Plumbing Company, LLC, et al.* (Adv. No. 09-1112), against Trade Creditors (as that term is defined in the Plan) principally seeking to avoid and recover certain transfers that the Debtors assert may be avoidable pursuant to 11 U.S.C. § 547; and

WHEREAS, prior to the commencement of the Cases, the Debtors stored certain business and other records at a warehouse (the "FSC Warehouse") owned or operated by the Federal Storage Company, a third party service provider, pursuant to a certain Storage and Service Contract (including all amendments, the "Assumed Storage Contract") that was amended and assumed by the Debtors pursuant to an Order (the "Record Storage Order") [Docket No. 820] of the Bankruptcy Court entered on April 23, 2008; and

WHEREAS, a second amendment to the Assumed Storage Contract was approved by the Bankruptcy Court pursuant to an Order (the "Record Access Order") [Docket No. 1317] entered on October 1, 2008, that also provided KPN with certain rights to access, use and copy any records stored at the FSC Warehouse in connection with any tax returns that KPN may need to prepare or any audits or litigation in which KPN might be involved as a result of being a director, officer or shareholder of the Debtors; and

WHEREAS, the Debtors are currently storing approximately 3,000 boxes of their proprietary software, software and information systems, data, house plans, renderings, drawings, business records, financial records, accounting records, tax records, documents (electronic or otherwise), data, information, or other records (the "Debtors' Stored Records") at the FSC Warehouse and have pre-paid for the storage of the Debtors' Stored Records through December 31, 2010, and pre-paid for the destruction of the Debtors' Stored Records on or after December 31, 2010, but have the option to continue to store, and to postpone the destruction of, the Debtors' Stored Records until December 31, 2011, for an additional \$9,718.70 (the "Storage Extension"); and

WHEREAS, the Debtors currently have and retain additional proprietary software, software and information systems, data, house plans, renderings, drawings, business records,

financial records, accounting records, tax records, documents (electronic or otherwise), data, information, and other records (the "Debtors' Other Records") at their offices and/or in the offices of the Debtors' various professionals and/or employees; and

WHEREAS, the Debtors represent that all of the Debtors' proprietary software, software and information systems, data, house plans, renderings, drawings, business records, financial records, accounting records, tax records, documents (electronic or otherwise), data, information, and other records (collectively, the "Debtors' Records") are either the Debtors' Stored Records or the Debtors' Other Records; and

WHEREAS, the Parties each determined that it is in each of their respective best interests to avoid the expense and inconvenience of further litigation and desire to settle and finally resolve all of the Estate Disputes and any other matters between and among them; and

WHEREAS, the Debtors and the Creditors' Committee have also requested that KPN fund the Plan, and the KPN Entities desire to fund the Plan in accordance with the terms of this Agreement; and

WHEREAS, the Debtors, on the one hand, and the KPN Entities, on the other hand, following good faith negotiations at arms' length, have agreed, subject to the approval of the Bankruptcy Court, to settle and finally resolve all matters between them including all of the Estate Disputes and to fund the Plan pursuant to the terms of the Agreement set forth herein.

NOW THEREFORE, for good and valuable consideration, including but not limited to the releases and other consideration provided for herein, the receipt and sufficiency of which is expressly hereby acknowledged, the Parties hereby agree as follows:

1. Recitals. The recitals set forth above constitute an integral part of this Agreement, evidencing the intent of the Parties in executing this Agreement, and describing the

circumstances surrounding its execution. Accordingly, said recitals are, by express reference made a part of the covenants hereof, and this Agreement shall be construed in light thereof.

2. Agreement Contingent on Plan. The Parties acknowledge and agree that this Agreement, including all of its terms, is contingent on and shall not be effective or binding unless: (i) the Debtors propose and prosecute and seek the confirmation of the Plan in the form attached as Exhibit 1 to this Agreement, which is in a form and substance acceptable to KPN and the Debtors; (ii) an order (the "Confirmation Order"), in a form and substance acceptable to the Debtors generally and to KPN with respect to the provisions of the Confirmation Order that affect this Agreement and/or the KPN Entities, is entered by the Bankruptcy Court that, among other things: (a) specifically enjoins all persons or entities from filing any complaints, commencing or continuing any lawsuits, causes of action or proceedings, or otherwise pursuing or prosecuting or continuing to prosecute any causes of action, legal or equitable claims or remedies of any kind or nature, existing as of the entry of the Confirmation Order or in the future, against any of the KPN Entities related to the Debtors' transactions, financial affairs, or businesses or the operation thereof, any facts and/or circumstances involved in the Estate Disputes, the Cases, the confirmation of the Plan, the consummation of the Plan, or the administration of the Plan; and (b) confirming the Plan that is acceptable to the Debtors generally and to KPN with respect to the provisions in the Plan that affect this Agreement and/or the KPN Entities; and (iii) the Confirmation Order becomes a Final Order. The term "Final Order" as that term is used in this Agreement shall mean an order that is not subject to appeal, review, alteration, amendment, modification, or reconsideration pursuant to an appropriate motion or otherwise under the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, and the Federal Rules of Civil Procedure.

3. Monetary Consideration. The KPN Entities shall pay in one or more payments to the Debtors, at the time or times specified in and subject to the terms of Paragraph 10 and the other provisions of this Agreement, totaling up to \$1,125,000 in immediately available funds (the "KPN Payment"). Subject to the terms and conditions of this Agreement, the KPN Payment shall be paid, in no particular order, to (i) settle the Estate Disputes pursuant to the terms of this Agreement; (ii) pay for the transfers contained in this Agreement; (iii) pay for the Releases in Paragraphs 6, 7 and 9 and (iv) fund the Plan. The KPN Payment shall be by one or more personal or business checks made payable to Neumann Homes, Inc., or any entity or entities Neumann Homes, Inc., may otherwise specify, in writing, and shall be delivered to counsel for the Debtors, George N. Panagakas at the law firm of Skadden, Arps, Slate, Meagher & Flom LLP, located in Chicago, Illinois. The Parties recognizing that KPN, Jean L. Neumann and the other KPN Entities are related or otherwise affiliated, the KPN Payment shall be deemed to have been paid by each of KPN, Jean L. Neumann, and the other KPN Entities irrespective as to which one of them provides the check or checks for the KPN Payment to the Debtors.

4. Bankruptcy Court Approval. This Agreement is subject to the approval of the Bankruptcy Court. As such, this Agreement, including the respective releases and the transfers provided for in this Agreement, and all of the other terms, shall be of no force and effect and shall not give rise to any obligations on the part of any of the Parties hereto, until the Bankruptcy Court has approved this Agreement and entered an appropriate order or orders (an "Approval Order") in the Cases approving and effecting this Agreement, including, but not limited to, the releases and transfers required by this Agreement. The approval by the Bankruptcy Court of this Agreement may be requested in conjunction with the confirmation of the Plan so that the Approval Order is the Confirmation Order, provided however, in the event

that the effective date of the Plan (the "Plan Effective Date") will not or is not anticipated to be the date that is 11 days after the confirmation hearing, unless the Parties agree in writing to a different date, then the Debtors shall request that the Bankruptcy Court also enter a separate Approval Order (the "Release and Injunction Order"), which may become a Final Order irrespective of the Confirmation Order, at the hearing on the confirmation of the Plan. Any Approval Order, including any Confirmation Order, (i) shall be in form and substance acceptable to KPN, with respect to the provisions in such Approval Order that impact this Agreement and/or the KPN Entities, the Debtors, and KPN; (ii) shall approve this Agreement; (iii) shall provide for the releases contained in Paragraphs 6 through 9 of this Agreement; (iv) shall provide for the injunction in Paragraph 9 of this Agreement; and (v) shall provide for the transfers contained in Paragraph 11 and Paragraph 12 of this Agreement. In the event that both a Confirmation Order and a Release and Injunction Order are submitted to the Bankruptcy Court for entry, both such Approval Orders shall provide for the releases and injunctions contained in this Agreement. The first Approval Order shall provide, and the Parties agree, that upon its entry by the Bankruptcy Court, the Debtors' First Adversary, the Debtors' Second Adversary, and the Trade Creditor Preference Adversaries shall be dismissed with prejudice and the respective releases shall become effective, and the Parties further agree that they will take all steps necessary or appropriate to effect such dismissal with prejudice and release. The Parties shall cooperate in good faith with respect to seeking the Bankruptcy Court's approval of this Agreement and all of its terms (including, but not limited to, the transfers required by Paragraph 11 and Paragraph 12 of this Agreement), and the entry of all Approval Orders.

5. Effective Date. The "Effective Date" of this Agreement shall be the first day after the first Approval Order has become a Final Order of the Bankruptcy Court.

6. Debtors' Release. Except for the rights and obligations set forth in this Agreement, and without the need for the execution and delivery of additional documents, on the Effective Date of this Agreement and prior to any transfers by the Debtors pursuant to the Plan, the Debtors, on their behalf and on behalf of all the Debtors' bankruptcy estates, and each of their past and present attorneys, shareholders, employees, consultants, members, officers, directors, parents, subsidiaries, predecessors, successors, affiliates, assigns (specifically including any liquidating trust, liquidating trustee, liquidating trust administrator, reorganized debtor(s) or other individual or entity established or appointed in, or pursuant to, the Plan, including in, or pursuant to, any modifications to the Plan, to manage the Debtors' affairs or administer the Debtors' assets), professionals and agents (collectively the "Estate Releasers"), shall be deemed to have irrevocably and unconditionally waived and forever released, acquitted, forever discharged, and covenanted not to sue KPN, Jean L. Neumann, the other KPN Entities, KPN's family members, and all entities presently or formerly owned or affiliated with KPN, including but not limited to, KDJET LLC, Kreutzer Road LLC, KJET Office Building LLC, KPN Michigan LLC, KPN Michigan Pool LLC, and KPN Sterling Woods LLC and each of their past and present family members, attorneys, shareholders, employees, consultants, members, officers, directors, parents, subsidiaries, predecessors, successors, affiliates, professionals and agents (collectively, the "KPN Releasees"), from any and all claims, demands, liabilities, liens, losses, damages, expenses, costs, obligations, reimbursements, and causes of action of any and every kind, character or nature whatsoever, in law or in equity, tort or contract, whether asserted or unasserted, known or unknown, suspected or unsuspected, fixed or contingent, liquidated or unliquidated, which any or all of the Estate Releasers have or may have or claim to have, now or in the future, against any of the KPN Releasees with respect to all matters from the beginning of

time to the Effective Date of this Agreement, including but not limited to, claims and matters related to, or connected to, the Debtors and their bankruptcy estates, the Creditors' Committee, the Estate Disputes, and all claims and counterclaims that could have been asserted in the Debtors' Bankruptcy cases or any other action, specifically including but not limited to any and all causes of action pursuant to Chapter 5 of the Bankruptcy Code. "KPN Releasees" does not include the following persons or entities: (a) Gary A. Tadian, individually or in any other capacity, (b) all entities formerly or presently owned or affiliated with Gary A. Tadian, including but not limited to the Gary A. Tadian Revocable Trust, Tadian Holdings, LLC, and NRD Investments LLC (collectively, the "Tadian Entities"), (c) IHP Investment Fund V, L.P., IHP Investment Partnership V, L.P., IHP Capital Partners, L.P., and IHP Investment Fund III, L.P., solely with respect to the Membership Interest Purchase and Redemption Agreement dated October 26, 2004, by and among Tadian Holdings, LLC and IHP Investment Fund V, L.P., as "Sellers", and Neumann Homes, Inc., as "Purchaser", and Tadian Homes, LLC, as "Company" (the "MIPRA"), and any other IHP-related entity with any connection to the MIPRA or the Debtors' acquisition of property from the Tadian Entities, (d) any seller under MIPRA, or (e) any of the past or present attorneys, shareholders, consultants, members, officers, directors, parents, subsidiaries, predecessors, successors, affiliates, assigns, professionals and agents of any of the persons or entities listed in sections (a)-(d) herein (the "Carve-Out Parties") with respect to matters relating to the Debtors' acquisition of property from the Tadian Entities and/or the MIPRA. Notwithstanding any of the foregoing, (1) upon the execution of this Agreement, IHP Investment Fund III, L.P. shall be released in full with prejudice from the Debtors' claims in the Second Adversary; and (2) the definition of Carve-Out Parties specifically excludes all of the KPN Entities (none of which are Carve-Out Parties).

7. Debtors' Release of Certain Potential Preference Actions. Additionally, on the Effective Date of this Agreement and prior to any transfers by the Debtors pursuant to the Plan, the Debtors, on behalf of themselves and their bankruptcy estates, hereby forever waive, release and covenant not to sue any and all claims or causes of action that the Debtors or their estates may have, own or possess under 11 U.S.C. § 547 related to or arising from payments made within 90 days of the dates the Debtors commenced their respective bankruptcy cases (each a "Preference Claim") against any and all Trade Creditors (as defined in the Plan) whose potential liability to the Debtors or their estates arises or would arise solely as the result of a Preference Claim; provided that the forgoing waiver, release and covenant not to sue does not include any entities that are primarily in the business of lending money to third parties and collecting payments of principal and interest from such third parties on account of such loans to the extent not otherwise previously released by the Debtors. Notwithstanding any other provision herein contained, this Agreement will not release, compromise, diminish or settle, or otherwise affect any claim that any of the Debtors may have against the Carve-Out Parties. The release, waiver and covenant not to sue contained in this Paragraph does not include any other claims or causes of action, whether arising under sections of the Bankruptcy Code other than 11 U.S.C. § 547, federal, state or other laws, that are or potentially are held, owned or possessed by the Debtors.

8. KPN, Jean L. Neumann, and KPN Entities' Release. Except for the rights and obligations set forth in this Agreement, and without the need for the execution and delivery of additional documents, on the Effective Date of this Agreement and prior to any transfers by the Debtors pursuant to the Plan, the KPN Releasees, on their behalf and on behalf of each of their past and present attorneys, shareholders, employees, consultants, members, officers,

directors, parents, subsidiaries, predecessors, successors, affiliates, assigns, professionals, agents (collectively the "KPN Releasers") shall be deemed to have irrevocably and unconditionally waived and forever released, acquitted, forever discharged, and covenanted not to sue the Debtors, and each of their attorneys, shareholders, employees, consultants, members, officers, directors, parents, subsidiaries, predecessors, successors, affiliates, professionals and agents (collectively, the "Estate Releasees"), from any and all claims, demands, liabilities, liens, losses, damages, expenses, costs, obligations, reimbursements, and causes of action of any and every kind, character or nature whatsoever, in law or in equity, tort or contract, whether asserted or unasserted, known or unknown, suspected or unsuspected, fixed or contingent, liquidated or unliquidated, which any or all of the KPN Releasers have or may have or claim to have, now or in the future, against any of the Estate Releasees with respect to all matters from the beginning of time to the Effective Date of this Agreement, including but not limited to, claims and matters related to, or connected to, the Debtors, their bankruptcy estates, and any or all matters related to the Cases, including but not limited to the Estate Disputes, and all claims and counterclaims that could have been asserted in the Debtors' Bankruptcy cases or any other action, specifically including but not limited to the Administrative Claims and any other claims that the KPN Releasers have asserted or could assert against the Debtors' bankruptcy estates or Estate Releasees.

9. Plan and Plan Injunction and Release. The Plan and all Approval Orders shall, to the fullest extent permissible under applicable law, as such law may be extended or interpreted subsequent to the Plan Effective Date, establish and require a permanent injunction and release (the "Plan Injunction") releasing the KPN Releasees and the Estate Releasees and enjoining the Debtors and the KPN Entities, any liquidating or creditor trust or other entity that

may be established pursuant to the Plan, and any creditor of the Debtors, party in interest in the Cases, or other third party from filing any complaints or commencing or continuing any lawsuits, legal actions or proceedings, or otherwise pursuing any causes of action or legal or equitable claims or remedies of any kind or nature against any of the KPN Releasees or the Estate Releasees that are connected with, that are based on, that arise from, that arise out of, or that relate in any way to: (a) the Debtors' transactions, financial affairs, or businesses or the operation thereof; (b) any of the facts and/or circumstances involved in the Estate Disputes; (c) the Cases; (d) the confirmation of the Plan; (e) the consummation of the Plan; or (f) the administration of the Plan. In the event that only one of the Debtors propose a Plan, the Debtors covenant and agree: (x) to support and not to object to the provisions of the Plan and the Confirmation Order related to the Plan Injunction; and (y) not to otherwise seek to defeat the Plan or the entry of an appropriate Confirmation Order approving and establishing the Plan Injunction. The Debtors further covenant and agree to provide adequate notice of the Plan Injunction to all of the Debtors' creditors and other parties in interest in the Cases and to any other party that the KPN Entities request be given notice. Nothing in this Paragraph shall limit or increase the rights of the Carve-Out Parties.

10. Timing of the KPN Payment. KPN, Jean L. Neumann, and the KPN Entities shall make the KPN Payment as follows:

a. KPN, Jean L. Neumann, and the KPN Entities shall pay to the Debtors \$625,000 on the Effective Date of this Agreement and prior to any transfers by the Debtors pursuant to the Plan; and

b. KPN, Jean L. Neumann, and the KPN Entities shall pay to the Debtors \$500,000 on the Plan Effective Date but prior to any transfers by the

Debtors pursuant to the Plan. The Parties specifically agree and acknowledge that this \$500,000 payment is contingent upon the occurrence of the Plan Effective Date.

c. The parties agree and the Plan shall provide that in the event that the Plan is modified, amended or otherwise changed in a manner that adversely impacts any of the KPN Entities or this Agreement, pursuant to 11 U.S.C. § 1127 or otherwise, following the entry of the Confirmation Order without the express, written consent of KPN, the Debtors or any successor to the Debtors (specifically including any liquidating trust, liquidating trustee, liquidating trust administrator, reorganized debtor(s) or other individual or entity established or appointed in the Plan, including any modification to the Plan, to manage the Debtors' affairs or administer the Debtors' assets) shall provide notice of any proposed modification, amendment, or change to the Plan to KPN's counsel of record in the Cases or to KPN and his counsel at the addresses listed in Paragraph 17 of this Agreement at least ten (10) days prior to any hearing in the Bankruptcy Court on such proposed modification, amendment, or change to the Plan and shall immediately repay to the KPN Entities the \$500,000 payment specified in Paragraph 10(b), to the extent of any remaining amounts thereof. If any of the KPN Entities believe that any proposed modification, amendment, or change to the Plan adversely impacts any of the KPN Entities or this Agreement and seek to enforce the repayment provisions of this paragraph, such KPN Entity or Entities shall file an Objection to the modification, amendment or change to the Plan with the Bankruptcy Court seeking a judicial determination of whether any such any modification,

amendment or change to the Plan adversely impacts any of the KPN Entities or this Agreement. Moreover, this Agreement, including all releases and transfers contained herein, shall otherwise remain in full force and effect. Nothing contained herein shall limit any other rights or remedies the KPN Entities may have if the Plan is modified, amended or otherwise changed in a manner that impacts any of the KPN Entities or this Agreement following the entry of the Confirmation Order without KPN's express written consent.

11. Debtors' Records. The Debtors and any successor to the Debtors (specifically including any liquidating trust, liquidating trustee, liquidating trust administrator, reorganized debtor(s) or other individual or entity established or appointed in, or pursuant to, the Plan, including any modification to the Plan, to manage the Debtors' affairs or administer the Debtors' assets) (the "Debtors' Successor") shall store, preserve, and protect, and not abandon or destroy, in accordance with the provisions in this Paragraph 11, all the Debtors Records, and KPN shall have the rights to access, use, and copy the Designated Records (as that term is defined in Subparagraph 11(a)) in accordance with the provisions in this Paragraph 11. Subject to the provisions of this Paragraph 11, from and after the Effective Date of this Agreement, the Debtors and/or the Debtors' Successor shall make available to KPN for review and copying at KPN's cost and expense, all of the Designated Records immediately upon request with respect to all Designated Records in the FSC Warehouse and reasonably promptly but not later than fourteen (14) calendar days following a request for any Designated Records that are not located in the FSC Warehouse.

a. Designated Records. As used in this Paragraph 11, the term "Designated Records" shall be defined to include all of the following Debtors'

Records: (1) all of the Debtors' Records (whether electronic or otherwise) created on or before KPN's resignation as an officer of the Debtors on June 3, 2008 (the "June 3 and Earlier Designated Records"); and (2) all of the Debtors' Records (whether electronic or otherwise) that were or are created after June 4, 2008, that may be requested by KPN that contain financial, accounting, or tax data or that are financial records, bank records, accounting records, or tax records (the "June 4 and Later Designated Records"). Notwithstanding the foregoing, the Designated Records shall not include any of the Excluded Records (as that term is defined in Subparagraph 11(b)).

b. Excluded Records. The term "Excluded Records" shall be defined as: (1) any notes, memoranda, e-mails or other correspondence or communications that relate to any claims or potential claims of the Debtors against any of the KPN Entities that were created by or exchanged between any of the professionals retained in the Cases and/or any employee of the Debtors; or (2) any of the Debtors' Records that are both protected by the attorney-client privilege or any other applicable privilege or doctrine, including the attorney work-product doctrine and that are related to the Debtors' disputes or causes of action on the list attached hereto as Exhibit A..

c. Meeting to Identify June 4 or Later Designated Records. On a day and at a time reasonably agreeable between the Parties following the Effective Date of this Agreement, KPN and a representative of the Debtors shall meet and review and identify any of the Debtors' Records that may be June 4 or Later Designated Records. Any June 4 or Later Designated Records identified at this

meeting shall be Designated Records and placed in the FSC Warehouse, and KPN shall be permitted to copy, at KPN's cost and expense, any such June 4 or Later Designated Records at or following such meeting. KPN shall have the right to make additional requests on one or more dates following such meeting for other or additional Debtors' Records created after June 4, 2008, to be included in the Designated Records as June 4 or Later Designated Records.

d. Debtors' Privileged Records. The Debtors and/or the Debtors' Successor shall not be obligated to waive the attorney-client privilege or any other applicable privilege or doctrine, including the attorney work-product doctrine for any June 4 or Later Designated Records that are protected by the attorney-client privilege or any other applicable privilege or doctrine, including the attorney work-product doctrine. However, the Debtors and/or the Debtors' Successor shall consider, in good faith, waiving any such privilege or protection and disclosing such otherwise privileged June 4 or Later Designated Records to KPN upon request. KPN shall be responsible for the payment of any fees or costs associated with any privilege review related to any request for Open Dispute Records or June 4 or Later Designated Records provided that KPN is given advance notice of the amount of any such fees and costs and that KPN has first given KPN's approval to proceed with such a privilege review prior to any such privilege review (KPN retains the right to abandon or modify any request that may require a privilege review in order to minimize or avoid the fees and costs associated with such a privilege review). Furthermore, the parties agree that the disclosure of any privileged documents or records that are June 3 and Earlier Designated Records to

KPN, who, commensurate with his prior positions as an officer and director of the Debtors, has been privy to all of the June 3 and Earlier Records, shall not act as a waiver of the attorney-client privilege or any other applicable privilege or doctrine, including the attorney-work product doctrine.

e. Disclosure of Debtors' Privileged Records to KPN. The parties acknowledge that certain of the Debtors' Records, including the Excluded Records and the Designated Records, may be protected by the attorney-client privilege or any other applicable privilege or doctrine, including the attorney work-product doctrine (the "Debtors' Privileged Records"). The parties further acknowledge that certain of the Debtors' Privileged Records, including Excluded Records, are stored in the FSC Warehouse, or are otherwise comingled with, certain of the Designated Records. As such, the parties acknowledge that KPN may unknowingly, unintentionally, and/or incidentally review, copy, or use certain of the Debtors' Privileged Records in connection with his authorized review, copying, or use of the Designated Records pursuant to this Agreement. Therefore, the parties agree that KPN shall not be liable for any consequences that may result from any such unknowing, unintentional, and/or incidental review, copying, or use by KPN of any of the Debtors' Privileged Records, provided, however, that KPN shall not disclose any of the Debtors' Privileged Records to any third parties without the Debtors' or the Debtors' Successors' prior consent.

f. KPN's Rights to Use Designated Records. KPN shall be free to use all non-privileged Designated Records for any purpose KPN deems appropriate and any privileged Designated Records for his own purposes without

disclosing such privileged Designated Records to third parties. Furthermore, KPN may request that the Debtors or the Debtors' Successor waive any privilege or otherwise consent to the disclosure of any privileged Designated Records to a third party and the Debtors and/or the Debtors' Successor shall consider, in good faith, waiving any such privilege or otherwise consenting to the disclosure of such privileged Designated Records to one or more third parties. KPN and the Debtors and/or the Debtors' Successor shall work in good faith to resolve any disputes related to any June 3 Privileged Records and any other Designated Records that are privileged.

g. Debtors' Obligation to Store Designated Records. The Debtors and/or the Debtors' Successor shall place in the FSC Warehouse (or in another location identified by KPN) all of the Designated Records (including, but not limited to, all paper records and one or more disks or computer hard drives containing all Designated Records that are electronic records) that are not currently stored in the FSC Warehouse once such Designated Records are no longer being used by the Debtors and/or the Debtors' Successor. Prior to the destruction of any of the Designated Records, the Debtors and/or the Debtors' Successor shall transfer and assign, free and clear of liens, claims and encumbrances, but without any representations or warranties, all of the Designated Records, to KPN who shall be entitled, at his option, to exercise the Storage Extension (to the extent that the Debtors and/or the Debtors' Successor has not already exercised the Storage Extension) and to otherwise keep, retain, and to continue to store in perpetuity or to destroy some or all of the Designated

Records, at KPN's cost and expense (except to the extent that the Debtors have already pre-paid any storage or destruction costs pursuant to the Record Storage Order or the Record Access Order). The Parties acknowledge that this Agreement provides KPN with greater rights to the Designated Records than in the Record Storage Order or the Record Access Order and agree that all Approval Orders shall specifically authorize and approve KPN's rights to the Designated Records in this Agreement.

h. Debtors' Limited Right to Sell Debtors Records. Nothing herein shall prevent the Debtors or the Debtors' Successor from selling copies of the Debtors Records, including copies of the Designated Records, provided that: (i) the Debtors and the Debtors' Successor cannot sell the Designated Records or any business records, including, but not limited to, any financial records, tax records, accounting records, or bank records; (ii) KPN has already been provided a copy of all the Designated Records at KPN's expense; (iii) KPN retains the right to continue to use all of the Designated Records as KPN sees fit in his sole and absolute discretion, but subject to the limitations contained in this Paragraph 11; and (iv) any such sale or transfer is subject to KPN's rights in or related to the Designated Records.

12. Trade Names, Furniture, and Sales Trailer Located in Woods of North Sterling. Subject to the reservation in the second sentence of this Paragraph 12, on the Effective Date of this Agreement and prior to any transfers by the Debtors to the Debtors' Successor, the Debtors shall, pursuant to the Plan, transfer to KPN, free and clear of liens, claims and encumbrances, but without any other representations or warranties, the trade name "Neumann

Homes, Inc.", "Precision Framing Systems", "Clublands", "Neu Way of Living", and the "NHI" and "Clublands" logos, or any derivation of those trade names (collectively, the "Trade Names"), that are owned by the Debtors. The Parties agree that the Debtors and the Debtors' Successor shall retain a license to use the Trade Names solely in relation to the administration of the Plan until such time as the Cases are closed, provided that such use by the Debtors or the Debtors' Successor, shall not prevent or interfere with KPN's use of the Trade Names during that time. The Debtors shall have no ongoing obligation with regard to maintaining the Trade Names. The Debtors agree to take such actions as are or may be necessary or appropriate to avoid using the Trade Names, including but not limited to making appropriate changes to their names and the captions of the Cases. Additionally, on the Effective Date of this Agreement, the Debtors shall be deemed to have transferred free and clear of liens, claims and encumbrances, all of the Furniture to KJET Office Building LLC. Additionally, on the Effective Date of this Agreement, the Debtors shall transfer to KPN, free and clear of liens, claims, and encumbrances, but without any other representations or warranties as to title, the doublewide trailer now located on lot 147 in the Woods of North Sterling community in Sterling Heights, MI.

13. No Admissions. The Parties understand and agree that this Agreement includes, but is not limited to, a compromise and settlement of disputed claims and that the execution of this Agreement is not to be construed as an admission or evidence in any subsequent suit or proceeding or dispute of any liability, wrongdoing, or obligation whatsoever by any party to any other party or to any other person with respect to any of the matters addressed in this Agreement. The KPN Entities specifically deny that they committed wrongdoing of any kind whatsoever. The Parties further recognize and acknowledge that each of the Parties is represented by counsel, and such party received independent legal advice with

respect to the advisability of entering into this Agreement. Each of the Parties acknowledges that the negotiations leading up to this Agreement were conducted regularly and at arm's length; this Agreement is made and executed by each of the Parties of their own free will; that each party knows all of the relevant facts and his or its rights in connection therewith; and that he, she or it has not been improperly influenced or induced to make this settlement as a result of any act or action on the part of any Party or employee, agent, attorney or representative of any Party to this Agreement. The Parties further acknowledge that they are entering into this Agreement because of their desire to avoid the further expense, uncertainty and inconvenience of litigation and other disputes, and to compromise permanently and settle the claims among the Parties settled by this Agreement.

14. Rule of Construction. The Parties acknowledge and agree that (a) each Party and his or its counsel reviewed and negotiated the terms and provisions of this Agreement and have contributed to its revision, (b) the rule of construction to the effect that any ambiguities are resolved against the drafting party shall not be employed in the interpretation of this Agreement, (c) the terms and provisions of this Agreement shall be construed fairly as to all Parties, regardless of which party was generally responsible for the preparation of this Agreement and (d) in this Agreement, the singular shall include the plural and vice versa where the content so requires.

15. Choice of Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois (without regard to its principles concerning conflicts of laws).

16. Non-Disparagement. The Parties, KPN Releasees and Estate Releasees agree that each will refrain from statements or acts that would disparage the Parties, KPN Releasees and Estate Releasees from the date of this Agreement.

17. Notices. All notices and other communications under this Agreement shall be sent, if to the Debtors, to the address or telecopier number indicated below, and, if to the KPN Entities, to the addresses or telecopier numbers indicated below, or to such other address or telecopier number as they may notify the others to use in writing. No such notice shall be effective until actually received, unless the intended recipient fails to maintain, or fails to notify, the other party of any relevant change of its name, address or telecopier number, in which case such notice shall be effective when sent in accordance with this Agreement.

If to the Debtors:
George N. Panagakis Skadden, Arps, Slate, Meagher & Flom LLP 155 N. Wacker Chicago, IL 60606 Telephone: (312) 407-0638 Facsimile: (312) 407-8586
With copy to:
Paul Andrews Managing Director Restructuring Practice Leader UHY ADVISORS FLVS, INC. 30 South Wacker Drive, Suite 2850 Chicago, IL 60606 Telephone: (312) 416-4181 Facsimile: (312) 346-6500

If to any of the KPN Entities:
Kenneth P. Neumann GREENSCAPE VENTURES, LLC 4355 Weaver Parkway

Suite 350 Warrenville, IL 60555 Telephone: (630) 281-2030 Facsimile: (630) 281-2021
With copy to:
Edwin E. Brooks Michael M. Schmahl MCGUIREWOODS LLP 77 W. Wacker Drive, Suite 4100 Chicago, IL 60601 Telephone: (312) 849-8100 Facsimile: (312) 849-3690

18. Bankruptcy Court Jurisdiction. The Bankruptcy Court shall retain exclusive jurisdiction to interpret, implement and enforce the provisions of this Agreement, and the Parties consent to the exclusive jurisdiction of the Bankruptcy Court with respect thereto. The Parties waive argument of lack of personal jurisdiction or forum non-conveniens with respect to the Bankruptcy Court.

19. Entire Agreement. This Agreement contains the entire agreement of the Parties concerning the subject matter hereof, and supersedes any prior oral agreements or representations. This Agreement may be amended only by a written instrument signed by the Parties or their successors and assigns.

20. Counterparts. This Agreement may be executed by the Parties in separate counterparts which together shall constitute one and the same instrument. Facsimile signatures shall have the same force and effect as original signatures.

21. Survival. This Agreement shall survive: (a) conversion of any or all of the Bankruptcy Cases to Chapter 7; (b) dismissal of any or all of the Bankruptcy Cases; (c) confirmation of any plan of reorganization or liquidation in the Debtors' bankruptcy cases; and (d) closing of any or all of the Bankruptcy Cases. This Agreement shall be binding on any

trustee(s) to the Debtors' Estates including any Chapter 7 Trustee(s) of any of the Debtors' Estates.

22. Authority to Enter into Agreement. The Parties represent and warrant that they: (a) have the authority to execute the Agreement; and (b) have not assigned, sold, granted, conveyed, or otherwise transferred, in whole or in part, any claims that they have against the other Party.

IN WITNESS THEREOF, the Parties have executed this Agreement as of the date first written above.

Neumann Homes, Inc., NDC Fabrications, LLC, Neumann Homes of Colorado, LLC, Neumann Homes of Wisconsin, LLC, Neu Pro Co., LLC, Precision Framing Systems, LLC, Neumann Homes of Michigan, LLC, NHI Sky Ranch, LLC, and Sky Ranch, LLC

By: William J. [Signature]
Their: Chairman of Board of Directors
Dated: December 7, 2009

Kenneth P. Neumann

By: _____

Dated: _____

trustee(s) to the Debtors' Estates including any Chapter 7 Trustee(s) of any of the Debtors' Estates.

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IN WITNESS THEREOF, the Parties have executed this Agreement as of the date first written above.

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By: _____

Their: _____

Dated: _____

Kenneth P. Neumann

By:  _____

Dated: 12/11/09

Jean L. Neumann

By: Jean L. Neumann
Dated: 12/11/09

KJET Office Building LLC

By: [Signature]
Its: Manager
Dated: 12/11/09

Kreutzer Road LLC

By: [Signature]
Its: Manager
Dated: 12/11/09

KDJET LLC

By: Jean L. Neumann
Its: Manager
Dated: 12/11/09

KPN Michigan, LLC

By: [Signature]
Its: Manager
Dated: 12/11/09

KPN Michigan Pool, LLC

By: [Signature]
Its: Authorized Signer
Dated: 12/11/09

KPN Sterling Woods LLC

By: [Signature]
Its: Manager
Dated: 12/11/09