

EXHIBIT A

(Proposed Order)

.....

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

In re:	)	Chapter 11
)	
PALM HARBOR HOMES, INC., <u>et al.</u> , ¹	)	Case No. 10-13850 (CSS)
)	
Debtors.	)	Jointly Administered
)	
)	

ORDER: (I) APPROVING THE DISCLOSURE STATEMENT; (II) FIXING (A) THE RECORD DATE, (B) THE VOTING DEADLINE, (C) THE PLAN OBJECTION AND REPLY DEADLINES, AND (D) THE DATE OF THE CONFIRMATION HEARING; (III) APPROVING SOLICITATION PROCEDURES BY WHICH PARTIES ENTITLED TO VOTE MAY VOTE TO ACCEPT OR REJECT THE PLAN AND THE FORM OF CERTAIN DOCUMENTS TO BE DISTRIBUTED IN CONNECTION WITH THE SOLICITATION OF THE PLAN; AND (IV) APPROVING THE VOTING AND GENERAL TABULATION PROCEDURES

Upon the motion (the “Motion”)² of the above-captioned debtors (collectively, the “Debtors”) and the official committee of unsecured creditors of the Debtors (the “Committee”, and together with the Debtors, the “Proponents”) for the entry of an order (the “Order”) approving the Disclosure Statement and granting the relief related thereto; it appearing that the relief requested is in the best interests of the Debtors’ estates, their creditors and other parties in interest; the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); venue being proper before this court pursuant to 28 U.S.C. §§ 1408 and 1409; notice of the Motion having been adequate and appropriate under the circumstances; and after due deliberation and sufficient cause appearing therefor, it is hereby ORDERED:

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Palm Harbor Homes, Inc., a Florida corporation (6634); Palm Harbor Albemarle, LLC (1014); Nationwide Homes, Inc. (4881); Palm Harbor Real Estate, LLC (8234); Palm Harbor GenPar, LLC (0198); and Palm Harbor Manufacturing, LP (0199). The location of the Debtors’ corporate headquarters and service address is: Alvarez & Marsal, c/o Palm Harbor Winddown, 2100 Ross Avenue, 21st Floor, Dallas, TX 75201.

² Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Motion.



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1. The Motion is granted as provided herein.
2. The Disclosure Statement complies with all aspects of section 1125 of the Bankruptcy Code and is hereby approved as containing adequate information (as defined by section 1125(a) of the Bankruptcy Code).
3. The Debtors have provided adequate notice of the time fixed for filing objections and the hearing to consider approval of the Disclosure Statement in accordance with Bankruptcy Rules 2002 and 3017 and Local Bankruptcy Rule 3017-1.
4. Any objections to approval of the Disclosure Statement that were not withdrawn or resolved at or prior to the hearing to consider approval of the Disclosure Statement are overruled.
5. The date the Disclosure Statement Hearing is scheduled to commence, September 13, 2011, shall be the Record Date for determining: (a) the Holders of Claims (including holders of bonds, debentures, notes and other securities) that are entitled to receive the Solicitation Package pursuant to the Solicitation Procedures; (b) the Holders of Claims entitled to vote to accept the Plan; (c) whether Claims have been properly transferred or assigned to an assignee pursuant to Bankruptcy Rule 3001(e) such that the assignee can vote as the Holder of such Claim; and (d) the identity of the Holders of Equity Interests for noticing purposes.
6. The Voting Deadline shall be 4:00 p.m. prevailing Eastern Time on October 12, 2011.
7. The Voting Report Deadline shall be October 14, 2011.
8. The Plan Objection Deadline shall be 4:00 p.m. prevailing Eastern Time on October 19, 2011.

9. Any objections to the Plan must be filed by the Plan Objection Deadline and must: (a) be in writing; (b) conform to the Bankruptcy Rules and the Local Bankruptcy Rules; (c) state the name and address of the objecting party and the amount and nature of the Claim of such Entity; (d) state with particularity the basis and nature of any objection to the Plan and, if practicable, a proposed modification to the Plan that would resolve such objection; and (e) be filed, contemporaneously with a proof of service, with the Court and served so that it is actually received by the notice parties identified in the Confirmation Hearing Notice (attached hereto as Exhibit 6) no later than the Plan Objection Deadline. Any objections to the Plan that fail to satisfy these conditions shall not be valid.

10. The Plan Reply Deadline shall be 4:00 p.m. prevailing Eastern Time on October 26, 2011.

11. The Confirmation Hearing shall commence on November __, 2011 at ____m. prevailing Eastern Time, which hearing may be continued from time to time without further notice other than an adjournment announced in open court at the Confirmation Hearing or at any subsequent adjourned Confirmation Hearing.

12. The Solicitation Procedures attached hereto as Exhibit 1 and incorporated by reference herein, are hereby approved in their entirety; provided that the Proponents, upon notice to the 3.25% Convertible Senior Notes Indenture Trustee, reserve the right to amend or supplement the Solicitation Procedures, in a non-material fashion, to better facilitate the solicitation process.

13. The procedures for distribution of the Solicitation Packages set forth in the Motion and the Solicitation Procedures satisfy the requirements of the Bankruptcy Code, the

Bankruptcy Rules and the Local Bankruptcy Rules, and the Debtors shall distribute or cause to be distributed Solicitation Packages to all Entities entitled to vote to accept or reject the Plan.

14. The Debtors' and the Committee's letter to the Voting Classes, substantially in the form attached hereto as Exhibit 2, is hereby approved.

15. The Ballots and Master Ballot, substantially in the forms attached hereto as Exhibit 3, Exhibit 4 and Exhibit 5 are hereby approved.

16. The form of the ballot instructions, substantially in the form attached to the Ballots and Master Ballot on Exhibit 3, Exhibit 4 and Exhibit 5 attached hereto are hereby approved.

17. With respect to Solicitation Packages to be distributed to Beneficial Owners, the Voting and Claims Agent shall distribute, or cause to be distributed, a reasonably sufficient number of Solicitation Packages, including Class 3 Ballots, to Voting Nominees for distribution to the Beneficial Owners of the 3.25% Convertible Senior Notes for whom such Voting Nominee acts. Upon written request with supporting documentation, the Voting and Claims Agent shall reimburse each Voting Nominee for its reasonable, actual, and necessary out-of-pocket expenses associated with the distribution of the Solicitation Packages. Each Voting Nominee is required to (i) forward the Solicitation Packages to the Beneficial Owners, (ii) receive returned Class 3 Ballots from the Beneficial Owners, (iii) tabulate the results according to the instructions set forth in the Master Ballot, (iv) return such results in a Master Ballot to the Voting and Claims Agent by the Voting Deadline, and (v) retain the underlying Class 3 Ballots received from the Beneficial Owners for inspection for a period of one (1) year following the Voting Deadline.

18. All votes to accept or reject the Plan must be cast by using the appropriate Ballot or Master Ballot.

19. All Ballots and Master Ballots must be properly executed, completed and delivered according to their applicable ballot instructions by (a) first class mail, (b) overnight courier, or (c) personal delivery, so that the Ballots and Master Ballots, as applicable, are actually received by the Voting and Claims Agent no later than the Voting Deadline at the return address set forth in the applicable Ballot or Master Ballot.

20. The form of the Confirmation Hearing Notice, substantially in the form attached hereto as Exhibit 6, and the notice procedures described in the Motion with respect thereto (a) comply with the requirements of Bankruptcy Rules 2002(b), 2002(d), 2002(j) and 3017(d), (b) provide parties in interest with sufficient notice regarding the injunction, exculpation and release provisions contained in the Plan, and (c) are hereby approved.

21. The forms of the Non-Voting Status Notices, substantially in the forms attached hereto as Exhibit 7A and Exhibit 7B, are hereby approved.

22. Ballots and/or Master Ballots and copies of the Plan and Disclosure Statement need not be provided to the Holders of Claims who are in the Unclassified Classes and Unimpaired Classes under the Plan and, therefore, are deemed to accept the Plan.

23. Holders of Claims in the Unclassified Classes and Unimpaired Classes will receive only the Non-Voting Status Notice—Deemed to Accept and the Confirmation Hearing Notice in lieu of the Solicitation Package.

24. Ballots and/or Master Ballots and copies of the Plan and Disclosure Statement need not be provided to the Holders of Class 5 Intercompany Claims and Holders of Class 6 Equity Interests who will not receive any distribution and, therefore, are deemed to reject the Plan.

25. Holders of Class 5 Intercompany Claims and Holders of Class 6 Equity Interests will receive only the Non-Voting Status Notice—Deemed to Reject and the Confirmation Hearing Notice in lieu of the Solicitation Package.

26. The form of the Disputed Claim Notice, substantially in the form attached hereto as Exhibit 8, is hereby approved.

27. The Proponents shall be excused from mailing Solicitation Packages to those Entities to whom the Debtors, through the Voting and Claims Agent, mailed a Disclosure Statement Hearing Notice and received a notice from the United States Postal Service or other carrier that such notice was undeliverable unless such Entity provides the Debtors, through the Voting and Claims Agent, an accurate address not less than five calendar days after the Disclosure Statement Hearing.

28. The Proponents shall be excused from providing any further notices to the Holders of CUD Claims relating to these Chapter 11 Cases, including but not limited to, a Confirmation Hearing Notice.

29. The terms of this Order shall be binding upon the Proponents, all Holders of Claims and Equity Interests.

30. Unless otherwise noted, all time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

31. The Proponents are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

32. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

33. The Court shall retain jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: September ____, 2011
Wilmington, Delaware

The Honorable Christopher S. Sontchi
United States Bankruptcy Judge

EXHIBIT 1
(Solicitation Procedures)

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

In re:)	
)	Chapter 11
PALM HARBOR HOMES, INC., <u>et al.</u> , ¹)	
	)	Case No. 10-13850 (CSS)
Debtors.)	
	)	Jointly Administered
)	

SOLICITATION PROCEDURES

On August 5, 2011, the above-captioned debtors (collectively, the “Debtors”) and the official committee of unsecured creditors (the “Committee”) caused to be filed (a) the *Joint Plan of Liquidation by Debtors and Committee Regarding Palm Harbor Homes, Inc. and Its Related Debtors Under Chapter 11 of the Bankruptcy Code* [Docket No. 812] (as may be amended from time to time, the “Plan”), and (b) the *Disclosure Statement to the Joint Plan of Liquidation by Debtors and Committee Regarding Palm Harbor Homes, Inc. and Its Related Debtors Under Chapter 11 of the Bankruptcy Code* [Docket No. 813] (as may be amended from time to time, the “Disclosure Statement”). Also, on August 5, 2011, the Debtors filed the *Motion of the Debtors for an Order: (I) Approving the Disclosure Statement; (II) Fixing (A) the Record Date, (B) the Voting Deadline, (C) the Plan Objection and Reply Deadlines, and (D) the Date of the Confirmation Hearing; (III) Approving Solicitation Procedures by Which Parties Entitled to Vote May Vote to Accept or Reject the Plan and the Form of Certain Documents to be Distributed in Connection with the Solicitation of the Plan; and (IV) Approving the Voting and General Tabulation Procedures* [Docket No. ____] (the “Motion”). On September ____, 2011, the Bankruptcy Court entered an order approving the Motion and the Solicitation Procedures set forth herein (the “Disclosure Statement Order”).²

A. The Record Date

The Bankruptcy Court has approved September 13, 2011 as the voting record date (the “Record Date”) for purposes of determining, among other things, which Holders of Claims are entitled to vote on the Plan.

B. Solicitation Date

The Bankruptcy Court has approved on or before September 21, 2011 (the “Solicitation Date”) as the date the Debtors will distribute Solicitation Packages (as defined below).

C. The Voting Deadline

The Bankruptcy Court has approved 4:00 p.m. prevailing Eastern Time on October 12, 2011 as the deadline (the “Voting Deadline”) for the delivery of Ballots and Master Ballots voting to accept or

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² Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Motion or the Disclosure Statement, as applicable.

reject the Plan.

The Ballots and Master Ballots will clearly indicate the appropriate return address. To be counted as votes to accept or reject the Plan, all Class 4 Ballots and Master Ballots, as applicable, must be properly executed, completed and delivered by (a) first class mail, (b) overnight courier, or (c) personal delivery, so that they are actually received no later than the Voting Deadline by the Voting and Claims Agent at:

BY MAIL TO:	BY HAND OR OVERNIGHT DELIVERY TO:
BMC Group, Inc Attn: Palm Harbor Homes, Inc. Ballot Processing P.O. Box 3020 Chanhassen, MN 55317-3020	BMC Group, Inc Attn: Palm Harbor Homes, Inc. Ballot Processing 18750 Lake Drive East Chanhassen, MN 55317

D. Solicitation Procedures

1. The Solicitation Package: The following documents and materials constitute the solicitation package (the "Solicitation Package"):

- a. a cover letter, substantially in the form attached as Exhibit 2 to the Disclosure Statement Order: (i) describing the contents of the Solicitation Package; (ii) explaining that the Plan Supplement will be filed on or before ten Business Days prior to the Voting Deadline; and (iii) urging the Holders of Claims in the Classes entitled to vote (collectively, the "Voting Classes") to accept the Plan;
- b. the Disclosure Statement Order (with the Solicitation Procedures, which is Exhibit 1 thereto);
- c. an appropriate form of Ballot and/or Master Ballot and instructions with respect thereto, if applicable (with a pre-addressed, postage prepaid return envelope);
- d. notice of the Confirmation Hearing (the "Confirmation Hearing Notice"), substantially in the form attached as Exhibit 6 to the Disclosure Statement Order; and
- e. the approved form of the Disclosure Statement (together with the Plan, which is Exhibit A thereto).

2. Distribution of the Solicitation Packages: The Solicitation Packages shall be served on the following Entities in each Voting Class:

- a. Holders of Claims for which Proofs of Claims have been timely-filed as reflected on the Debtors' claim register (the "Claim Register") as of the Record Date; provided, however, that Holders of Claims to which an objection is pending as of the Voting Deadline shall not be entitled to vote unless such Holders become eligible to vote through a Resolution Event in accordance with section E.6 below;
- b. Holders of Claims listed in the Debtors' schedules of assets and liabilities filed with the Bankruptcy Court (the "Schedules") shall receive Solicitation Packages with the exception of those Holders whose Claims are scheduled as contingent,

unliquidated or disputed, or any combination thereof (excluding such scheduled Claims that been superseded by a timely-filed Proof of Claim);

- c. Holders whose Claims arise pursuant to an agreement or settlement with the Debtors, as reflected in a document filed with the Bankruptcy Court, in an order of the Bankruptcy Court or in a document executed by the Debtors pursuant to authority granted by the Bankruptcy Court, in each case regardless of whether a Proof of Claim has been filed; and
- d. Beneficial Owners (as defined below), and for those Beneficial Owners who are represented by a Voting Nominee (as defined below), the Voting Nominees.

The Debtors shall make every reasonable effort to ensure that Holders of more than one Claim in a single Voting Class receive no more than one Solicitation Package on account of such Claims.

3. Distribution of Materials: The Office of the United States Trustee for the District of Delaware, counsel to the Committee, the Voting Nominees for the 3.25% Convertible Senior Notes (as defined below), counsel to the 3.25% Convertible Senior Notes Indenture Trustee, the Internal Revenue Service, the Securities and Exchange Commission and all parties who made a written request for special notice pursuant to Bankruptcy Rule 2002 shall be served with paper copies of the Disclosure Statement Order, the Disclosure Statement and all exhibits to the Disclosure Statement, including the Plan, and the Confirmation Hearing Notice. The Entities identified in section D.2 above shall be served with paper copies of the items comprising the Solicitation Package with the exception of the Disclosure Statement Order, the Disclosure Statement and all exhibits to the Disclosure Statement, including the Plan, which shall be served in CD-ROM format.

With respect to Solicitation Packages to be distributed to the beneficial owners of the 3.25% Convertible Senior Notes Claims (the "Beneficial Owners"), the Debtors shall distribute, or cause to be distributed, a reasonably sufficient number of Solicitation Packages, including Class 3 Ballots, to the record holders of the 3.25% Convertible Senior Notes, which include, without limitation, representatives such as brokers, banks, commercial banks, transfer agents, trust companies, dealers, or other agents or nominees (collectively, the "Voting Nominees"), for distribution to the Beneficial Owners for whom such Voting Nominee acts. Upon written request and supporting documentation, the Voting and Claims Agent shall reimburse each Voting Nominee for its reasonable, actual, and necessary out-of-pocket expenses associated with distribution of the Solicitation Packages.

Each Voting Nominee is required to (i) forward the Solicitation Packages to the Beneficial Owners, (ii) receive returned Class 3 Ballots from the Beneficial Owners, (iii) tabulate the results according to the instructions set forth in the Master Ballot, (iv) return such results in a Master Ballot by the Voting Deadline, and (v) retain the underlying Class 3 Ballots received from the Beneficial Owners for inspection for a period of one (1) year following the Voting Deadline.

In addition, a copy of the Disclosure Statement Order, the Disclosure Statement and the Plan can be obtained (i) from the Voting and Claims Agent (a) at its website at <http://www.bmcgroup.com/palmharborhomes>, (b) by writing to BMC Group, Inc., Attn: Palm Harbor Homes, Inc. Ballot Processing, PO Box 3020, Chanhassen, MN 55317-3020, or (c) by calling (888) 909-0100, or (ii) for a fee via PACER at <http://www.deb.uscourts.gov>.

4. Publication of Confirmation Hearing Notice: The Debtors shall, following the Disclosure Statement Hearing, publish the Confirmation Hearing Notice, which will contain, among other things, the Plan Objection Deadline, the Voting Deadline and the date that the Confirmation Hearing is first

scheduled, in one or more of the following publications: *USA Today* or the national edition of *The Wall Street Journal*, on or before September 21, 2011 to provide notification to those Entities that may not receive notice by mail.

E. Voting and General Tabulation Procedures

1. Who May Vote: Only the following Holders of Claims in Voting Classes are entitled to vote:

- a. Holders of Claims for which Proofs of Claims have been timely filed, as reflected on the Claim Register as of the Record Date; provided, however, that holders of Claims to which an objection is pending as of the Voting Deadline shall not be entitled to vote unless such Holders become eligible to vote through a Resolution Event in accordance with section E.6 below;
- b. Holders of Claims that are listed in the Debtors' Schedules, with the exception of those Holders whose Claims are scheduled as contingent, unliquidated or disputed, or any combination thereof (excluding such scheduled Claims that have been superseded by a timely-filed Proof of Claim);
- c. Holders whose Claims arise pursuant to an agreement or settlement with the Debtors, as reflected in a document filed with the Bankruptcy Court, in an order of the Bankruptcy Court or in a document executed by the Debtors pursuant to authority granted by the Bankruptcy Court, in each case regardless of whether a Proof of Claim has been filed; and
- d. Beneficial Owners, and for those Beneficial Owners who are represented by a Voting Nominee, the Voting Nominees are authorized to submit a Master Ballot summarizing the votes of their respective Beneficial Owners.

The assignee of any transferred or assigned Claim shall be permitted to vote such Claim only if the transfer or assignment has been fully effectuated pursuant to the procedures dictated by Bankruptcy Rule 3001(e) and such transfer is reflected on the Claims Register on or before the Record Date.

2. Establishing Claim Amounts: In tabulating votes, the following hierarchy will be used to determine the amount of the Claim associated with each vote:

- a. the amount of the Claim settled and/or agreed upon by the Debtors, as reflected in a court pleading, stipulation, agreement, Plan or other document filed with the Bankruptcy Court, in an order of the Bankruptcy Court, or in a document executed by the Debtors pursuant to authority granted by the Bankruptcy Court;
- b. the amount of the Claim Allowed (temporarily or otherwise) pursuant to a Resolution Event under the procedures set forth herein;
- c. the amount of the Claim contained in a Proof of Claim that has been timely filed by the applicable Claims Bar Date (or deemed timely filed by the Bankruptcy Court under applicable law) except for any amounts in such Proofs of Claim asserted on account of any interest accrued after the Petition Date; provided that Ballots cast by Holders who timely filed a Proof of Claim, but for which any portion of the Claim is in an unliquidated or unknown amount, that are not the

subject of an objection, will count for satisfying the numerosity requirement of section 1126(c) of the Bankruptcy Code and will count as Ballots for Claims in the amount of \$1.00 to the extent of the unliquidated or unknown portion of the Claim solely for the purposes of satisfying the dollar amount provisions of section 1126(c) of the Bankruptcy Code; provided further that to the extent the amount of the Claim contained in the Proof of Claim is different from the amount of the Claim set forth in a document filed with the Bankruptcy Court as referenced in Section E.1.c. herein, the amount of the Claim in the document filed with the Bankruptcy Court shall supersede the amount of the Claim set forth on the respective Proof of Claim;

- d. the amount of the Claim listed in the Schedules; provided that such Claim is not scheduled as contingent, unliquidated or disputed, or any combination thereof, and has not been paid; and
- e. in the absence of any of the foregoing, zero.

The amount of the Claim established herein shall control for voting purposes only and shall not constitute the Allowed amount of any Claim. Moreover, any amounts filled in on Ballots by the Debtors through the Voting and Claims Agent are not binding for any purposes, including for purposes of voting and distribution.

3. General Ballot Tabulation: The below procedures and standard assumptions will be used in tabulating ballots. Among other things, the Plan and Disclosure Statement provide for the substantive consolidation of the Debtors. Accordingly, all votes cast with respect to the Plan will be tabulated on a consolidated basis among all of the Debtors.

- a. except as otherwise provided herein, unless the Ballot or the Master Ballot being furnished is timely submitted on or prior to the Voting Deadline, the Debtors shall reject such Ballot or Master Ballot as invalid and, therefore, decline to count it in connection with Confirmation;
- b. the Voting and Claims Agent will date stamp all Ballots and Master Ballots when received. The Voting and Claims Agent shall retain the original Ballots and Master Ballots and an electronic copy of the same for a period of one year after the Voting Deadline, unless otherwise ordered by the Bankruptcy Court;
- c. an original executed Ballot or Master Ballot is required to be submitted by the Entity submitting such Ballot or Master Ballot. Delivery of a Ballot or Master Ballot to the Voting and Claims Agent by facsimile, email or any other electronic means shall not be valid;
- d. the Debtors shall file the a report summarizing the Ballots and the Master Ballots (the "Voting Report") with the Bankruptcy Court no later than October 14, 2011 (the "Voting Report Deadline"). The Voting Report shall, among other things, delineate every irregular Ballot and Master Ballot including, without limitation, those Ballots and Master Ballots that are late or (in whole or in material part) illegible, unidentifiable, lacking signatures or lacking necessary information, received via facsimile or electronic mail or damaged. The Voting Report shall indicate the Debtors' intentions with regard to such irregular Ballots and Master Ballots;

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- e. the method of delivery of Ballots or Master Ballots to the Voting and Claims Agent is at the election and risk of each Holder of a Claim. Except as otherwise provided herein, such delivery will be deemed made only when the Voting and Claims Agent actually receives the originally executed Ballot or Master Ballot;
- f. no Ballot or Master Ballot should be sent to any of the Debtors, the Debtors' agents (other than the Voting and Claims Agent), any indenture trustee (unless specifically instructed to do so by the Ballot Instructions) or the Debtors' financial or legal advisors, and, if so sent, will not be counted;
- g. if multiple Ballots or Master Ballots are received from the same Holder of a Claim with respect to the same Claim prior to the Voting Deadline, the last dated, validly executed Ballot or Master Ballot timely received shall count for voting purposes, subject to contrary order of the Bankruptcy Court;
- h. Holders must vote all of their Claims within a particular Class either to accept or reject the Plan and may not split any such votes. Accordingly, a Ballot or a Master Ballot that partially rejects and partially accepts the Plan will not be counted. Further, if a Holder has multiple Claims within the same Class, the Debtors may, in their discretion, aggregate the Claims of any particular Holder within a Class for the purpose of counting votes;
- i. a person signing a Ballot or a Master Ballot in his or her capacity as a trustee, executor, administrator, guardian, attorney in fact, officer of a corporation or otherwise acting in a fiduciary or representative capacity must indicate such capacity when signing and, if required or requested by the Voting and Claims Agent, the Debtors or the Bankruptcy Court, must submit proper evidence to the requesting party to so act on behalf of such Holder or Beneficial Holder;
- j. the Proponents, subject to contrary order of the Bankruptcy Court, may waive any defects or irregularities as to any particular Ballot or Master Ballot at any time, either before or after the close of voting, and any such waivers shall be documented in the Voting Report;
- k. neither the Proponents, nor any other Entity, will be under any duty to provide notification of defects or irregularities with respect to delivered Ballots and Master Ballots other than as provided in the Voting Report, nor will any of them incur any liability for failure to provide such notification;
- l. unless waived by the Proponents, subject to contrary order of the Bankruptcy Court, any defects or irregularities in connection with deliveries of Ballots and Master Ballots must be cured prior to the Voting Deadline or such Ballots and Master Ballots will not be counted, and any such defects or irregularities shall be documented in the Voting Report;
- m. in the event a designation for lack of good faith is requested by a party in interest under section 1126(e) of the Bankruptcy Code, the Bankruptcy Court will determine whether any vote to accept and/or reject the Plan cast with respect to that Claim will be counted for purposes of determining whether the Plan has been accepted and/or rejected by such Claim;

- n. subject to any contrary order of the Bankruptcy Court, the Proponents reserve the right to reject any and all Ballots and Master Ballots not in proper form, the acceptance of which, in the opinion of the Proponents, would not be in accordance with the provisions of the Bankruptcy Code or the Bankruptcy Rules; provided that any such rejections shall be documented in the Voting Report;
- o. if a Claim has been estimated or otherwise Allowed for voting purposes by an order of the Bankruptcy Court pursuant to Bankruptcy Rule 3018(a), such Claim will be temporarily Allowed in the amount so estimated or Allowed by the Bankruptcy Court for voting purposes only and not for purposes of allowance or distribution;
- p. if an objection to a Claim is filed, such Claim shall be treated in accordance with the procedures set forth herein; and
- q. the following Ballots and Master Ballots shall not be counted in determining the acceptance or rejection of the Plan: (i) any Ballot or Master Ballot that is illegible or contains insufficient information to permit the identification of the Holder of the Claim; (ii) any Ballot or Master Ballot cast by an Entity that does not hold a Claim in a Class that is entitled to vote on the Plan; (iii) any unsigned Ballot or Master Ballot; (iv) any Ballot or Master Ballot not marked to accept or reject the Plan or any Ballot marked both to accept and reject the Plan; and (v) any Ballot or Master Ballot submitted by any Entity not entitled to vote pursuant to the procedures described herein.

4. Master Ballot Voting Procedures: The following additional procedures, as well as the aforementioned procedures, shall apply to Holders of Class 3 3.25% Convertible Senior Notes Claims:

- a. the Record Date is the date for determining the identities of the Voting Nominees and Beneficial Owners eligible to vote on the Plan;
- b. the Voting and Claims Agent shall provide the Voting Nominees with a copy of the Master Ballot and a Solicitation Package. The Voting Nominees shall be responsible for distributing or causing to be distributed the appropriate number of copies of Class 3 Ballots and Solicitation Packages to each Beneficial Owner as of the Record Date; and
- c. unless expressly authorized and directed to do so by the requisite Beneficial Owners required under the 3.25% Convertible Senior Notes Indenture, the 3.25% Convertible Senior Notes Indenture Trustee will not be entitled to vote on behalf of the Holders of the 3.25% Convertible Senior Notes Claims; rather, each such Voting Nominee of a 3.25% Convertible Senior Notes Claim shall submit a Master Ballot in accordance with the voting procedures set forth herein; further, if so required, the 3.25% Convertible Senior Notes Indenture Trustee, when submitting a Master Ballot on behalf of the Holder(s) of 3.25% Convertible Senior Notes Claim(s), must indicate on the Master Ballot the Holder(s) of the 3.25% Convertible Senior Notes Claim(s) to which the Master Ballot pertains.

5. Master Ballot Tabulation: These rules will apply with respect to the tabulation of Master Ballots:

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- a. with respect to the tabulation of Master Ballots and Class 3 Ballots for 3.25% Convertible Senior Notes Claims cast by Voting Nominees and Beneficial Owners, respectively, the principal amount held by Voting Nominees and Beneficial Owners on the Record Date, as evidenced by the record and depository listings, will be used as the amount to tabulate acceptance or rejection of the Plan (although any principal amounts may be adjusted by the Voting and Claims Agent to account for prepetition interest);
- b. votes cast by Beneficial Owners through a Voting Nominee will be compared to the positions held by such Beneficial Owners in the 3.25% Convertible Senior Notes as of the Record Date, as evidenced by the record and depository listings;
- c. votes cast by Beneficial Owners through the Voting Nominee(s) will be applied to the applicable positions held by such Beneficial Owners in Class 3, as of the Record Date. Votes submitted by a Voting Nominee, pursuant to a Master Ballot, will not be counted in excess of the record amount of such 3.25% Convertible Senior Notes Claims held by such Voting Nominee as of the Record Date;
- d. if conflicting votes or “over-votes” are submitted by a Voting Nominee, the Debtors or the Voting and Claims Agent, in good faith, will use reasonable efforts to reconcile discrepancies with the Voting Nominees;
- e. if over-votes on a Master Ballot are not reconciled prior to the preparation of the vote certification, the Debtors or the Voting and Claims Agent shall apply the votes to accept and to reject the Plan in the same proportion as the votes to accept and to reject the Plan submitted on the Master Ballot that contained the overvote, but only to the extent of the Voting Nominee’s position in the 3.25% Convertible Senior Notes;
- f. where a Beneficial Owner holds its 3.25% Convertible Senior Notes Claims through more than one Voting Nominee, it must execute a separate Class 3 Ballot for each block of 3.25% Convertible Senior Notes, as applicable. Such Beneficial Owner must vote all of its 3.25% Convertible Senior Notes Claims in the same manner, to either accept or reject the Plan. If such Beneficial Owner returns more than one Class 3 Ballot to more than one Voting Nominee voting different 3.25% Convertible Senior Notes Claims, and the Class 3 Ballots are not voted in the same manner, as reflected on such separate Master Ballots, such votes will not be counted;
- g. in the event of a conflict between a vote reflected on a Class 3 Ballot and the same vote as reflected in the tabulation of such vote on a Master Ballot, the vote, if any, on the relevant Class 3 Ballot shall control; and
- h. if two or more Master Ballots are inconsistent, the last dated, validly executed Master Ballot received prior to the Voting Deadline will, to the extent of such inconsistency, supercede and revoke any previous Master Ballot, unless otherwise agreed to by the Debtors. If a Beneficial Owner or a Voting Nominee casts multiple Class 3 Ballots or Master Ballots received by the Voting and Claims Agent on the same day, but which are voted inconsistently, unless a

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supplemental Class 3 Ballot or Master Ballot respecting such 3.25% Convertible Senior Notes Claim is subsequently filed, such Class 3 Ballots or Master Ballots shall not be counted.

6. Temporary Allowance of Claims for Voting Purposes: If a Holder of a Claim is subject to a pending objection as of the Record Date, the Debtors shall send each such Holder a non-voting status notice with respect to Disputed Claims (a “Disputed Claim Notice”), substantially in the form attached to the Disclosure Statement Order as Exhibit 8, and the Holder of such a Claim cannot vote on the Plan unless a Resolution Event (as defined below) has taken place on or before the date that is five Business Days before the Voting Deadline. If a Resolution Event occurs within that timeframe, (i) no later than two Business Days after a Resolution Event, the Voting and Claims Agent shall distribute a Solicitation Package to the relevant Holder of such temporarily allowed Claim that has been allowed for voting purposes only (or for other purposes as set forth in an applicable order of the Bankruptcy Court), and (ii) the Holder of such temporarily allowed Claim must return the Ballot so that it is actually received by the Voting and Claims Agent no later than the Voting Deadline as described in section C above.

If the Holder of a Claim receives a Solicitation Package and the Debtors object to such Claim after the Record Date but before the Voting Deadline, a notice of objection will inform such Holders that (a) their Claim is subject to an objection, and (b) their Claim will count for satisfying the numerosity requirement of section 1126(c) of the Bankruptcy Code and will count as Ballots for Claims in the amount of \$1.00 solely for the purposes of satisfying the dollar amount provisions of section 1126(c) of the Bankruptcy Code unless a Resolution Event (as defined below) has taken place at least five Business Days before the Confirmation Hearing.

If the Holder of a Claim receives a Solicitation Package and the Debtors object to such Claim on or after the Voting Deadline, the Holder’s Claim shall be deemed temporarily allowed for voting purposes only without further action by the Holder of such Claim and without further order of the Bankruptcy Court.

Each of the following constitutes a “Resolution Event”: (a) an order of the Bankruptcy Court is entered allowing such Claim pursuant to section 502(b) of the Bankruptcy Code, after notice and a hearing; (b) an order of the Bankruptcy Court is entered temporarily allowing such Claim for voting purposes only pursuant to Bankruptcy Rule 3018(a), after notice and a hearing; (c) a stipulation or other agreement is executed between the Holder of such Claim and the Debtors resolving the objection and allowing such Claim in an agreed upon amount; (d) a stipulation or other agreement is executed between the Holder of such Claim and the Debtors temporarily allowing the Holder of such Claim to vote its Claim in an agreed upon amount; or (e) the pending objection to such Claim is voluntarily withdrawn by the Debtors.

7. Forms of Notices to Unclassified Claims, Unimpaired Classes and Other Non-Voting Classes: Certain Holders of Claims that are not classified in accordance with section 1123(a)(1) of the Bankruptcy Code, that are not entitled to vote because they are Unimpaired or are otherwise deemed to accept the Plan under section 1126(f) of the Bankruptcy Code, will receive only the Confirmation Hearing Notice and the Non-Voting Status Notice—Deemed to Accept. Holders of Class 5 Intercompany Claims and Holders of Class 6 Equity Interests also are not entitled to vote on the Plan since they are conclusively deemed to reject the Plan. Holders of Class 5 Intercompany Claims and Holders of Class 6 Equity Interests will receive only the Confirmation Hearing Notice and the Non-Voting Status Notice—Deemed to Reject (and together with the Non-Voting Status Notice—Deemed to Accept, collectively, the “Non-Voting Status Notices”). The Non-Voting Status Notices, substantially in the forms attached to the Disclosure Statement Order as Exhibit 7A and Exhibit 7B, will instruct the Holders how they may obtain copies of the documents contained in the Solicitation Package (excluding Ballots and Master Ballots).

F. Amendments to the Plan and the Solicitation Procedures

THE PROPONENTS EXPRESSLY RESERVE THE RIGHT TO AMEND FROM TIME TO TIME THE TERMS OF THE PLAN IN ACCORDANCE WITH THE TERMS THEREOF (SUBJECT TO COMPLIANCE WITH THE REQUIREMENTS OF SECTION 1127 OF THE BANKRUPTCY CODE AND THE TERMS OF THE PLAN REGARDING MODIFICATION).

THE PROPONENTS, UPON NOTICE TO THE 3.25% CONVERTIBLE SENIOR NOTES INDENTURE TRUSTEE, RESERVE THE RIGHT TO AMEND OR SUPPLEMENT THE SOLICITATION PROCEDURES, IN A NON-MATERIAL FASHION, TO BETTER FACILITATE THE SOLICITATION PROCESS.

EXHIBIT 2
(Form of Letter to Voting Class)

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September __, 2011

Creditors Entitled to Vote on the Joint Plan of
Liquidation Proposed by Debtors and Committee For
Palm Harbor Homes, Inc. and Its Related Debtors
Under Chapter 11 of the Bankruptcy Code

Re: In re Palm Harbor Homes, Inc., et al.
Case No. 10-13850 (CSS) (Jointly Administered)
United States Bankruptcy Court, District of Delaware

Dear Creditor:

This letter is being sent to you by Palm Harbor Homes, Inc. and its related debtors (collectively, "Palm Harbor" or the "Debtors") and the Official Committee of Creditors Holding Unsecured Claims (the "Committee", and together with the Debtors, the "Proponents") appointed in Palm Harbor's bankruptcy cases. The Committee was appointed by the Office of the United States Trustee to represent the interests of all general unsecured creditors in the Palm Harbor bankruptcy cases. Enclosed you will find a ballot to vote to accept or reject the Joint Plan of Liquidation Proposed by Debtors and Committee For Palm Harbor Homes, Inc. and Its Related Debtors Under Chapter 11 of the Bankruptcy Code (the "Plan"). Also enclosed is a notice detailing the solicitation and voting procedures concerning the Plan, the date of the hearing on confirmation of the Plan, and the deadline for filing objections to confirmation of the Plan. **Both Palm Harbor and the Committee encourage you to vote to accept the Plan and return your ballot so that it is actually received by the Voting and Claims Agent at the address listed on the ballot by 4:00 p.m. prevailing Eastern Time on ____, 2011.**

The Plan is a liquidating plan. The Debtors have previously sold substantially all of their assets. The Plan provides for the distribution of proceeds from such sales and the creation of a liquidating trust that will administer and liquidate all remaining property of the Debtors, including Causes of Action, not sold, transferred or otherwise waived or released before the Effective Date of the Plan, for the benefit of Allowed Claim holders including general unsecured creditors. The Plan further provides, among other things, for the substantive consolidation of all of the Debtors, the termination of all Equity Interests in the Debtors, the dissolution and wind-up of the affairs of the Debtors, and the transfer of any remaining Estate Assets to the liquidating trust referred to as the "Post-Consummation Trust". The Plan also provides for distributions to certain Holders of Administrative Claims and Priority Claims and to other Claimholders and the funding of the Post-Consummation Trust. The Plan may be supplemented with additional documents, schedules and exhibits by the Proponents filing a plan supplement no later than the date that is ten Business Days prior to the Voting Deadline.

Also enclosed for your review is a CD that contains a copy of: (i) the Plan; (ii) the Proponents' Disclosure Statement to the Plan (the "Disclosure Statement"); and (iii) the Order: (I) Approving the Disclosure Statement; (II) Fixing (A) the Record Date, (B) the Voting Deadline, (C) the Plan Objection and Reply Deadlines, and (D) the Date of the Confirmation Hearing; (III) Approving Solicitation Procedures by Which Parties Entitled to Vote May Vote to Accept or Reject the Plan and the Form of Certain Documents to be Distributed in Connection with the Solicitation of the Plan; and (IV) Approving the Voting and General Tabulation Procedures (the "Disclosure Statement Order").

The Disclosure Statement contains a detailed discussion of the facts and circumstances leading to the filing of Palm Harbor's bankruptcy cases, a summary of events that have occurred throughout the Palm Harbor bankruptcy cases as well as a summary of the provisions of the Plan. By entering the Disclosure Statement Order, the Bankruptcy Court has approved the Disclosure Statement as containing "adequate information" within the meaning of the Bankruptcy Code. The Disclosure Statement Order also sets forth important procedures and deadlines relating to the Plan voting process.

The Plan sets forth the proposed treatment as to each class of creditors and expected recoveries for each class. The amount of distributions is uncertain and depends upon, among other things, the results of the claims objection process (which will continue after the Effective Date of the Plan), the level of expenses incurred before and after the Effective Date of the Plan, and other factors which are identified in the Disclosure Statement. Based upon the Debtors' analysis, the Proponents believe that confirmation of the Plan provides general unsecured

creditors with a greater recovery than any other alternatives that Palm Harbor could pursue, such as liquidation under Chapter 7 of the Bankruptcy Code. **Accordingly, the Proponents support confirmation of the Plan and urge all creditors to vote in favor of the Plan.**

You are strongly urged to carefully read and review in their entirety the Plan and the Disclosure Statement, including the discussion of the risk factors related to the Plan, as well as all other documents provided to you. If you cannot access the materials on the CD, please call the Voting and Claims Agent at (888) 909-0100 for a paper copy of the Plan, Disclosure Statement, and Disclosure Statement Order. Alternatively, you may obtain copies of the Plan, Disclosure Statement, and Disclosure Statement Order at the Debtors' case website (<http://www.bmcgroup.com/palmharborhomes>) or by writing to BMC Group, Inc., Attn: Palm Harbor Homes, Inc. Ballot Processing, P.O. Box 3020, Chanhassen, MN 55317-3020. **The Committee and the Debtors urge you to vote to accept the Plan and return the Ballot so that it is actually received by the Voting and Claims Agent by 4:00 p.m. prevailing Eastern Time on _____, 2011 as stated on the Ballot.**

Very truly yours,

Official Committee of Unsecured Creditors of Palm
Harbor Homes, Inc., *et al.*

Todd Pulvino, Committee Chair

Enclosures

Palm Harbor Homes, Inc., *et al.*

Brian E. Cejka, Chief Restructuring Officer

EXHIBIT 3
(Class 4 Ballot)

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

In re:)	Chapter 11
)	
PALM HARBOR HOMES, INC., <u>et al.</u> , ¹	)	Case No. 10-13850 (CSS)
)	
Debtors.	)	Jointly Administered
)	
)	

**BALLOT FOR ACCEPTING OR REJECTING THE JOINT PLAN OF LIQUIDATION
PROPOSED BY DEBTORS AND COMMITTEE FOR PALM HARBOR HOMES, INC. AND ITS
RELATED DEBTORS UNDER CHAPTER 11 OF
THE BANKRUPTCY CODE**

CLASS 4 BALLOT FOR GENERAL UNSECURED CLAIMS

**PLEASE CAREFULLY READ AND FOLLOW THE ENCLOSED INSTRUCTIONS
FOR COMPLETING BALLOTS BEFORE COMPLETING THE BALLOT.**

**THIS BALLOT MUST BE ACTUALLY RECEIVED BY THE VOTING AND CLAIMS AGENT
BY 4:00 P.M. PREVAILING EASTERN TIME ON OCTOBER 12, 2011 (THE "VOTING
DEADLINE") IN ORDER TO BE COUNTED.**

This ballot ("Ballot") is submitted to you to solicit your vote to accept or reject the Joint Plan of Liquidation Proposed by Debtors and Committee for Palm Harbor Homes, Inc. and Its Related Debtors Under Chapter 11 of the Bankruptcy Code (including all exhibits thereto and as the same may be further amended, modified or supplemented from time to time, the "Plan"). On August 5, 2011, the above-captioned debtors and debtors-in-possession (the "Debtors") filed the Plan with the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). The Plan was filed with the Bankruptcy Court in conjunction with the related Disclosure Statement to the Joint Plan of Liquidation Proposed by Debtors and Committee for Palm Harbor Homes, Inc. and Its Related Debtors Under Chapter 11 of the Bankruptcy Code (the "Disclosure Statement"), which was approved by order of the Bankruptcy Court on September __, 2011 (the "Disclosure Statement Order"). The Disclosure Statement provides information to assist you in deciding how to vote your Ballot. The Disclosure Statement Order, the Plan and the Disclosure Statement were included in the Solicitation Package in CD-ROM format, along with this Ballot and a cover letter.²

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Palm Harbor Homes, Inc., a Florida corporation (6634); Palm Harbor Albemarle, LLC (1014); Nationwide Homes, Inc. (4881); Palm Harbor Real Estate, LLC (8234); Palm Harbor GenPar, LLC (0198); and Palm Harbor Manufacturing, LP (0199). The location of the Debtors' corporate headquarters and service address is: Alvarez & Marsal, c/o Palm Harbor Winddown, 2100 Ross Avenue, 21st Floor, Dallas, TX 75201.

² Capitalized terms under herein but otherwise not defined shall have the meanings ascribed to them in the Disclosure Statement Order or the Plan, as applicable.

If you do not have a Disclosure Statement, a Disclosure Statement Order or a Plan or any of the other documents in the Solicitation Package, these documents are available for viewing by accessing the Debtors' website at <http://www.bmcgroup.com/palmharborhomes>. Additionally, paper copies of any of the documents included in the Solicitation Package can also be obtained from (i) BMC Group, Inc., the Debtors' voting and claims agent (the "Voting and Claims Agent"), (a) by writing to BMC Group, Inc., Attn: Palm Harbor Homes, Inc. Ballot Processing, P.O. Box 3020, Chanhassen, MN 55317-3020, or (b) by calling (888) 909-0100, or (ii) for a fee via PACER at <http://www.deb.uscourts.gov>. If you have any questions regarding the status of your Claim(s), please contact the Voting and Claims Agent at the aforementioned mailing address or telephone number.

You are receiving this Ballot because our records indicate that you are the holder of one or more General Unsecured Claims (Class 4) as of the Record Date. Accordingly, you have a right to vote accept or reject the Plan. You should carefully review the Disclosure Statement and the Plan and the other documents in the Solicitation Package before you vote. You may wish to seek legal advice concerning the Plan and your classification and treatment under the Plan. The Plan may be confirmed by the Bankruptcy Court and thereby made binding on you if it is accepted by the holders of at least two-thirds in amount and more than one-half in number of the Claims in each impaired Class who vote on the Plan and if the Plan otherwise satisfies the applicable requirements of section 1129(a) under title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the "Bankruptcy Code"). If the requisite acceptances are not obtained, the Bankruptcy Court nonetheless may confirm the Plan if it finds that the Plan (a) provides fair and equitable treatment to, and does not unfairly discriminate against, the Class or Classes rejecting the Plan, and (b) otherwise satisfies the requirements of section 1129(b) of the Bankruptcy Code.

**PLEASE READ THE ATTACHED VOTING INFORMATION AND
INSTRUCTIONS BEFORE COMPLETING THIS BALLOT.**

Item 1. Amount of Claims Voted. You are entitled to vote the Claim set forth below. The Debtors reserve the right to object to such Claim for purposes of distribution under the Plan.

\$ _____.

Item 2. Vote. The holder of the Class 4 General Unsecured Claim(s) identified in Item 1 votes as follows (check one box only – if you do not check a box, or if you check both boxes, your vote will not be counted):

☐ to ACCEPT the Plan.

OR

☐ to REJECT the Plan.

Item 3. Acknowledgements and Certification. By signing this Ballot, the undersigned acknowledges receipt of the Disclosure Statement, the Plan, and the other items contained in the Solicitation Package and certifies that the undersigned is the claimant or has the power and authority to vote to accept or reject the Plan on behalf of such claimant. The undersigned understands that an otherwise properly completed, executed and timely returned Ballot that does not indicate either acceptance or rejection of the Plan or indicates both acceptance and rejection of the Plan will not be counted.

Item 4. Holder Information and Signature.

Name of Creditor: _____
(Print or Type)

Social Security or Federal Tax ID. No.: _____
(Optional)

Signature: _____

Print Name: _____

Title: _____
(If Appropriate)

Street Address: _____

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City, State, Zip Code: _____

Telephone Number () _____

Date Completed: _____

This Ballot is not a letter of transmittal and may not be used for any purpose other than to cast votes to accept or reject the Plan. Moreover, this Ballot shall not (i) constitute or be deemed to be a proof of claim or equity interest or an assertion of a claim or equity interest, or (ii) an admission by the Debtors of the nature, validity or amount of any Claim. .

YOUR BALLOT MUST BE ACTUALLY RECEIVED BY THE VOTING AND CLAIMS AGENT AT THE ADDRESS LISTED BELOW BY 4:00 P.M. PREVAILING EASTERN TIME ON OCTOBER 12, 2011 OR YOUR VOTE WILL NOT BE COUNTED. FACSIMILE TRANSMISSION OF THIS BALLOT WILL NOT BE ACCEPTED.

IF YOU HAVE ANY QUESTIONS REGARDING THIS BALLOT OR THE SOLICITATION PROCEDURES, OR IF YOU NEED AN ADDITIONAL BALLOT, COPIES OF THE DISCLOSURE STATEMENT, DISCLOSURE STATEMENT ORDER, PLAN OR OTHER ENCLOSED MATERIALS IN THE SOLICITATION PACKAGE, PLEASE CALL THE VOTING AND CLAIMS AGENT AT (888) 909-0100.

THE ADDRESS OF THE VOTING AND CLAIMS AGENT IS (DEPENDING UPON THE METHOD OF DELIVERY):

BY MAIL TO:	BY HAND OR OVERNIGHT DELIVERY TO:
BMC Group, Inc Attn: Palm Harbor Homes, Inc. Ballot Processing P.O. Box 3020 Chanhassen, MN 55317-3020	BMC Group, Inc Attn: Palm Harbor Homes, Inc. Ballot Processing 18750 Lake Drive East Chanhassen, MN 55317

VOTING INSTRUCTIONS

1. All capitalized terms used in this Ballot or these instructions but not otherwise defined herein or therein shall have the meanings ascribed to them in the Plan or the Disclosure Statement Order, as applicable.
2. Please read and follow these instructions carefully. Your Ballot must be received by BMC Group, Inc., the Debtor's voting and claims agent (the "Voting and Claims Agent"), by (a) first class mail postage prepaid in the return envelope provided with the Ballot, or (b) by personal delivery or overnight delivery addressed to BMC Group Inc., Attn: Palm Harbor Homes, Inc. Ballot Processing, 18750 Lake Drive East, Chanhassen, MN 55317, no later than 4:00 p.m. (prevailing Eastern time) on October 12, 2011 (the "Voting Deadline"), or your Ballot will not be counted.
3. Prior to voting to accept or reject the Plan in accordance with these instructions, please carefully read the Important Information Regarding Releases, Injunctions and Stays in the Plan.
4. In order for your vote to count, you must:
 - (a) Cast ONE vote to accept or reject the Plan by checking the proper box in Item 2 above;
 - (b) Review the acknowledgements and certification in Item 3;
 - (c) Sign the Ballot in Item 4 – Your original signature is required on the Ballot in order for your vote to count;
 - (d) If you are signing the Ballot in your capacity as trustee, executor, administrator, guardian, attorney in fact, officer or otherwise acting in a fiduciary or representative capacity, you must indicate the capacity in which you are signing. If requested by the Debtors or the Voting and Claims Agent, you may be required to provide proof of your authorization to so sign. In addition, please provide your name and mailing address if different from that set forth on the attached mailing label or if no such mailing label is attached to the Ballot; and
 - (e) Return the completed Ballot to the Voting and Claims Agent in the postage prepaid, preaddressed stamped envelope enclosed with this Ballot.
5. If you believe you received the wrong form of Ballot, or if you need additional Ballots, please immediately contact the Voting and Claims Agent.
6. If you wish to have your Claims allowed for purposes of voting on the Plan in a manner that is inconsistent with this Ballot or you did not receive a Ballot and wish to have your Claims temporarily allowed for voting purposes only, you must seek relief pursuant to Bankruptcy Rule 3018(a) and the procedures for temporarily allowing such Claim set forth in the Disclosure Statement Order and/or the Solicitation Procedures.
7. If multiple Ballots are received from the same person or entity with respect to the same Claims prior to the Voting Deadline, the last Ballot timely received will supersede and revoke any earlier received Ballot.
8. Any Ballot that is illegible or that contains insufficient information to permit the identification of the claimant will not be counted.
9. Properly executed Ballots that attempt to partially accept and partially reject the Plan will not be counted.
10. After the Voting Deadline, no Ballot may be withdrawn or modified without the prior consent of the Debtors.

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11. This Ballot does not constitute, and shall not be deemed to be, a proof of claim or an assertion or admission of a Claim.

12. If you hold Claims in more than one Class under the Plan, you may receive one Ballot for each different Class. Each Ballot votes only your Claims indicated on that Ballot. Please complete and return each Ballot you receive.

THE ADDRESS OF THE VOTING AND CLAIMS AGENT IS (DEPENDING UPON THE METHOD OF DELIVERY):

BY MAIL TO:	BY HAND OR OVERNIGHT DELIVERY TO:
BMC Group, Inc Attn: Palm Harbor Homes, Inc. Ballot Processing P.O. Box 3020 Chanhassen, MN 55317-3020	BMC Group, Inc Attn: Palm Harbor Homes, Inc. Ballot Processing 18750 Lake Drive East Chanhassen, MN 55317

EXHIBIT 4
(Class 3 Ballot)

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

In re:) Chapter 11
)
PALM HARBOR HOMES, INC., <u>et al.</u> , ¹	) Case No. 10-13850 (CSS)
)
Debtors.	) Jointly Administered
)
)

**BALLOT FOR ACCEPTING OR REJECTING THE JOINT PLAN OF LIQUIDATION
PROPOSED BY DEBTORS AND COMMITTEE FOR PALM HARBOR HOMES, INC. AND ITS
RELATED DEBTORS UNDER CHAPTER 11 OF
THE BANKRUPTCY CODE**

**CLASS 3 BALLOT FOR BENEFICIAL OWNERS OF
3.25% CONVERTIBLE SENIOR NOTES CLAIMS**

This ballot ("Ballot") is submitted to you to solicit your vote to accept or reject the Joint Plan of Liquidation Proposed by Debtors and Committee for Palm Harbor Homes, Inc. and Its Related Debtors Under Chapter 11 of the Bankruptcy Code (including all exhibits thereto and as the same may be further amended, modified or supplemented from time to time, the "Plan"). On August 5, 2011, the above-captioned debtors and debtors-in-possession (the "Debtors") filed the Plan with the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). The Plan was filed with the Bankruptcy Court in conjunction with the related Disclosure Statement to the Joint Plan of Liquidation Proposed by Debtors and Committee for Palm Harbor Homes, Inc. and Its Related Debtors Under Chapter 11 of the Bankruptcy Code (the "Disclosure Statement"), which was approved by order of the Bankruptcy Court on September __, 2011 (the "Disclosure Statement Order"). The Disclosure Statement provides information to assist you in deciding how to vote your Ballot. The Disclosure Statement Order, the Plan and the Disclosure Statement are included in the Solicitation Package in CD-ROM format, along with this Ballot and a cover letter.²

This Ballot is only to be used for voting your 3.25% Convertible Senior Notes Claims against Palm Harbor Homes, Inc. If you hold other Claims against the Debtors in these chapter 11 cases and those Claims are in Classes that are entitled to vote on the Plan, you will receive separate ballots to vote such Claims. 3.25% Convertible Senior Notes Claims against Palm Harbor Homes, Inc. are all Claims based on the following series of 3.25% Convertible Senior Notes issued by Palm Harbor Homes, Inc.:

Series of Notes	CUSIP #
3.25% Convertible Senior Notes due 2024	696639AA1 and 696639AB9

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Palm Harbor Homes, Inc., a Florida corporation (6634); Palm Harbor Albemarle, LLC (1014); Nationwide Homes, Inc. (4881); Palm Harbor Real Estate, LLC (8234); Palm Harbor GenPar, LLC (0198); and Palm Harbor Manufacturing, LP (0199). The location of the Debtors' corporate headquarters and service address is: Alvarez & Marsal, c/o Palm Harbor Winddown, 2100 Ross Avenue, 21st Floor, Dallas, TX 75201.

² Capitalized terms under herein but otherwise not defined shall have the meanings ascribed to them in the Disclosure Statement Order or the Plan, as applicable.

PRIOR TO COMPLETING THIS BALLOT, PLEASE REFER TO THE INSTRUCTIONS ENCLOSED WITH THIS BALLOT FOR FURTHER EXPLANATION ON HOW TO COMPLETE THE ITEMS SET FORTH BELOW.

VOTE ON THE PLAN. To vote to accept or reject the Plan, please complete the following:

ITEM 1. AGGREGATE PRINCIPAL AMOUNT OF SENIOR NOTEHOLDER CLAIM. The undersigned certifies that as of September 13, 2011 (the "Record Date"), the undersigned was the Beneficial Owner of a 3.25% Convertible Senior Notes Claim in the following aggregate unpaid principal amount (for purposes of this Ballot, you should not adjust the principal amount for any accrued or unmatured interest).

\$ _____

The preprinted amount of your 3.25% Convertible Senior Notes Claim above will control for voting purposes.

ITEM 2. VOTE TO ACCEPT OR REJECT THE PLAN. The Beneficial Owner of the aggregate principal amount of the 3.25% Convertible Senior Notes Claims identified in Item 1 hereby votes with respect to such Claim on the Plan as follows (check one box only):

Class Description	Accept	Reject
Class 3 (3.25% Convertible Senior Notes Claims)	<input type="checkbox"/>	<input type="checkbox"/>

ITEM 3. Omitted

ITEM 4. Omitted

ITEM 5. CERTIFICATION. By signing this Ballot, the Holder of the 3.25% Convertible Senior Notes Claims identified in Item 1 certifies and/or acknowledges that:

- it is the Beneficial Owner of the 3.25% Convertible Senior Notes Claims to which this Ballot pertains or is an authorized signatory and has full power and authority to vote to accept or reject the Plan;
- it has been provided with a copy of the Plan, the Disclosure Statement, and the Disclosure Statement Order and acknowledges that the votes set forth on this Ballot are subject to all of the terms and conditions set forth in the Plan, the Disclosure Statement, and the Disclosure Statement Order;
- it has not submitted any other Ballots relating to the 3.25% Convertible Senior Notes Claims voted herein that are inconsistent with the votes as set forth in this Ballot or that, as limited by the terms of the Disclosure Statement Order and the instructions attached hereto, if such other Ballots were previously submitted, they either have been or are hereby revoked or changed to reflect the votes set forth herein;
- it is deemed to have consented to the submission of a Master Ballot to the Voting and Claims Agent (if applicable); and
- either (a) this Ballot is the only Ballot submitted by the undersigned for 3.25% Convertible Senior Notes Claims or (b) in addition to this Ballot, one or more Ballots for 3.25% Convertible Senior Notes Claims have been submitted as follows (please use additional sheets of paper if necessary):

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**COMPLETE THIS SECTION ONLY IF YOU HAVE VOTED OTHER 3.25% CONVERTIBLE SENIOR
NOTES CLAIMS BALLOTS**

Account Number of Other 3.25% Convertible Senior Notes Claims	Name of Registered Holder or Voting Nominee of Other 3.25% Convertible Senior Notes Claims	CUSIP Number of Other 3.25% Convertible Senior Notes Claims	Principal Amount of Other 3.25% Convertible Senior Notes Claims Voted in Additional Ballot(s)

ITEM 6. HOLDER INFORMATION AND SIGNATURE.

Name: _____
(Print or Type)

Social Security or Federal Tax ID. No.: _____
(Optional)

Signature: _____

Print Name: _____

Title: _____
(If Appropriate)

Street Address: _____

City, State, Zip Code: _____

Telephone Number () _____

Date Completed: _____

This Ballot shall not constitute or be deemed to be (a) a proof of claim or equity interest or an assertion of a claim or equity interest, or (b) an admission by the Debtors of the nature, validity or amount of any Claim.

THE VOTING DEADLINE IS 4:00 P.M. PREVAILING EASTERN TIME ON OCTOBER 12, 2011. PLEASE RETURN YOUR BALLOT TO YOUR VOTING NOMINEE IN THE ENVELOPE PROVIDED IN SUFFICIENT TIME FOR YOUR VOTING NOMINEE TO PROCESS YOUR BALLOT AND SUBMIT A MASTER BALLOT TO THE VOTING AND CLAIMS AGENT SO THAT IT IS ACTUALLY RECEIVED BY THE VOTING AND CLAIMS AGENT ON OR BEFORE THE VOTING DEADLINE OR YOUR VOTE WILL NOT BE COUNTED AS A VOTE TO ACCEPT OR REJECT THE PLAN.

IF YOU HAVE ANY QUESTIONS REGARDING THIS BALLOT OR THE SOLICITATION PROCEDURES, OR IF YOU NEED AN ADDITIONAL BALLOT, COPIES OF THE DISCLOSURE STATEMENT, DISCLOSURE STATEMENT ORDER, PLAN OR OTHER ENCLOSED MATERIALS IN THE SOLICITATION PACKAGE, PLEASE CALL THE VOTING AND CLAIMS AGENT AT (888) 909-0100.

VOTING INSTRUCTIONS

1. All capitalized terms used in this Ballot or these instructions but not otherwise defined herein or therein shall have the meanings ascribed to them in the Plan or the Disclosure Statement Order, as applicable.
2. Please read and follow these instructions carefully. Your Ballot must be received by your Voting Nominee at the address provided in the enclosed, postage prepaid, preaddressed envelope in sufficient time so that the Voting Nominee may process your Ballot and complete a Master Ballot so that it is actually received by BMC Group, Inc., the Debtor's voting and claims agent (the "Voting and Claims Agent"), no later than 4:00 p.m. (prevailing Eastern time) on October 12, 2011 (the "Voting Deadline"), or your Ballot will not be counted.
3. Prior to voting to accept or reject the Plan in accordance with these instructions, please carefully read the Important Information Regarding Releases, Injunctions and Stays in the Plan.
4. In order for your vote to count, you must:
 - (a) Cast ONE vote to accept or reject the Plan by checking the proper box in Item 2 above;
 - (b) Review the acknowledgements and certification in Item 5;
 - (c) Sign the Ballot in Item 6 – Your original signature is required on the Ballot in order for your vote to count;
 - (d) If you are signing the Ballot in your capacity as trustee, executor, administrator, guardian, attorney in fact, officer or otherwise acting in a fiduciary or representative capacity, you must indicate the capacity in which you are signing. If requested by the Debtors, the Voting Nominee or the Voting and Claims Agent, you may be required to provide proof of your authorization to so sign. In addition, please provide your name and mailing address if different from that set forth on the attached mailing label or if no such mailing label is attached to the Ballot; and
 - (e) Return the completed Ballot to your Voting Nominee in the postage prepaid, preaddressed envelope enclosed with this Ballot.
5. If you believe you received the wrong form of Ballot, or if you need additional Ballots, please immediately contact the Voting and Claims Agent at 888-909-0100.
6. Any Ballot that is illegible or that contains insufficient information to permit the identification of the claimant will not be counted.
7. Properly executed Ballots that attempt to partially accept and partially reject the Plan will not be counted.
8. After the Voting Deadline, no Ballot may be withdrawn or modified without the prior consent of the Debtors.
9. If you hold Claims in more than one Class under the Plan, you may receive one Ballot for each different Class. Each Ballot votes only your Claims indicated on that Ballot. Please complete and return each Ballot you receive pursuant to the instructions enclosed with that Ballot.

FOR YOUR VOTE TO COUNT, YOU MUST RETURN YOUR COMPLETED BALLOT TO YOUR VOTING NOMINEE AT THE ADDRESS PROVIDED IN THE ENCLOSED, POSTAGE PREPAID, PREADDRESSSED ENVELOPE IN SUFFICIENT TIME FOR YOUR VOTING NOMINEE TO PROCESS YOUR BALLOT AND SUBMIT A MASTER BALLOT TO THE VOTING AND CLAIMS AGENT SO THAT IT IS ACTUALLY RECEIVED BY THE VOTING AND CLAIMS AGENT ON OR BEFORE THE

**VOTING DEADLINE OR YOUR VOTE WILL NOT BE COUNTED AS A VOTE TO ACCEPT OR
REJECT THE PLAN.**

**BALLOTS RECEIVED BY FACSIMILE OR OTHER ELECTRONIC MEANS OR RECEIVED AFTER
THE VOTING DEADLINE WILL NOT BE COUNTED.**

EXHIBIT 5
(Master Ballot)

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

In re:	)	Chapter 11
)	
PALM HARBOR HOMES, INC., <u>et al.</u> , ¹	)	Case No. 10-13850 (CSS)
)	
Debtors.	)	Jointly Administered
)	
)	

**MASTER BALLOT FOR VOTING NOMINEES OF HOLDERS OF
3.25% CONVERTIBLE SENIOR NOTES CLAIMS TO ACCEPT OR REJECT
JOINT PLAN OF LIQUIDATION PROPOSED BY DEBTORS AND COMMITTEE FOR PALM
HARBOR HOMES, INC. AND ITS RELATED DEBTORS UNDER CHAPTER 11 OF THE
BANKRUPTCY CODE**

PLEASE READ AND FOLLOW THE INSTRUCTIONS CAREFULLY.

**PLEASE COMPLETE, SIGN AND DATE THIS MASTER BALLOT AND RETURN IT TO BMC
GROUP, INC. (THE "VOTING AND CLAIMS AGENT") AT THE FOLLOWING ADDRESS:**

BY MAIL TO: BMC Group, Inc Attn: Palm Harbor Homes, Inc. Ballot Processing P.O. Box 3020 Chanhassen, MN 55317-3020	BY HAND OR OVERNIGHT DELIVERY TO: BMC Group, Inc Attn: Palm Harbor Homes, Inc. Ballot Processing 18750 Lake Drive East Chanhassen, MN 55317
---	--

IF THIS MASTER BALLOT HAS NOT BEEN ACTUALLY RECEIVED BY THE VOTING AND CLAIMS AGENT ON OR BEFORE OCTOBER 12, 2011 AT 4:00 P.M. PREVAILING EASTERN TIME (THE "VOTING DEADLINE"), THE VOTES OF YOUR CUSTOMERS WILL NOT BE COUNTED. THEREFORE, YOU MUST ALLOW SUFFICIENT TIME TO BE SURE THAT THE MASTER BALLOT IS RECEIVED BY THE VOTING AND CLAIMS AGENT BEFORE THE VOTING DEADLINE.

This Master Ballot is to be used by you, as a broker, bank, commercial bank, trust company, dealer, or other agent or nominee (each of the foregoing, a "Voting Nominee") for the beneficial owners of the 3.25% Convertible Senior Notes Claims for whom such Voting Nominee acts (collectively, the "Beneficial Owners"), to transmit the votes of such Beneficial Owners in respect of their 3.25% Convertible Senior Notes Claims to vote to accept or reject the plan of liquidation for Palm Harbor Homes, Inc. (together with its related debtors in the above-captioned chapter 11 cases, the "Debtors"). Capitalized terms used in this Master Ballot but not defined herein have the meanings ascribed to them in the voting instructions (the "Voting Instructions") that are included in the package containing this Master Ballot, in the Order: (I) *Approving the Disclosure Statement*; (II) *Fixing (A) the Record Date, (B) the Voting Deadline, (C) the Plan Objection and Reply Deadlines, and (D) the Date of the Confirmation Hearing*; (III) *Approving Solicitation Procedures by Which Parties Entitled to Vote May Vote to Accept or Reject*

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Palm Harbor Homes, Inc., a Florida corporation (6634); Palm Harbor Albemarle, LLC (1014); Nationwide Homes, Inc. (4881); Palm Harbor Real Estate, LLC (8234); Palm Harbor GenPar, LLC (0198); and Palm Harbor Manufacturing, LP (0199). The location of the Debtors' corporate headquarters and service address is: Alvarez & Marsal, c/o Palm Harbor Winddown, 2100 Ross Avenue, 21st Floor, Dallas, TX 75201.

the Plan and the Form of Certain Documents to be Distributed in Connection with the Solicitation of the Plan; and (IV) Approval of the Voting and General Tabulation Procedures (the "Disclosure Statement Order") or in the Joint Plan of Liquidation Proposed by Debtors and Committee for Palm Harbor Homes, Inc. and Its Related Debtors Under Chapter 11 of the Bankruptcy Code (including all exhibits thereto and as the same may be further amended, modified or supplemented from time to time, the "Plan").

The Voting Instructions attached to this Master Ballot provide detailed, step-by-step instructions for completing the Master Ballot.

You or the Beneficial Owners for whom you are the Voting Nominee may wish to seek legal advice concerning the Plan and the classification and treatment of the 3.25% Convertible Senior Notes Claims under the Plan.

The 3.25% Convertible Senior Notes Claims against Palm Harbor Homes, Inc. are all Claims based on the 3.25% Convertible Senior Notes issued by Palm Harbor Homes, Inc.:

Series of Notes	CUSIP #
3.25% Convertible Senior Notes due 2024	696639AA1 and 696639AB9

Votes to accept or reject the Plan from Beneficial Owners of 3.25% Convertible Senior Notes Claims will be returned to you on Ballots. For each completed, executed Ballot returned to you by a Beneficial Owner, you must retain a copy of such Ballot in your files for at least one (1) year from the Voting Deadline.

PRIOR TO COMPLETING THIS MASTER BALLOT, PLEASE REFER TO THE INSTRUCTIONS ATTACHED TO THIS MASTER BALLOT FOR FURTHER EXPLANATION ON HOW TO COMPLETE THE ITEMS SET FORTH BELOW.

Item 1 - CERTIFICATION OF AUTHORITY TO VOTE. The undersigned certifies that as of September 13, 2011 (the "Record Date"), the undersigned (please check applicable box):

- ☐ is a broker, bank, or other agent or nominee for the Beneficial Owners of the aggregate principal amount of 3.25% Convertible Senior Notes listed in Items 2 and 3 below that are the registered holders of such 3.25% Convertible Senior Notes; or
- ☐ is acting under a power of attorney and/or agency (a copy of which will be provided upon request) granted by a broker, bank, or other agent or nominee that is the registered holder of the aggregate principal amount of 3.25% Convertible Senior Notes listed in Items 2 and 3 below; or
- ☐ has been granted a proxy (an original of which is attached hereto) from a broker, bank, or other nominee, or a Beneficial Owner, that is the registered holder of the aggregate principal amount of 3.25% Convertible Senior Notes listed in Items 2 and 3 and, accordingly, has full power and authority to vote to accept or reject the Plan on behalf of the Beneficial Owners of the 3.25% Convertible Senior Notes described in Items 2 and 3 below.

Item 2 - TABULATION OF BENEFICIAL OWNER VOTING. The undersigned certifies that:

Acceptances/Rejections. The Beneficial Owners of 3.25% Convertible Senior Notes Claims in the following aggregate unpaid principal amounts have delivered duly completed Ballots to the undersigned (or such information was derived from Ballots that have been summarized in intermediary Master Ballots delivered to the undersigned) voting to **Accept or Reject** the Plan:

Class Description	Total Number of Holders Voting to Accept	Total Aggregate Unpaid Principal Amount of Holders Voting to Accept	Total Number of Holders Voting to Reject	Total Aggregate Unpaid Principal Amount of Holders Voting to Reject
Class 3		\$ _____		\$ _____

Item 3 – TRANSMITTAL OF VOTES FROM INDIVIDUAL BALLOTS. The undersigned transmits the following votes of Beneficial Owners of 3.25% Convertible Senior Notes Claims and certifies that the following are Beneficial Owners, as of the Record Date, and have delivered to the undersigned, as Voting Nominee, Ballots casting such votes (indicate in each column the aggregate principal amount voted for each account).

USE ADDITIONAL SHEETS IF NECESSARY.

Item 4 – ADDITIONAL INFORMATION SUBMITTED BY BENEFICIAL OWNERS.

The undersigned certifies that the following information is a true and accurate schedule on which the undersigned has transcribed the information, if any, provided in Item 5(e) of each Class 3 Ballot received from a Beneficial Owner of the 3.25% Convertible Senior Notes.

**Information transcribed from Item 5 of the Class 3 Ballots regarding other
Class 3 Ballots cast in respect of 3.25% Convertible Senior Notes Claims**

Your Customer Name or Account Number for Each Beneficial Owner who completed Item 5(e) of the Ballot	Account Number of Other 3.25% Convertible Senior Notes	Name of Registered Holder or Voting Nominee of Other 3.25% Convertible Senior Notes Claims Voted	Principal Amount of Other 3.25% Convertible Senior Notes Claims Voted in Additional Ballot(s)

If the space provided is insufficient, please attach additional sheets in the same format.

Item 5 – CERTIFICATION. By signing this Master Ballot, the undersigned certifies that: (a) each Beneficial Owner of 3.25% Convertible Senior Notes whose votes are being transmitted by this Master Ballot has been provided with a copy of the Disclosure Statement, the Plan, the Disclosure Statement Order and a Class 3 Ballot for voting its Claim on the Plan; (b) it is the registered holder of the 3.25% Convertible Senior Notes to which this Master Ballot pertains and/or has full power and authority to vote to accept or reject the Plan; (c) it received a properly completed and signed Class 3 Ballot from each Beneficial Owner listed in Item 3 above; and (d) it accurately transcribed all applicable information from the Class 3 Ballots received from each Beneficial Owner. The undersigned also acknowledges that the solicitation of this vote to accept or reject the Plan is subject to all the terms and conditions set forth in the Disclosure Statement Order entered on September _____, 2011.

Name of Voting Nominee

Participant Number

Signature

If by Authorized Agent, Name and Title

Street Address

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City, State and Zip Code

Telephone Number

Email

Date Completed

PLEASE COMPLETE, SIGN, AND DATE THIS MASTER BALLOT AND RETURN IT TO THE VOTING AND CLAIMS AGENT AT THE FOLLOWING ADDRESS:

BY MAIL TO:

BMC Group, Inc
Attn: Palm Harbor Homes, Inc. Ballot Processing
P.O. Box 3020
Chanhassen, MN 55317-3020

BY HAND OR OVERNIGHT DELIVERY TO:

BMC Group, Inc
Attn: Palm Harbor Homes, Inc. Ballot Processing
18750 Lake Drive East
Chanhassen, MN 55317

IF THIS MASTER BALLOT HAS NOT BEEN ACTUALLY RECEIVED BY THE VOTING AND CLAIMS AGENT ON OR BEFORE OCTOBER 12, 2011 AT 4:00 P.M. PREVAILING EASTERN TIME, THE VOTES OF YOUR CUSTOMERS WILL NOT BE COUNTED. THEREFORE, YOU MUST ALLOW SUFFICIENT TIME TO BE SURE THAT THE MASTER BALLOT IS RECEIVED BY THE VOTING AND CLAIMS AGENT BEFORE THE VOTING DEADLINE.

MASTER BALLOTS RECEIVED BY FACSIMILE OR OTHER ELECTRONIC MEANS OR RECEIVED AFTER THE VOTING DEADLINE WILL NOT BE COUNTED.

VOTING INSTRUCTIONS FOR MASTER BALLOT

VOTING DEADLINE:

The Voting Deadline is **October 12, 2011** at 4:00 p.m. prevailing Eastern Time. To have your customers' votes counted, you must complete, sign, and return the Master Ballot so that it is received by the Voting and Claims Agent at the address set forth in the Master Ballot on or before the Voting Deadline.¹

HOW TO VOTE:

If you are transmitting the votes of any Beneficial Owners of 3.25% Convertible Senior Notes other than yourself, you must (i) deliver a Ballot to such Beneficial Owner(s), along with the Disclosure Statement, the Plan, the Disclosure Statement Order, the Confirmation Hearing Notice, and other materials requested to be forwarded; and (ii) take the necessary actions to enable such Beneficial Owners to (a) complete and execute such Ballot, and (b) return the completed, executed Ballot to you in sufficient time to enable you to complete the Master Ballot and deliver it to the Voting and Claims Agent before the Voting Deadline.

With respect to all of the Ballots returned to you, you must properly complete the Master Ballot, as follows:

- i. Check the appropriate box in Item 1 on the Master Ballot;
- ii. Indicate the total votes to accept or reject each of the Plan in Item 2;
- iii. Transcribe the votes from the Ballots in Item 2 and indicate the following in Item 3:
 - a. whether each Beneficial Owner voted to accept or reject the Plan;

IMPORTANT: BENEFICIAL OWNERS MAY NOT SPLIT THEIR VOTES. PROPERLY EXECUTED BALLOTS THAT ATTEMPT TO PARTIALLY ACCEPT AND PARTIALLY REJECT THE PLAN WILL NOT BE COUNTED AS A VOTE TO ACCEPT OR REJECT THE PLAN. EACH BENEFICIAL OWNER MUST VOTE ALL OF HIS, HER, OR ITS 3.25% CONVERTIBLE SENIOR NOTES CLAIMS EITHER TO ACCEPT OR REJECT THE PLAN (OR ABSTAIN FROM VOTING THEREON). IF ANY BENEFICIAL OWNER HAS ATTEMPTED TO SPLIT SUCH VOTE, PLEASE CONTACT EACH BENEFICIAL OWNER TO CORRECT ITS BALLOT OR THE VOTING AND CLAIMS AGENT IMMEDIATELY.

- iv. Transcribe from Item 5(e) of each Ballot the information provided by the Beneficial Owners into Item 4 of the Master Ballot;
- v. Review the certification in Item 5 of the Master Ballot;
- vi. Ensure that each Ballot is signed and each certification is complete;
- vii. Independently verify and confirm the accuracy of the information provided with respect to each Beneficial Owner of 3.25% Convertible Senior Notes;
- viii. If additional space is required to respond to any item on the Master Ballot, please use additional sheets of paper clearly marked to indicate the applicable Item of the Master Ballot to which you are responding; and
- ix. Sign, date, and return the original Master Ballot to the Voting and Claims Agent.

¹ All capitalized terms used in the Master Ballot or these Voting Instructions but not otherwise defined therein or herein have the meanings ascribed to such terms in the Disclosure Statement Order or the Solicitation Procedures attached as Exhibit 1 to the Disclosure Statement Order.

You must deliver the completed, executed Master Ballot so that it is actually received by the Voting and Claims Agent on or before the Voting Deadline. You must retain a copy of each completed, executed Ballot returned to you by a Beneficial Owner in your files for at least one (1) year from the Voting Deadline.

Votes cast by Beneficial Owners through a Voting Nominee will be compared to the holdings of the 3.25% Convertible Senior Notes of such Beneficial Owners as of the Record Date, as evidenced by the record and depository listings. Votes submitted by a Voting Nominee, pursuant to a Master Ballot, will not be counted in excess of the record amount of the 3.25% Convertible Senior Notes held by such Voting Nominee.

For the purpose of tabulating votes, each Beneficial Owner shall be deemed to have voted the principal amount of its 3.25% Convertible Senior Notes. To the extent that conflicting votes or "overvotes" are submitted by a Voting Nominee, the Voting and Claims Agent, in good faith, will attempt to reconcile discrepancies with the Voting Nominees. To the extent that overvotes on a Master Ballot are not reconcilable prior to the preparation of the vote certification, the Voting and Claims Agent will apply the votes to accept and to reject the Plan in the same proportion as the votes to accept and reject the Plan submitted on the Master Ballot that contained the overvote, but only to the extent of the Voting Nominee's position in the 3.25% Convertible Senior Notes. After the Voting Deadline, no vote on the Plan may be withdrawn without the prior consent of the Debtors.

PLEASE NOTE:

This Master Ballot is not a letter of transmittal and may not be used for any purpose other than to cast votes to accept or reject the Plan. Holders of 3.25% Convertible Senior Notes Claims should not surrender their 3.25% Convertible Senior Notes with their Ballots. The Voting and Claims Agent will not accept delivery of any such instruments surrendered together with a Master Ballot or Ballot.

No Master Ballot or Ballot shall constitute or be deemed to be a proof of claim or equity interest or an assertion of a claim or equity interest.

No fees or commissions or other remuneration will be payable to any Voting Nominee. Upon written request with supporting documentation, however, the Voting and Claims Agent will reimburse you for reasonable, actual, and necessary out-of-pocket expenses associated with the distribution of the Solicitation Packages to your clients, the tabulation of the Ballots and the completion of this Master Ballot.

IF YOU BELIEVE THAT YOU ARE MISSING ANY MATERIALS FROM THE SOLICITATION PACKAGE OR THAT YOU HAVE RECEIVED THE WRONG BALLOT, OR IF YOU HAVE QUESTIONS REGARDING THIS MASTER BALLOT OR THE SOLICITATION PROCEDURES, OR IF YOU NEED ADDITIONAL COPIES OF THE MASTER BALLOT OR OTHER ENCLOSED MATERIALS, PLEASE CONTACT THE VOTING AND CLAIMS AGENT AT 888-909-0100.

PLEASE COMPLETE, SIGN, AND DATE THIS MASTER BALLOT AND RETURN IT TO THE VOTING AND CLAIMS AGENT AT THE FOLLOWING ADDRESS:

BY MAIL TO:	BY HAND OR OVERNIGHT DELIVERY TO:
BMC Group, Inc Attn: Palm Harbor Homes, Inc. Ballot Processing P.O. Box 3020 Chanhassen, MN 55317-3020	BMC Group, Inc Attn: Palm Harbor Homes, Inc. Ballot Processing 18750 Lake Drive East Chanhassen, MN 55317

EXHIBIT 6
(Confirmation Hearing Notice)

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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:)	Chapter 11
)	
PALM HARBOR HOMES, INC., <u>et al.</u> , ¹	)	Case No. 10-13850 (CSS)
)	
Debtors.	)	Jointly Administered
)	
)	

**NOTICE OF (A) THE SOLICITATION AND VOTING PROCEDURES, AND
(B) THE OBJECTION DEADLINE AND THE CONFIRMATION HEARING
WITH RESPECT TO THE PLAN**

TO ALL HOLDERS OF CLAIMS AND EQUITY INTERESTS AND PARTIES IN INTEREST:

- (a) **Bankruptcy Court Approval of the Disclosure Statement and the Solicitation Procedures.** On September _____, 2011, the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”) entered an order (the “Disclosure Statement Order”) that, among other things, (a) approved the *Disclosure Statement to the Joint Plan of Liquidation Proposed by Debtors and Committee for Palm Harbor Homes, Inc. and Its Related Debtors Under Chapter 11 of the Bankruptcy Code* (as amended from time to time and including all exhibits and supplements thereto, the “Disclosure Statement”) filed in support of the *Joint Plan of Liquidation Proposed by Debtors and Committee for Palm Harbor Homes, Inc. and Its Related Debtors Under Chapter 11 of the Bankruptcy Code* (as amended from time to time and including all exhibits thereto, the “Plan”), as containing adequate information, as required under section 1125(a) of the Bankruptcy Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”), and (b) authorized Palm Harbor Homes, Inc. and its related debtors (collectively, the “Debtors”) to solicit votes with regard to the acceptance or rejection of the Plan.²
- (b) **Record Date.** The Record Date for purposes of determining which Holders of Claims are entitled to vote on the Plan is September 13, 2011.
- (c) **Voting Deadline.** If you hold a Claim against one of the Debtors as of the Record Date and are entitled to vote to accept or reject the Plan, you have received a Ballot or a Master Ballot and ballot instructions appropriate for your Claim(s). For your vote to accept or reject the Plan to be counted, you must follow the appropriate ballot instructions, complete all required information on the Ballot or Master Ballot, execute and return the completed Ballot or Master Ballot so that it is **actually received in accordance with the ballot instructions at the address indicated on the Ballot or Master Ballot by 4:00 p.m. prevailing Eastern Time on October 12, 2011** (the

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Palm Harbor Homes, Inc. (6634); Palm Harbor Albemarle, LLC (1014); Nationwide Homes, Inc. (4881); Palm Harbor Real Estate, LLC (8234); Palm Harbor GenPar, LLC (0198); and Palm Harbor Manufacturing, LP (0199). The location of the Debtors’ corporate headquarters and service address is: Alvarez & Marsal, c/o Palm Harbor Winddown, 2100 Ross Avenue, 21st Floor, Dallas, TX 75201.

² Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Disclosure Statement or the Disclosure Statement Order, as applicable.

“Voting Deadline”). Any failure to follow the ballot instructions included with the Ballot or Master Ballot may disqualify your Ballot or Master Ballot and your vote.

- (d) **Objections to the Plan.** The Bankruptcy Court has established **October 19, 2011 at 4:00 p.m. prevailing Eastern Time**, as the last date and time for filing and serving objections to the Confirmation of the Plan (the “Plan Objection Deadline”). Any objection to the Plan must (a) be in writing, (b) conform to the Bankruptcy Rules and the Local Bankruptcy Rules, (c) state the name and address of the objecting party and the amount and nature of the Claim or Equity Interest of such Entity, (d) state with particularity the basis and nature of any objection to the Plan and, if practicable, a proposed modification to the Plan that would resolve such objection, and (e) be filed, contemporaneously with a proof of service, with the Bankruptcy Court and served so that it is actually received by the below parties (collectively, the “Notice Parties”) no later than the Plan Objection Deadline by:

<p>LOCKE LORD BISSELL & LIDDELL LLP David W. Wirt Aaron C. Smith Courtney E. Barr 111 S. Wacker Drive Chicago, Illinois 60606 Telephone: (312) 443-0700 Fax: (312) 443-0336</p>	<p>POLSINELLI SHUGHART PC Christopher A. Ward Justin K. Edelson 222 Delaware Avenue, Suite 1101 Wilmington, Delaware 19801 Telephone: (302) 252-0920 Fax: (302) 252-0921</p>
<p><i>Co-Counsel to the Debtors</i></p>	
<p>PACHULSKI STANG ZIEHL & JONES LLP Robert J. Feinstein 780 Third Avenue, 36th Floor New York, New York 10017 Telephone: (212) 561-7700 Fax: (212) 561-7777</p>	<p>PACHULSKI STANG ZIEHL & JONES LLP Laura Davis Jones Bradford J. Sandler 919 North Market Street, 17th Floor Wilmington, Delaware 19899 (courier 19801) Telephone: (302) 652-4100 Fax: (302) 652-4400</p>
<p><i>Counsel to the Official Committee of Unsecured Creditors</i></p>	
<p>CLERK OF THE BANKRUPTCY COURT United States Bankruptcy Court for the District of Delaware 824 North Market Street, 3rd Floor Wilmington, DE 19801 Telephone: (302) 252-2900</p>	<p>THE OFFICE OF THE UNITED STATES TRUSTEE FOR THE DISTRICT OF DELAWARE David Klauder, Federal Building 844 King Street, Suite 2207 – Lockbox #35 Wilmington, DE 19801 Telephone: (302) 573-6491 Fax: (302) 573-6497</p>

- (e) **Replies to Objections to the Plan.** The Bankruptcy Court has established **October 26, 2011**, as the last date for the Debtors, or any party supporting the Plan, to file and serve on the Notice Parties a response (each, a “Reply”) to any objection to Confirmation of the Plan (the “Plan Reply Deadline”).
- (f) **Confirmation Hearing.** A hearing to confirm the Plan (the “Confirmation Hearing”) will commence on _____, **2011** at _____ Created with **prevailing Eastern Time** before

the Honorable Christopher S. Sontchi, United States Bankruptcy Judge, in the United States Bankruptcy Court for the District of Delaware, 5th Floor, Courtroom No. 6, 824 Market Street, Wilmington, Delaware 19801. The Confirmation Hearing may be continued from time to time without further notice other than an adjournment announced in open court at the Confirmation Hearing or at any subsequent adjourned Confirmation Hearing.

- (g) **Inquiries.** The Debtors shall serve paper copies of the Disclosure Statement Order, the Disclosure Statement and all exhibits to the Disclosure Statement, including the Plan, on the Office of the United States Trustee for the District of Delaware, counsel to the Official Committee of Unsecured Creditors, the Internal Revenue Service, the Securities and Exchange Commission, counsel to the 3.25% Convertible Senior Notes Indenture Trustee, the Voting Nominees for the 3.25% Convertible Senior Notes and all parties who made a written request for special notice pursuant to Bankruptcy Rule 2002. The Debtors shall serve copies in CD-ROM format of the Disclosure Statement Order, the Disclosure Statement and all exhibits to the Disclosure Statement, including the Plan, on Holders of Claims who are entitled to vote to accept or reject the Plan. The Solicitation Package (except the Ballots and Master Ballots) may also be obtained (i) from the Debtors' Voting and Claims Agent (a) at its website at <http://www.bmcgroup.com/palmharborhomes>, (b) by writing to BMC Group, Inc., Attn: Palm Harbor Homes, Inc. Ballot Processing, P.O. Box 3020, Chanhassen, MN 55317-3020, or (c) by calling (888) 909-0100, or (ii) for a fee via PACER at <http://www.deb.uscourts.gov/>. For Holders of Claims, the Voting and Claims Agent will answer questions regarding the procedures and requirements for voting to accept or reject the Plan and for objecting to the Plan, provide additional copies of all materials and oversee the voting tabulation.
- (h) **Temporary Allowance of Claims for Voting Purposes.** If a Holder of a Claim is subject to a pending objection as of the Record Date, the Debtors shall send each such Holder a Disputed Claim Notice and the Holder of such Claim cannot vote on the Plan unless a Resolution Event (as defined below) has taken place on or before the date that is five Business Days before the Voting Deadline. Each of the following constitutes a "Resolution Event": (a) an order of the Bankruptcy Court is entered allowing such Claim pursuant to section 502(b) of the Bankruptcy Code, after notice and a hearing; (b) an order of the Bankruptcy Court is entered temporarily allowing such Claim for voting purposes only pursuant to Bankruptcy Rule 3018(a), after notice and a hearing; (c) a stipulation or other agreement is executed between the Holder of such Claim and the Debtors resolving the objection and allowing such Claim in an agreed upon amount; (d) a stipulation or other agreement is executed between the Holder of such Claim and the Debtors temporarily allowing the Holder of such Claim to vote its Claim in an agreed upon amount; or (e) the pending objection to such Claim is voluntarily withdrawn by the Debtors.

If the Holder of a Claim receives a Solicitation Package and the Debtors object to such Claim after the Record Date but before the Voting Deadline, a notice of objection will inform such Holders that (a) their Claim is subject to an objection, and (b) their Claim will count for satisfying the numerosity requirement of section 1126(c) of the Bankruptcy Code and will count as Ballots for Claims in the amount of \$1.00 solely for the purposes of satisfying the dollar amount provisions of section 1126(c) of the Bankruptcy Code unless a Resolution Event has taken place at least five Business Days before the Confirmation Hearing. Furthermore, if the Holder of a Claim receives a Solicitation Package and the Debtors object to such Claim on or after the Voting Deadline, the Holder's Claim shall be deemed temporarily allowed for voting purposes only without further action by the Holder of such Claim and without further order of the Bankruptcy Court.

- (i) **Release, Exculpation and Injunction Language in the Plan.** Please be advised that the Article XI of the Plan contains certain release, exculpation and injunction provisions as follows:

Debtor Release: UPON SIX MONTHS AFTER THE EFFECTIVE DATE, IF THE POST CONFIRMATION TRUST HAS NOT INSTITUTED AN ACTION AGAINST THE DEBTOR RELEASEES, FOR GOOD AND VALUABLE CONSIDERATION (INCLUDING FOR SERVICES PERFORMED BY THE DEBTORS' DIRECTORS AND OFFICERS DURING THESE CHAPTER 11 CASES), THE ADEQUACY OF WHICH IS HEREBY CONFIRMED, THE DEBTORS (IN THEIR INDIVIDUAL CAPACITIES AND AS DEBTORS AND DEBTORS IN POSSESSION) WILL BE DEEMED TO RELEASE FOREVER, WAIVE, AND DISCHARGE ALL CLAIMS, OBLIGATIONS, SUITS, JUDGMENTS, DAMAGES, DEMANDS, DEBTS, RIGHTS, CAUSES OF ACTION, AND LIABILITIES (OTHER THAN THE RIGHTS OF THE DEBTORS TO ENFORCE THIS PLAN AND THE CONTRACTS, INSTRUMENTS, RELEASES, INDENTURES, AND OTHER AGREEMENTS OR DOCUMENTS DELIVERED HEREUNDER, AND LIABILITIES ARISING AFTER THE EFFECTIVE DATE IN THE ORDINARY COURSE OF BUSINESS) WHETHER LIQUIDATED OR UNLIQUIDATED, FIXED OR CONTINGENT, MATURED OR UNMATURED, KNOWN OR UNKNOWN, FORESEEN OR UNFORESEEN, THEN EXISTING OR THEREAFTER ARISING, IN LAW, EQUITY, OR OTHERWISE THAT ARE BASED IN WHOLE OR PART ON ANY ACT OR OMISSION, TRANSACTION, EVENT, OR OTHER OCCURRENCES IN CONNECTION WITH, RELATING TO, OR ARISING OUT OF THE DEBTORS, TAKING PLACE ON OR PRIOR TO THE EFFECTIVE DATE (OR THE DATE OF RESIGNATION OF AN OFFICER OR DIRECTOR, IF EARLIER), THE CHAPTER 11 CASES OF THE DEBTORS, THE NEGOTIATION AND FILING OF THE PLAN, THE DISCLOSURE STATEMENT OR ANY PRIOR PLANS OF REORGANIZATION, THE FILING OF THE CHAPTER 11 CASES RELATING TO THE DEBTORS, THE PURSUIT OF CONFIRMATION OF THE PLAN OR ANY PRIOR PLANS OF REORGANIZATION, THE CONSUMMATION OF THE PLAN, THE ADMINISTRATION OF THE PLAN, OR THE PROPERTY TO BE LIQUIDATED AND/OR DISTRIBUTED UNDER THE PLAN THAT COULD HAVE BEEN ASSERTED BY OR ON BEHALF OF THE DEBTORS OR THEIR ESTATES, AGAINST THE DEBTOR RELEASEES, PROVIDED, HOWEVER, THAT THIS RELEASE SHALL NOT EXTEND TO OR COVER ANY ACTS OR OMISSIONS THAT ARISE FROM GROSS NEGLIGENCE, WILFUL MISCONDUCT, OR FRAUD. FOR THE AVOIDANCE OF DOUBT, THE RELEASES GRANTED IN THIS ARTICLE XI.B SHALL NOT EXTEND TO OR COVER ANY DIRECTORS OR OFFICERS OF THE DEBTORS WHO WERE NOT DIRECTORS OR OFFICERS OF THE DEBTORS AS OF THE PETITION DATE, OR ANY OF THE DEBTORS' SHAREHOLDERS OR EQUITY INTEREST HOLDERS WHO ARE NOT DEBTOR RELEASEES.

Exculpation: EXCEPT AS OTHERWISE SPECIFICALLY PROVIDED IN THIS PLAN, THE DEBTORS, THE POST-CONSUMMATION TRUST ADMINISTRATOR, THE POST-CONSUMMATION TRUST, THE COMMITTEE, THE MEMBERS OF THE COMMITTEE (SOLELY IN THEIR CAPACITY AS SUCH), AND ANY OF THE FOREGOING PARTIES' RESPECTIVE PRESENT OR FORMER MEMBERS, OFFICERS, DIRECTORS, EMPLOYEES, ADVISORS, ATTORNEYS,

REPRESENTATIVES, FINANCIAL ADVISORS, INVESTMENT BANKERS, AGENTS OR OTHER PROFESSIONALS AND ANY OF SUCH PARTIES' SUCCESSORS AND ASSIGNS, SOLELY IN THEIR CAPACITIES AS SUCH, SHALL NOT HAVE OR INCUR ANY CLAIM, ACTION, PROCEEDING, CAUSE OF ACTION, AVOIDANCE ACTION, SUIT, ACCOUNT, CONTROVERSY, AGREEMENT, PROMISE, RIGHT TO LEGAL REMEDIES, RIGHT TO EQUITABLE REMEDIES, RIGHT TO PAYMENT, OR CLAIM (AS DEFINED IN BANKRUPTCY CODE SECTION 101(5)), WHETHER KNOWN, UNKNOWN, REDUCED TO JUDGMENT, NOT REDUCED TO JUDGMENT, LIQUIDATED, UNLIQUIDATED, FIXED, CONTINGENT, MATURED, UNMATURED, DISPUTED, UNDISPUTED, SECURED, OR UNSECURED AND WHETHER ASSERTED OR ASSERTABLE DIRECTLY OR DERIVATIVELY, IN LAW, EQUITY, OR OTHERWISE TO ONE ANOTHER OR TO ANY CLAIMHOLDER OR INTEREST HOLDER, OR ANY OTHER PARTY IN INTEREST, OR ANY OF THEIR RESPECTIVE AGENTS, EMPLOYEES, REPRESENTATIVES, ADVISORS, ATTORNEYS, OR AFFILIATES, OR ANY OF THEIR SUCCESSORS OR ASSIGNS, FOR ANY ACT OR OMISSION ORIGINATING OR OCCURRING ON OR AFTER THE PETITION DATE THROUGH AND INCLUDING THE EFFECTIVE DATE (OR THE DATE OF RESIGNATION OF AN OFFICER OR DIRECTOR, IF EARLIER) IN CONNECTION WITH, RELATING TO, OR ARISING OUT OF THE DEBTORS, THE CHAPTER 11 CASES OF THE DEBTORS, THE NEGOTIATION AND FILING OF THE PLAN, THE DISCLOSURE STATEMENT OR ANY PRIOR PLANS OF REORGANIZATION, THE FILING OF THE CHAPTER 11 CASES OF THE DEBTORS, THE PURSUIT OF CONFIRMATION OF THE PLAN OR ANY PRIOR PLANS OF REORGANIZATION, THE CONSUMMATION OF THE PLAN, THE ADMINISTRATION OF THE PLAN, OR THE PROPERTY TO BE LIQUIDATED AND/OR DISTRIBUTED UNDER THE PLAN.

Injunction: EXCEPT AS OTHERWISE PROVIDED IN THE PLAN, ALL ENTITIES WHO HAVE HELD, HOLD OR MAY HOLD CLAIMS, EQUITY INTERESTS, CAUSES OF ACTION OR LIABILITIES THAT: (1) HAVE BEEN RELEASED PURSUANT TO ARTICLE XI.B HEREOF, (2) HAVE BEEN RELEASED PURSUANT TO ARTICLE XI.C HEREOF, (3) ARE SUBJECT TO EXCULPATION PURSUANT TO ARTICLE XI.D HEREOF (BUT ONLY TO THE EXTENT OF THE EXCULPATION PROVIDED IN ARTICLE XI.D), ARE PERMANENTLY ENJOINED AND PRECLUDED, FROM AND AFTER THE EFFECTIVE DATE, FROM: (A) COMMENCING OR CONTINUING IN ANY MANNER ANY ACTION OR OTHER PROCEEDING OF ANY KIND AGAINST ANY ENTITY SO RELEASED, DISCHARGED OR EXCULPATED (INCLUDING THE POST-CONSUMMATION TRUST) (OR THE PROPERTY OR ESTATE OF ANY ENTITY SO RELEASED, DISCHARGED OR EXCULPATED) ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH RELEASED, DISCHARGED OR EXCULPATED CLAIMS, EQUITY INTERESTS, CAUSES OF ACTION OR LIABILITIES; (B) ENFORCING, ATTACHING, COLLECTING OR RECOVERING BY ANY MANNER OR MEANS ANY JUDGMENT, AWARD, DECREE OR ORDER AGAINST ANY ENTITY SO RELEASED, DISCHARGED OR EXCULPATED (INCLUDING THE POST-CONSUMMATION TRUST) (OR THE PROPERTY OR ESTATE OF ANY ENTITY SO RELEASED, DISCHARGED OR

EXCULPATED) ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH RELEASED, DISCHARGED OR EXCULPATED CLAIMS, EQUITY INTERESTS, CAUSES OF ACTION OR LIABILITIES; (C) CREATING, PERFECTING OR ENFORCING ANY LIEN, CLAIM OR ENCUMBRANCE OF ANY KIND AGAINST ANY ENTITY SO RELEASED, DISCHARGED OR EXCULPATED (INCLUDING THE POST-CONSUMMATION TRUST) (OR THE PROPERTY OR ESTATE OF ANY ENTITY SO RELEASED, DISCHARGED OR EXCULPATED) ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH RELEASED, DISCHARGED OR EXCULPATED CLAIMS, EQUITY INTERESTS, CAUSES OF ACTION OR LIABILITIES; (D) ASSERTING ANY RIGHT OF SETOFF, SUBROGATION OR RECOUPMENT OF ANY KIND AGAINST ANY OBLIGATION DUE FROM ANY ENTITY SO RELEASED, DISCHARGED OR EXCULPATED (INCLUDING THE POST-CONSUMMATION TRUST) (OR THE PROPERTY OR ESTATE OF ANY ENTITY SO RELEASED, DISCHARGED OR EXCULPATED) ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH RELEASED, DISCHARGED OR EXCULPATED CLAIMS, EQUITY INTERESTS, CAUSES OF ACTION OR LIABILITIES UNLESS SUCH HOLDER HAS FILED A MOTION REQUESTING THE RIGHT TO PERFORM SUCH SETOFF ON OR BEFORE THE CONFIRMATION DATE, AND NOTWITHSTANDING ANY INDICATION IN A PROOF OF CLAIM OR INTEREST OR OTHERWISE THAT SUCH HOLDER ASSERTS, HAS OR INTENDS TO PRESERVE ANY RIGHT OF SETOFF PURSUANT TO SECTION 553 OF THE BANKRUPTCY CODE OR OTHERWISE; AND (E) COMMENCING OR CONTINUING IN ANY MANNER ANY ACTION OR OTHER PROCEEDING OF ANY KIND AGAINST ANY ENTITY SO RELEASED, DISCHARGED OR EXCULPATED (INCLUDING THE POST-CONSUMMATION TRUST) (OR THE PROPERTY OR ESTATE OF ANY ENTITY SO RELEASED, DISCHARGED OR EXCULPATED) ON ACCOUNT OF OR IN CONNECTION WITH OR WITH RESPECT TO ANY SUCH RELEASED, DISCHARGED OR EXCULPATED CLAIMS, EQUITY INTERESTS, CAUSES OF ACTION OR LIABILITIES RELEASED OR SETTLED PURSUANT TO THE PLAN.

You are advised to carefully review and consider the Plan, including the release, exculpation and injunction provisions, as your rights might be affected.

EXHIBIT 7A

(Non-Voting Status Notice—Deemed to Accept)

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

In re:)	Chapter 11
)	
PALM HARBOR HOMES, INC., <u>et al.</u> , ¹	)	Case No. 10-13850 (CSS)
)	
Debtors.	)	Jointly Administered

**NON-VOTING STATUS NOTICE WITH RESPECT TO UNCLASSIFIED CLAIMS AND
UNIMPAIRED CLASSES DEEMED TO ACCEPT THE PLAN**

PLEASE TAKE NOTICE THAT on September _____ 2011, the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”) entered an order (the “Disclosure Statement Order”) that, among other things, (a) approved the *Disclosure Statement to the Joint Plan of Liquidation Proposed by Debtors and Committee for Palm Harbor Homes, Inc. and Its Related Debtors Under Chapter 11 of the Bankruptcy Code* (as amended from time to time and including all exhibits and supplements thereto, the “Disclosure Statement”) filed in support of the *Joint Plan of Liquidation Proposed by Debtors and Committee For Palm Harbor Homes, Inc. and Its Related Debtors Under Chapter 11 of the Bankruptcy Code* (as amended from time to time and including all exhibits thereto, the “Plan”), as containing adequate information, as required under section 1125(a) of the Bankruptcy Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”), and (b) authorized above-captioned debtors (collectively, the “Debtors”) to solicit votes with regard to the acceptance or rejection of the Plan.²

The Disclosure Statement, Disclosure Statement Order, Plan and other documents and materials included in the Solicitation Package (except the Ballots and Master Ballots) may be obtained (i) from the Debtors’ Voting and Claims Agent (a) at its website at <http://www.bmcgroup.com/palmharborhomes>, (b) by writing to BMC Group, Inc., Attn: Palm Harbor Homes, Inc. Ballot Processing, P.O. Box 3020, Chanhassen, MN 55317-3020, or (c) by calling (888) 909-0100, or (ii) for a fee via PACER at <http://www.deb.uscourts.gov/>.

You are receiving this notice because, under the terms of Article III of the Plan, either: (i) your Claim(s) are unclassified pursuant to section 1123(a)(1) of the Bankruptcy Code and, therefore you are not entitled to vote on the Plan; or (ii) your Claims against the Debtors are Unimpaired and, therefore, in accordance with section 1126(f) of the Bankruptcy Code, you are (a) deemed to have accepted the Plan, and (b) not entitled to vote on the Plan.

Accordingly, this notice and the Notice of (A) the Solicitation and Voting Procedures and (B) the Objection Deadline and Confirmation Hearing with Respect to the Plan are being sent to you for informational purposes only.

If you have any questions about the status of any of your Claims, you should contact the Debtors’ Voting and Claims Agent in accordance with the instructions provided above.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Palm Harbor Homes, Inc., a Florida corporation (6634); Palm Harbor Albemarle, LLC (1014); Nationwide Homes, Inc. (4881); Palm Harbor Real Estate, LLC (8234); Palm Harbor GenPar, LLC (0198); and Palm Harbor Manufacturing, LP (0199). The location of the Debtors’ corporate headquarters and service address is: Alvarez & Marsal, c/o Palm Harbor Winddown, 2100 Ross Avenue, 21st Floor, Dallas, TX 75201.

² Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Disclosure Statement.

EXHIBIT 7B

(Non-Voting Status Notice—Deemed to Reject)

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

In re:) Chapter 11
)
PALM HARBOR HOMES, INC., et al.,¹) Case No. 10-13850 (CSS)
)
Debtors.) Jointly Administered

**NON-VOTING STATUS NOTICE WITH RESPECT TO CLASS 5 INTERCOMPANY CLAIMS
AND CLASS 6 EQUITY INTERESTS DEEMED TO REJECT THE PLAN**

PLEASE TAKE NOTICE THAT on September _____, 2011, the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”) entered an order (the “Disclosure Statement Order”) that, among other things, (a) approved the *Disclosure Statement to the Joint Plan of Liquidation Proposed by Debtors and Committee for Palm Harbor Homes, Inc. and Its Related Debtors Under Chapter 11 of the Bankruptcy Code* (as amended from time to time and including all exhibits and supplements thereto, the “Disclosure Statement”) filed in support of the *Joint Plan of Liquidation Proposed by Debtors and Committee for Palm Harbor Homes, Inc. and Its Related Debtors Under Chapter 11 of the Bankruptcy Code* (as amended from time to time and including all exhibits thereto, the “Plan”), as containing adequate information, as required under section 1125(a) of the Bankruptcy Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”), and (b) authorized the above-captioned debtors (collectively, the “Debtors”) to solicit votes with regard to the acceptance or rejection of the Plan.²

The Disclosure Statement, Disclosure Statement Order, Plan and other documents and materials included in the Solicitation Package (except the Ballots and Master Ballots) may be obtained (i) from the Debtors’ Voting and Claims Agent (a) at its website at <http://www.bmcgroup.com/palmharborhomes>, (b) by writing to BMC Group, Inc., Attn: Palm Harbor Homes, Inc. Ballot Processing, P.O. Box 3020, Chanhassen, MN 55317-3020, or (c) by calling (888) 909-0100, or (ii) for a fee via PACER at <http://www.deb.uscourts.gov/>.

You are receiving this notice because, under the terms of Article III of the Plan: you are not entitled to receive or retain any property of the Debtors on account of your Intercompany Claims and/or Equity Interests, as applicable, and, therefore, pursuant to section 1126(g) of the Bankruptcy Code, you are (a) deemed to have rejected the Plan, and (b) not entitled to vote on the Plan.

Accordingly, this notice and the Notice of (A) the Solicitation and Voting Procedures and (B) the Objection Deadline and Confirmation Hearing with Respect to the Plan are being sent to you for informational purposes only.

If you have any questions about the status of any of your Intercompany Claims and/or Equity Interests, you should contact the Debtors’ Voting and Claims Agent in accordance with the instructions provided above.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Palm Harbor Homes, Inc., a Florida corporation (6634); Palm Harbor Albemarle, LLC (1014); Nationwide Homes, Inc. (4881); Palm Harbor Real Estate, LLC (8234); Palm Harbor GenPar, LLC (0198); and Palm Harbor Manufacturing, LP (0199). The location of the Debtors’ corporate headquarters and service address is: Alvarez & Marsal, c/o Palm Harbor Winddown, 2100 Ross Avenue, 21st Floor, Dallas, TX 75201.

² Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Disclosure Statement.

EXHIBIT 8
(Notice of Disputed Claims)

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

In re:)	Chapter 11
)	
PALM HARBOR HOMES, INC., <u>et al.</u> , ¹	)	Case No. 10-13850 (CSS)
)	
Debtors.	)	Jointly Administered
)	

NON-VOTING STATUS NOTICE WITH RESPECT TO DISPUTED CLAIMS

PLEASE TAKE NOTICE THAT on September _____, 2011, the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”) entered an order (the “Disclosure Statement Order”) that, among other things, (a) approved the *Disclosure Statement to the Joint Plan of Liquidation Proposed by Debtors and Committee for Palm Harbor Homes, Inc. and Its Related Debtors Under Chapter 11 of the Bankruptcy Code* (as amended from time to time and including all exhibits and supplements thereto, the “Disclosure Statement”) filed in support of the *Joint Plan of Liquidation Proposed by Debtors and Committee for Palm Harbor Homes, Inc. and Its Related Debtors Under Chapter 11 of the Bankruptcy Code* (as amended from time to time and including all exhibits thereto, the “Plan”), as containing adequate information, as required under section 1125(a) of the Bankruptcy Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”), and (b) authorized the above-captioned debtors (collectively, the “Debtors”) to solicit votes with regard to the acceptance or rejection of the Plan.²

The Disclosure Statement, Disclosure Statement Order, Plan and other documents and materials included in the Solicitation Package (except the Ballots and Master Ballots) may be obtained (i) from the Debtors’ Voting and Claims Agent (a) at its website at <http://www.bmcgroup.com/palmharborhomes>, (b) by writing to BMC Group, Inc., Attn: Palm Harbor Homes, Inc. Ballot Processing, P.O. Box 3020, Chanhassen, MN 55317-3020, or (c) by calling (888) 909-0100, or (ii) for a fee via PACER at <http://www.deb.uscourts.gov/>.

You are receiving this notice because as of the Record Date, September 13, 2011, you are the Holder of a Claim that is subject to a pending objection by the Debtors. You are not entitled to vote on the Plan unless on or before the date that is five Business Days before the Voting Deadline: (a) an order of the Bankruptcy Court is entered allowing such Claim pursuant to section 502(b) of the Bankruptcy Code, after notice and a hearing; (b) an order of the Bankruptcy Court is entered temporarily allowing such Claim for voting purposes only pursuant to Bankruptcy Rule 3018(a), after notice and a hearing; (c) a stipulation or other agreement is executed between the Holder of such Claim and the Debtors resolving the objection and allowing

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Palm Harbor Homes, Inc., a Florida corporation (6634); Palm Harbor Albemarle, LLC (1014); Nationwide Homes, Inc. (4881); Palm Harbor Real Estate, LLC (8234); Palm Harbor GenPar, LLC (0198); and Palm Harbor Manufacturing, LP (0199). The location of the Debtors’ corporate headquarters and service address is: Alvarez & Marsal, c/o Palm Harbor Winddown, 2100 Ross Avenue, 21st Floor, Dallas, TX 75201.

² Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Disclosure Statement.

such Claim in an agreed upon amount; (d) a stipulation or other agreement is executed between the Holder of the such Claim and the Debtors temporarily allowing the Holder of such Claim to vote its Claim in an agreed upon amount; or (e) the pending objection to such Claim is voluntarily withdrawn by the Debtors (each, a “Resolution Event”).

Accordingly, this notice and the Notice of (A) the Solicitation and Voting Procedures and (B) the Objection Deadline and the Confirmation Hearing With Respect to the Plan are being sent to you for informational purposes only.

If a Resolution Event occurs, then, no later than two Business Days thereafter, the Voting and Claims Agent shall distribute a Ballot and a pre-addressed, postage pre-paid envelope to you, which must be returned so that it is actually received by the Voting and Claims Agent no later than the Voting Deadline, which is 4:00 p.m. prevailing Eastern Time on **October 12, 2011**.

If you have any questions about the status of your Claim(s), you should contact the Debtors’ Voting and Claims Agent in accordance with the instructions provided above.

