

PURCHASEPRO.COM LIQUIDATING TRUST AGREEMENT

THIS PURCHASEPRO.COM LIQUIDATING TRUST AGREEMENT (the "Trust Agreement") is made this 30th day of November, 2004, by and among (1) Pro-After, Inc. f/k/a PurchasePro.com, Inc. (the "Debtor"), a Nevada corporation, Debtor and debtor-in-possession in its Chapter 11 bankruptcy case No. 02-20472 commenced on September 12, 2002 in the United States Bankruptcy Court for the District of Nevada; (2) the Official Committee of Unsecured Creditors appointed in Debtor's bankruptcy proceeding (the "Committee"); and (3) Todd Lehtonen, an individual, as trustee of the PurchasePro.com Liquidating Trust (the "Trustee").

RECITALS

WHEREAS, on September 12, 2002, Debtor filed its voluntary petition under Chapter 11, Title 11 of the United States Code (the "Bankruptcy Code"), in the United States Bankruptcy Court for the District of Nevada (the "Bankruptcy Court"); and

WHEREAS, on December 5, 2002, Debtor filed a Motion For Order Approving (i) The Sale Of Assets Free And Clear Of Liens, Claims And Interests Pursuant To Bankruptcy Code Section 365(f); And (ii) Assumption And Assignment Of Certain Executory Contracts And Unexpired Leases Pursuant To Section 365 Of The Bankruptcy Code regarding the proposed sale of substantially all the assets of the Debtor; and

WHEREAS, on January 10, 2003, the Bankruptcy Court entered its Order, Pursuant To Sections 105(a), 363, 365 And 1146(c) Of The Bankruptcy Code, (A) Approving And Confirming The Results Of The Auction; (B) Authorizing The Sale Of Substantially All Of The Assets Of PurchasePro.com Free And Clear Of Liens, Claims And Encumbrances, (c) Approving The Asset Purchase Agreement With Perfect Commerce, Inc. And (D) Authorizing The Assumption And Assignment Of Certain Executory Contracts And Unexpired Leases And For Certain Other Relief (the "Sale Order"); and

WHEREAS, on July 8, 2004, Debtor filed the Debtor's Plan Of Reorganization (as the same may be amended or modified from time to time in accordance with the terms thereof and the Bankruptcy Code (the "Plan")), which contemplates the creation of this Trust; and

WHEREAS, by order dated October 21, 2004, the Bankruptcy Court confirmed the Plan; and

WHEREAS, under the terms of the Plan all assets of Debtor's bankruptcy estate, including but not limited to the Litigation Claims (defined hereafter) will be transferred and held by the Liquidating Trust (defined hereafter) so that, among other things, (1) Litigation Claims can be resolved in an expeditious manner; and (2) distributions, if any, can be made to the holders of Allowed Claims in accordance with the terms of the Plan; and

WHEREAS, the Plan also provides for the employment of the Trustee to administer the Liquidating Trust to and for the benefit of the beneficiaries; and

WHEREAS, the Trustee has agreed to serve as such upon the terms and subject to the conditions set forth in this Liquidating Trust; and

WHEREAS, it is desired that a mechanism for liquidating Disputed Claims (defined herein) and liquidating of Litigation Claims, or proceeds thereof, be specified and that the Trustee's rights, powers and duties with respect to the Liquidating Trust created by the Plan be delineated herein; and

WHEREAS, in accordance with the terms of the Plan, the Trustee shall be authorized to do and perform, among other things, such acts as to prosecute, compromise, settle claims and causes of action, make distributions and to engage the services of such agents, attorneys, accountants, appraisers, consultants and other persons that the Trustee may reasonably deem necessary or advisable in order to carry out the purposes of the Liquidating Trust created by this Trust Agreement; and

NOW THEREFORE, pursuant to the Plan, and in consideration of the promises and mutual covenants, terms and conditions contained herein, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

1. Unless otherwise defined below, all capitalized terms contained herein shall have their respective meanings specified in the Plan, or in the Bankruptcy Code (as in effect on the Effective Date, as defined in Section 1.1.36 of the Plan).

1.1.1. Accounts. This term means such accounts as Trustee may, in the course of his administration of the Trust, from time to time open and maintain in accordance with the Plan and/or the Bankruptcy Court order confirming the Plan.

1.1.2. Advisory Committee. This term shall have the same meaning ascribed to such term in Section 9.1.

1.1.3. Allowed Claim. This term shall have the meaning set forth in Section 1.1.5 of the Plan.

1.1.4. Avoidance Actions. This term means all claims or causes of action arising from or pursuant to Debtor's avoidance powers, and all rights and remedies under, related to, or similar to Bankruptcy Code Sections 544, 545, 547, 548, 549, 551, or any fraudulent conveyance, fraudulent transfer or preference laws.

1.1.5. Beneficiaries. This term means, collectively, the holders of Allowed Claims and to the extent provided for in the Plan, Allowed PurchasePro.com Equity Securities.

1.1.6. Claim. This term shall have the meaning set forth in Section 1.1.17 of the Plan.

1.1.7. Confirmation Date. This term shall have the meaning set forth in Section 1.1.22 of the Plan.

1.1.8. Confirmation Order. This term shall have the meaning set forth in Section 1.1.24 of the Plan.

1.1.9. Counterclaim. This term means any claim asserted against any Participant arising under, related to or in connection with the prosecution by the Trustee of any Avoidance Action or Litigation Claims.

1.1.10. Defendants. This term means and shall refer collectively to the Avoidance Defendants and any defendant in the Litigation Claims.

1.1.11. Disputed Claim. This term shall have the meaning set forth in Section 1.1.32 of the Plan.

1.1.12. Expense Reserve. This term means the reserve created and maintained pursuant to Sections 4.1 and 4.2, including, without limitation, any accumulated interest earned thereon.

1.1.13. Liquidating Trust or "Trust". This term means the Liquidating Trust created by this Trust Agreement as authorized under the Plan and shall have the same meaning as the term "Liquidation Trust" set forth in Section 1.1.51 of the Plan.

1.1.14. Parties. This terms means, collectively, the Liquidating Trustee, the Advisory Committee, and the Debtor.

1.1.15. Person. This term has the same meaning as the term "Person" in Section 1.1.62 of the Plan.

1.1.16. Plan. This term means and refers to the Plan (as defined in the preamble to this Trust Agreement above), and any amendments thereto as approved by the Bankruptcy Court.

1.1.17. Trust Administrative Expenses. This term means the Trustee's compensation, as set forth in Exhibit 1, the fees and expenses of counsel to the Advisory Committee, together with the reasonable fees, costs and expenses of the Advisory Committee, and all reasonable costs, expenses (including, without limitation, taxes, rents, insurance, travel, telephone, fax, utilities, computer service hosting, and fees, including, without limitation, all reasonable costs, expenses and fees incurred by the Trustee in employing attorneys, accountants, experts, consultants, appraisers, advisors, investigators

or other professionals to represent or assist the Trustee in reviewing this Trust Agreement and carrying out the Trustee's powers and duties under this Trust Agreement and/or the administration of the Liquidating Trust incurred or reasonably estimated by the Trustee in connection with (1) maintaining the Trust and disposing of Trust Assets; (2) cost of compliance with applicable laws; (3) prosecuting Litigation Claims and defending Disputed Claims, and (4) defending counterclaims and other claims or actions asserted or initiated by or against the Trust or the Trustee, and all sums payable hereunder to the Beneficiaries and Persons entitled to indemnification pursuant to Section 6.1 below.

1.1.18. Trust Assets. This term means and refers collectively to (1) the Litigation Claims and all proceeds thereof and recoveries thereon; (2) the assets or investments, if any, hereafter acquired by the Liquidating Trust; (3) the proceeds of each of the foregoing including, without limitation, any interest or other income earned thereon, less any assets distributed or trust administrative expenses incurred by the Trustee; (4) all cash in Debtor's possession as of the Effective Date, (5) all other assets of the Debtor remaining as of the Effective Date; and (6) all cash and other consideration or assets (including interest or other income earned thereon) from time to time obtained or acquired by the Trust in connection with the disposition of any unliquidated asset of Debtor and its estate contributed to the Trust on or about the Effective Date pursuant to the terms of the Plan.

1.1.19. Trustee. This term means the person named as such in the introductory paragraph of this Trust Agreement, as Trustee (when acting in such capacity), or any successor thereto appointed as provided herein and approved by the Bankruptcy Court.

1.1.20. Trustee's Compensation. This term means and refers to that certain Trustee Retention Agreement attached as Exhibit "1" to this Liquidating Trust and incorporated herein by reference.

1.2. Rules of Interpretation. As used herein, the following terms have the respective meanings specified below and such meanings shall be equally applicable to both the singular and plural, and masculine and feminine forms to the terms defined. Unless otherwise specified, the words "herein," "hereof," "hereto," "hereunder" and other words of similar import refer to this Trust Agreement as a whole and not to any particular section, subsection or clause contained herein. Captions and headings to articles, sections, schedules and exhibits are inserted for convenience of reference only and are not intended to be part of or to affect the interpretation of this Trust Agreement. Further, the rules of construction set forth in section 102 of the Bankruptcy Code shall apply.

ARTICLE II

NATURE OF TRUST

2. Name of Trust: The name of the Trust shall be the PurchasePro.com Liquidating Trust.

2.2 Declaration of Trust. Pursuant to Section 8 of the Plan, on the Confirmation Date, the Trust shall be established pursuant to this Trust Agreement for the purposes of prosecuting, settling or abandoning Litigation Claims and Disputed Claims and liquidating and distributing the Trust Assets for the benefit of the Beneficiaries, in accordance with the terms and provisions of the Plan, and this Trust Agreement as promptly and efficiently as is reasonably possible. It is the intention that the Trust constitute a “disputed ownership fund” within the meaning of Proposed Treasury Regulations Section 1.468B-9. The Trust shall be a liquidating trust that shall not carry on or conduct a trade or business, or accept an assignment of any claim or right of action from, or assume any liabilities of, any Person other than from the Debtor, and no part of the Trust Assets shall be used or disposed of by the Trust in furtherance of any business.

2.3 Transfer of Trust Assets to the Trust.

On the Effective Date, Debtor shall absolutely transfer and assign to the Trustee all of its respective right, title and interest in and to the Litigation Claims and all other Trust Assets in Debtor’s possession as of the Effective Date, in the form satisfactory to the Advisory Committee, to have and to hold until the Trustee forever, in trust nevertheless, under and subject to the terms and conditions set forth herein for the benefit of the Beneficiaries.

2.4 No Additional Beneficiaries. The Trust shall be solely for the benefit of the Beneficiaries.

2.5 Property in Trust. The Trust shall hold legal title to all property at any time constituting the Trust Assets and the Trustee hereby covenants that the Trustee shall hold such property in trust to be administered and disposed of pursuant to the terms and provisions of this Trust Agreement and the Plan for the benefit of the Beneficiaries. The Trust is authorized to make disbursements and payments, and to set aside reserves, from the Trust Assets in accordance with the terms and provisions of this Trust Agreement and the Plan.

2.6 Purpose of Trust. The purpose of this Trust is to hold and effectuate an orderly disposition of Trust Assets and to distribute and pay over to the Beneficiaries the Trust Assets in accordance with this Trust Agreement and the Plan, with no objective or authority to engage in any trade or business.

2.7 Instruments of Further Assurance: Information. The Debtor, upon reasonable request of the Trustee or its successors or assigns shall execute, acknowledge and deliver such further instruments and to such further acts as may be necessary or proper to effectively carry out the purpose of this Trust Agreement and the Plan, to transfer any property intended to be conveyed hereby, by the Plan, and to vest in the Trust, the Trust Assets in the Trustee, in Trust, to the fullest extent permitted by law, Debtor shall afford the Trustee, Trustee’s counsel and Trustee’s accountants, during normal business hours, upon prior written notice specifying the nature of the inquiry and the information sought, reasonable access to, and the right to copy, the books, records and other data relating to Trust Assets and Litigation Claims in the possession of Debtor.

ARTICLE III.

DURATION AND TERMINATION OF TRUST

3.1 Duration.

This Trust shall terminate upon the earlier of (i) five (5) years from the Effective Date or (ii) as soon as practicable after the Final Distribution of all of the Trust Assets in accordance with Section 4.4. Notwithstanding the foregoing, in the event the Trust shall have been unable, after reasonable efforts, to settle or litigate to a conclusion the Litigation Claims or objections to the Disputed Claims within the five (5) year term of this Trust Agreement, the Trustee shall have the right to extend the term of the Trust for successive one-year terms, subject to approval by the Court, until all the Litigation Claims and objections to the Disputed Claims have been settled or litigated to conclusion in fulfillment of the purposes of the Trust.

3.2 Irrevocability of the Trust. The Trust is irrevocable except as expressly provided in this Trust Agreement or the Plan, and shall not be altered, modified or amended.

3.3 Continuance of Trust for Winding Up; Accounting.

(a) After the termination of the Trust and for the purpose of liquidating and winding up the affairs of the Trust, the Trustee shall continue to act in such capacity until all applicable duties under the Plan and this Trust Agreement have been fully performed. Upon distribution of all of the Trust Assets, the Trustee shall hold the books, records and files delivered to or created by the Trustee for a period of five years from the date of the Final Distribution. All costs and expenses associated with the storage of such documents shall be paid by the Trust. Except as otherwise specifically provided herein, upon the Final Distribution of all of the Trust Assets, the Trustee shall have no further duties or obligations hereunder except (i) to account and report as provided in Sections 3.3(b) and 4.6 and (ii) to perform such other acts as may be required by law or as set forth in the Plan.

(b) Upon termination of the Trust, the Trustee shall file an accounting with the Court setting forth the amount it has collected and disbursed, and the fees and expenses incurred in administering the Trust, including, without limitation, the fees and expenses incurred by the Trustee and the Trustee's professionals, if any, the fees and expenses of counsel for the Advisory Committee, if any, and shall seek the issuance and entry of any orders necessary to approve such accounting and discharge the Trustee from any and all liability for acting as Trustee under the Plan and this Trust Agreement.

ARTICLE IV

ADMINISTRATION OF TRUST

4.1 Expense Reserve. Upon the Initial Distribution to Beneficiaries made pursuant to Section 4.3 of this Trust Agreement or as soon as practicable thereafter, the

Trustee shall establish the Expense Reserve from the Trust Assets for the payment of all reasonable administrative expenses, debts, charges, liabilities and obligations with respect to the Trust, including, (i) all costs and expenses, including those of professionals retained by the Trust, incurred in connection with any litigation, including the Litigation Claims and objections to the Disputed Claims, (ii) the Trustee's Compensation (as set forth herein), (iii) all costs, expenses and/or reserves incurred or set aside in connection with indemnifying the Trustee pursuant to Section 6.3 and/or necessary to secure appropriate insurance with respect to such obligations, (iv) all fees and expenses, including those of professionals and other agents and employees retained by the Trust, incurred in connection with the performance of the Trustee's duties and obligations, including fees incurred in connection with holding, collecting upon, liquidating, or otherwise disposing of the Trust Assets, all applicable taxes and all expenses of effectuating distributions hereunder and under the Plan, and (v) all fees and expenses, including those of professionals and other agents and employees retained by the Trust, incurred in connection with the winding up of the Trust, the rendering of accountings and the storage and disposition of books, records and files pursuant to Article III. The Expense Reserve shall be funded from time to time by the Trustee out of the Trust Assets as provided in Section 4.2. Any balance remaining in the Expense Reserve, after the payment of all administrative expenses, debts, charges, liabilities and obligations intended to be paid therefrom, shall be distributed to the Beneficiaries, as provided in Sections 4.3 or 4.4 and the Plan. Any monies deposited in the Expense Reserve shall be invested in interest-bearing deposits or investments that satisfy the requirements of Section 5.1 and the interest earned thereon shall be credited to the Expense Reserve.

4.2 Increase of Expense Reserve Using Trust Assets. If at any time the Trustee, in its sole discretion, determines that the funds held in the Expense Reserve are or may become insufficient, the Trustee, in its sole discretion, may from time to time add funds to the Expense Reserve out of the Trust Assets, in such amount or amounts as the Trustee, in its sole discretion, determines to be necessary or advisable to satisfy all current and anticipated obligations of the Trust. In no event shall the Trustee be required to use its personal funds or assets for such purposes.

4.3 Interim Distributions.

(a) Distributions to be made by the Trust to the Beneficiaries shall be made only from the Trust Assets and only to the extent that the Trust holds sufficient Trust Assets to make such payments in accordance with the terms of this Section 4.3 and the Plan. The Beneficiaries shall look solely to Trust Assets for any distributions provided herein and in the Plan.

(b) All distributions to be made by the Trust to the Beneficiaries shall be made on a Pro-Rata basis only to Beneficiaries existing as of the time of the Record Date (as defined below) that hold Allowed Claims as of the time of the distribution.

(c) The Trustee shall make the initial distribution (the "Initial Distribution") from the Trust to the Trust Beneficiaries less the Expense Reserve, as soon as practicable; provided, however, that the Trustee shall not be required to make the

Initial Distribution until such time, in the sole discretion of the Trustee, after consultation with the Advisory Committee, as there are sufficient funds in the Trust to make the Initial Distribution in an amount that is not de minimis or impracticable in comparison to the time and cost involved in making the Initial Distribution and/or after taking into account the amount of Disputed Claims in existence at such time and the need for Claim Reserves related thereto.

(d) Except for the Final Distribution, the Trustee, after consultation with the Advisory Committee, as the Trustee deems appropriate, shall make subsequent distribution(s) (“Subsequent Distributions”) from the Trust to the Beneficiaries in accordance with the Plan when there are sufficient funds in the Trust, as determined by the Trustee in its sole discretion, to make such a distribution.

(e) Pursuant to the Plan, in consultation with the Advisory Committee, the Trustee shall establish a Claims Reserve with respect to Disputed Claims and at the time of the Initial Distribution or any subsequent distribution shall set aside funds in the Claims Reserve for such Disputed Claims pending the allowance or disallowance of such Claims. As soon as practicable after a Disputed Claim is Allowed, the Trustee shall make a distribution from the Claims Reserve in respect to such Claims in an amount equal to the payment or distribution to which the Claim would have been entitled to receive through the date of distribution as if the portion of the Claims so Allowed had been an Allowed Claim as of the Record Date. If the Trustee determines to set aside in the Claims Reserve a lesser amount than required and is unable to reach an agreement with the holder of the Disputed Claim, the Trustee may ask the Court to fix a lesser amount to hold as a reserve after a notice to such holder of the Disputed Claim and a hearing.

4.4 Final Distribution. If the Trustee determines that all debts, liabilities and obligations of the Trust under the Plan and this Trust Agreement, whether contingent or noncontingent, disputed or undisputed, liquidated or unliquidated, have been paid or discharge, or if the existence of the Trust shall terminate pursuant to Section 3.1, the Trust shall, as expeditiously as is consistent with the conservation and protection of Trust Assets, distribute the remaining Trust Assets to the Beneficiaries, including any funds remaining in the Claims Reserve, in accordance with the terms of the Plan, subject to maintaining an adequate Expense Reserve for Expenses incurred in winding up the Trust.

4.5 Manner of Distributions/Undeliverable Distributions/Record Date.

(a) All distributions under the Plan to be made by the Trustee from the Trust shall be made, if in the form of cash, by check mailed by first-class mail through the United States mail, with postage fully prepaid, or by wire transfer. Distributions are deemed made on the date of the mailing of the checks or the wiring of funds. Distributions returned by the Post Office or undelivered due to lack of a current address or for any other reason shall be retained by the Trustee for a period of six (6) months following their return unless claimed by the Beneficiary within that time period.

