



Illinois Metropolitan Investment Fund

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our communities

April 24, 2015

Dear IMET Liquidating Trust Participant:

IMET PARTICIPANT UPDATE – APRIL 24, 2015

Since the annual meeting on March 10, 2015, there have been a number of developments relating to the First Farmers Financial (“FFF”) Repo B matter and related recoveries.

Appointment of Overall Receiver

IMET continues to work closely with counsel for Pennant Management, Inc. (“Pennant”), as well as counsel for the two other largest victims of the FFF Fraud, the University of Wisconsin Credit Union (“UWCU”) and Harvard Savings Bank (“HSB”) related to the recovery efforts. IMET raised a number of concerns to Pennant, UWCU and HSB concerning the November 10, 2014 Order Appointing Receiver (the “Initial Receiver Order”) which was entered prior to IMET’s intervention in the *Pennant v. First Farmers Financial* lawsuit pending in the United States District Court for the Northern District of Illinois (Case No. 14: CV 7581) (the “Pennant Lawsuit”). IMET advised Judge St. Eve in the Pennant Lawsuit that the Initial Receiver Order should be modified to remove the control and authority of Pennant over the recovery and distribution of proceeds process and have an overall receiver appointed to manage the recovery process. As a result, IMET worked with Pennant, UWCU, HSB and Defendants to come up with an overall receivership structure and proposed agreed order to replace the Initial Receiver Order.

On April 23, 2015, the Court entered an Agreed Order Clarifying, Modifying and Expanding the Duties of Receiver Michael Nanosky and to Appoint An Overall Receiver and Regarding Payments to Attorneys and Other Professionals and Related Items (the “Overall Receiver Order”). A copy of the Overall Receiver Order is enclosed for your reference. Under the Overall Receiver Order, Patrick Cavanaugh of High Ridge Partners, LLC, was appointed by the Court as the overall receiver (the “Overall Receiver”).

IMET and other victims of the First Farmers fraud sought and were successful in obtaining the Court’s appointment of the Overall Receiver in order to increase transparency in the asset recovery process. The Overall Receiver, as a neutral third party, will report directly to the Court and has a fiduciary duty to the receivership estate. IMET desired and was successful in removing Pennant from controlling the asset recovery and distribution process, authority and power that Pennant had under the Initial Receiver Order.

Mr. Cavanaugh has been appointed the Overall Receiver responsible for overseeing the overall recovery efforts, and Michael Nanosky of Janus Hotels continues to act as receiver (the “Nanosky Receiver”) for the hotel properties and other real property sales, subject to the ultimate supervision of the Overall Receiver.

Jerry Ducay
Village Administrator
Village of Frankfort
Chairman

Christy Powell
Superintendent of Finance
& Personnel
Geneva Park District
Vice Chairman

Gary Szott
Director of Finance/Treasurer
Village of Bloomingdale
Treasurer

John Harrington
Director of Finance/Treasurer
Village of Minooka
Secretary

Scott Anderson
Director of Finance/Treasurer
Village of Buffalo Grove
Trustee

Chris Minick
Director of Finance
City of St. Charles
Trustee

Eileen Santschi
Accounting Manager
South Suburban Mayors and
Managers Association
Trustee

Laura F. Allen
Executive Director

Debra A. Zimmerman
Associate Director

The Overall Receiver (and not Pennant) is now responsible for making future distributions of recoveries to the FFF Fraud victims, including IMET. The Overall Receiver is also tasked with reviewing all Interim Fee Applications submitted to the Court by attorneys and other professionals, including the legal fees of Greenberg Traurig, LLP (“Greenberg”) counsel for Pennant. As you may recall, at Pennant’s direction, on December 29, 2014, the Nanosky Receiver paid \$562,761.35 out of recovered assets to Greenberg to pay for Pennant’s legal services for the period of September through November 2014, including bringing the Pennant Lawsuit against FFF and other defendants as well as in assisting in the recovery of assets. On January 20, 2015, IMET filed an objection to the aforementioned payment by the Nanosky Receiver to Greenberg. The Overall Receiver is now vested with authority to review and consider and report to the Court concerning its views regarding all attorney and other professional fee applications, including the propriety of the payment of the \$562,761.35 to Greenberg.

Any Interested Persons as defined in the Overall Receiver Order, which includes IMET Participants, are permitted to provide input and express concerns to the Overall Receiver regarding all such attorney and other professional fee applications, including all fee applications filed by Greenberg. Under the Overall Receiver Order, Greenberg is to formally file its fee application relating to the \$562,761.35 previously paid to Greenberg by the Nanosky Receiver without a Court order on or before May 11, 2015. **IMET Participants who want to have the ability to provide input to the Overall Receiver concerning such interim fee applications of attorneys and other professionals must notify the Overall Receiver in writing of its desire to provide comments, in accordance with paragraph 41 (footnote 3) of the Overall Receiver Order.** Written notice to the Overall Receiver shall be given to Patrick Cavanaugh at the following address:

Patrick D. Cavanaugh
High Ridge Partners
140 South Dearborn Street
Suite 420
Chicago, IL 60603
312-456-5636 (phone)

Status of Sale of Hotel Properties

As we previously reported, the largest asset of the Nanosky Receivership Estate are the five hotel properties--one of which is completed, two which are substantially completed, and two which need substantial work.

The hotel properties consist of the following:

- Doubletree by Hilton in Orlando, Florida. The Doubletree is a 242-room facility which is completed and operating at a profit.
- Crowne Plaza in Lake Buena Vista, Florida. This hotel is a 242-room facility which is close to completion
- Crowne Plaza in Saddlebrook New Jersey. This hotel is a 148-room facility which is close to completion.
- Renaissance in Downtown Orlando, Florida. The Renaissance is a 290-room facility which remains in need of substantial work prior to completion.
- Four Points Sheraton in Peoria, Illinois. The Four Points Sheraton is a 320-room facility which remains in need of substantial work prior to completion.

The Nanosky Receiver continues to run the Doubletree Hotel and is maintaining the other non-operating hotels.

Initially, the Nanosky Receiver, at Pennant’s direction, planned to sell the hotel properties as a group to a certain entity. A fully executed LOI was entered with this entity. Pennant and the Nanosky Receiver were spearheading this sale process. However, this entity recently advised the Nanosky Receiver that it was having financing issues and sought to renegotiate certain deal terms, including the purchase price. While this entity has subsequently expressed its desire to proceed with the

transaction, the Nanosky Receiver believes a public auction process will best maximize the value of the hotel properties because the process will be open to a greater number of potential buyers. Accordingly, the Nanosky Receiver, in conjunction with the Overall Receiver, is in the process of moving forward with a full marketing effort and public auction process with a national real estate broker specializing in the hospitality industry, Hospitality Real Estate Counselors, and a major international auction company, Auction.com. Under this process, interested buyers of the hotel properties may bid on one or more of the hotel properties and will not be required only to bid on the entire package of hotel properties. The auction is expected to occur in mid-July 2015 with a final sale following said auction.

Status of Sale of Other Real Property and Distributions to IMET and From IMET's Liquidating Trust to Eligible Participants

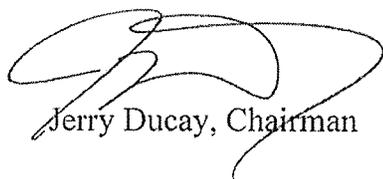
On January 30, 2015, Pennant distributed to IMET \$878,992.05 from cash recoveries, which IMET's Liquidating Trust distributed to Eligible Participants on February 6, 2015. On March 27, 2015, IMET received a second distribution of \$732,493.38 from cash recoveries. On April 13, 2015, the Nanosky Receiver closed on the sale of the residential property located at 9850 Laurel Drive in Windermere, Florida. The Laurel Drive property sold for over \$2.6 million, of which \$897,798.11 was distributed to IMET in the third distribution to IMET. On April 20, 2015, IMET's Liquidating Trust made a distribution of \$1,630,291.49 (which comprised the second and third distributions IMET received) to Eligible Participants. As of April 20, 2015, IMET's Liquidating Trust has distributed \$2,509,283.54, or approximately 5% of the \$50.4 million at issue to Eligible Participants. IMET's Liquidating Trust will continue to make additional distributions to Eligible Participants pursuant to the terms of the IMET Liquidating Trust as IMET receives additional distributions from the Overall Receiver.

Status of the USDA Claim

The National Appeals Division of the USDA recently denied Pennant's appeal of the decision of the agency which denied Pennant's claim that the USDA honor its guaranty relating to the loans subject to the FFF Repo B. As a result, the prerequisite to sue the USDA in federal district court has been exhausted and a lawsuit may now be filed against the USDA in federal district court. Under the Overall Receiver Order, the Overall Receiver is vested with authority to pursue such a claim against the USDA for the benefit of the FFF fraud victims, including IMET. The Overall Receiver is considering the next steps to be taken against the USDA.

We will continue to provide you with updates concerning the recoveries of assets for the benefit of the FFF fraud victims and developments in the Pennant Lawsuit as additional information becomes available. Should you have any questions don't hesitate to contact Laura Allen of IMET (630-571-0480 Ext. 229) or Randall Lending of Vedder Price P.C. (312-609-7564).

Sincerely,



Jerry Ducay, Chairman

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

PENNANT MANAGEMENT, INC.,

Plaintiff

vs.

FIRST FARMERS FINANCIAL, LLC, NIKESH AJAY PATEL, TIMOTHY GLENN FISHER, TRISHA N. PATEL, ALENA HOSPITALITY, LLC, ALENA LABORATORIES, LLC, ALENA AVIATION, LLC, ABLE CONNECTION, LLC, NPSSS, LLC, KUBER CAPITAL FUNDING, LLC, KUBER CONSULTING, SURI HOSPITALITY, LLC, SURI HOSPITALITY INTERNATIONAL, LLC, TRANSLUCENT ENTERTAINMENT, LLC, ALENA PRODUCTION, LLC and ASL PICTURES, LLC,

Defendants.

ILLINOIS METROPOLITAN INVESTMENT FUND, HARVARD SAVINGS BANK, an Illinois Savings Bank,

Plaintiff-Intervenors,

vs.

FIRST FARMERS FINANCIAL, LLC, NIKESH AJAY PATEL, TIMOTHY GLENN FISHER, TRISHA N. PATEL, ALENA HOSPITALITY, LLC, ALENA LABORATORIES, LLC, ALENA AVIATION, LLC, ABLE CONNECTION, LLC, NPSSS, LLC, KUBER CAPITAL FUNDING, LLC, KUBER CONSULTING, SURI HOSPITALITY, LLC, SURI HOSPITALITY INTERNATIONAL, LLC, TRANSLUCENT ENTERTAINMENT, LLC, ALENA PRODUCTION, LLC, and ASL PICTURES, LLC,

Defendants.

Case No. 14 CV 7581
Hon. Amy J. St. Eve
U.S. District Judge

AGREED ORDER
CLARIFYING, MODIFYING AND EXPANDING THE DUTIES OF RECEIVER
MICHAEL NANOSKY AND TO APPOINT AN OVERALL RECEIVER AND
REGARDING PAYMENTS TO ATTORNEYS AND OTHER PROFESSIONALS AND
RELATED ITEMS

This matter having come before the Court upon the Parties' Agreed Order Clarifying, Modifying and Expanding the Duties of Receiver Michael Nanosky and to Appoint an Overall Receiver and Regarding Payments to Attorneys and Other Professionals and Related Items, the Court having reviewed the Agreed Order and the orders referenced therein, hereby finds that the entry of this Order and the modifications, expansions and appointment contemplated herein are in the best interests of the Distribution Participants, and being otherwise duly advised in the premises, hereby

ORDERS and ADJUDGES as follows:

1. The Court has jurisdiction over the subject matter and the Parties to this cause.
2. Subject to the payment of necessary expenses or as otherwise provided herein, the assets of the Nanosky Receivership Estate and the Overall Receivership Estate are held in trust for the exclusive ultimate benefit of the Distribution Participants.¹

A. NANOSKY RECEIVERSHIP AND NANOSKY RECEIVERSHIP ESTATE.

3. The provisions of the Agreed Order Appointing Receiver entered on November 10, 2014 [Dkt. # 29], are hereby, as of the date hereof, superseded by this Order.

4. Michael M. Nanosky (the "Nanosky Receiver"), of Janus Hotel Management Services, LLC has been previously appointed receiver to exercise control over certain assets formerly owned or controlled by individuals and entities named as defendants ("Defendant Entities"), [Dkt.# 29] and shall continue to marshal and manage assets, monies or things of value

¹ Capitalized terms used throughout this Order are defined terms and shall have the meanings ascribed to them in this Order.

(collectively, the “Nanosky Receivership Estate”), to conserve, protect, and maintain the Nanosky Receivership Estate and to market and sell assets of the Nanosky Receivership Estate in order to partially satisfy the claims asserted by Plaintiff for the benefit of the Distribution Participants, consistent with the terms and conditions of this Agreed Order. The Nanosky Receiver shall continue to be compensated as provided for in the Court’s Order of November 10, 2014 and the Engagement Letter appended thereto as Exhibit A, which provisions and Exhibit are incorporated herein and made part of this Order.

5. For purposes of clarification, and modification, as necessary or appropriate, the Nanosky Receivership Estate shall consist of the assets previously sold by the Nanosky Receiver, as identified in the Nanosky Receiver Receivership reports submitted to the Court (Dkt Nos. 62, 90-1, 103-1), and the real estate and other assets herein described:

(a) Five separate hospitality properties identified as follows: (i) Crowne Plaza Orlando — Lake Buena Vista, 12490 Apopka-Vineyard Rd., Orlando, FL 32836; (ii) Crowne Plaza Saddlebrook, 50 Kenny Pl., Saddlebrook, NJ 07663; (iii) Four Points by Sheraton, 500 Hamilton Blvd., Peoria, IL 61602; (iv) Doubletree by Hilton Hotel - Orlando East, UCF Arena, 12125 High Tech Ave., Orlando, FL 32817; and (v) Renaissance by Marriott — Orlando Downtown, 400 W. Livingston St., Orlando, FL 32801 (the properties described in the five subparts of this Paragraph shall be collectively referred to as the “Alena Hospitality Portfolio”); and,

(b) Three other real properties located at (i) 7411 International Drive, Orlando, Florida; (ii) 9850 Laurel Valley Drive, Windermere, FL; and (iii) Point Cypress Dr., Orlando, FL; and

(c) Any other properties or assets which the Overall Receiver or the Court directs should be included in the Nanosky Receivership Estate.

5A. The Nanosky Receivership Estate may include the real property located at 9120 Kilgore, Orlando, Florida, subject to the resolution by this Court of certain homestead and other rights that are disputed.

6. The Nanosky Receiver has filed previously with the Court an Oath of Receiver which binds the Receiver to the terms and conditions set forth therein.

7. The Nanosky Receiver has previously obtained a surety bond in the amount of One Hundred Thousand Dollars (\$100,000.00) with a good and sufficient corporate surety, the form of which has been approved by the Clerk of the Court. Said bond is conditioned upon the faithful performance of the Nanosky Receiver of his duties. The bond provides coverage to the Plaintiff and Defendants, as their respective interests may appear in this action. The bond has been previously filed with the Clerk of this Court, and shall remain in full force and effect until such time as the Nanosky Receiver is relieved of his responsibilities hereunder.

B. DUTIES OF NANOSKY RECEIVER.

8. The Nanosky Receiver has previously filed in this action an initial inventory of all property, including all real property, monies, accounts, receivables, written or oral leases, rental contracts, options, contracts for sale, insurance policies, and personal property, which the Nanosky Receiver taken into his possession.

9. The Nanosky Receiver shall be and is hereby vested with all the powers and responsibilities of a receiver as provided by law to receivers and as specifically set forth herein, and shall take possession of and serve as the duly appointed receiver of the Nanosky Receivership Estate. The Nanosky Receiver shall retain immediate possession and control of the

Nanosky Receivership Estate, including all of the assets identified in Paragraph 5 above, as well as (1) all assets, contracts, royalties, rents, receivables, accounts, deposits, profits, equities, and any other rights associated with that property; (2) all materials, supplies, fixtures, furniture, equipment, inventory, tools, vehicles, and other personalty associated with that property; (3) all leaseholds, easements, lease agreements and rights of access associated with that property; (4) all books, ledgers, checkbooks, bank statements, accounting records, customer lists, billing records, tax returns and records of any kind; and (5) other records pertaining to that property or the Nanosky Receivership Estate more generally.

10. In carrying out his duties as contemplated herein, the Nanosky Receiver shall confer with the Overall Receiver and shall coordinate his activities to reflect the joint view of the Nanosky Receiver and the Overall Receiver on how best to serve the interests of the Nanosky and Overall Receivership Estates. In the event the Nanosky Receiver and the Overall Receiver are unable to agree on how the Nanosky Receiver should proceed, the Overall Receiver shall determine how the Nanosky Receiver should proceed, PROVIDED HOWEVER, that the Nanosky Receiver may thereafter seek instructions from the Court regarding the issue or issues on which the Receivers disagree, and the Nanosky Receiver shall proceed as directed by the Court.

11. As set forth herein, the Nanosky Receiver shall retain possession of the Nanosky Receivership Estate and take all necessary steps to care for, manage, preserve, maintain and dispose of the Nanosky Receivership Estate, including the following acts:

- (a) The Nanosky Receiver may notify all necessary local, state, and federal governmental agencies (including any taxing authorities), vendors, suppliers, customers, and other interested parties of the appointment of the Receiver;

- (b) The Nanosky Receiver shall not be obligated to file any federal or state income tax returns, schedules, or other forms, which shall continue to be an obligation of the Defendants;
- (c) The Nanosky Receiver shall collect any and all royalties, rents, income, issues, and profits arising from the Nanosky Receivership Estate;
- (d) All royalties, rents, income, issues, and profits collected by the Nanosky Receiver may be applied, in the Nanosky Receiver's discretion, to the care, management, preservation, and maintenance of the Nanosky Receivership Estate and to pay expenses and debts of the Nanosky Receivership Estate subject to the provisions of this Order. The authority granted to the Nanosky Receiver in the foregoing sentence shall not exceed in the aggregate \$200,000 in any one month, excluding payments for real estate taxes, funds for which shall be retained but not included in the monthly limitation. Expenditures in excess of that amount shall require the prior entry of an Order of this Court. The Nanosky Receiver shall hold any excess monies not expended for such purpose, including all monies received from the disposition of any assets directed by Overall Receiver, and shall remit such excess monies to the segregated Distribution Account as set forth in Paragraph 37 below. The Nanosky Receiver, Plaintiff, Intervenor or Overall Receiver may, from time to time and on due notice to all parties entitled thereto, apply to this Court for further orders instructing the Nanosky Receiver as to the disposition of amounts collected by the Nanosky Receiver;
- (e) The Nanosky Receiver may operate the Nanosky Receivership Estate in the ordinary and usual course of business and without making any upgrades or

improvements to the Nanosky Receivership Estate; may pay obligations associated with the Nanosky Receivership Estate (including state and federal taxes); may employ and terminate servants, agents, employees, clerks and accountants; purchase materials, supplies, advertising, and other services at ordinary and usual rates and prices using funds that shall come into Nanosky Receiver's possession; may collect or compromise debts of the Nanosky Receivership Estate; and may incur the risks and obligations ordinarily incurred by owners, managers, and operators of similar enterprises, which in the Nanosky Receiver's reasonable judgment, are necessary for the operation of the business. No such risk or obligation so incurred shall be the personal risk or obligation of the Nanosky Receiver but shall be a risk or obligation solely of the Nanosky Receivership Estate;

- (f) The Nanosky Receiver may authorize the prosecution of all proper actions for the collection of receivables or rents due on the Nanosky Receivership Estate, for the removal of any occupant, tenant, or other persons, without regard to the existence of any default, from the Nanosky Receivership Estate and to bring and prosecute all actions for the protection of the Nanosky Receivership Estate or to recover assets belonging to same or in which said Estate asserts a right or interest;
- (g) The Nanosky Receiver may conduct appropriate marketing or other promotional activity directed to any appropriate parties for the benefit of the Nanosky Receivership Estate;
- (h) Subject to the provisions of Section F of this Order, the Nanosky Receiver may move the Court for leave to hire, employ, and retain certified public accountants,

marketing, communications and construction consultants, computer or information systems consultants, appraisers, investigators, and any other professionals which the Nanosky Receiver deems necessary to assist in the discharge of duties under this Order. Further, the Nanosky Receiver may move the Court for leave to pay any such professional out of the funds that shall come into the Nanosky Receiver's possession;

- (i) To the extent authorized to do so consistent with Paragraph 5 above, the Nanosky Receiver shall take possession of and receive from all depositories, banks, savings and loan associations, thrifts, brokerages, and otherwise, any money on deposit in such institutions relating to the Nanosky Receivership Estate, or income accounts of the Nanosky Receivership Estate, and may open or close any and all monetary accounts, including bank, checking, savings, money market, certificate of deposit or brokerage accounts, and the receipt of the Nanosky Receiver of these funds shall discharge any institutions from further responsibility for accounting for these funds for which the Nanosky Receiver shall give a receipt;
- (j) The Nanosky Receiver shall take possession of, succeed to, and exercise Defendants' rights in and under all contracts, leases, options or other agreements affecting the Nanosky Receivership Estate. The Nanosky Receiver may cancel, extend, modify, or enter into any agreements, franchise agreements, contracts, or leases necessary or appropriate for the operation of the Nanosky Receivership Estate. The Nanosky Receiver may pay, collect, hold, or refund security deposits as the Nanosky Receiver deems appropriate for the management and preservation of the Nanosky Receivership Estate; and

- (k) The Nanosky Receiver shall take all necessary and proper steps to market and sell the assets in the Nanosky Receivership Estate, and to perform all powers and duties necessary to conduct an orderly liquidation of assets in order to distribute the proceeds of same to the Distribution Participants in partial satisfaction of the claims asserted by Plaintiff for the benefit of and on behalf of Distribution Participants.

12. The Nanosky Receiver shall pay only those bills which are reasonable and necessary for the operation of the Nanosky Receivership Estate and shall make payments and establish reserves in the following order of priority: (1) the costs and expenses of operating the Nanosky Receivership Estate including utilities, hazard and workers' compensation insurance premiums related to the protection of the interest of the Nanosky Receivership Estate or Plaintiff, general and special taxes or assessments levied on the real property and improvements thereon; (2) the fees and expenses (excluding professional fees which are addressed in Section F) incurred by the Nanosky Receiver in managing the estate; (3) bona fide obligations to creditors which arise from services or materials provided during periods prior to the appointment of the Nanosky Receiver and which are, in the Nanosky Receiver's judgment, reasonably necessary for the continued operation of the Receivership Estate; provided, however, that the Nanosky Receiver shall not pay any tax liabilities of any Defendants arising prior to the inception of the Nanosky Receivership Estate with the exception of any federal or state employee withholdings arising from the pay period immediately prior to the inception of the Nanosky Receivership Estate; (4) the creation and retention by the Nanosky Receiver of a reasonable working capital fund for operation of the Alena Hospitality Portfolio and for the safeguarding, preservation, and maintenance of other assets in the Nanosky Receivership Estate until such assets can be sold; (5)

amounts transferred to the Overall Receiver, in accordance with Section D of this Order, for the benefit of the Distribution Participants

13. The Nanosky Receiver shall promptly determine whether or not there is sufficient insurance coverage in force, including worker's compensation insurance, sufficient to preserve and protect the Nanosky Receivership Estate. If he determines there is not, the Nanosky Receiver shall procure such coverage as soon as practicable, provided there are sufficient funds available. Neither the Nanosky Receiver nor the Nanosky Receiver's agents or employees shall be personally liable for any claims which may arise before the Nanosky Receiver is able to procure sufficient insurance to protect against the risk out of which the claim arose, and which names the Nanosky Receiver and the Nanosky Receiver's agents as additional insureds. If sufficient insurance coverage does exist, Defendants shall be responsible for and are hereby ordered to make certain that the Nanosky Receiver is named as an additional insured on all such policies for the period that the Nanosky Receiver shall be in possession. The Nanosky Receiver shall maintain existing insurance policies and pay any premiums, but neither the Nanosky Receiver, nor persons or entities retained by the Nanosky Receiver to assist him in the discharge of his duties shall be responsible for claims arising from lack of insurance on the Nanosky Receivership Estate or its employees if such insurance did not exist at the inception of the receivership. The Nanosky Receiver is authorized to procure or increase insurance coverage, as the Nanosky Receiver deems prudent, but neither the Nanosky Receiver, nor persons or entities retained by the Nanosky Receiver to assist him in the discharge of his duties shall be liable for any failure to procure or increase coverage, unless the Nanosky Receiver is ordered to do so by the Court but fails to comply with that Order within the time prescribed by the Court or, if no time is indicated, within a reasonable period of time.

14. Upon submission of a monthly report, all addenda, and all statements of the Nanosky Receiver's fees, all fees relating to persons or entities retained by the Nanosky Receiver to assist him in the discharge of his duties, all administrative fees, payroll fees and all other expenses of the Nanosky Receiver, and following ten days' notice to the parties and the Overall Receiver, the Nanosky Receiver shall be authorized to utilize all available funds of the Nanosky Receivership Estate to pay the stated invoices monthly. The Nanosky Receivership Estate may thereafter pay such fees and expenses as soon as sufficient funds exist to do so. The amounts thereby paid to the Nanosky Receiver shall be subject to a monthly accounting of the Nanosky Receiver's activities, which shall include accountings of income and expenses, a description of services rendered by the Nanosky Receiver, and the fees requested or already paid therefore. The Nanosky Receiver shall serve a copy of the accounting on each of the parties who have appeared in this action and on any Distribution Participant who requests that he do so. The Nanosky Receiver shall submit these statements to the court for its approval unless the payment of such fees were previously approved by the Court in the form of a noticed interim approval of fees paid, a stipulation among the Plaintiff and the Intervenors, pursuant to the Nanosky Receiver's final account and report, or as otherwise ordered by the Court. The Nanosky Receiver shall not be obligated to advance any funds to the Nanosky Receivership Estate. To the extent he does so, the repayment of such advances shall be entitled to priority over all other liens and interests.

15. Monies and funds coming into the possession of the Nanosky Receiver and not expended for any of the purposes herein authorized shall be remitted to the Overall Receiver for deposit into a segregated account to be established pursuant to Paragraph 37 of this Order for

ultimate disposition consistent with this Order or further orders this Court. The Nanosky Receiver is authorized to establish and/or maintain bank accounts as set forth herein.

16. The Nanosky Receiver is authorized to demand, receive, and collect all income, royalties, rents, revenues, issues, profits, accounts receivable, or other income and proceeds from the Nanosky Receivership Estate unpaid as of the entry of this order, and all such monies arising from the Nanosky Receivership Estate, including all income, royalties, rents, issues, profits, accounts receivable, or other income and profits collected by Defendants or by any person acting on their behalf after the entry of this order.

17. The Nanosky Receiver may engage Janus Hotel Management Services, LLC as manager for the management of the day to day operations of the Alena Hospitality Portfolio and, consistent with the terms of this Order, perform such tasks as may be necessary to carry out the Nanosky Receiver's duties hereunder. The Nanosky Receiver shall, consistent with the terms of this Order, act as reasonably necessary to facilitate the sale of any or all assets of the Nanosky Receivership Estate and the transfer of all licenses or other permits to any prospective purchaser of any of the assets of the Nanosky Receivership Estate.

18. Defendants, and any person or entity acting under their direction or on their behalf, shall, as soon as reasonably possible and to the extent they have not already done so, surrender and deliver to Nanosky Receiver all of the following items relating to the Nanosky Receivership Estate:

- (a) All monies, royalties, rents, revenues, issues, profits, income, and the like in Defendants' possession;
- (b) All deposits which have not been returned to the applicable party or otherwise applied under the terms and conditions of any agreement with the applicable party

in Defendants' possession, together with all books, records, deposit books, and bank documents relating the security deposits;

- (c) All client or customer records, books of account, general ledgers, accounts receivable records, accounts payable records, cash receipts records, checkbooks, accounts, passbooks, and other accounting documents in Defendants' possession;
- (d) All accounts receivable and documents relating thereto;
- (e) All contracts, loans, agreements, leases and subleases, including all amendments, modifications, and renewals thereof, as well as all proposed contracts, agreements, leases and subleases (whether or not executed) and copies of any and all documents pertaining to any negotiations for the Nanosky Receivership Estate;
- (f) All currently existing insurance policies, including amount of liability and property damage coverage, name and address of insurance company, and expiration dates;
- (g) The names, addresses, and account numbers of all currently existing utility and communications companies providing services to the Nanosky Receivership Estate;
- (h) All environmental reports or environmental studies, including accessibility surveys;
- (i) All tax assessments, liens, and notices of delinquency, and penalty notices (which remain unpaid);
- (j) All mechanic's liens, stop notices, or demands for payment by actual or potential mechanic's lienors (which have not been paid or cured);
- (k) All currently existing maintenance/service contracts;

- (l) All bills and invoices unpaid as of the date of this order;
- (m) All currently existing licenses, permits, government approvals, notices issued by governmental or public agencies, citations, violations, and fines;
- (n) All keys, security codes, or other security information relating to the buildings and improvements utilized by the Nanosky Receivership Estate;
- (o) All work orders, including all amendments, modifications, and revisions thereof, whether in process or recently completed;
- (p) All documents relating to repairs, including all estimated costs of repair, whether in process or recently completed;
- (q) All inspection reports, appraisals, assessments, correspondence, or memoranda regarding the condition or value of the Nanosky Receivership Estate;
- (r) All records relating to the assets of the Nanosky Receivership Estate; and
- (s) All documents relating to any potential purchasers or their agents interested in the acquisition of any property of the Nanosky Receivership Estate.

19. Defendants and any person or entity acting under their direction or on their behalf are further directed and ordered to deliver to the Nanosky Receiver all rents, revenues, issues, profits, security deposits, bank accounts, savings accounts, and the like relating to the Nanosky Receivership Estate, which may yet come into their possession or come under their control.

20. Defendants and any person or entity acting under their direction or on their behalf are excluded from filing any claims for payment against the Nanosky Receivership Estate in this case.

21. In addition to the terms set forth in the Agreed Order Granting Preliminary Injunction [Dkt. # 22], Defendants, and each of them, and their respective agents, servants,

employees, assignees, successors, representatives, attorneys, and all persons acting under their direction or on their behalf, shall continue to be restrained and enjoined during the pendency of this action from engaging in, committing or performing, directly or indirectly, any or all of the following acts:

- (a) Demanding, collection, receiving, or in any way diverting or using any of the income, royalties, rents, issues, profits, accounts receivable or other income from the Nanosky Receivership Estate and from interfering in any manner with collecting or receiving any rents, royalties, issues, accounts receivable, profits, or income or substitution thereof;
- (b) Committing or permitting any waste on the premises or any part thereof, or suffering or committing or permitting any act on the premises or any part thereof in violation of law, or removing, transferring, encumbering, or otherwise disposing of any of the equipment or fixtures presently on the Nanosky Receivership Estate or any part thereof, until further Order of this Court;
- (c) Entering the premises, except upon the express authorization or request of the Nanosky Receiver;
- (d) Interfering with or hindering in any manner whatsoever the Nanosky Receiver in the performance of the Nanosky Receiver's duties herein described or in the performance of any duties incidental thereto; and
- (e) Transferring or conveying their title or ownership interest in the Nanosky Receivership Estate, in whole or part, to any other person or entity during the time that the Nanosky Receiver is in control and possession of the Nanosky Receivership Estate.

C. OVERALL RECEIVER AND OVERALL RECEIVERSHIP ESTATE.

22. Patrick Cavanaugh of High Ridge Partners, Inc. (“Overall Receiver”, and collectively with the Nanosky Receiver the “Receivers”) whose address is 140 South Dearborn Street, Suite 420, Chicago, Illinois 60603, is hereby appointed as receiver of the Overall Receivership Estate.

23. The Overall Receiver shall file with the Court an Oath of the Overall Receiver within ten (10) days of the date of this Order which shall bind the Overall Receiver to the terms and conditions set forth therein.

24. The Overall Receiver shall obtain a surety bond in the amount of One Hundred Thousand Dollars (\$100,000.00) with a good and sufficient corporate surety, the form of which shall be approved by the Clerk of the Court. Said bond shall be conditioned upon the faithful performance by the Overall Receiver of his duties. The bond shall provide coverage to the Plaintiffs, Intervenor and Defendants, as their respective interests may appear in this action. The bond shall be filed with the Clerk of this Court within fourteen (14) days of the date of this Order. Any party may, within ten (10) days of the filing of the bond, file and serve on all other parties of record any objections to the sufficiency or propriety of the surety.

(a) Immediately upon filing of the bond and taking the oath as set forth above, the Overall Receiver shall be vested with all the powers and responsibilities of a receiver as provided by law to receivers and as specifically set forth herein. Consistent with the other provisions of this Order, and specifically with those aspects of this Order addressing the role and responsibilities of the Nanosky Receiver, the Overall Receiver shall take immediate possession and control of the Overall Receivership Estate, for purposes of marshaling, recovering, administering, managing, conserving, protecting,

maintaining, marketing and liquidating said Estate for the benefit of the Distribution Participants.

(b) The “Overall Receivership Estate” shall consist of all assets other than those assets entrusted to the Nanosky Receivership Estate as provided herein, including but not limited to the following: (1) cash, cash equivalents, and other liquid assets seized from Defendants’ and related persons and entities; (2) all loans payable held in whole or in part by First Farmers; (3) all equity interests held by Defendants and related persons and entities; (4) receivables from earnest monies, retainers, extension fees and contributions paid by Defendants and related persons and entities which the Overall Receiver has or may have the right to recover; (5) personal property of Defendants² and related persons and entities not previously disposed of and liquidated; and (6) claims against the USDA.

25. Within 30 days of his appointment herein, the Overall Receiver shall file in this action an initial inventory of all property, including but not limited to all real property, monies, accounts, receivables, written or oral leases, rental contracts, options, contracts for sale, insurance policies, and personal property of which the Overall Receiver shall have taken possession pursuant hereto, and if the Overall Receiver subsequently shall come into possession of additional property, the Overall Receiver shall include a supplemental inventory describing such additional property with his next monthly report to the Court following the date on which the Overall Receiver came into possession of such additional property.

26. As set forth herein, the Overall Receiver is authorized to take possession of the Overall Receivership Estate and to take all necessary steps as directed by this Court to care for,

² Defendant Trisha Patel reserves her right to object to the inclusion of personal property she claims was acquired without use of the proceeds (either directly or indirectly) of the First Farmers fraud described in the Amended Complaint.

manage, preserve, maintain and dispose of the Overall Receivership Estate, including the following acts:

- (a) The Overall Receiver may notify all necessary local, state, and federal governmental agencies (including any taxing authorities), vendors, suppliers, customers, and other interested parties of the appointment of the Overall Receiver;
- (b) The Overall Receiver shall not be obligated to file any federal or state income tax returns, schedules, or other forms, which shall continue to be an obligation of the Defendants;
- (c) The Overall Receiver shall collect any and all royalties, rents, income, issues, and profits from the Overall Receivership Estate;
- (d) All royalties, rents, income, issues, and profits collected by the Overall Receiver may be applied, in the Overall Receiver's discretion, to defray all reasonably necessary expenses in connection with the care, management, preservation, and maintenance of the Overall Receivership Estate subject to the provisions of this Order. The Overall Receiver, Plaintiff, or Intervenors may, from time to time and on due notice to all parties entitled thereto, apply to this Court for orders instructing the Overall Receiver as to the disposition of amounts collected or held by the Overall Receiver;
- (e) The Overall Receiver may operate the Overall Receivership Estate in the ordinary and usual course of business and without making any upgrades or improvements to the Overall Receivership Estate; may pay obligations associated with the Overall Receivership Estate (including state and federal taxes); may employ and

terminate servants, agents, employees, clerks and accountants; purchase materials, supplies, advertising, and other services at ordinary and usual rates and prices using funds that shall come into Overall Receiver's possession; may collect or compromise debts of the Overall Receivership Estate; and may incur the risks and obligations ordinarily incurred by owners, managers, and operators of similar enterprises, which in the Overall Receiver's reasonable judgment, are necessary for the operation of the business. No such risk or obligation so incurred shall be the personal risk or obligation of the Overall Receiver but shall be a risk or obligation solely of the Overall Receivership Estate;

- (f) The Overall Receiver may authorize the prosecution of all proper actions for the collection of receivables or rents due on the Overall Receivership Estate, for the removal of any occupant, tenant, or other persons, without regard to the existence of any default, from the Overall Receivership Estate and to bring and prosecute all actions for the protection of the Overall Receivership Estate or to recover assets belonging to same or in which said Estate asserts a right or interest;
- (g) The Overall Receiver may conduct appropriate marketing or other promotional activity directed to any appropriate parties for the benefit of the Overall Receivership Estate;
- (h) Subject to the provisions of section F of this Order, the Overall Receiver may move the Court for leave to hire, employ, and retain legal counsel, accountants, marketing, communications and construction consultants, computer or information systems consultants, appraisers, investigators, and any other professionals which the Overall Receiver deems necessary to assist in the

discharge of his duties under this Order. Further, the Overall Receiver may move the Court for leave to pay any such professional out of the funds that shall come into the Overall Receiver's possession;

- (i) The Overall Receiver shall review all applications for payments of professional fees and expenses, as set forth in Section F of this Order, and shall make recommendations to the Court for allowance or disallowance, in whole or in part, of such fees and expenses; for such review purposes the Overall Receiver may retain professionals to assist in such review, subject to the provisions of Section F of this Order;
- (j) To the extent authorized to do so consistent with the terms of this Order, the Overall Receiver shall take possession of and receive from all depositories, banks, savings and loan associations, thrifts, brokerages, and otherwise, any money on deposit in such institutions relating to the Overall Receivership Estate, or income accounts of the Overall Receivership Estate, and may open or close any and all monetary accounts, including bank, checking, savings, money market, certificate of deposit or brokerage accounts, and the receipt of the Overall Receiver of these funds shall discharge any institutions from further responsibility for accounting for these funds for which the Overall Receiver shall give a receipt;
- (k) The Overall Receiver shall take possession of, and receive from Plaintiff and its affiliates, any deposits, income or other assets recovered from any of the Defendants and not previously transferred to the Nanosky Receiver, which Plaintiff shall promptly deliver to the Overall Receiver.

- (l) The Overall Receiver shall take possession of, succeed to, and exercise Defendants' rights in and under all contracts, leases, options or other agreements affecting the Overall Receivership Estate. The Overall Receiver may cancel, extend, modify, or enter into any agreements, franchise agreements, contracts, or leases necessary or appropriate for the operation of the Overall Receivership Estate. The Overall Receiver may pay, collect, hold, or refund security deposits as the Overall Receiver deems appropriate for the management and preservation of the Overall Receivership Estate; and
- (m) The Overall Receiver shall take all reasonably necessary steps to marshal, recover, administer, manage, conserve, protect, maintain, market and (as instructed by Court Order with respects to assets in the Overall Receivership Estate which the Overall Receiver reasonably believes to have values, individually, in excess of \$100,000) sell the assets in the Overall Receivership Estate. To the extent any such assets have a value which the Overall Receiver believes to be in excess of \$100,000, the Overall Receiver shall seek and receive approval of the Court before disposing of such assets. The Overall Receiver shall otherwise perform all powers and duties reasonably necessary to conduct an orderly liquidation of assets which, after payment of all expenses as contemplated herein, shall be distributed to the Distribution Participants in partial satisfaction of the claims asserted by Plaintiff on behalf of and for the benefit of the Distribution Participants.

27. The Overall Receiver shall pay only those bills which are reasonable and necessary for the operation of the Overall Receivership Estate and shall allocate funds in the

following order of priority: (1) the costs and expenses of operating the Overall Receivership Estate including utilities, hazard and workers' compensation insurance premiums related to the protection of the interest of the Overall Receivership Estate, general and special taxes or assessments levied on the real property and improvements thereon; (2) the fees and expenses (excluding professional fees which are addressed in Section F) incurred by the Overall Receiver in managing the Overall Receivership Estate; (3) bona fide payments to creditors, which arise from services or materials provided during periods prior to the appointment of the Overall Receiver and which are, in the Overall Receiver's judgment, reasonably necessary for the continued operation of the Overall Receivership Estate; provided, however, that the Overall Receiver shall not pay any tax liabilities of any Defendants arising prior to the inception of the Overall Receivership Estate with the exception of any federal or state employee withholdings arising from the pay period immediately prior to the inception of the Overall Receivership Estate; (4) the creation and retention by the Overall Receiver of a reasonable working capital fund for operation of the Overall Receivership Estate and for the safeguarding, preservation and maintenance of other assets in the Nanosky Receivership Estate, until such assets can be sold; and (5) subject to the provisions of Section D of this Order, amounts payable to the Distribution Participants in partial satisfaction of the claims asserted by Plaintiff on behalf of the Distribution Participants.

28. Any debts, liabilities or obligations incurred by Overall Receiver in the course of this receivership, including the operation or management of the property in the Overall Receivership Estate (whether in the name of the Overall Receiver, the property in the Overall Receivership Estate, or the Overall Receivership Estate), shall be the debt, liability and obligation of the Overall Receivership Estate, only, and not of the Overall Receiver or any

person or entity retained by the Overall Receiver to assist him in the discharge of his duties; the Overall Receiver shall not be personally liable for any actions taken pursuant to this Order except for his gross negligence or malfeasance.

29. Upon submission of a monthly report, all addenda, and all statements of the Overall Receiver's fees, all fees relating to persons or entities retained by the Overall Receiver to assist him in the discharge of his duties, all administrative fees, payroll fees and all expenses, after ten days' notice to the parties, the Overall Receiver shall be authorized to utilize such portion of available funds of the Overall Receivership Estate, as may be needed to pay the stated invoices monthly. The Overall Receivership Estate may pay the fee and advance all receivership expenses to the Overall Receiver as early in each month as sufficient funds exist to do so. The amounts thereby paid to the Overall Receiver shall be subject to the fee and expense limits set forth on the written proposal submitted to Pennant and the Intervenors, and disclosed to the Court and a monthly accounting of the Overall Receiver's activities, which shall include accountings of income and expenses, a description of services rendered by the Overall Receiver, and the fees requested or already paid therefore. The Overall Receiver shall serve a copy of the accounting by mail or email on each of the parties who have appeared in this action and on any Distribution Participants who request that he do so. The Overall Receiver shall submit these statements to the Court for its approval and confirmation in the form of a noticed interim approval of fees paid, a stipulation among the parties, pursuant to Overall Receiver's final account and report, or as otherwise ordered by the Court. To the extent the Overall Receiver chooses to advance any funds to operate or maintain the Overall Receivership Estate, which he is not obligated to do, the Overall Receiver shall provide five days' notice to the Distribution

Participants of such intention to advance funds, and any such funds that are advanced shall be entitled to priority over all other liens and interests as provided by applicable law.

30. Monies and funds coming into the possession of the Overall Receiver and not expended for any of the purposes herein authorized may be retained by the Overall Receiver pending further orders of this Court. The Overall Receiver is authorized to establish and/or maintain bank accounts as set forth herein.

31. The Overall Receiver may engage High Ridge Partners, Inc. as manager for the management of the day to day operations of the Overall Receivership Estate and, consistent with the terms of this Order, perform such tasks as may be necessary to carry out the Overall Receiver's duties hereunder. The Overall Receiver shall, consistent with the terms of this Order, execute documents and has the power of sale and shall, consistent with the terms of this Order, act as reasonably necessary to facilitate the sale of any or all assets of the Overall Receivership Estate and the transfer of all licenses or other permits to any prospective purchaser of any of the assets of the Overall Receivership Estate.

32. Defendants, and any person or entity acting under their direction or on their behalf, shall, as soon as reasonably possible and to the extent that have not already done so, are directed and ordered to forthwith surrender and deliver to Overall Receiver all of the following items relating to the Overall Receivership Estate, not previously provided to the Nanosky Receiver:

- (a) All monies, royalties, rents, revenues, issues, profits, income, and the like in Defendants' possession;
- (b) All deposits which have not been returned to the applicable party or otherwise applied under the terms and conditions of any agreement with the applicable party

- in Defendants' possession, together with all books, records, deposit books, and bank documents relating to the security deposits;
- (c) All client or customer records, books of account, general ledgers, accounts receivable records, accounts payable records, cash receipts records, checkbooks, accounts, passbooks, and other accounting documents in Defendants' possession;
 - (d) All accounts receivable and documents relating thereto;
 - (e) All contracts, loans, agreements, leases and subleases, including all amendments, modifications, and renewals thereof, as well as all proposed contracts, agreements, leases and subleases (whether or not executed) and copies of any and all documents pertaining to any negotiations for the Overall Receivership Estate;
 - (f) All currently existing insurance policies, including amount of liability and property damage coverage, name and address of insurance company, and expiration dates;
 - (g) The names, addresses, and account numbers of all currently existing utility and communications companies providing services to the Overall Receivership Estate;
 - (h) All environmental reports or environmental studies, including accessibility surveys;
 - (i) All tax assessments, liens, and notices of delinquency, and penalty notices (which remain unpaid);
 - (j) All mechanic's liens, stop notices, or demands for payment by actual or potential mechanic's lienors (which have not been paid or cured);
 - (k) All currently existing maintenance/service contracts;
 - (l) All bills and invoices unpaid as of the date of this order;

- (m) All currently existing licenses, permits, government approvals, notices issued by governmental or public agencies, citations, violations, and fines;
- (n) All keys, security codes, or other security information relating to the buildings and improvements utilized by the Overall Receivership Estate;
- (o) All work orders, including all amendments, modifications, and revisions thereof, whether in process or recently completed;
- (p) All documents relating to repairs, including all estimated costs of repair, whether in process or recently completed;
- (q) All inspection reports, appraisals, assessments, correspondence, or memoranda regarding the condition or value of the Overall Receivership Estate;
- (r) All records relating to the assets of the Overall Receivership Estate; and
- (s) All documents relating to any potential purchasers or their agents interested in the acquisition of any property of the Overall Receivership Estate.

33. Defendants and any person or entity acting under their direction or on their behalf, in cooperation with the Overall Receiver, are further directed and ordered to deliver to Overall Receiver all rents, revenues, issues, profits, security deposits, bank accounts, savings accounts, and the like, relating to the Overall Receivership Estate, which may come into their possession or control.

34. Defendants and anyone claiming under them are excluded from filing any claims for payment against the Overall Receivership Estate in this case.

35. In addition to the terms set forth in the Agreed Order Granting Preliminary Injunction [Dkt. # 22], Defendants, and each of them, and their respective agents, servants, employees, assignees, successors, representatives, attorneys, and all persons acting under their

direction or on their behalf, and in cooperation with the Overall Receiver, shall continue to be restrained and enjoined during the pendency of this action from engaging in, committing or performing, directly or indirectly, any or all of the following acts:

- (a) Demanding, collection, receiving, or in any way diverting or using any of the income, royalties, rents, issues, profits, accounts receivable or other income from the Overall Receivership Estate and from interfering in any manner with collecting or receiving any rents, royalties, issues, accounts receivable, profits, or income or substitution thereof;
- (b) Committing or permitting any waste on the premises or any part thereof, or suffering or committing or permitting any act on the premises or any part thereof in violation of law, or removing, transferring, encumbering, or otherwise disposing of any of the equipment or fixtures presently on the Overall Receivership Estate or any part thereof, until further Order of this Court;
- (c) Entering the premises, except upon the express authorization or request of the Overall Receiver;
- (d) Interfering with or hindering in any manner whatsoever the Overall Receiver in the performance of the Overall Receiver's duties herein described or in the performance of any duties incidental thereto; and
- (e) Transferring or conveying their title or ownership interest in the Overall Receivership Estate, in whole or part, to any other person or entity during the time that the Overall Receiver is in control and possession of the Overall Receivership Estate.

D. DISTRIBUTIONS

36. The Repo B Program Participants are the eleven (11) investors who directly purchased interests in or otherwise invested in the twenty-five (25) loans subject to the repurchase agreements issued by First Farmers Financial, LLC under the Repo B Fund. A separate mutual fund (not a Repo B Program Participant) purchased interests in one (1) additional loan. (The Repo B Program Participants and the mutual fund are collectively defined as the “Distribution Participants.”) The Nanosky Receiver and the Overall Receiver are hereby authorized and directed to make interim distributions of monies collected and not needed to operate or liquidate the Nanosky Receivership Estate or the Overall Receivership Estate, as applicable, in this action consistent with the terms and conditions of this Order. Except as otherwise herein specified, the interim distributions shall be made pro rata to and for the benefit of the Distribution Participants; the identities and the percentages of the aggregate of the Repo B Program Participants and the Distribution Participants, together with contact information, shall be submitted by Pennant to the Overall Receiver within five (5) days of the entry of this Order and the Overall Receiver shall, within five (5) days thereafter or as soon thereafter as is reasonably practical, provide that information to the Distribution Participants.

37. The distributions required under this Section D shall be effectuated both by wire transferring such amounts from Nanosky Receiver to the Overall Receiver and from funds already held by the Overall Receiver, for deposit into a segregated account (the “Distribution Account”) maintained by Overall Receiver solely for distribution purposes. The Distribution Account shall have no assets except for funds received by it from Nanosky Receivership Estate or the Overall Receivership Estate. The Overall Receiver shall first distribute \$624,009.51, pro-rata, to the Repo B Program Participants, and shall thereafter make distributions, pro-rata, to the

Distribution Participants, within five (5) business days following each liquidity event described below or as soon thereafter as practical following receipt of funds sufficient to do so, including but not limited to the following:

- (a) Net proceeds from the sale of 9850 Laurel Valley Drive, Windermere, FL;
- (b) Net proceeds from the sale of Point Cypress Dr., Orlando, FL; and,
- (c) Net proceeds from the sale any other asset contained in the Nanosky Receivership Estate or the Overall Receivership Estate.
- (d) On a monthly basis, all monies in the Nanosky Receivership Estate and the Overall Receivership Estate.

Notwithstanding the foregoing, the Overall Receiver shall not be required to make distributions to the extent that such funds are, in the Receivers' good faith and reasonable estimate of anticipated receipts and expenses, necessary to pay actual and anticipated expenses of the Nanosky Receivership Estate or the Overall Receivership Estate.

E. REPORTS

38. The Overall Receiver shall prepare those reports described at Page 10 of the Agreed Order Appointing Receiver, and the Receivers shall provide to Plaintiff, the Intervenor and to the extent they so request in writing, the Distribution Participants, the reports described in this paragraph and monthly reports of all assets (including bank account balances), liabilities, receipts, disbursements and a rolling four (4) month budget of receipts and disbursements (contrasting actual versus budgeted amounts)

39. In addition to reports required from the Nanosky Receiver and the Overall Receiver, Plaintiff shall provide to the Distribution Participants monthly reports on all recoveries received by or transferred to Pennant or in Pennant's possession or control that are not part of the

Nanosky Receivership Estate or the Overall Receivership Estate, setting forth with specificity, to the extent known, descriptions of such assets, values, and timing of anticipated transfer of such assets to the Overall Receiver and all payments therefrom.

F. REGARDING PAYMENTS TO ATTORNEYS AND OTHER PROFESSIONALS AND RELATED ITEMS

40. Except as to fees payable directly to the Nanosky Receiver or the Overall Receiver, which are dealt with separately and governed by the terms of this Order, no attorney or other professional fees and related expenses incurred in connection with the representation of Pennant, the Nanosky Receiver, and/or the Overall Receiver shall be paid from proceeds of either the Nanosky Receivership Estate or the Overall Receivership Estate (“Recoveries”) except pursuant to an application to the Court seeking authorization for the payment of such fees and related expenses (“Interim Fee Applications”). The Interim Fee Applications shall specifically describe the services provided and related costs advanced, and shall provide detailed time records and such other supporting documentation as may be appropriate to enable the Court to consider the Interim Fee Applications.

41. The Overall Receiver shall, pursuant to the provisions Paragraph 26(i) of this Order, review all Interim Fee Applications submitted to the Court for approval and shall, within twenty-one days or as soon thereafter as is reasonably practicable under the circumstances, provide the Court, with his written recommendation/objection to the Court regarding the reasonableness and appropriateness of such fees. The Overall Receiver is specifically authorized and encouraged to communicate with the Applicant, the Intervenors, the Distribution Participants, and Interested Persons³ regarding any concerns any of them may have

³ ‘Interested Persons’ for the purposes of this Order are defined as those persons or entities that have an articulable, specific, and legitimate interest in the Recoveries and have communicated in writing to the Overall Receiver a desire to provide comments regarding such Interim Fee Applications.

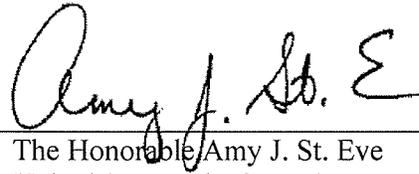
regarding the fees sought. If as a result of negotiation with the Applicant, the Overall Receiver is able to reach a compromise with said Applicant, said proposed compromise shall be included as part of the Overall Receiver's recommendation to the Court. For avoidance of doubt, the Overall Receiver will make his own recommendation/objection, and need not be bound by concerns expressed by communications he receives. Fees awarded in connection with Interim Fee Applications submitted pursuant to this Order are payable only upon entry of an Order of Court approving of such Interim Fees. Intervenors, the Distribution Participants and Interested Persons reserve the right to object to the payment of any professional fees from Recoveries for periods of time prior to the entry of this Order.

42. Any professional aggrieved by the Overall Receiver's recommendation/objection may respond in writing within fourteen (14) days, addressing any matters raised in such recommendation/objection. The Court shall thereafter consider the Interim Fee Application, any recommendation/objection and responses, may conduct such hearings as it deems appropriate or necessary, and shall determine the amount of fees and reimbursable expenses, if any, that shall be paid from Recoveries.

43. With respect to the fees in the amount of \$562,761.35 previously paid to counsel for Pennant on or about December 29, 2014 (the "December 29, 2014 Fees"), an Interim Fee Application seeking approval of those fees and expenses *nunc pro tunc* shall be filed on or before May 11, 2015. Such Interim Fee Application shall be subject to the procedures set forth in this Section F. To the extent that any or all of the December 29, 2014 Fees are disallowed, such disallowed amount shall, at Greenberg Traurig's option, be either (a) reimbursed, within five (5) days of the Court Order disallowing such fees/costs, by Greenberg Traurig to the Overall

Receiver and become part of the Overall Receivership Estate, or (b) be applied against future payments due under subsequently allowed Interim Fee Applications.

Dated: April 23, 2015

A handwritten signature in black ink, appearing to read "Amy J. St. Eve". The signature is written in a cursive style with a large initial "A".

The Honorable Amy J. St. Eve
United States District Judge