

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
WEST PALM BEACH DIVISION
www.flsb.uscourts.gov

In re:

CHAPTER 11

PALM BEACH FINANCE PARTNERS, L.P.,
PALM BEACH FINANCE II, L.P.,

Case No. 09-36379-PGH
Case No. 09-36396-PGH
(Jointly Administered)

Debtors.

**LIQUIDATING TRUSTEE'S MOTION TO APPROVE (1) SETTLEMENT WITH
CHURCH ON THE GREEN F/K/A FIRST ASSEMBLY OF GOD - SUN
CITY WEST A/K/A FIRST ASSEMBLY OF GOD OF SUN CITY WEST A/K/A
SUN CITY WEST ASSEMBLY OF GOD AND (2) PAYMENT OF CONTINGENCY FEE**

Any interested party who fails to file and serve a written response to this motion within 21 days after the date of service stated in this motion shall, pursuant to Local Rule 9013-1(D), be deemed to have consented to the entry of an order in the form attached to this motion. Any scheduled hearing may then be cancelled.

Barry E. Mukamal, in his capacity as liquidating trustee ("*Liquidating Trustee*") for the Palm Beach Finance Partners Liquidating Trust and the Palm Beach Finance Partners II Liquidating Trust (collectively, the "*Palm Beach Liquidating Trusts*"), by and through undersigned counsel, and pursuant to *Fed. R. Bankr. P.* 9019, seeks an Order from this Court approving a settlement of claims that could be asserted against Church On The Green f/k/a First Assembly of God - Sun City West a/k/a First Assembly of God of Sun City West a/k/a Sun City West Assembly of God (individually or collectively, the "*Transferee*") and payment of counsel's contingency fee. In support of this relief, the Liquidating Trustee states the following:

I. Factual Background

A. Procedural Background

1. Prepetition, Palm Beach Finance Partners, L.P. and Palm Beach Finance II, L.P. (collectively, the “**Debtors**”) operated as hedge funds. Together, David Harrold and Bruce Prevost managed the Debtors’ fund raising and investment activities.

2. The principal investment strategy of the Debtors was to invest in purchase financing transactions supposedly sourced by Thomas Petters and his company, Petters Company, Inc. and its affiliated entities (collectively, “**PCI**”).

3. The reality, however, was that Mr. Petters and PCI were engaging in a massive *Ponzi* scheme.

4. On October 2, 2008, the United States of America filed under seal in the United States District Court for the District of Minnesota its Complaint for Permanent Injunctive Relief and Other Equitable Relief (the “**DOJ Complaint**”) pursuant to 18 U.S.C. § 1345. The parties to the DOJ Complaint included a number of parties implicated in the massive *Ponzi* scheme perpetrated by Mr. Petters, including Deanna Coleman; Frank E. Vennes, Jr.; Metro Gem, Inc. (“**MGF**”; and together with Mr. Vennes, the “**Vennes Parties**”); Robert White; Nationwide International Resources, Inc.; Larry Reynolds a/k/a Larry Reservitz; Michael Catain and Enchanted Family Buying Company (collectively, the “**Receivership Defendants**”).

5. On October 3, 2008, the United States District Court for the District of Minnesota (the “**Minnesota Court**”) entered a temporary restraining order, finding, among other things, that “[t]here is probable cause to believe that Defendants have conspired to commit and/or committed federal mail, wire, and/or banking fraud offenses.”

6. On October 6, 2008, the Minnesota Court entered an Order for Entry of Preliminary Injunction, Order Appointing Receiver, and Other Equitable Relief (including amendments thereto, the “*Petters Receivership Order*”).

7. The Petters Receivership Order appointed Douglas A. Kelley as the receiver for the Receivership Defendants (the “*Petters Receiver*”). Thereafter, the Petters Receiver filed voluntary Chapter 11 petitions in the United States Bankruptcy Court for the District of Minnesota for PCI and was appointed Chapter 11 trustee for all such entities (in such capacity, the “*PCI Trustee*”; and at times together with the Liquidating Trustee, the “*Trustees*”).

8. On November 30, 2009, the Debtors filed voluntary Chapter 11 petitions in the United States Bankruptcy Court for the Southern District of Florida. By subsequent Order of this Court, the cases are jointly administered.

9. On January 29, 2010, the United States Trustee appointed the Liquidating Trustee as Chapter 11 trustee in both of the Debtors’ estates. [ECF No. 107].

10. On October 21, 2010, this Court entered its Order Confirming Second Amended Plan of Liquidation [ECF No. 444], creating the Palm Beach Liquidating Trusts, appointing the Liquidating Trustee as Liquidating Trustee and appointing Geoffrey Varga as Trust Monitor.

B. The Vennes Litigation

11. The Debtors’ entry into the Petters’ fraud was made through the Vennes Parties. Namely, based on representations made by them, the Debtors invested hundreds of millions of dollars in fictitious PCI transactions.

12. On November 29, 2011, the Liquidating Trustee filed suit against the Vennes Parties, Adversary Case No. 11-03041-PGH-A (the “*Vennes Action*”). The Vennes Action seeks to avoid and recover transfers made to the Palm Beach Funds by the Vennes Parties and to

hold the Vennes Parties liable in tort for material misrepresentations made by them to the Palm Beach Funds.

13. On or about April 1, 2012, the Liquidating Trustee commenced suit against the Transferee, Adv. Case No. 12-1264-PGH (the “*Adversary Proceeding*”). The Adversary Proceeding seeks to avoid a transfer of real and personal property (the “*Arizona Property*”) made to or for the benefit of the Transferee by the Vennes Parties in approximately December of 2004 (the “*Transfers*”).

14. After the commencement of the Adversary Proceeding, on March 2, 2012, the PCI Trustee sent a letter to the Transferee indicating that he intends to pursue the Transferee for the recovery of the Transfers under 11 U.S.C. § 550 (the “*Letter Demand*”; and together with the Adversary Proceeding, the “*Litigation*”).

15. Altogether, as set forth in the complaint filed in the Adversary Proceeding and the Letter Demand, the Trustees assert that the Transferee received in the aggregate, approximately \$1,600,000.00 in Transfers from the Vennes Parties that are subject to avoidance and recovery for the benefit of the victims of the Petters’ fraud.

16. The Transferee denies that it has any liability in connection with the claims asserted in the Litigation.

17. The Trustees have recently entered into an agreement whereby they have agreed to mediate jointly with the Transferee and other transferees of the Vennes Parties and allocate between themselves according to the terms of that agreement any settlement proceeds relating to the transfers (the “*Allocation Agreement*”). Under the terms of the Allocation Agreement, the parties agreed to share equally the first one million dollars of total aggregate recoveries relating to claims against the Vennes Parties and their transferees, and for recoveries in excess of one

million dollars, the PCI Trustee receives sixty percent and the Liquidating Trustee receives forty percent. [See ECF No. 1282.]

18. On October 16,, 2012, the parties attended mediation at the offices of Justice James H. Gilbert, Esq. At the mediation, the parties were able to achieve a global resolution as set forth below.

II. Settlement Terms

19. The key aspects of the stipulation of settlement between the parties (“*Stipulation*”) are the following:¹

- a) The Transferee will pay (or cause to be paid) \$500,000.00 (the “*Settlement Payment*”) as follows:
 - i) within fifteen (15) days following approval of the Stipulation by this Court and the Minnesota Bankruptcy Court (the “*Effective Date*”), the Transferee shall pay \$200,000.00 to the Liquidating Trustee; and
 - ii) within fifteen (15) days following the Effective Date, the Transferee shall execute a promissory note and deed of trust (to be recorded against the Arizona Property) in favor of the PCI Trustee in the amount of \$300,000.00 (the “*Deed of Trust Amount*”), which Deed of Trust Amount shall be paid in full to the PCI Trustee on or before eighteen (18) months from the Effective Date.
- b) The parties shall exchange mutual, general releases;
- c) The Liquidating Trustee shall seek dismissal of the Adversary Proceeding; and
- d) The Transferee shall not be entitled to any distribution from the Debtors’ or PCI bankruptcy estates.

20. Pursuant to the Second Amended Joint Plan of Liquidation (the “*Plan*”), approved by this Court’s Order dated October 21, 2010 [ECF No. 444], all monetary consideration

¹ A copy of the Stipulation is attached as Exhibit 1. To the extent the terms set forth in this Motion differ from those set forth in the Stipulation, the Stipulation controls.

received by the Palm Beach Liquidating Trusts in conjunction with the Settlement will be allocated as follows: 18% to Palm Beach Finance Partners Liquidating Trust and 82% to Palm Beach Finance II Liquidating Trust (the “*Pro Rata Allocation Formula*”).

III. Relief Requested

21. The Liquidating Trustee seeks an Order from this Court (a) approving the Stipulation and (b) directing payment of the Contingency Fee (as defined below).

22. Federal Rule of Bankruptcy Procedure 9019 provides in relevant part that “[o]n motion ... and after a hearing on notice to creditors; the debtor ... and to such other entities as the Court may designate, the Court may approve a compromise or settlement.”

23. Approval of a settlement in a bankruptcy proceeding is within the sole discretion of the Court and will not be disturbed or modified on appeal unless approval or disapproval is an abuse of discretion. *See In re Arrow Air*, 85 BR 891 (Bankr. S.D. Fla. 1988).

24. The standards for approval are well settled and require the Court to inquire into the reasonableness of the proposed settlement. *See, e.g., Protective Comm. for Indep. Stockholders of TMT Trailer Ferry, Inc. v. Anderson*, 390 U.S. 414, 424 (1968); *In re W.T. Grant Co.*, 699 F.2d 599, 608 (2d Cir. 1983); *Florida Trailer and Equip. Co. v. Deal*, 284 F.2d 567, 571 (5th Cir. 1960). The inquiry need only determine whether the settlement falls below the lowest point of the range of reasonableness. *See W.T. Grant Co.*, 699 F.2d at 608; *see also In re Martin*, 91 F.3d 389 (3rd Cir. 1996); *In re Louise's Inc.*, 211 B.R. 798 (D. Del. 1997) (setting forth considerations by the Court for approval of a settlement, including: (i) the probability of success in litigation, (ii) the likely difficulties in collection; (iii) the complexity of the litigation involved, and the expense, inconvenience and delay necessarily attending it; and (iv) the paramount interest of the creditors.

A. *The Stipulation Ought to be Approved*

25. Based upon the above legal principles, the Liquidating Trustee asserts that the Stipulation falls well above the lowest point of the range of reasonableness and, thus, should be approved.

Probability of success in litigation

26. The Liquidating Trustee, on behalf of the Liquidating Trusts, could assert that the transfers made to the Transferee by the Vennes Parties were fraudulent transfers under federal or state law, or alternatively, that the Transferee was unjustly enriched by such transfers.

27. The Liquidating Trustee believes that he will likely succeed in prosecuting either of these causes of action.

28. Nonetheless, the Liquidating Trustee acknowledges that there are risks inherent in all litigation and there is the possibility that the Transferee, or other similarly situated parties, could raise certain issues or defenses that potentially could impact the Liquidating Trustee's claims.

Collectability

29. Collectability is not a significant consideration with respect to the Litigation.

Complexity of litigation and attendant expense, inconvenience and delay

30. This is a significant consideration that militates in favor of approval of the Stipulation.

31. In sum, although many of the claims outlined above are typical claims litigated before this Court, they still will require retention of experts and extensive fact discovery before a trial could take place. The result of these efforts will be substantial attorney's fees on both sides which would diminish the net result of any recovery.

32. Moreover, a significant focus of the litigation will be the Vennes Parties themselves. To that end, the pending criminal case against Mr. Vennes is currently scheduled for trial in the spring of 2013. The possibility exists that discovery from the Vennes Parties may be delayed until the conclusion of that proceeding.

33. In addition, during the pendency of the Adversary Proceeding, the Minnesota legislature enacted an amendment to the State's version of the Uniform Fraudulent Transfer Act, which purports to apply retroactively and impose certain limitations on the Liquidating Trustee's rights and remedies. While the Liquidating Trustee disputes the applicability of the amended statute to the claims asserted in the Complaint, he did consider the potential risks and expenses associated with litigating this issue. Notably, the statute, if applicable, could be asserted to potentially eliminate the Liquidating Trustee's ability to recover the Transfers.

34. The Stipulation addresses these concerns. The parties avoid litigating fact-specific claims with the attendant expense and delay of such litigation being nullified.

Paramount interest of creditors

35. The Stipulation provides a meaningful payment of the claims asserted against the Transferee in the Adversary Proceeding. The Settlement Payment is a meaningful resolution in light of the complexity of the Litigation, as well as the potential delay and professional costs associated therewith. As such, the Stipulation is in the paramount interest of the Debtors' stakeholders.

B. The Contingency Fee Ought to be Approved

36. Pursuant to the Plan and this Court's Order Approving the Trustee's Motion to Approve Hybrid Form of Compensation [ECF No. 223], Meland Russin & Budwick, P.A. ("**MRB**") is entitled to a fee of 10% of any affirmative recovery received by the Debtors' estates

from a litigation matter pursued by the firm without further order of the Court (“*Contingency Fee*”).

37. The Liquidating Trustee requests that the 10% Contingency Fee – in the amount of \$20,000.00 – be approved and that he be authorized and directed to pay this amount when the Liquidating Trustee receives his allocation of the Settlement Payment.

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WHEREFORE, the Liquidating Trustee respectfully requests that this Court enter an Order (similar in form to the Order attached as Exhibit 2) (i) approving the Stipulation; (ii) approving payment of the Contingency Fee; and (iii) granting such other relief this Court deems just and proper.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing was served on December 5, 2012, via the Court's Notice of Electronic Filing upon Registered Users set forth on the list attached as Exhibit 3, and by U.S. Mail on those parties set forth on the list attached as Exhibit 4 and Pastor Ben E. Leonard, President and CEO, Church on the Green, 19051 R.H. Johnson Blvd., Sun City West, AZ 85375-4402 and Church on the Green, by and through its attorneys, Tami Lewis, Esq., Vishnu R. Jonnalagadda, Esq., Ridenour, Hienton & Lewis, P.L.L.C., Chase Tower, 201 North Central Avenue, Suite 3300, Phoenix, Arizona 85004.

s/ Jessica L. Wasserstrom
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*Attorneys for Barry E. Mukamal,
Liquidating Trustee*

STIPULATION OF SETTLEMENT

This Stipulation of Settlement ("*Stipulation*") is entered into on November 19, 2012 by and between (a) Barry E. Mukamal, in his capacity as liquidating trustee (the "*Liquidating Trustee*") of the Palm Beach Finance Partners Liquidating Trust and the Palm Beach Finance II Liquidating Trust (collectively, the "*Liquidating Trusts*"), (b) Douglas A. Kelley, in his capacity as Chapter 11 trustee of the administratively-consolidated debtors under *In re Petters Company Inc., et al.* (the "*PCI Trustee*"), and (c) Church on the Green f/k/a First Assembly of God – Sun City West a/k/a First Assembly of God of Sun City West a/k/a Sun City West Assembly of God (collectively, the "*Church*") (the Liquidating Trustee, PCI Trustee, and the Church are at times individually referred to herein as a "*Party*" or collectively, the "*Parties*"). The terms of this Stipulation are as follows:

RECITALS

A. On November 30, 2009 ("*Petition Date*"), Palm Beach Finance Partners, L.P. and Palm Beach Finance II, L.P. (the "*Palm Beach Funds*") commenced Chapter 11 bankruptcy cases by filing voluntary petitions for relief under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Florida (the "*Florida Bankruptcy Court*"), Bky. Nos. 09-36379 and 09-36396 respectively (the "*Florida Bankruptcy Cases*");

B. On October 21, 2010, the Florida Bankruptcy Court entered its Order Confirming Second Amended Plan of Liquidation [Bky. No. 09-36379, ECF No. 444], creating the Liquidating Trusts and appointing the Liquidating Trustee as liquidating trustee;

C. In an action commenced by the United States of America, by an Order entered on October 6, 2008 and as subsequently amended, the Honorable Ann D. Montgomery, United States District Judge for the District of Minnesota, appointed Douglas A. Kelley as Receiver (the "*Receiver*") for, among others, Thomas J. Petters ("*Petters*"), Petters Company, Inc. ("*PCI*"),

Petters Group Worldwide, LLC ("*PGW*") and any affiliates, subsidiaries, divisions, successors, or assigns owned 100% or controlled by the foregoing. *United States v. Petters, et al.*, Case No. 0:08-cv-05348, ECF Nos. 12 and 127 (the "*Receivership Case*");

D. Pursuant to the authority granted to him under the Receivership Order, the Receiver filed petitions in the United States Bankruptcy Court for the District of Minnesota ("*Minnesota Bankruptcy Court*") commencing the Chapter 11 cases of PCI and PGW on October 11, 2008. Petitions commencing the voluntary Chapter 11 bankruptcy cases of PC Funding, LLC, Thousand Lakes, LLC, SPF Funding, LLC, PL Ltd., Inc., Edge One, LLC and MGC Finance, Inc. were filed on October 15, 2008. The petition commencing the Chapter 11 bankruptcy case of PAC Funding, LLC was filed on October 17, 2008. The petition commencing the Chapter 11 bankruptcy case of Palm Beach Finance Holdings, Inc. was filed on October 19, 2008. The above-referenced bankruptcy cases are being jointly administered under *In re Petters Company, Inc., et al.*, Bky. Case No. 08-45257 (the "*Minnesota Bankruptcy Cases*" or "*PCI/PGW Bankruptcy Estates*");

E. On February 26, 2009, the Minnesota Bankruptcy Court approved the Office of the United States Trustee for the District of Minnesota's appointment of Douglas A. Kelley, as the PCI Trustee of the Minnesota Bankruptcy Cases;

F. On November 29, 2011, the Liquidating Trustee commenced litigation against Frank E. Vennes, Jr. ("*Vennes*") and Metro Gem, Inc. ("*Metro Gem*") on behalf of the Liquidating Trusts. *Mukamal v. Metro Gem, Inc. et al.*, Adv. No. 11-03041 (Bankr. S.D. Fla.). The Liquidating Trustee asserts claims arising in tort based on certain representations Vennes made to the Palm Beach Funds regarding their advances to Palm Beach Finance Holdings, Inc.

and also for fraudulent transfers to recover certain investment transfers Vennes and Metro Gem received from the Palm Beach Funds as investors in the Palm Beach Funds;

G. On or about April 1, 2012, the Liquidating Trustee, on behalf of the Liquidating Trusts, commenced an Adversary Proceeding at Adv. Case No. 12-01264 asserting several claims against the Church, including claims for the avoidance and recovery of fraudulent transfers (the "*Adversary*"), relating to certain real and personal property located at 19051 R. H. Johnson Blvd., Sun City West, Arizona 85375 (the "*Arizona Property*"), which the Trustee asserts the Church received from Frank Vennes or Metro Gem (the "*Transfers*");

H. The PCI Trustee has recently indicated to the Church that he intends to pursue the Church for the recovery of the Transfers under 11 U.S.C. § 550 ("*PCI Demand*")The Adversary and the PCI Demand, and any and all related claims and allegations that have been or could have been raised by the Liquidating Trustee and/or the PCI Trustee are collectively referred to herein as the "*Trustees' Claims*";

I. The Church expressly denies any liability arising from the Trustees' Claims;

J. Prior to and following commencement of the Adversary and the communication of the PCI Demand, the Parties have engaged in discussions, and participated in mandatory mediation in Minnesota in front of the court-appointed mediator Justice James H. Gilbert, Esq. (the "*Mediation*"), in an attempt to resolve any and all issues, including the Trustees' Claims;

K. To avoid the continued expense of litigating the Trustees' Claims and the related risk of an adverse outcome arising from the Adversary, as well as incurring costs and expenses associated therewith, among other reasons, the Parties have agreed to resolve the Trustees' Claims pursuant to the terms and conditions of this Stipulation, which is consistent with the Mediated Settlement Agreement entered into by and among them at the Mediation.

NOW, THEREFORE, it is stipulated, consented to, and agreed, by and among the Parties as follows:

1. **No admission of liability.** The Parties acknowledge that this Stipulation is a compromise and settlement of a controversy. No Party admits, and each expressly denies, any liability on its part.

2. **Entire agreement.** This Stipulation, in conjunction with the Mediated Settlement Agreement, constitute the entire agreement and understanding between the Parties with respect to the subject matter hereof, and there are no other stipulations, agreements, representations, or warranties other than those specifically set forth herein. All prior agreements and understandings between the Parties concerning the subject matter hereof are superseded by the terms of this Stipulation, which incorporates the Mediated Settlement Agreement.

3. **Effective Date.** This Stipulation shall be effective when executed by all of the Parties hereto, and the Stipulation is approved by the entry of final, non-appealable orders in both the Minnesota Bankruptcy Cases and the Florida Bankruptcy Cases (the "*Effective Date*"). The Liquidating Trustee and the PCI Trustee shall each use their best efforts, to prepare and file any and all relevant pleadings, for the approval of this Stipulation in both the Minnesota Bankruptcy Court and the Florida Bankruptcy Court. To the extent necessary in such approval process, the Church shall reasonably cooperate with the respective Trustees.

4. **Settlement Payment.** In full and final settlement of the Trustees' Claims, the Church will pay (or cause to be paid) \$500,000.00 to the Trustees (the "*Settlement Payment*") as follows:

- A. Within fifteen (15) days following the Effective Date, the Church shall
 - a. pay \$200,000.00 to the Liquidating Trustee;

b. execute a deed of trust in the form attached hereto as **Exhibit "A"** (the "*Deed of Trust*") to be recorded by the PCI Trustee against the Arizona Property in favor of the PCI Trustee, as beneficiary, in the amount of \$300,000.00 (the "*Deed of Trust Amount*"), and execute a related standard Promissory Note in the form attached hereto as **Exhibit "B"** (the "*Note*") in favor of the PCI Trustee for the Deed of Trust Amount, which amount shall bear no interest.

B. On or before eighteen (18) months following the Effective Date, the Church shall pay to the PCI Trustee the Deed of Trust Amount. Upon payment in full of the Deed of Trust Amount, the Note shall be deemed paid in full, and the PCI Trustee shall promptly release the Deed of Trust and any lien on the Arizona Property pursuant to the laws of the State of Arizona.

The Liquidating Trustee's total portion of the Settlement Payment (\$200,000.00) will be paid to the Liquidating Trustee via (i) wire transfer pursuant to written instructions to be provided by the Liquidating Trustee or his counsel or (ii) check made payable to "Barry E. Mukamal, Liquidating Trustee" and delivered to Jonathan S. Feldman, Esq., Meland Russin & Budwick, P.A., 200 South Biscayne Blvd., Suite 3200, Miami, Florida 33131. The PCI Trustee's total portion of the Settlement Payment (\$300,000.00) will be paid to the PCI Trustee on behalf of the PCI bankruptcy estate via (i) wire transfer pursuant to written instructions to be provided by the PCI Trustee or his counsel or (ii) check made payable to "Douglas A. Kelley, Trustee" and delivered to Josiah Lamb, Esq., Kelley, Wolter & Scott, P.A., 431 South Seventh Street, Suite 2530, Minneapolis, MN 55415.

5. **No entitlement to distribution.** Upon the Effective Date the Church agrees that he, she, or it will not be entitled to any monetary distribution whatsoever, directly or indirectly,

from the Liquidating Trusts, the Palm Beach Funds, or the PCI/PGW Bankruptcy Estates. To the extent that the Church was scheduled (i) by the Palm Beach Funds in the Florida Bankruptcy Cases, or (ii) by PCI, PGW or any of the related administratively-consolidated debtors in the Minnesota Bankruptcy Cases, as having a claim or has filed any proof of claim or proof of interest in the Palm Beach Funds bankruptcy cases or the Minnesota Bankruptcy Cases, the Church agrees such claims or interests are deemed withdrawn in their entirety and will be stricken or otherwise disallowed.

6. General releases between the Parties.

A. For purposes of this Stipulation, the term “*Claims*” means any obligations, claims (including those arising under section 502(h) of the Bankruptcy Code), causes of action, or demands of any type that a party may presently have, may have or have had in the past, upon or by reason of any matter, cause or thing whatsoever, including without limitation any and all obligations, claims, causes of actions, and demands of any kind whatsoever, at law or in equity, indirect, derivative, or direct, known or unknown, discovered or undiscovered, including, but not limited to, the Trustees’ Claims.

B. Upon the Effective Date, the Liquidating Trustee, on behalf of the Liquidating Trusts and the Palm Beach Funds, and the PCI Trustee, on behalf of the PCI/PGW Bankruptcy Estates, each waives and releases, then and forever, the Church, and its board, members, congregation, predecessors, and successors-in-interest from any and all Claims that the Liquidating Trustee, the Liquidating Trusts, the Palm Beach Funds, the PCI Trustee, or the PCI/PGW Bankruptcy Estates may have against the Church; provided however that nothing herein will be deemed to release, waive, or otherwise limit any rights or obligations arising out of this Stipulation.

C. Upon the Effective Date, the Church waives and releases, then and forever, the Liquidating Trustee, the Liquidating Trusts, the Palm Beach Funds, the PCI Trustee, and the PCI/PGW Bankruptcy Estates from any and all Claims that the Church may have against the Liquidating Trustee, the Liquidating Trusts, the Palm Beach Funds, the PCI Trustee, and the PCI/PGW Bankruptcy Estates; provided however that this provision does not release, waive, or otherwise limit any rights or obligations arising out of this Stipulation.

7. **Dismissal of Adversary.** Upon the Effective Date, or within a reasonable period of time thereafter, the Liquidating Trustee, on behalf of the Liquidating Trusts, will dismiss with prejudice the Adversary, with each Party bearing it's own attorneys' fees and costs.

8. **Representations of the Church.** The individuals executing this Stipulation on behalf of the Church represent and warrant that he or she has the authority to execute this Stipulation on behalf of the Church and bind the Church to its terms. Such individuals further represent and warrant on behalf of the Church that the Church received the Arizona Property by deed executed by Frank E. Vennes, Jr. and Kimberly M. Vennes, as husband and wife..

9. **Representations of the Liquidating Trustee and the PCI Trustee.** The Liquidating Trustee and the PCI Trustee signing below each represents and warrants that he has the authority to execute this Stipulation on behalf of the Liquidating Trusts and the PCI/PGW Bankruptcy Estates, respectively, and bind them to its terms. The Liquidating Trustee and the PCI Trustee each further represent that they are the sole owners of the Trustees' Claims being settled herein and that they are not aware of any claim or potential claim that any person or entity, including Douglas A. Kelly as Receiver in the Receivership Case, may have against Church with regard to the Transfers.

10. **Review/No Duress.** Each of the Parties acknowledges that he, she, or it has read all of the terms of this Stipulation, has had an opportunity to consult with counsel of his, her, or its own choosing or knowingly and voluntarily waived such opportunity, and enters into those terms voluntarily and without duress.

11. **Amendments, Waiver.** This Stipulation may not be terminated, amended, or modified in any way except in a writing signed by all the Parties. No waiver of any provision of this Stipulation shall be deemed to constitute a waiver of any other provision hereof, whether or not similar, nor shall such waiver constitute a continuing waiver.

12. **Assignability.** No Party hereto may assign its rights under this Stipulation without the prior written consent of each of the other Parties hereto.

13. **Successors Bound.** This Stipulation shall be binding upon and inure to the benefit of each of the Parties and their successors and permitted assigns, including any subsequently-appointed Chapter 7 trustee in the Minnesota Bankruptcy Cases or trustee of the Liquidating Trusts.

14. **No Third-Party Beneficiary.** The Parties do not intend to confer any benefit by or under this Stipulation upon any person or entity other than the Parties hereto and their respective successors and permitted assigns.

15. **Attorneys' fees and costs.** Each Party shall bear its own attorneys' fees and costs in connection with the negotiation of this Stipulation and motions and orders as may be necessary to obtain the approval of this Stipulation by the Florida Bankruptcy Court and the Minnesota Bankruptcy Court, and each Party shall bear any mediation fees incurred in accordance with the Mediation Agreement entered into by and among the Parties at the Mediation on about October 16, 2012; provided however that in the event of any litigation

between the Parties under this Stipulation or arising as a result of a default under this Stipulation, the prevailing Party shall be entitled to recover reasonable attorneys' fees and costs related thereto, including, but not limited to, those incurred at all trial and appellate levels.

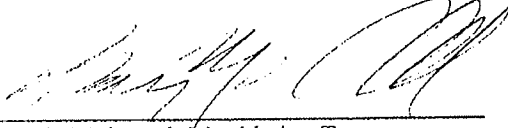
16. **No effect.** If either of the Florida Bankruptcy Court or the Minnesota Bankruptcy Court do not approve this Stipulation, then the Stipulation shall be of no further force or effect, and the Parties shall be restored to their rights as they existed prior to the execution of this Stipulation. Notwithstanding the foregoing, if either of the Florida Bankruptcy Court or the Minnesota Bankruptcy Court do not approve this Stipulation because any of the Parties has failed to provide the Florida Bankruptcy Court or Minnesota Bankruptcy Court with adequate information to rule on the merits of the Stipulation, the Parties will use their best efforts to seek reconsideration of any order declining to approve the Stipulation, or to file an amended motion to approve the Stipulation.

17. **Counterparts.** This Stipulation may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same Stipulation. Delivery of an executed counterpart of a signature page to this Stipulation by facsimile shall be effective as delivery of a manually executed counterpart of this Stipulation.

18. **Construction.** This Stipulation shall be deemed to have been jointly drafted by the Parties, and in construing and interpreting this Stipulation, no provision shall be construed and interpreted for or against any of the Parties because such provision or any other provision of the Stipulation as a whole is purportedly prepared or requested by such Party.

19. **Jurisdiction.** Jurisdiction to enforce the terms of this Stipulation shall rest exclusively with the Florida Bankruptcy Court and the Parties agree to bring any controversy arising under this Stipulation in the Florida Bankruptcy Court.

STIPULATED AND AGREED TO BY:



Barry E. Mukamal, Liquidating Trustee

Date: 1/26/12

Douglas A. Kelley, PCI/PGW Trustee

Date: _____

Church on the Green f/k/a First Assembly of
God – Sun City West a/k/a First Assembly of
God of Sun City West a/k/a Sun City West
Assembly of God

Date: _____

By its: _____

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STIPULATED AND AGREED TO BY:

Barry E. Mukamal, Liquidating Trustee

Date: _____

Douglas A. Kelley, PCI/PGW Trustee

Date: 11/29/12

Church on the Green f/k/a First Assembly of
God – Sun City West a/k/a First Assembly of
God of Sun City West a/k/a Sun City West
Assembly of God

Date: _____

By its: _____

19. **Jurisdiction.** Jurisdiction to enforce the terms of this Stipulation shall rest exclusively with the Florida Bankruptcy Court and the Parties agree to bring any controversy arising under this Stipulation in the Florida Bankruptcy Court.

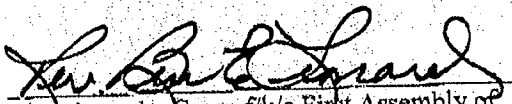
STIPULATED AND AGREED TO BY:

Barry E. Mukamal, Liquidating Trustee

Date: _____

Douglas A. Kelley, PCI/PGW Trustee

Date: _____


Church on the Green f/k/a First Assembly of
God - Sun City West a/k/a First Assembly of
God of Sun City West a/k/a Sun City West
Assembly of God

Date: 11/28/12

By its: President/Senior Pastor

EXHIBIT “A”

Recorded at the Request of:

When recorded, mail to:
Josiah Lamb, Esq.,
Kelley Wolter & Scott, P.A.,
431 South Seventh Street, Suite 2530
Minneapolis, MN 55415

DEED OF TRUST

THIS DEED OF TRUST is made on _____, 2012, between Church on the Green f/k/a First Assembly of God – Sun City West a/k/a First Assembly of God of Sun City West a/k/a Sun City West Assembly of God, herein referred to as TRUSTOR, who address is 19051 North R.H. Johnson Blvd., Sun City West, Arizona 85375; First American Title Insurance Company whose address is 2425 East Camelback Road, Suite 300, Phoenix, AZ 85016, herein referred to as TRUSTEE; and Douglas A. Kelley, in his capacity as Chapter 11 trustee of the administratively-consolidated debtors under *In re Petters Company, Inc., et al.*, United States Bankruptcy Court in and for the District of Minnesota, at Case No. 08-45257, herein referred to as BENEFICIARY, whose address is c/o Josiah Lamb, Esq., Kelley Wolter & Scott, P.A., 431 South Seventh Street, Suite 2530, Minneapolis, MN 55415

WITNESSETH: Trustor irrevocably grants, conveys, transfers and assigns to Trustee in Trust, with Power of Sale, all of the Trustor's rights, title, and interest now owned or hereafter acquired in and to that certain real property located in Maricopa County, State of Arizona, described as follows:

SEE LEGAL DESCRIPTION ATTACHED HERETO AS EXHIBIT "A" AND BY REFERENCE MADE A PART HEREOF:

TOGETHER WITH with all buildings, improvements, and fixtures thereon; and SUBJECT TO existing taxes, assessments, liens encumbrances, covenants, conditions, restrictions, rights-of-way, and easements of record.

FOR THE PURPOSE OF SECURING:

- A. Performance of each agreement of Trustor herein contained.
- B. Payment of the indebtedness evidenced by a Promissory Note of even date herewith, and any extension or renewal thereof, in the total sum of \$300,000.00 executed by Trustor, as maker, in favor of Beneficiary, as holder.

TO PROTECT THE SECURITY OF THIS DEED OF TRUST, TRUSTOR AGREES:

(1) Trustor shall keep said property in good condition and repair; shall not remove or demolish any building thereon, shall complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and shall pay when due all claims for labor performed and materials furnished therefor; shall comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; shall not commit or permit waste thereof; shall not commit, suffer or permit any act upon said

property in violation of law; shall cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

(2) Trustor shall keep all improvements now or hereafter erected on said property continuously insured against loss by fire or other hazards in an amount not less than the total obligation secured hereby. All policies shall be held by the Beneficiary and be in such companies as the Beneficiary may approve and have loss payable first to the Beneficiary as his interest may appear and then to the Trustor. The amount collected under any insurance policy may be applied upon any indebtedness hereby secured and in such order as the Beneficiary may determine or at option of the Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default hereunder nor cause discontinuance of any action that may have been or may thereafter be taken by Beneficiary or Trustee because of such default.

(3) Trustor shall appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of the Beneficiary or Trustee; and shall pay all costs and expenses of Beneficiary and Trustee, including cost of evidence of title and attorney's fees in a reasonable sum in such action or proceeding in which Beneficiary or Trustee may appear; and in any suit brought by Beneficiary to foreclose this DEED OF TRUST.

(4) Trustor shall pay, at least ten days before delinquency all taxes and assessments affecting said property; when due, all encumbrances, charges and liens, with interest, on property or any part thereof, which appear to be prior or superior hereto; when due, all costs, fees and expenses of this Trust, including, without limiting the generality of the foregoing, the fees of Trustee for issuance of any DEED OF PARTIAL RELEASE and PARTIAL RECONVEYANCE or DEED OF RELEASE and FULL RECONVEYANCE and all lawful charges, costs and expenses in the event of reinstatement of, following default in, this DEED OF TRUST or the obligations secured hereby.

(5) Should Trustor fail to make any payment or to do any act as provided in this DEED OF TRUST, then the Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may, make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his reasonable fees. Trustor shall pay immediately and without demand all sums so expended by Beneficiary or Trustee.

IT IS MUTUALLY AGREED:

(6) That any award of damages in connection with any condemnation or any such taking, or for injury to the property by reason of public use, or for damages for private trespass or injury thereto, is assigned and shall be paid to Beneficiary as further security for all obligations secured hereby (reserving unto the Trustor, however, the right to sue therefor and the ownership thereof subject to this DEED OF TRUST) and upon receipt of such monies Beneficiary may hold the same as such further security, or apply or release the same in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

(7) That time is of the essence of this DEED OF TRUST, and that by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

(8) That at any time, without notice upon written request of Beneficiary and presentation of this Deed of Trust and the secured notes(s) for endorsement, Trustee may: (a) release and reconvey

all or any part of the Property; (b) consent to the making and/or recording of any map or plat of the Property or any part of the Property; (c) join in granting any easement on the Property; or (d) join in or consent to any extension agreement or any agreement subordinating the lien or encumbrance of this Deed of Trust. Trustee's actions pursuant to this Section are taken without liability to Trustee and will not affect the personal liability of any person for payment of the indebtedness secured by this Deed of Trust or the encumbrance by this Deed of Trust on all Property remaining subject to this Deed of Trust. No sum representing the value of any portion of the Property that is affected by the Trustee's action must be credited on the indebtedness secured by the Deed of Trust unless the sum is received by Trustee.

(9) Upon written request of Beneficiary stating that all sums secured hereby have been paid and upon surrender of this DEED OF TRUST and said note(s) to Trustee for cancellation and retention and upon payment of its fees, Trustee shall by DEED OF RELEASE and FULL RECONVEYANCE release and reconvey, without covenants or warranty, express or implied, the property then held hereunder. The recital in such DEED OF RELEASE and FULL RECONVEYANCE may be described as "The Person or Persons Legally Entitled Thereto."

(10) That upon default by Trustor in the payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written notice thereof, setting forth the nature thereof, and of election to cause to be sold said property under this DEED OF TRUST. Beneficiary also shall deposit with Trustee this DEED OF TRUST, said note(s), and all documents evidencing expenditures secured hereby.

Trustee shall record and give notice of Trustee's sale in the manner required by law, and after the lapse of such time as may then be required by law, Trustee shall sell, in the manner required by law, said property at public auction at the time and place fixed by it in said notice of Trustee's sale to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone or continue the sale by giving notice of postponement or continuance by public declaration at the time and place last appointed for the sale. Trustee shall deliver to such purchaser its Deed conveying the property so sold, but without any covenant or warranty, expressed or implied. Any persons, including Trustor, Trustee or Beneficiary, may purchase at such sale.

After deducting all costs, fees, and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale and reasonable attorney's fees, Trustee shall apply the proceeds of sale to payment of: All sums then secured hereby and all other sums due under the terms hereof, with accrued interest; and the remainder, if any, to the person or persons legally entitled thereto, or as provided in A.R.S. 33-812. To the extent permitted by law, an action may be maintained by Beneficiary to recover a deficiency judgement for any balance due hereunder. The purchaser at the Trustee's sale shall be entitled to immediate possession of the property against the Trustor and shall have a right to summary proceedings to obtain a possession provided in Title 12, Chapter 8, Article 4, Arizona Revised Statutes, together with costs and reasonable attorney's fees.

In the alternative to foreclosure by Trustee's Sale, the Beneficiary may foreclose by judicial proceedings, and in such event, the election to declare the unpaid balance immediately due and payable may be made in the complaint. In such Judicial proceedings Beneficiary shall be entitled to reasonable attorney's fees, costs of foreclosure report and all sums advanced with interest as provided under paragraphs four (4) and five (5) herein.

(11) That Beneficiary may appoint a successor Trustee in the manner prescribed by law. A successor Trustee herein shall, without conveyance from the predecessor Trustee, succeed to all the predecessor's title, estate, rights, powers and duties. Trustee may resign by mailing or delivering notice thereof to Beneficiary and Trustor.

(12) That this DEED OF TRUST applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors, and assigns. The term Beneficiary shall mean the owner and holder of the note(s) secured hereby, whether or not named as Beneficiary herein. In this DEED OF TRUST, whenever the context so requires, the masculine gender includes the feminine and neuter, and the singular number includes the plural.

(13) Trustee accepts this trust when this DEED OF TRUST, duly executed and acknowledged, is made public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other DEED OF TRUST or of any action or proceeding in which Trustor, Beneficiary, or Trustee shall be a party unless brought by Trustee. In the event Trustee is made a party in any legal or court proceeding as a result of litigation between the Trustor and Beneficiary or between a third party and either or both of Trustor and/or Beneficiary, the attorney's fees and costs of Trustee shall be paid by either Trustor or Beneficiary, whichever being the non prevailing party.

(14) Time is of the essence of this DEED OF TRUST and each and every provision.

(15) Trustor and Beneficiary agree that the trust relationship created by this instrument is strictly limited to the creation and enforcement of a security interest in real property. Thus, all Trustee's duties, fiduciary or otherwise, are strictly limited to those imposed by this document and A.R.S. 33-801 through 33-821, inclusive and no additional duties, burdens or responsibilities shall be placed on the Trustee.

(16) The Trustor requests that a copy of any Notice of Trustee's Sale hereunder be mailed to him at his address hereinbefore set forth. All notices required hereby shall be sent to the addresses indicated above unless such party shall have recorded a Request for Notice pursuant to A.R.S. 33-809A in the county recorder's office of the county where the property encumbered hereby is located, indicating a different address.

TRUSTOR:

Date: _____

Church on the Green f/k/a First Assembly of
God – Sun City West a/k/a First Assembly of
God of Sun City West a/k/a Sun City West
Assembly of God

By its: _____

STATE OF ARIZONA)
) ss.
County of Maricopa)

On this ____ day of _____, before me, the undersigned, a Notary Public in and for said State, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to the individual whose name is subscribed to the within instrument, and he/she/they acknowledged to me that he/she/they executed the same in his/her capacity, and that by his/her signature on the instrument, the individual(s) or the entity upon behalf of which the individual acted, executed the instrument.

Notary Public

My commission expires:

Exhibit A
Legal Description

The following described real property sitsuate in Maricopa County, AZ with the title being conveyed to the grantee as set forth in the attached acceptance by the grantee:

PARCEL NO. 1:

TRACT "O", SUN CITY WEST UNIT 1, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA, RECORDED IN BOOK 200 OF MAPS, PAGE 1, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWESTERLY CORNER OF TRACT "O", ALSO KNOWN AS THE SOUTHEASTERLY CORNER OF TRACT "N" AND THE NORTHEASTERLY RIGHT-OF-WAY LINE OF R.H. JOHNSON BOULEVARD;

THENCE SOUTHEASTERLY ALONG SAID RIGHT-OF-WAY LINE AND THE ARC OF A CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 10,055.00 FEET A CHORD WHICH BEARS SOUTH 47 DEGREES, 25 MINUTES, 10 SECONDS EAST AND A CENTRAL ALONG OF 0 DEGREES, 26 MINUTES, 37 SECONDS, A DISTANCE OF 77.83 FEET TO THE TRUE POINT OF BEGINNING;

THENCE SOUTHEASTERLY CONTINUING ALONG THE SOUTHWEST LINE OF TRACT "O" AND THE NORTHEASTERLY RIGHT-OF-WAY LINE OF R.H. JOHNSON BOULEVARD AND THE ARC OF A 10,055.00 FOOT RADIUS CURVE THROUGH A CENTRAL ANGLE OF 01 DEGREES, 03 MINUTES, 02 SECONDS, A DISTANCE OF 184.39 FEET TO A POINT OF A NON-TANGENT LINE;

THENCE NORTH 42 DEGREES, 48 MINUTES, 09 SECONDS EAST, A DISTANCE OF 237.21 FEET TO A POINT;

THENCE NORTH 41 DEGREES, 00 MINUTES, 42 SECONDS WEST, A DISTANCE OF 183.46 FEET;

THENCE SOUTH 42 DEGREES, 48 MINUTES, 09 SECONDS WEST, A DISTANCE OF 256.01 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL NO. 2:

TRACT "O", SUN CITY WEST UNIT 1, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA, RECORD IN BOOK 200 OF MAPS, PAGE 1, RECORDS OF MARICOPA COUNTY, ARIZONA;

EXCEPT THAT PORTION OF TRACT "O" DESCRIBED AS FOLLOWS:

BEGINNING AT A NORTHWEST CORNER OF SAID TRACT "O";

THENCE SOUTH 48 DEGREES, 13 MINUTES, 39 SECONDS WEST ALONG THE NORTHWESTERLY LINE OF TRACT "O" THAT IS COMMON WITH THE SOUTHEASTERLY LINE OF TRACT "N" OF SUN CITY WEST UNIT 1, A DISTANCE OF 601.88 FEET TO A NORTHWESTERLY CORNER OF TRACT "O", ON THE NORTHEASTERLY RIGHT-OF-WAY LINE OF R.H. JOHNSON BOULEVARD;

THENCE SOUTHEASTERLY ALONG THE SOUTHWEST LINE OF TRACT "O" AND THE NORTHEASTERLY RIGHT-OF-WAY LINE OF R.H. JOHNSON BOULEVARD AND THE ARC OF A 10,055.00 FOOT RADIUS CURVE THROUGH A CENTRAL ANGLE OF 00 DEGREES, 26 MINUTES, 37 SECONDS, A DISTANCE OF 77.83 FEET;

THENCE NORTH 42 DEGREES, 48 MINUTES, 09 SECONDS EAST, A DISTANCE OF 584.66 FEET TO A POINT ON AN EASTERLY LINE OF SAID TRACT "O";

THENCE NORTH 13 DEGREES, 00 MINUTES, 00 SECONDS WEST, ALONG SAID EASTERLY LINE OF TRACT "O", SAID LINE BEING IN COMMON WITH A WESTERLY LINE OF TRACT "P" OF SAID SUN CITY WEST UNIT 1, A DISTANCE OF 25.30 FEET TO THE POINT OF BEGINNING; AND

EXCEPT THAT PORTION OF TRACT "O" DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWESTERLY CORNER OF TRACT "O", ALSO KNOWN AS THE SOUTHEASTERLY CORNER OF TRACT "N" AND THE NORTHEASTERLY RIGHT-OF-WAY LINE OF R.H. JOHNSON BOULEVARD;

THENCE SOUTHEASTERLY ALONG SAID RIGHT-OF-WAY LINE AND THE ARC OF A CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 10,055.00 FEET AND A CENTRAL ANGLE OF 01 DEGREES, 29 MINUTES, 39 SECONDS, A DISTANCE OF 262.22 FEET TO A NON-TANGENT LINE AND THE POINT OF BEGINNING;

THENCE NORTH 42 DEGREES, 48 MINUTES, 09 SECONDS EAST, A DISTANCE OF 180.03 FEET TO A POINT ON A NON-TANGENT CURVE CONCAVE SOUTHWESTERLY;

THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE HAVING A RADIUS OF 10,235.00 FEET AND A CENTRAL ANGLE OF 01 DEGREES, 03 MINUTES, 13 SECONDS, A DISTANCE OF 188.21 FEET TO A POINT OF A NON-TANGENT LINE;

THENCE SOUTH 42 DEGREES, 48 MINUTES, 09 SECONDS WEST, A DISTANCE OF 180.12 FEET TO A POINT ON A NON-TANGENT CURVE SOUTHWESTERLY;

THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE HAVING A RADIUS OF 10,055.00 FEET AND A CENTRAL ANGLE OF 01 DEGREES, 04 MINUTES, 21 SECONDS, A DISTANCE OF 188.22 FEET (SAID CURVE ALSO BEING THE NORTHEASTERLY RIGHT-OF-WAY LINE OF R.H. JOHNSON BOULEVARD) TO THE POINT OF BEGINNING; AND

EXCEPT THAT PORTION OF TRACT "O" DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWESTERLY CORNER OF TRACT "O", ALSO KNOWN AS THE SOUTHEASTERLY CORNER OF TRACT "N" AND THE NORTHEASTERLY RIGHT-OF-WAY LINE OF R.H. JOHNSON BOULEVARD;

THENCE SOUTHEASTERLY ALONG SAID RIGHT-OF-WAY LINE AND THE ARC OF A CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 10,055.00 FEET A CHORD WHICH BEARS SOUTH 46 DEGREES, 53 MINUTES, 39 SECONDS EAST AND A CENTRAL ANGLE OF 01 DEGREES, 29 MINUTES, 39 SECONDS, A DISTANCE OF 262.22 FEET TO A NON-TANGENT LINE;

THENCE NORTH 42 DEGREES, 48 MINUTES, 09 SECONDS EAST, A DISTANCE OF 180.03 FEET TO A POINT ON A NON-TANGENT CURVE CONCAVE SOUTHWESTERLY;

THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE HAVING A RADIUS OF 10,235.00 FEET AND A CENTRAL ANGLE OF 00 DEGREES, 49 MINUTES, 08 SECONDS, A DISTANCE OF 146.28 FEET AND A CHORD WHICH BEARS SOUTH 45 DEGREES, 45 MINUTES, 22 SECONDS EAST TO A POINT OF A NON-TANGENT LINE AND THE TRUE POINT OF BEGINNING;

THENCE NORTH 50 DEGREES, 39 MINUTES, 27 SECONDS EAST, A DISTANCE OF 242.16 FEET TO A POINT;

THENCE ALONG SAID RIGHT-OF-WAY LINE AND ALONG THE ARC OF SAID CURVE CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 18,690.00 FEET A CHORD WHICH BEARS SOUTH 50 DEGREES, 55 MINUTES, 29 SECONDS WEST AND A CENTRAL ANGLE OF 00 DEGREES, 45 MINUTES, 37 SECONDS, A DISTANCE OF 247.99 FEET TO A POINT OF TANGENCY;

THENCE SOUTH 50 DEGREES, 32 MINUTES, 41 SECONDS WEST, A DISTANCE OF 140.18 FEET TO A POINT ON A TANGENT CURVE CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 15.00 FEET AND A CENTRAL ANGLE OF 85 DEGREES, 10 MINUTES, 47 SECONDS;

THENCE ALONG THE ARC OF SAID CURVE A DISTANCE OF 22.30 FEET TO A POINT OF A REVERSING CURVE CONCAVE SOUTHWESTERLY;

THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE HAVING A RADIUS OF 10,055.00 FEET AND A CENTRAL ANGLE OF 00 DEGREES, 48 MINUTES, 11 SECONDS, A DISTANCE OF 140.92 FEET, SAID CURVE ALSO BEING THE NORTHEASTERLY RIGHT-OF-WAY LINE OF R.H. JOHNSON BOULEVARD TO A POINT OF A NON-TANGENT LINE;

THENCE NORTH 42 DEGREES, 48 MINUTES, 09 SECONDS EAST, A DISTANCE OF 180.12 FEET TO A POINT ON THE CONTINUATION OF A NON-TANGENT CURVE CONCAVE SOUTHWESTERLY WHICH PASSES THROUGH SAID POINT OF BEGINNING;

THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE HAVING A RADIUS OF 10,235.00 FEET A CHORD WHICH BEARS NORTH 45 DEGREES, 13 MINUTES, 45 SECONDS WEST AND A CENTRAL ANGLE OF 00 DEGREES, 14 MINUTES, 05 SECONDS, A DISTANCE OF 41.94 FEET TO THE TRUE POINT OF BEGINNING; AND

EXCEPT THAT PORTION OF TRACT "O" DESCRIBED AS FOLLOWS;

BEGINNING AT THE NORTHWESTERLY CORNER OF TRACT "O", ALSO KNOWN AS THE SOUTHEASTERLY CORNER OF TRACT "N" AND THE NORTHEASTERLY RIGHT-OF-WAY LINE OF R.H. JOHNSON BOULEVARD;

THENCE SOUTHEASTERLY ALONG SAID RIGHT-OF-WAY LINE AND THE ARC OF A CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 10,055.00 FEET A CHORD WHICH BEARS SOUTH 47 DEGREES, 25 MINUTES, 10 SECONDS EAST AND A CENTRAL ANGLE OF 01 DEGREES, 29 MINUTES, 39 SECONDS, A DISTANCE OF 77.83 FEET TO THE TRUE POINT OF BEGINNING;

THENCE SOUTHEASTERLY CONTINUING ALONG THE SOUTHWEST LINE OF TRACT "O" AND THE NORTHEASTERLY RIGHT-OF-WAY LINE OF SAID R.H. JOHNSON BOULEVARD AND THE ARC OF A 10,055.00 FOOT RADIUS CURVE THROUGH A CENTRAL ANGLE OF 01 DEGREES, 03 MINUTES, 02 SECONDS, A DISTANCE OF 184.39 FEET TO A POINT OF A NON-TANGENT LINE;

THENCE NORTH 42 DEGREES, 48 MINUTES, 09 SECONDS EAST, A DISTANCE OF 237.71 FEET TO A POINT;

THENCE NORTH 41 DEGREES, 00 MINUTES, 42 SECONDS WEST, A DISTANCE OF 185.46 FEET;

THENCE SOUTH 42 DEGREES, 48 MINUTES, 09 SECONDS WEST, A DISTANCE OF 256.01 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL NO. 3;

A PERPETUAL NON-EXCLUSIVE EASEMENT FOR VEHICULAR AND PEDESTRIAN INGRESS AND EGRESS AS CREATED BY RECIPROCAL EASEMENT AGREEMENT WITH COVENANTS AND RESTRICTIONS AFFECTING LAND RECORDED NOVEMBER 13, 1996 IN RECORDING NO. 96-0800082,

OF OFFICIAL RECORDS OVER THE PROPERTY DESCRIBED THEREIN AS THE ACCESS EASEMENT AREA.

PARCEL NO. 4:

A PERPETUAL NON-EXCLUSIVE EASEMENT FOR PARKING AND PEDESTRIAN AND VEHICULAR INGRESS AND EGRESS AS CREATED BY EASEMENT AGREEMENT RECORDED APRIL 4, 1997 IN RECORDING NO. 97-0222264, OF OFFICIAL RECORDS.

EXHIBIT “B”

PROMISSORY NOTE

(No Interest)

Note Amount: \$300,000.00
Sun City West, Arizona

Note Date: ____/____/20____
Maturity Date: ____/____/20____

FOR VALUE RECEIVED, the undersigned Church on the Green f/k/a First Assembly of God – Sun City West a/k/a First Assembly of God of Sun City West a/k/a Sun City West Assembly of God (collectively, the "Maker"), hereby promises to pay to the order of Douglas A. Kelley, in his capacity as Chapter 11 trustee of the administratively-consolidated debtors under *In re Petters Company, Inc., et al.*, United States Bankruptcy Court in and for the District of Minnesota, at Case No. 08-45257 (collectively, the "Holder"), the sum of THREE HUNDRED THOUSAND DOLLARS (\$300,000.00) (the "Note Amount"), in full, on or before the Maturity Date set forth above. The Note Amount shall bear no interest.

If the Note Amount becomes due and payable on a Saturday, Sunday or business holiday in the State of Arizona, payment shall be made on the next successive business day with the same effect as though made on the Maturity Date. All payments made hereunder shall be made in lawful currency of the United States of America to the Holder at such place as the Holder may designate.

Maker acknowledges that this Note is secured by a pledge of certain real property pursuant to a Deed of Trust entered into by and between Maker, as trustor, and Holder, as trustee and beneficiary, and dated as of the Note Date (the "DOT").

This Promissory Note shall be governed by and construed and enforced in accordance with the laws of the State of Arizona.

IN WITNESS WHEREOF, the undersigned has duly caused this Promissory Note to be executed and delivered.

MAKER

Church on the Green f/k/a First Assembly of
God – Sun City West a/k/a First Assembly of
God of Sun City West a/k/a Sun City West
Assembly of God

By its: _____

Date: _____

APPROVED AS TO FORM AND CONTENT BY:
HOLDER

Douglas A. Kelley

Date: 11/29/12

Douglas A. Kelley, in his capacity as Chapter 11
trustee of the administratively-consolidated debtors
under *In re Petters Company, Inc., et al.*,
United States Bankruptcy Court in and for the
District of Minnesota, at Case No. 08-45257

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
WEST PALM BEACH DIVISION
www.flsb.uscourts.gov

In re:

CHAPTER 11

PALM BEACH FINANCE PARTNERS, L.P.,
PALM BEACH FINANCE II, L.P.,

Case No. 09-36379-PGH
Case No. 09-36396-PGH
(Jointly Administered)

Debtors.

**ORDER GRANTING LIQUIDATING TRUSTEE'S MOTION TO APPROVE
(1) SETTLEMENT WITH CHURCH ON THE GREEN F/K/A
FIRSTASSEMBLY OF GOD – SUN CITY WEST A/K/A FIRST ASSEMBLY
OF GOD OF SUN CITY WESTA/K/A SUN CITY WEST ASSEMBLY
OF GOD AND (2) PAYMENT OF CONTINGENCY FEE [ECF NO. _____]**

THIS CAUSE came before the Court upon the Liquidating Trustee's Motion to Approve
(1) Settlement with Church On The Green f/k/a First Assembly of God - Sun City West a/k/a
First Assembly of God of Sun City West a/k/a Sun City West Assembly of God and (2) Payment

of Contingency Fee [ECF No.] (the “Motion”).¹ The Court, having reviewed the Motion and noting that a Certificate of No Response and Request for Entry of Order has been filed, finds that the notice of the proposed compromise and settlement is sufficient to comply with Bankruptcy Rules 9019 and 2002(a)(3), Local Rule 9013-1(D) and any other applicable notice requirement, and accordingly, it is:

ORDERED as follows:

1. The Motion is **GRANTED**.
2. The Stipulation is **APPROVED**.
3. Transferee shall pay (or cause to be paid)) \$500,000.00 (the “*Settlement Payment*”) as follows:

- a) The Transferee will pay (or cause to be paid) \$500,000.00 (the

“*Settlement Payment*”) as follows:

- i) within fifteen (15) days following approval of the Stipulation by the Minnesota Bankruptcy Court (the “*Effective Date*”), the Transferee shall pay \$200,000.00 to the Liquidating Trustee; and

- ii) within fifteen (15) days following the Effective Date, the Transferee shall execute a promissory note and deed of trust (to be recorded against the Arizona Property) in favor of the PCI Trustee in the amount of \$300,000.00 (the “*Deed of Trust Amount*”), which Deed of Trust Amount shall be paid in full to the PCI Trustee on or before eighteen (18) months from the Effective Date.

4. The Liquidating Trustee’s portion of the Settlement Payment (\$200,000.00) may be made via (i) wire transfer pursuant to written instructions to be provided by the Liquidating Trustee or his counsel or (ii) check made payable to “Barry E. Mukamal, Liquidating Trustee” and delivered to Jessica L. Wasserstrom, Esq., Meland Russin & Budwick, P.A., 200 South Biscayne Blvd., Suite 3200, Miami, Florida 33131.

¹ All capitalized terms not defined in this Order shall have the meaning ascribed to such term as set forth in the Motion.

5. The Liquidating Trustee's portion of the Settlement Payment (\$200,000.00) will be allocated and apportioned among the Liquidating Trusts as follows: 18% to the Palm Beach Finance Partners Liquidating Trust and 82% to the Palm Beach Finance II Liquidating Trust (the "*Pro Rata Allocation Formula*"), and the wire transfers and/or checks referenced in paragraph 3 above as the mechanism for the Settlement Payment shall be made in the amounts in accordance with this allocation.

6. MRB's Contingency Fee in the amount of \$20,000.00 is approved. The Liquidating Trustee is authorized and directed to make payment of the Contingency Fee without the need of further Court Order, in accordance with the Pro Rata Allocation Formula, promptly upon receipt of the Settlement Payment.

7. To the extent that the Transferee has any scheduled claim or proof of interest or has filed a proof of claim or proof of interest in the Debtors' chapter 11 cases, such claim or interest is deemed disallowed in its entirety.

8. The Court retains jurisdiction to enforce the terms of the Stipulation.

###

Submitted By:

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Jessica L. Wasserstrom, Esquire, is directed to serve copies of this Order on all parties in interest and to file a Certificate of Service.

CM/ECF LIVE - U.S. Bankruptcy Court:flsb

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