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SUPERIOR COURT OF ARIZONA
MARICOPA COUNTY

ARIZONA CORPORATION
COMMISSION

Case No. CV 2005-005484

Plaintiff,

v.

**AMENDED ORDER APPROVING
JOINT MOTION FOR OPERATING
ORDER**

MATHON MANAGEMENT COMPANY,
L.L.C., fka an Arizona limited liability
company now dba a Delaware limited
liability company, SLADE WILLIAMS AND
ASSOCIATES, L.L.C., an Arizona limited
liability company, MATHON FUND I,
L.L.C., an Arizona limited liability company,
MATHON FUND, L.L.C., fka an Arizona
limited liability company now dba a
Delaware limited liability company,
INTEGRITY101, L.L.C., an Arizona limited
liability company, INTEGRITY 201, L.L.C.,
an Arizona limited liability company,
INTEGRITY 301, L.L.C., and Arizona
limited liability company, INTEGRITY401,
L.L.C., an Arizona limited liability company,
INTEGRITY 501, L.L.C., an Arizona limited
liability company, INTEGRITY 601, L.L.C.,
an Arizona limited liability company,
INTEGRITY 701, L.L.C., an Arizona limited
liability company, INTEGRITY 801, L.L.C.,
an Arizona limited liability company,
INTEGRITY 901, L.L.C., an Arizona limited
liability company, ROUND VALLEY
CAPITAL, L.L.C., an Arizona limited
liability company, W.S.F. – WORLD
SPORTS FANS, L.L.C., an Arizona limited
liability company, MILL CREEK, L.L.C., an

(Assigned to the Honorable
Barry C. Schneider)

JABURG & WILK, P.C.
ATTORNEYS AT LAW
3200 NORTH CENTRAL AVENUE
SUITE 2000
PHOENIX, ARIZONA 85012

1 Arizona limited liability company,
2 BELLEVUE HOLDINGS, L.L.C., an
3 Arizona limited liability company, OAK
4 HARBOR FINANCIAL, L.L.C., an Arizona
5 limited liability company, SW STRATEGIC,
6 WEALTH ADVISORS, L.L.C., an Arizona
7 limited liability company, EVERETT
8 CAPTIAL, L.L.C., an Arizona limited
9 liability company, CRE CAPITAL, L.L.C.,
10 an Arizona limited liability company,
11 MEZZANINE MANAGEMENT, L.L.C., an
12 Arizona limited liability company,
13 MEZZANINE FUND I, L.L.C., an Arizona
14 limited liability company, JONAS FUND I,
15 L.L.C., an Arizona limited liability company,
16 TEMPLAR FUND L.L.C., fka an Arizona
17 limited liability company now dba a
18 Delaware limited liability company,
19 MERCER ISLAND, L.L.C., an Arizona
20 limited liability company, CONNECTICUT
21 PROPERTIES, L.L.C., an Arizona limited
22 liability company, FIRST ATLANTA
23 INVESTMENTS, L.L.C., a Georgia limited
24 liability company, MM COLONIAL FUND,
25 L.L.C., a Delaware limited liability company,
26 SLADE CONSTRUCTION, L.L.C., an
27 Arizona limited liability company,

28 DUANE SLADE and JENNIFER SLADE,
husband and wife, GUY ANDREW
WILLIAMS and LISA WILLIAMS, husband
and wife,

Defendants.

19 James C. Sell, the Court appointed Conservator, having filed with the Court
20 *Conservator's Joint Motion for Operating Order* (hereinafter "Motion"), the Court having
21 set this matter for hearing and having heard argument of counsel; it is

22 **ORDERED** that Conservator's and Official Creditors Committee's Joint Motion
23 for Operating Order is granted. Payment of monthly fees and costs of the Conservatorship
24 shall be paid in accordance with the terms set forth in Exhibit "A" hereto.

25 DONE IN OPEN COURT this 16th day of July, 2005.

26 BARRY C. SCHNEIDER
27 JUDGE OF THE SUPERIOR COURT
28 Honorable Barry C. Schneider

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EXHIBIT "A"

1. Presentation to the Arizona Corporation Commission, Keith Beauchamp and a two member panel comprised of two members of the Official Creditors Committee and Cody Pearce (hereinafter the "Fee Committee") of a detailed statement of services rendered and expenses incurred by the Conservator, Conservator's attorneys and professionals for the preceding month in a format normally submitted to the Bankruptcy Court for interim fee applications. Absent a timely objection, the Conservator would be entitled to pay himself, and the professionals seeking compensation 80% of the amount of fees incurred for the month (with a 20% hold back) and 100% of the disbursements incurred for that month. These payments would be subject to this Court's approval as part of the normal interim fee application process every 120 days. Upon approval by this Court of the interim fees and expenses, the Conservator, Conservator's counsel and professionals will receive payment of the 20% holdback. The lack of any objection to the interim bill by the Arizona Corporation Commission and/or the fee committee is not a waiver of any right to make objection when any application is made to the Court for fee approval.

2. Monthly payment of compensation and reimbursement of expenses shall be structured as follows:

(a) On or before the 25th day of each calendar month following the month for which compensation is sought, the Conservator, Conservator's counsel and professionals shall submit a monthly statement to the Arizona Corporation Commission and Fee Committee. Each entity receiving such a statement will have a seven (7) day review period. At the expiration of the 7 day period, the Conservator will be authorized to pay 80% of the fees and 100% of the disbursements requested in such statement, except such fees or disbursements as to which an objection shall have been served by the Arizona Corporation Commission or the Fee Committee.

(b) In the event that the Arizona Corporation Commission or Fee Committee asserts an objection to the compensation or reimbursement sought in a particular statement, they shall, within 7 days of receipt of the statement, serve upon (i) the Conservator or professional whose statement is objected to, and (ii) the other persons designated to receive statements in Paragraph (a) above, a written "Notice of Objection to Fee Statement", setting forth the precise nature of each particular objection and the amount at issue with respect to each matter for which an objection is asserted. Thereafter, the objecting party and the Conservator or professional whose statement is objected to shall attempt to reach an agreement regarding the appropriate payment to be made. If the parties reach such an agreement, such agreed upon amount shall be paid. If the parties are unable to

1 reach an agreement on the objection within 7 days of such objection, the
2 professional whose fee statement is objected to shall have the option of (1) filing
3 the objection together with a request for payment of the disputed amount with the
4 Court, or (2) foregoing payment of the disputed amount until the next interim fee
5 application hearing, at which time the Court would consider and dispose of the
6 objection if payment of the disputed amount is requested. The Conservator will be
7 required to pay promptly that percentage set forth above of any portion of the fees
8 and disbursements requested that are not subject to the Notice of Objection to Fee
9 Statement, up to 80% of the total fees requested. By way of clarification, so long
10 as the objected amount does not exceed 20% of the total billing of the professional,
11 the professional shall be entitled to receive 80% of the billed amount.

12 (c) The first statements may be submitted, and have been submitted, by
13 the Conservator, and Conservator's counsel, prior to entry of an Order Approving
14 Joint Motion for Operating Order. Upon entry of an Order Approving Joint Motion
15 for Operating Order, the Conservator shall be authorized to pay the costs and fees
16 in accordance with the terms of Paragraph 11 of the Conservatorship Stipulation
17 (subject to the provisions regarding objections set forth herein).

18 (d) Commencing August 1, 2005, and each four months thereafter ("Fee
19 Period"), each of the professionals must file with the Court and serve on the parties
20 identified in Paragraph (a), an Application for Interim Court Approval and
21 Allowance of Compensation and Reimbursement of Expenses Requested by the
22 prior Fee Period (the "Interim Fee Application"). Any other party in interest that is
23 entitled to notice shall receive a Notice of Filing of Interim Fee Application which
24 shall state the amounts of fees and expenses requested in the Application. Any
25 Objections to Interim Fee Applications shall be filed within ten (10) days of service
26 of the Application.

27 (e) The pendency of an objection to an Interim Fee Application or a
28 Court Order declaring the payment of compensation or reimbursement of expenses
was improper as to a particular statement shall not disqualify a professional from
the future payment of compensation or reimbursement of expenses as set forth
above at a hearing on such professional's Final Fee Application.

(f) Neither the payment of, nor the failure to pay, in whole or in part,
monthly interim compensation and reimbursement as provided herein shall bind
any party or the Court with respect to the allowance of either an Interim Fee
Application or a Final Fee Application for Compensation.