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15 *Special Counsel for Debtor*

16 UNITED STATES BANKRUPTCY COURT
17 DISTRICT OF ARIZONA

18 In re:
19 MATHON FUND, L.L.C., et al,
20 Debtors.

Chapter 11 Proceedings
Case No: 05-27993 PHX GBN
(Jointly Administered with Case Nos.
05-27994 PHX-SSC and
05-27995 PHX- JMM)

21 THIS FILING APPLIES TO:

- 22 ALL DEBTORS
23 SPECIFIED DEBTORS

**MOTION TO APPROVE SALE
PROCEDURES**

**(STOCK IN LAS VEGAS RESORT
DEVELOPMENT, INC.)**

24 Mathon Fund, LLC, Debtor and Debtor in Possession in the above-referenced Bankruptcy
25 case, (the "Debtor") by and through counsel of record undersigned hereby files Debtor's Motion
26 to Approve Sale Procedures (the "Procedures Motion"). In support of the relief requested herein,
27 and to provide adequate information and sufficient detail to allow creditors and parties in interest
28 to make an informed decision regarding the merits of the proposed sale procedures herein, Debtor
respectfully represents as follows:

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ATTORNEYS AT LAW
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SUITE 2000
PHOENIX, ARIZONA 85012

1 George B. Nielson, United States Bankruptcy Judge, contemporaneously with the final hearing to
2 approve the Sale Motion (the "Sale Hearing"). The Debtor proposes that the Sale may be subject
3 to competitive bidding as set forth in the following bidding procedures:

4 1. Solicitation and Information to Potential Bidders

5 The Debtor shall give notice of the sale to prospective overbidders, receive and consider
6 unsolicited offers for the Sale Assets, provide information to any such prospective offeror and
7 consider any potential bids for the Sale Asset; provided, however, that any such prospective offer
8 desiring to conduct due diligence shall:

- 9 a) Demonstrate appropriate financial capability, as determined
10 by Debtors in their sole discretion, to consummate a transaction for
the purchase of the Sale Asset; and
- 11 b) Execute a confidentiality agreement and release in a form
12 acceptable to Debtors in accordance with the Sales Procedures.

13 2. Qualifying Overbids. Only qualifying overbids shall be considered by the Court.

14 Debtor requests that any entity that fails to submit a qualifying overbid be disqualified from
15 bidding for the Sale Asset at the Sale Hearing. In order to constitute a "Qualifying Overbid" a
16 purchase offer (an "initial overbid") must be made no later than the response deadline which is to
17 be determined by the Court, and meet the following requirements:

- 18 a) Be served on the Debtor, in such a manner that the initial overbid is
received on or before the response deadline;
- 19 b) Provide a bid letter stating that (i) the qualified bidder offers to purchase
20 the Sale Assets upon the terms and conditions set forth in the existing agreement,
attaching to the letter a marked copy to show any amendments and modifications
21 to the agreement; (ii) confirms that the offer is irrevocable until the earlier of 48
hours after closing of the sale of the acquisition shares or such date as is specified
22 in a bankruptcy court order approving the overbid procedures; and (iii) shall
include written evidence of a commitment to financing or other evidence of ability
23 to consummate the transaction;
- 24 c) Provide for a bid in a minimal amount of \$100,000 greater than the Buyer's
existing offer;
- 25 d) Provide for a bid of at least \$11,100,000.
- 26 e) Provide evidence to support that the Qualified Overbidder can deliver an
27 amount equal to 10% of its initial overbid as a deposit requirement upon
acceptance of the offer.

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3. Auction Procedures. If the Debtors receive one or more Qualifying Bids, the Bankruptcy Court shall conduct an Auction, in which the Buyer and all Qualified Bidders may participate. No Qualifying Overbid shall be considered unless such Qualified Overbidder shall appear in person at the Sale Hearing, or through a duly authorized representative. The Auction shall be governed by the following procedures:

- a) All bidders shall be deemed to have consented to the core jurisdiction of the Bankruptcy Court and waive any right to jury trial in connection with any disputes relating the Auction and/or Sale of the assets;
- b) Bidding will commence at the amount of the highest Qualified Overbid submitted by the Qualified Overbidder, as determined by the Debtor in its sole discretion;
- c) Each subsequent bid by a Qualified Overbidder or the Buyer shall be in increments of at least \$100,000 in aggregate consideration above the previous bid;
- d) If, upon the conclusion of the Auction, and consistent with the terms of these bidding procedures, Buyer has failed to make a bid that the Debtor determines, in its sole discretion, to be the higher or otherwise best bid, the Debtor will recommend that the Bankruptcy Court authorize and approval the sale of the asset to such prevailing Qualifying Overbidder;
- e) If, however, Buyer makes a bid that the Debtor determines, in its sole discretion and consistent with the terms of the Sales Procedure to be the highest or otherwise best bid made by the Qualified Overbidder, the Debtor will recommend that the Bankruptcy Court approve the Sale and authorize the Debtor to sell the Sale Assets to the Buyer; and
- f) Upon conclusion of the Auction, the Bankruptcy Court shall make the ultimate determination of which bid for the Sale of the asset represents the highest and otherwise best bid for the Debtor and the Chapter 11 Bankruptcy Estate (the "Prevailing Bidder") and that the sale has met the requisite good faith requirement.

4. Debtors' Business Judgment and Right to Reject Bid. The Debtor: (a) may exercise its business judgment to recommend a sale of the Sale Assets to any Qualified Overbidder whose bid the Debtor determines, in its sole discretion, to be in the best interest of the Estate; (b) may reject at any time before the entry of an order of the Bankruptcy Court approving the bid of a Qualified Overbidder, any bid that, in the Debtor's sole discretion, is (i) inadequate or insufficient; (ii) not in substantial conformity with the Bankruptcy Code, these Sale Procedures or the terms and conditions of the Sale, or (iii) contrary to the best interests of the Debtor, it's Estate

1 COPY of the foregoing mailed
2 this 7th day of August, 2006.

3 Michael W. Carmel 80 E. Columbus Ave. Phoenix, AZ 85012-4965 4 <i>Counsel for Debtor</i>	OFFICE OF THE U.S. TRUSTEE 230 N. 1 st Avenue, Suite 204 Phoenix, AZ 85003-1725 <i>U.S. Trustee</i>
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12 Merwin D. Grant, Esq. GRANT & VAUGHN, PC 13 6225 N. 24 th Street, Suite 125 Phoenix, Arizona 85016 14 <i>Attorney for Dr. Glauser, Larry Pew & Rich Stewart</i>	Scheer & Imfeld, LLP 100 Smith Ranch Road, Suite 306 San Rafael, CA 94903
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22 Steven M. Berman, Esq. BERMAN, PLC 23 401 S. Florida Avenue, # 300 Tampa, Florida 33602 24 <i>Attorney for Alan C. Bentley</i>	James C. Sell 2222 E. Camelback Road, #110 Phoenix, Arizona 85016 <i>Court Appointed Receiver</i>

25 And the Twenty Largest Unsecured Creditors
26 attached hereto as Exhibit "1"

27 */s/Janet Forster*
28 _____

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Exhibit "1"

Newman Family Trust
Jan Newman
245 E Hudson Lane
Elk Ridge, UT 84651

Randall Skidmore
1550 N. 40th Street, #3
Mesa, AZ 85205

4-Sight Integrated, LLC
Karl Hiatt
3418 E. Encanto
Mesa, AZ 85213

Alan Archibald Limited
Alan Archibald
20 N. Main Street, Suite 312
St. George, UT 84770

Asay II Wadsworth, LLC
John Wadsworth
333 West River Park Drive
Provo, UT 84604

Benimoto Funding
Ben & Christie Funk
4040 E. McLellan, #8
Mesa, AZ 85205

Eagles Pointe, LLC
David Robison
9100 Eagle Hills Drive
Las Vegas, NV 89134

Geiser Group, LLC
Alwynn Geiser
1845 E Grandview Street
Mesa, AZ 85203

Clair & Nancy Jenkins
6106 204th Drive NE
Redmond, WA 98052

King Henry, Inc
Kurt Taylor
3999 Ponderosa Way
Las Vegas, NV 89118

Ty D. Mattingly
22 West 620 South
Orem, UT 84058

Meta Funding
Mel Hawkins
12642 N. 113th Way
Scottsdale, AZ 85259

NM Land, LLC
Mitch NM Land, LLC
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Salt Lake City, UT 84123

Pacific Friends, LLC
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723 S. Casino Center Blvd. 2nd Fl.
Las Vegas, NV 89101

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Folsom, CA 95630

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Salt Lake City, UT 84104

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John Wadsworth
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R. Phil & Janet Zobrist Family Trust
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Mesa AZ 85214

Howard LI Drafting & Design
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Mesa AZ 85207

LANDAMERICA Account
Servicing Center
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Pinal County Treasurer
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Florence AZ 85232