

**IN THE UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TENNESSEE AT MEMPHIS**

REGIONS BANK,)	
as Indenture Trustee,)	
)	
Plaintiff,)	
)	
v.)	Case No. 06-cv-2239-JPM
)	
CME-CORNERS, INC., and)	
THE HEALTH, EDUCATIONAL AND)	
HOUSING FACILITY BOARD OF THE)	
COUNTY OF SHELBY, TENNESSEE,)	
)	
Defendants.)	

**RECEIVER’S NOTICE OF REVISIONS TO
PROPOSED FORM OF SALE APPROVAL ORDER**

TO ALL PARTIES IN INTEREST, PLEASE TAKE NOTICE OF THE FOLLOWING:

1. On August 24, 2006, Receiver filed its Expedited Motion of Receiver for Approval of Procedures to Sell the Collateral and to Set Hearings (the “Motion”). On September 1, 2006, this Court granted the Motion and entered that certain Order Establishing Procedures to Sell the Collateral and Setting Hearing to Confirm Sale of the Collateral (the “Sale Procedures Order”). Capitalized terms not defined herein shall have the meanings ascribed to the them in the Motion and its accompanying Memorandum, as applicable.

2. Attached as Exhibit 2 to the Motion was a preliminary form of Order Approving Receiver’s Sale Of The Collateral (the “Preliminary Order”), which, after conclusion of the Auction and pursuant to the Sale Procedures Order, will be revised to reflect the outcome of the Auction, submitted to the Court, and served on certain parties.

3. In order to enhance the marketability of the Collateral and to clarify the effect of the Receiver Sale on certain encumbrances listed on the Title Commitment, the Receiver has

revised paragraph I of the Preliminary Order. The revisions are not substantive in nature and are designed solely to increase the marketability of the Collateral. In addition, the Receiver has also made some typographical and other non-substantive clarifications and corrections.

4. A revised copy of the Preliminary Order (the “Revised Preliminary Order”) is attached hereto as **Exhibit A**. In addition, a black-lined version reflecting the changes from the Preliminary Order to the Revised Preliminary Order is attached hereto as **Exhibit B**.

5. In accordance with the Sale Procedures Order, the Court will consider the Revised Preliminary Order, as modified in accordance with the Sale Procedures Order, at a hearing currently scheduled on **November 20, 2006**, commencing at **3:00 p.m.**, local time, in Courtroom No. 4 at the Clifford Davis Federal Building (9th Floor), 167 North Main Street, Memphis, Tennessee.

Respectfully submitted,

/s/ Timothy G. Niarhos

Samuel K. Crocker (BPR #6094)

Timothy G. Niarhos (BPR #14428)

CROCKER & NIARHOS

Suite 2720, Renaissance Tower

611 Commerce Street

Nashville, TN 37203

615-726-3322 – Telephone

615-726-6330 – Facsimile

skctrustee@aol.com/tim@skctrustee.com

Attorneys for the Receiver

CERTIFICATE OF SERVICE

I hereby certify that I have caused a true and correct copy of the foregoing document to be served, via U.S. Mail, postage prepaid, in accordance with paragraph C(ii) of the Sale Procedures Order, upon certain parties identified as potential purchasers of the Collateral, but that in the interest of confidentiality and generating interest in the Collateral, such parties' contact information is not contained on the following service list. I further hereby certify that I have caused a true and correct copy of the foregoing document to be served via U.S. Mail, postage prepaid, in accordance with paragraph C(i) of the Sale Order, upon the parties shown on the attached mailing list, on November 14, 2006.

/s/ Timothy G. Niarhos

Timothy G. Niarhos

ACE Electric, Inc.
P.O. Box 348
Ellendale, TN 38029

ADP Security Services, Inc.
P.O. Box 371967
Pittsburgh, PA 15250-7967

AllState Group – Claims
National Property Sufro
3800 Electric Road, Suite 301
Roanoke, VA 24018

Answerfone
P.O. Box 1000, Dept. 94
Memphis, TN 38148

Apartments for Rent
75 Remittance Driver #1705
Chicago, IL 60675-1705

Betty's Glass Co.
3737 Outland Road
Memphis, TN 38118

Bob Patterson, Shelby County Trustee
P.O. Box 2751
Memphis, TN 38101-2751

Bowes Sewer & Drain Service LLC
P.O. Box 647
Arlington, TN 38002

Brunts' Wallcovering Service
156 Haynes Park Drive
Nashville, TN 37218
Attn: Maurice Lee

Bugs-N-Stuff dba Somar Pest Control
P.O. Box 1537
Millington, TN 38083

Carpet Depot USA d/b/a Fir State Carpets
c/o Frank Holloman, Esq.
242 Poplar Avenue
Memphis, TN 38103

Carpet Restore
P.O. Box 548
Southaven, MS 38671

Carpet Savers of Memphis, LLC
P.O. Box 728
Dallas, GA 30132

C.H. Harwell Eviction Server
8314 Montego Place, South
Cordova, TN 38016

Divine Electrical, Inc.
P.O. Box 30522
Memphis, TN 38130

Dyno Sewer
5300 Mendenhall Park Place
Memphis, TN 38115-5409

El Grafico, Inc.
4772 Summer Avenue
Memphis, TN 38122

Equifax Information Services, LLC
P.O. Box 4472
Atlanta, GA 30302

Floorserve, Inc.
Evan Nahmias, Esq.
McDonald Kuhn, PLLC
Pembroke Square
119 S. Main Street, Suite 400
Memphis, TN 38103

DAL, Inc. (Home Depot #2425165)
300 East Madison Avenue
Clifton Heights, PA 19018-0162

Haas Publishing Companies, Inc.
c/o Howard R. Peppel, Esq.
474 Perkins Extended, Suite 205
Memphis, TN 38117

Hughes/Century Maintenance Supply
c/o Howard R. Peppel, Esq. (Ref. G25018)
474 Perkins Extended, Suite 205
Memphis, TN 38117

Hughes Supply, Inc.
c/o Howard R. Peppe
474 Perkins Extended
Suite 205
Memphis, TN 38117

IKON Office Solutions
6700 Sugarloaf Parkway
Duluth, GA 30097

Joan Lindquist
Credit Department (Customer # 2425165)
The Home Depot Supply
P.O. Box 509055
San Diego, CA 92150

Lion Distributing, Inc.
P.O. Box 565
Reisterstown, MD 21136-0565

Maintenance Free
6007 Bishopdale Cove
Memphis, TN 38141

Maintenance USA (Acct# 3070781)
P.O. Box 404295
Atlanta, GA 30384-4295

Memphis City Wide Security
8607 Craven Road
Arlington, TN 38002

Memphis Light, Gas & Water Division
220 S. Main Street, Room 529
Memphis, TN 38103
Attn: Legal Department

Nazar Siddig
3399 Crazyhorse Drive, Apt. #2
Memphis, TN 38118

NCO Financial Systems (Birch Telecom)
P.O. Box 4903 (Account # BP 4485)
Trenton, NJ 08650-4903

Novacopy, Inc.
5520 Shelby Oaks Drive
Memphis, TN 38134

NuEra Pest Control, Inc.
P.O. Box 181369
Memphis, TN 38181

Office-Max Contract, Inc.
c/o Continental Commercial Group
317 S. Brand Blvd.
Glendale, CA 91204-1701
Acct. # 461510

Ollie & Sons Sewer & Drains Service
7250 N. Old Farm Road
Memphis, TN 38125
Attention: Ollie Voss

On Time Iron Works
3630 Parklake Drive #1
Memphis, TN 38118

Professional Carpet Services
4151 Ridgemoor Avenue
Memphis, TN 38118

Quick Dry Carpet Cleaning
1347 Greentree Valley, #1
Memphis, TN 38119

Santo Lawn Care
3352 McKenzie Street
Memphis, TN 38118

Siano Appliance Distribution
c/o Mendelson Law Firm
P.O. Box 17235
Memphis, TN 38187-0235

SKO – Brenner-American
P.O. Box 9320
841 Merrick Road
Baldwin, NY 11510-9320

Stock Blinds Direct
Williams, Babbit & Weisman, Inc.
5255 North Federal Highway, 3rd Floor
Boca Raton, FL 33487
Attn: Jeffrey Seigl

Swimming Pool Application (Est. #23507)
State Department of Health
State of Tennessee
P.O. Box 23090
Nashville, TN 37202

Taliafaro, Inc.
1227 Ninth Avenue North
Nashville, TN 37208

Marc T. McNamee, Esq.
Neal and Harwell, PLC
Suite 2000, One Nashville Place
150 4th Avenue North
Nashville, TN 37219-2498

Todmost Chemical & Paper
3394 Winchester Road
Memphis, TN 38118

TransUnion Rental Screening
13591 Collections Center Drive
Chicago, IL 60693

Wells Fargo Financial Leasing
Account # 001-4005473
P.O. Box 6434
Carol Stream, IL 60197-6434

Yellow Business Directories
245 8th Avenue, Suite 863
New York, NY 10011

CME-Corners, Inc. (Attention: Legal Department)
4466 Elvis Presley Boulevard, Suite 300
Memphis, TN 38116

Regions Bank, N.A., as Indenture Trustee
Corporate Trust Department (Attention: Susan Baker)
401 Union Street, 11th Floor
Nashville, TN 37219

Dr. Annie J. Carter
2513 Oak Forrest Drive
Antioch, TN 37013

Farris Mathews Branam Bobango Hellen & Dunlap PLC
(Attn: James E. Bailey III)
1 Commerce Square, Suite 2000
Memphis, TN 38103

The Health, Educational and Housing Facility Board
of the County of Shelby, Tennessee
c/o Brian Kuhn, County Attorney
160 North Main Street, Suite 801
Memphis, TN 38103

The Winchester Law Firm (Attn: Stephen L. Anderson)
6060 Poplar Avenue, Suite 295
P.O. Box 17236
Memphis, Tennessee 38187

McBee Systems, Inc.
C/o Commercial Recovery Corp.
Attn: Nick-Ref. C68012
P.O. Box 49421
Minneapolis, MN 55449

Luis Flores, Esq.
Fieldstone Lester Shear & Denberg, LLP
201 Alhambra Circle, Suite 601
Coral Gables, Florida 33134

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COUNTY OF SHELBY, TENNESSEE,)	
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Defendants.)	

ORDER APPROVING RECEIVER’S SALE OF THE COLLATERAL

This matter came before the Court in connection with on the Motion of Receiver for Approval of Procedures to Sell the Collateral (the “Sale Procedures Motion”) filed by Cumberland & Ohio Co. of Texas and its President, James A. (“Buddy”) Skinner, together as receiver (the “Receiver”). This Court, having reviewed the pleadings, including that certain Memorandum in Support of Sale Procedures Motion (including exhibits thereto, the “Memorandum”) and the Receiver’s Report on Auction (including any exhibits thereto, the “Auction Report”), and being fully advised on the premises, finds as follows:

1. Unless otherwise indicated herein, all capitalized terms in this Order have the same meaning ascribed to them in the Sale Procedures Order (defined below).

2. Regions Bank, as indenture trustee (the “Trustee”) is organized under the laws of Alabama with its designated corporate trust office located in Little Rock, Arkansas. Trustee, as the indenture trustee, is the holder of a first deed of trust lien against certain Collateral (as defined in the Receiver Order), which includes without limitation that low-income housing facility known as The Corners Apartments, located at 4150 Winchester Road, Memphis,

Tennessee, and the revenues generated thereby under that certain Lease Agreement (as defined in the Receiver Order). Trustee holds these liens against the Collateral to secure the repayment of amounts owed to Trustee and certain bondholders pursuant to that certain Trust Indenture (as defined in the Receiver Order) and that certain Deed of Trust (as defined in the Receiver Order), each among The Health, Educational and Housing Facility Board of the County of Shelby, Tennessee (the "Issuer"), CME-Corners, Inc. ("CME-Corners"), and Trustee.

3. Pursuant to paragraphs D(27) and U the Receiver Order, and pursuant to the Order Establishing Procedures to Sell the Collateral entered by the Court on September 1, 2006 (the "Sale Procedures Order"), the Receiver has the authority to Conduct a Receiver Sale (as defined in the Receiver Order) with respect to any or all of the Collateral, but is required to obtain this Court's approval and comply with 28 U.S.C. §§ 2001 et seq.

4. As determined in the Order Establishing Procedures to Sell the Collateral, the Collateral is burdened by a negative cash flow. In order to maintain the value of the Collateral and make the best return possible to the creditors, a Receiver Sale at this time is in the best interests of the receivership estate and the creditors. The Receiver Sale is supported by sound business justifications and is reasonably prudent under the circumstances. The Receiver Sale is necessary at this time and will result in greater distribution to creditors than any other course of action.

5. In the Sale Procedures Order, the Court established certain procedures for the Receiver to conduct the Receiver Sale. Counsel to the Receiver has properly served the Sale Procedures Order in accordance with paragraph Q thereof.

6. On October 10, 2006, the Receiver selected _____ as the Stalking Horse Bidder and executed an agreement to sell the Collateral, on the terms set forth in the Stalking Horse Agreement and the Sale Procedures Order, which agreement was subject to higher and

better offers in satisfaction of 28 U.S.C. 2001 et seq. The Stalking Horse Agreement was at a purchase price of \$1,300,000.00.

7. As set forth more fully in the Auction Report, the Receiver abided by and met the procedural requirements of paragraph A – R of the Sale Procedures Order. In particular, the Receiver properly mailed notice of the Auction to the parties indicated in paragraph C thirty (30) days prior to the Auction, caused notice of the Auction to be published in accordance with paragraph D, qualified bidders and bids in accordance with paragraphs E – K, and conducted the Auction on November 17, 2006 at 11:30 a.m., in accordance with paragraphs A, B and L - M of the Sale Procedures Order.

8. As required by paragraph U of the Receiver Order, the Auction and Receiver Sale to the Successful Bidder are in compliance with 28 U.S.C. S§ 2001, 2002, and 2004:

(i) Pursuant to 28 U.S.C. § 2001, the Auction was a public sale of the Collateral conducted by the Receiver within this District, which is the District wherein the Receiver was first appointed;

(ii) Pursuant to 28 U.S.C. § 2002, the Receiver published notice of the Auction once a week for (4) weeks prior to the Auction in *Memphis Business Journal*, which is a newspaper regularly issued and of general circulation in the county and state wherein the Project is situated, as well as in *Nashville Business Journal*, which is a newspaper regularly issued and of general circulation in the state wherein the Project is situated; and

(iii) Pursuant to 28 U.S.C. § 2004, the Auction, to the extent any personalty is being sold via the Receiver Sale, was conducted pursuant to 28 U.S.C. § 2001, as set forth above.

9. As a result of the Receiver's and CBRE's marketing efforts, the Receiver received ___ Qualified Bids from ___ Qualified Bidders before and during the Auction, not including the Stalking Horse Bidder. By the exercise of his reasonable business judgment, the Receiver determined that _____ is the Successful Bidder and executed a purchase agreement with the Successful Bidder (the "Proposed Purchase Agreement"); and _____ is the Backup Bidder and executed a purchase agreement with the Backup Bidder (the "Proposed Backup Purchase Agreement"). The Successful Bid, including the Proposed Purchase Agreement at a purchase price of \$_____, provides the highest and best net benefit to the receivership estate and creditors thereof. Other than the Successful Bid, the Backup Bid, including the Proposed Backup Purchase Agreement at a purchase price of \$_____, provides the highest and best net benefit to the receivership estate and creditors thereof. *[To the extent the Successful Bid is different from the Stalking Horse Bidder, the following will be incorporated into the final form of this Order: Both the Successful Bid and the Backup Bid are greater than the purchase price of the Stalking Horse Agreement, which triggers the payment of the Break-Up Fee pursuant to paragraph R of the Sale Procedures Order.]* True and correct copies of the agreements with the Successful Bidder and Backup Bidder are attached hereto as Exhibit A and Exhibit B, respectively.

10. In accordance with paragraph N of the Sale Procedures Order, the Receiver filed with the Court and served on the proper parties a copy of the Auction Report and revised versions of this Sale Approval Order, reflecting changes in light of the Auction results. [There is no opposition to entry of this Order approving the Receiver Sale to the Successful Bidder, as no objections to the Sale Approval Order were filed and served in accordance with paragraph N of the Sale Procedures Order.] The Receiver's expenses in connection with the Auction, and the amount of fees and expenses the Receiver incurred for operating the Collateral is \$_____,

which amount includes the commission due to CBRE in the amount of \$_____. The Court finds the payment of these fees and expenses are reasonable and prudent and are hereby approved for payment.

11. Based upon the evidence presented in connection with the approval of the Receiver Sale, the Court specifically finds that the Trustee (i) in administering its duties under the Bond Documents, since the execution of the Bond Documents; (ii) in handling the default under the Bond Documents and attempting to sell or otherwise dispose of the Collateral, (iii) in filing this action and assisting the Receiver during the course of the receivership, including the Receiver Sale, and (iv) not objecting to the Receiver Sale, has acted, in all aspects stated herein, as a reasonable and prudent person, in the best interest of the Bondholders, and in accordance with the Bond Documents.

12. Good cause exists for such Receiver Sale to the Successful Bidder and approval thereof, and the Receiver and the Trustee have acted in good faith with respect to such Receiver Sale.

13. Proper and sufficient notice was given of the Sale Procedures Motion, entry of the Sale Procedures Order, the Auction, the Auction Report, and presentment of this Sale Approval Order.

IT IS, THEREFORE, ORDERED THAT:

A. Pursuant to the Sale Procedures Order, the Receiver Sale to the Successful Bidder is approved on the terms and conditions set forth in the Proposed Purchase Agreement.

B. Pursuant to the Sale Procedures Order, any Receiver Sale to the Backup Bidder, to the extent required, is approved on the terms and conditions set forth in the Proposed Backup Purchase Agreement. To the extent the Proposed Backup Purchase Agreement is invoked and closed upon as the Receiver Sale, any references herein to the Successful Bidder

and Proposed Purchase Agreement shall be deemed to refer to the Backup Bidder and the Proposed Backup Purchase Agreement, respectively.

C. Except as otherwise expressly stated in the applicable Proposed Purchase Agreement, the Receiver Sale shall result in the transfer of the Collateral free and clear of all liens, claims, charges, encumbrances, mortgages, pledges, security interests, and other interests, legal, equitable, recorded or unrecorded, oral or written (the "Encumbrances") with any such Encumbrances attaching to the respective Receiver Sale proceeds in the same order of priority as they had on the Collateral. Moreover, except with respect to the Assumed Liabilities and Assumed Contracts expressly assumed under the Proposed Purchase Agreement, the Successful Bidder, shall not be obligated to pay or assume any of the CME-Corners' obligations or liabilities, nor shall the Successful Bidder, be deemed to have any successor liability for any of CME-Corners' obligations or liabilities.

D. The Receiver Sale from the Auction shall be "as is" and "where is," with no express or implied representations and warranties. Notwithstanding anything to the contrary in the Proposed Purchase Agreement, the "Closing" of the sale, as that term is defined in the Proposed Purchase Agreement, shall occur on the first business day following entry of this Order, unless the Trustee, the Receiver and the Successful Bidder all agree to a later date for such closing.

E. Upon confirmation of a sale to a Successful Bidder by entry of this Order, the Receiver shall have the authority to close the sale and execute such deeds, bills of sale, or other instruments as are necessary to convey in the name of Issuer and/or CME-Corners, free and clear of all Encumbrances (except as provided in the applicable Purchase Agreement), all right, title and interest of Issuer and/or CME-Corners in the Collateral to the Successful Bidder upon receipt of the full purchase price.

F. The Receiver Sale is in bar of the right of equity of redemption, the right of redemption granted by the Tennessee Code Annotated or any other law of the State of Tennessee, including homestead, dower, and all other rights and exemptions of every kind, all of which shall be deemed waived.

G. Unless otherwise ordered by the Court, the Sale proceeds shall be applied as follows:

(i) First, payment of any amounts borrowed by the Receiver pursuant to Court order;

(ii) Second, to the Receiver's costs of the Auction and sale and any other fees and expenses of the Receiver related to (a) the operation of the Collateral during the receivership and/or (b) the Auction and sale, including CBRE's commissions and expenses as provided in the Listing Agreement; and

(iii) Third, the remaining sale proceeds shall be paid over to Trustee to be applied in accordance with its Bond Documents (as defined in the Receiver Order).

H. *[If applicable:* Pursuant to paragraph R of the Sale Procedures Order, the Receiver shall pay the Stalking Horse Bidder the Break-Up Fee in an amount equal to two and one-half percent (2.5%) of the Cash, not to exceed Fifty Thousand Dollars (\$50,000.00) (the "Break-Up Fee"), from the proceeds of the sale of the Collateral following closing of the Sale. No other Potential Bidders, Qualified Bidders, or Actual Bidders shall be entitled to any such Break-Up Fee.]

I. Provided all of the property pledged to the Trustee to secure the repayment of the obligations under the Bond Documents are sold under this Order, upon the receipt of all proceeds of the Receiver Sale by the Trustee pursuant to paragraph G(iii) above, (i) the obligations of CME-Corners under any of the Bond Documents shall be deemed discharged in

full without further order of this Court and (ii) notwithstanding any contrary provisions of this Order or the applicable Purchase Agreement, the following Encumbrances are deemed to be automatically terminated, discharged and released from the Collateral without further order of the Court or further action by the Issuer, Trustee, or CME-Corners, and are deemed to attach to the sale proceeds in accordance with paragraph C above:

(a) Lease Agreement by and between the Issuer and CME-Corners, dated as of December 1, 1996 and recorded as document GG6082 with the Shelby County Register's Office;

(b) Deed of Trust, Security Agreement and Fixture Filing Statement from the Issuer and CME-Corners, to the Deed of Trust Trustee and the Trustee, dated as of December 1, 1996 and recorded as document GG6083 with the Shelby County Register's Office;

(c) Declaration of Restrictive Covenants and Regulatory Agreement By and Among the Issuer and the Trustee and CME-Corners, dated as of December 1, 1996 and recorded as document GG6084 with the Shelby County Register's Office;

(d) Judgment Lien in favor of Carpet Savers of Memphis, dated April 13, 2005 and recorded as document 05096591 with the Shelby County Register's Office;

(e) Judgment Lien in favor of Hughes Supply Inc., dated February 28, 2006 and recorded as document 06057568 with the Shelby County Register's Office;

(f) Memorandum of lease by and between CME-Corners and Automatic Laundry Company, LTD., of record as document JJ2776 with the Shelby County Register's Office; and

(g) Memorandum of Lease by and between CME-Corners and Automatic Laundry Company, LTD., of record as document JZ9008 with the Shelby County Register's Office.

J. Upon receipt of all proceeds of the Receiver Sale by the Trustee and this Order becoming final and unappealable, the Successful Bidder, the Backup Bidder, CME-Corners (through the Receiver) and the Receiver itself shall be deemed to have released and forever discharged the Trustee of all claims, in whatever capacity or theory, that CME-Corners may have against the Trustee, upon entry of this Order.

K. The Receiver Sale and resulting transfer of the Collateral by the Receiver shall be a legal, valid, and effective transfer of the Collateral.

L. The Receiver Sale and transfer of the Collateral by the Receiver shall vest the Successful Bidder with good title to the Collateral, including good and marketable title to any and all leases and contracts assumed.

M. The Receiver Sale of the Collateral in accordance with the Proposed Purchase Agreement represents a good faith transaction.

N. The provisions of this Order are non-severable and mutually dependant.

O. The terms of this Order and the Proposed Purchase Agreement shall be binding upon the Successful Bidder, the Backup Bidder, CME-Corners, the Receiver, their creditors, parties with any claims against CME-Corners and the Collateral, and other parties in interest, and any successors of such parties.

P. The Trustee shall send notice to all Bondholders of a proposed distribution on account of the Bonds. Bondholders shall be required to surrender their Bonds in the manner determined in the sole discretion of the Trustee and as the Trustee shall describe in such Bondholder notice. Upon declaration by the Trustee of the record date for the Bond distribution,

the Bonds, shall be deemed retired and no longer outstanding. Thereafter, should the Trustee receive any further sum of money related to the obligation of the Borrower under the Bond Documents, it shall disburse same to the Bondholders, after payment of all of its fees and expenses, in the manner required under the Bond Documents.

Q. Upon entry of this Order and the distribution, or attempted distribution, of the Receiver Sale proceeds to the Bondholders, the Trustee shall be deemed discharged of all obligations under any of the Bond Documents and the Trust Indenture shall be deemed terminated and cancelled. Notwithstanding such termination and cancellation, the Trustee's lien rights and other rights, which the Indenture provide continue after termination or cancellation, shall continue to the extent additional amounts are ever recovered on account of the Bonds, but this Order shall not be deemed to impose upon the Trustee any obligation to act further (once it has attempted to distribute the Proceeds) in connection with the Bonds or the Bond Documents.

R. In order to avoid administrative costs and expenses, if any holder of the Bonds cannot be located or has otherwise not claimed a distribution from the Receiver Sale proceeds within a reasonable period of time (to be determined solely in the discretion of the Trustee), the Trustee may take all such unclaimed distributions and, after payment of its fees and expenses, escheat such funds to the State of Tennessee in accordance with the escheat laws of the State of Tennessee.

S. In all other respects, the terms of the Bond Documents shall govern the distribution of the Receiver Sale proceeds and treatment of the Bonds, if not expressly addressed in this Order or any subsequent order modifying or clarifying this Order. The Trustee may seek, from time to time, to modify this Order or to seek further instructions from this Court as it may relate to the Bonds, the distributions thereunder, the Bond Documents or the trusts, upon proper motion.

T. Neither the Trustee, the Receiver, or their present or former directors, officers, employees, subsidiaries, affiliates, agents, professionals, attorneys and representatives (the "Exculpated Parties") shall have or incur any liability to any holder of a claim against the receivership estate for any act or omission in connection with, related to, or arising out of, the receivership, the pursuit of the Receiver Sale, the consummation of the Receiver Sale, or the administration of the Receiver Sale proceeds or the property to be distributed pursuant to this Sale Approval Order and the Bond Documents, as applicable, except for fraud, willful misconduct, gross negligence, criminal conduct, misuse of confidential information that causes damages, or ultra vires acts; and, in all respects, the Exculpated Parties shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under this Sale Approval Order. This exculpation shall be in addition to any other protections afforded any of the parties in this lawsuit under this or any other order of this Court.

U. The Court shall retain jurisdiction with respect to any matter, issue, claim, or controversy arising out of or resulting from the Sale Procedures Motion, the Sale Procedures Order, this Sale Approval Order, and the Proposed Purchase Agreement, or any of the transactions contemplated hereby or associated herewith, including any matter, issue, claim, or controversy relating to the Successful Bidder's right to have received, or receipt of, the Collateral free and clear of any and all Encumbrances.

V. Upon entry of this Order, this order shall be considered to be a “final order” of this Court, shall be subject to appeal. Failure to appeal this Order within the time allowed by the Federal Rules of Civil Procedure or Federal Rules of Appellate Procedure shall bar any party from any relief under those particular provisions of such Rules applicable to appeals.

SIGNED this ____ day of _____, 2006.

Jon Phipps McCalla
United States District Court Judge

Submitted for Entry:

/s/ Timothy G. Niarhos
Samuel K. Crocker (BPR #6094)
Timothy G. Niarhos (BPR #14428)
CROCKER & NIARHOS
Suite 2720, Renaissance Tower
611 Commerce Street
Nashville, TN 37203
615-726-3322 – Telephone
615-726-6330 – Facsimile
skctrustee@aol.com/tim@skctrustee.com

Attorneys for the Receiver

EXHIBIT A

Proposed Purchase Agreement
[not included]

EXHIBIT B

Proposed Backup Purchase Agreement
[not included]

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Defendants.)	

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2. Regions Bank, as indenture trustee (the “Trustee”) is organized under the laws of Alabama with its designated corporate trust office located in Little Rock, Arkansas. Trustee, as the indenture trustee, is the holder of a first deed of trust lien against certain Collateral (as defined in the Receiver Order), which includes without limitation that low-income housing facility known as The Corners Apartments, located at 4150 Winchester Road, Memphis,

Tennessee, and the revenues generated thereby under that certain Lease Agreement (as defined in the Receiver Order). Trustee holds these liens against the Collateral to secure the repayment of amounts owed to Trustee and certain bondholders pursuant to that certain Trust Indenture (as defined in the Receiver Order) and that certain Deed of Trust (as defined in the Receiver Order), each among The Health, Educational and Housing Facility Board of the County of Shelby, Tennessee (the "Issuer"), CME-Corners, Inc. ("CME-Corners"), and Trustee.

3. Pursuant to paragraphs D(27) and U the Receiver Order, and pursuant to the Order Establishing Procedures to Sell the Collateral entered by the Court on , September 1, 2006 (the "Sale Procedures Order"), the Receiver has the authority to Conduct a Receiver Sale (as defined in the Receiver Order) with respect to any or all of the Collateral, but is required to obtain this Court's approval and comply with 28 U.S.C. §§ 2001 et seq.

4. As determined in the Order Establishing Procedures to Sell the Collateral, the Collateral is burdened by a negative cash flow. In order to maintain the value of the Collateral and make the best return possible to the creditors, a Receiver Sale at this time is in the best interests of the receivership estate and the creditors. The Receiver Sale is supported by sound business justifications and is reasonably prudent under the circumstances. The Receiver Sale is necessary at this time and will result in greater distribution to creditors than any other course of action.

5. In the Sale Procedures Order, the Court established certain procedures for the Receiver to conduct the Receiver Sale. Counsel to the Receiver has properly served the Sale Procedures Order in accordance with paragraph Q thereof.

6. On , October 10, 2006, the Receiver selected as the Stalking Horse Bidder and executed an agreement to sell the Collateral, on the terms set forth in the

Stalking Horse Agreement and the Sale Procedures Order, which agreement was subject to higher and better offers in satisfaction of 28 U.S.C. 2001 et seq. The Stalking Horse Agreement was at a purchase price of \$~~_____~~1,300,000.00.

7. As set forth more fully in the Auction Report, the Receiver abided by and met the procedural requirements of paragraph A – R of the Sale Procedures Order. In particular, the Receiver properly mailed notice of the Auction to the parties indicated in paragraph C thirty (30) days prior to the Auction, caused notice of the Auction to be published in accordance with paragraph D, qualified bidders and bids in accordance with paragraphs E – K, and conducted the Auction on ~~_____~~November 17, 2006 at ~~_____~~11:30 a.m., in accordance with paragraphs A, B and L - M of the Sale Procedures Order.

8. As required by paragraph U of the Receiver Order, the Auction and Receiver Sale to the Successful Bidder are in compliance with 28 U.S.C. S§ 2001, 2002, and 2004:

(i) Pursuant to 28 U.S.C. § 2001, the Auction was a public sale of the Collateral conducted by the Receiver within this District, which is the District wherein the Receiver was first appointed;

(ii) Pursuant to 28 U.S.C. § 2002, the Receiver published notice of the Auction once a week for (4) weeks prior to the Auction in ~~_____~~Memphis Business Journal, which is a newspaper regularly issued and of general circulation in the county and state wherein the Project is situated, as well as in Nashville Business Journal, which is a newspaper regularly issued and of general circulation in the state wherein the Project is situated; and

(iii) Pursuant to 28 U.S.C. § 2004, the Auction, to the extent any personalty is being sold via the Receiver Sale, was conducted pursuant to 28 U.S.C. § 2001, as set forth above.

9. As a result of the Receiver's and CBRE's marketing efforts, the Receiver received ___ Qualified Bids from ___ Qualified Bidders before and during the Auction, not including the Stalking Horse Bidder. By the exercise of his reasonable business judgment, the Receiver determined that _____ is the Successful Bidder and executed a purchase agreement with the Successful Bidder (the "Proposed Purchase Agreement"); and _____ is the Backup Bidder and executed a purchase agreement with the Backup Bidder (the "Proposed Backup Purchase Agreement"). The Successful Bid, including the Proposed Purchase Agreement at a purchase price of \$_____, provides the highest and best net benefit to the receivership estate and creditors thereof. Other than the Successful Bid, the Backup Bid, including the Proposed Backup Purchase Agreement at a purchase price of \$_____, provides the highest and best net benefit to the receivership estate and creditors thereof. *[To the extent the Successful Bid is different from the Stalking Horse Bidder, the following will be incorporated into the final form of this Order: Both the Successful Bid and the Backup Bid are greater than the purchase price of the Stalking Horse Agreement, which triggers the payment of the Break-Up Fee pursuant to paragraph R of the Sale Procedures Order. 1 True and correct copies of the agreements with the Successful Bidder and Backup Bidder are attached hereto as Exhibit BA and Exhibit CB, respectively.]*

10. In accordance with paragraph N of the Sale Procedures Order, the Receiver filed with the Court and served on the proper parties a copy of the Auction Report and revised versions of this Sale Approval Order, reflecting changes in light of the Auction results. [There is no opposition to entry of this Order approving the Receiver Sale to the Successful Bidder, as no objections to the Sale Approval Order were filed and served in accordance with paragraph N of the Sale Procedures Order.] The Receiver's expenses in connection with the Auction, and the amount of fees and expenses the Receiver incurred for operating the Collateral is \$_____,

which amount includes the commission due to CBRE in the amount of \$_____. The Court finds the payment of these fees and expenses are reasonable and prudent and are hereby approved for payment.

11. Based upon the evidence presented in connection with the approval of the Receiver Sale, the Court specifically finds that the Trustee (i) in administering its duties under the Bond Documents, since the execution of the Bond Documents; (ii) in handling the default under the Bond Documents and attempting to sell or otherwise dispose of the Collateral, (iii) in filing this action and assisting the Receiver during the course of the receivership, including the Receiver Sale, and (iv) not objecting to the Receiver Sale, has acted, in all aspects stated herein, as a reasonable and prudent person, in the best interest of the Bondholders, and in accordance with the Bond Documents.

12. Good cause exists for such Receiver Sale to the Successful Bidder and approval thereof, and the Receiver and the Trustee have acted in good faith with respect to such Receiver Sale.

13. Proper and sufficient notice was given of the Sale Procedures Motion, entry of the Sale Procedures Order, the Auction, the Auction Report, and presentment of this Sale Approval Order.

IT IS, THEREFORE, ORDERED THAT:

A. Pursuant to the Sale Procedures Order, the Receiver Sale to the Successful Bidder is approved on the terms and conditions set forth in the Proposed Purchase Agreement.

B. Pursuant to the Sale Procedures Order, any Receiver Sale to the Backup Bidder, to the extent required, is approved on the terms and conditions set forth in the Proposed Backup Purchase Agreement. To the extent the Proposed Backup Purchase Agreement is invoked and closed upon as the Receiver Sale, any references herein to the Successful Bidder

and Proposed Purchase Agreement shall be deemed to refer to the Backup Bidder and the Proposed Backup Purchase Agreement, respectively.

C. Except as otherwise expressly stated in the applicable Proposed Purchase Agreement, the Receiver Sale shall result in the transfer of the Collateral free and clear of all liens, claims, charges, encumbrances, mortgages, pledges, security interests, and other interests, legal, equitable, recorded or unrecorded, oral or written (the “Encumbrances”) with any such Encumbrances attaching to the respective Receiver Sale proceeds in the same order of priority as they had on the Collateral. Moreover, except with respect to the Assumed Liabilities and Assumed Contracts expressly assumed under the Proposed Purchase Agreement, the Successful Bidder, shall not be obligated to pay or assume any of the CME-Corners’ obligations or liabilities, nor shall the Successful Bidder, be deemed to have any successor liability for any of CME-Corners’ obligations or liabilities.

D. The Receiver Sale from the Auction shall be “as is” and “where is,” with no express or implied representations and warranties. Notwithstanding anything to the contrary in the Proposed Purchase Agreement, the “Closing” of the sale, as that term is defined in the Proposed Purchase Agreement, shall occur on the first business day following entry of this Order, unless the Trustee, the Receiver and the Successful Bidder all agree to a later date for such closing.

E. Upon confirmation of a sale to a Successful Bidder by entry of this Order, the Receiver shall have the authority to close the sale and execute such deeds, bills of sale, or other instruments as are necessary to convey in the name of Issuer and/or CME-Corners, free and clear of all Encumbrances (except as provided in the applicable Purchase Agreement), all right, title and interest of Issuer and/or CME-Corners in the Collateral to the Successful Bidder upon receipt of the full purchase price.

F. The Receiver Sale is in bar of the right of equity of redemption, the right of redemption granted by the Tennessee Code Annotated or any other law of the State of Tennessee, including homestead, dower, and all other rights and exemptions of every kind, all of which shall be deemed waived.

G. Unless otherwise ordered by the Court, the Sale proceeds shall be applied as follows:

(i) First, payment of any amounts borrowed by the Receiver pursuant to Court order;

(ii) Second, to the Receiver's costs of the Auction and sale and any other fees and expenses of the Receiver related to (a) the operation of the Collateral during the receivership and/or (b) the Auction and sale, including CBRE's commissions and expenses as provided in the Listing Agreement; and

(iii) Third, the remaining sale proceeds shall be paid over to Trustee to be applied in accordance with its Bond Documents (as defined in the Receiver Order).

H. [If applicable:] Pursuant to paragraph R of the Sale Procedures Order, the Receiver shall pay the Stalking Horse Bidder the Break-Up Fee in an amount equal to two and one-half percent (2.5%) of the Cash, not to exceed Fifty Thousand Dollars (\$50,000.00) (the "Break-Up Fee"), from the proceeds of the sale of the Collateral following closing of the Sale. No other Potential Bidders, Qualified Bidders, or Actual Bidders shall be entitled to any such Break-Up Fee.]

I. Provided all of the property pledged to the Trustee to secure the repayment of the obligations under the Bond Documents are sold under this Order, upon the receipt of all proceeds of the Receiver Sale by the Trustee pursuant to paragraph G(iii) above, (i) the obligations of CME-Corners under any of the Bond Documents shall be deemed discharged in

full without further order of this Court and (ii) ~~in addition, upon the reasonable request of the Successful Bidder within _____ () days of the Closing, the Trustee shall execute and issue any releases and/or other documentation reasonably required by the Successful Bidder in order to document the release of liens pursuant to the Bond Documents (other than the Encumbrances, Assumed Liabilities, Assumed Contracts and/or Permitted Exceptions), including without limitation that certain~~ notwithstanding any contrary provisions of this Order or the applicable Purchase Agreement, the following Encumbrances are deemed to be automatically terminated, discharged and released from the Collateral without further order of the Court or further action by the Issuer, Trustee, or CME-Corners, and are deemed to attach to the sale proceeds in accordance with paragraph C above:

(a) Lease Agreement by and between the Issuer and CME-Corners, dated as of December 1, 1996 and recorded as document GG6082 with the Shelby County Register's Office;

(b) Deed of Trust, Security Agreement and Fixture Filing Statement from the Issuer and CME-Corners, to the Deed of Trust Trustee and the Trustee, dated as of December 1, 1996 and recorded as document GG6083 with the Shelby County Register's Office;

(c) Declaration of Restrictive Covenants and Regulatory Agreement By and Among the Issuer and the Trustee and CME-Corners, dated as of December 1, 1996, which shall be deemed to be terminated, discharged and released, 1996 and recorded as document GG6084 with the Shelby County Register's Office;

(d) Judgment Lien in favor of Carpet Savers of Memphis, dated April 13, 2005 and recorded as document 05096591 with the Shelby County Register's Office;

(e) Judgment Lien in favor of Hughes Supply Inc., dated February 28, 2006 and recorded as document 06057568 with the Shelby County Register's Office;

(f) Memorandum of lease by and between CME-Corners and Automatic Laundry Company, LTD., of record as document JJ2776 with the Shelby County Register's Office; and

(g) Memorandum of Lease by and between CME-Corners and Automatic Laundry Company, LTD., of record as document JZ9008 with the Shelby County Register's Office.

J. Upon receipt of all proceeds of the Receiver Sale by the Trustee and this Order becoming final and unappealable, the Successful Bidder, the Backup Bidder, CME-Corners (through the Receiver) and the Receiver itself shall be deemed to have released and forever discharged the Trustee of all claims, in whatever capacity or theory, that CME-Corners may have against the Trustee, upon entry of this Order.

K. The Receiver Sale and resulting transfer of the Collateral by the Receiver shall be a legal, valid, and effective transfer of the Collateral.

L. The Receiver Sale and transfer of the Collateral by the Receiver shall vest the Successful Bidder with good title to the Collateral, including good and marketable title to any and all leases and contracts assumed.

M. The Receiver Sale of the Collateral in accordance with the Proposed Purchase Agreement represents a good faith transaction.

N. The provisions of this Order are non-severable and mutually dependant.

O. The terms of this Order and the Proposed Purchase Agreement shall be binding upon the Successful Bidder, the Backup Bidder, CME-Corners, the Receiver, their

creditors, parties with any claims against CME-Corners and the Collateral, and other parties in interest, and any successors of such parties.

P. The Trustee shall send notice to all Bondholders of a proposed distribution on account of the Bonds. Bondholders shall be required to surrender their Bonds in the manner determined in the sole discretion of the Trustee and as the Trustee shall describe in such Bondholder notice. Upon declaration by the Trustee of the record date for the Bond distribution, the Bonds, shall be deemed retired and no longer outstanding. Thereafter, should the Trustee receive any further sum of money related to the obligation of the Borrower under the Bond Documents, it shall disburse same to the Bondholders, after payment of all of its fees and expenses, in the manner required under the Bond Documents.

Q. Upon entry of this Order and the distribution, or attempted distribution, of the Receiver Sale proceeds to the Bondholders, the Trustee shall be deemed discharged of all obligations under any of the Bond Documents and the Trust Indenture shall be deemed terminated and cancelled. Notwithstanding such termination and cancellation, the Trustee's lien rights and other rights, which the Indenture provide continue after termination or cancellation, shall continue to the extent additional amounts are ever recovered on account of the Bonds, but this Order shall not be deemed to impose upon the Trustee any obligation to act further (once it has attempted to distribute the Proceeds) in connection with the Bonds or the Bond Documents.

R. In order to avoid administrative costs and expenses, if any holder of the Bonds cannot be located or has otherwise not claimed a distribution from the Receiver Sale proceeds within a reasonable period of time (to be determined solely in the discretion of the Trustee), the Trustee may take all such unclaimed distributions and, after payment of its fees and expenses, escheat such funds to the State of Tennessee in accordance with the escheat laws of the State of Tennessee.

S. In all other respects, the terms of the Bond Documents shall govern the distribution of the Receiver Sale proceeds and treatment of the Bonds, if not expressly addressed in this Order or any subsequent order modifying or clarifying this Order. The Trustee may seek, from time to time, to modify this Order or to seek further instructions from this Court as it may relate to the Bonds, the distributions thereunder, the Bond Documents or the trusts, upon proper motion.

T. Neither the Trustee, the Receiver, or their present or former directors, officers, employees, subsidiaries, affiliates, agents, professionals, attorneys and representatives (the "Exculpated Parties") shall have or incur any liability to any holder of a claim against the receivership estate for any act or omission in connection with, related to, or arising out of, the receivership, the pursuit of the Receiver Sale, the consummation of the Receiver Sale, or the administration of the Receiver Sale proceeds or the property to be distributed pursuant to this Sale Approval Order and the Bond Documents, as applicable, except for fraud, willful misconduct, gross negligence, criminal conduct, misuse of confidential information that causes damages, or ultra vires acts; and, in all respects, the Exculpated Parties shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under this Sale Approval Order. This exculpation shall be in addition to any other protections afforded any of the parties in this lawsuit under this or any other order of this Court.

U. The Court shall retain jurisdiction with respect to any matter, issue, claim, or controversy arising out of or resulting from the Sale Procedures Motion, the Sale Procedures Order, this Sale Approval Order, and the Proposed Purchase Agreement, or any of the transactions contemplated hereby or associated herewith, including any matter, issue, claim, or controversy relating to the Successful Bidder's right to have received, or receipt of, the Collateral free and clear of any and all Encumbrances.

V. Upon entry of this Order, this order shall be considered to be a “final order” of this Court, shall be subject to appeal. Failure to appeal this Order within the time allowed by the Federal Rules of Civil Procedure or Federal Rules of Appellate Procedure shall bar any party from any relief under those particular provisions of such Rules applicable to appeals.

SIGNED this ____ day of _____, 2006.

Jon Phipps McCalla
United States District Court Judge

Submitted for Entry:

/s/ Timothy G. Niarhos
Samuel K. Crocker (BPR #6094)
Timothy G. Niarhos (BPR #14428)
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Attorneys for the Receiver

EXHIBIT A

Proposed Purchase Agreement
[not included]

EXHIBIT B

Proposed Backup Purchase Agreement
[not included]

Document comparison done by DeltaView on Wednesday, November 01, 2006
10:07:28 AM

Input:	
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Document 2	pdocs://general/1226782/8
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Legend:	
<u>Insertion</u>	
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