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9 M. PATRICK TAYLOR and
10 MARLENE F. LADAGE

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U.S. BANKRUPTCY COURT
PATRICIA GRAY CLERK

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

11 IN RE:
12 MICHAEL PATRICK TAYLOR and
13 MARLENE F. LADAGE,
14 husband and wife,
15
16 Debtors.

Case No. BK-N-02-50971
(Chapter 11)

**ORDER APPROVING SALE OF 1)
REAL PROPERTY FREE AND CLEAR
OF LIENS PURSUANT TO 11 U.S.C.
§363(b) AND(f)(3); 2) GRANTING
EMPLOYMENT OF REAL ESTATE
BROKERS PURSUANT TO 11 U.S.C.
§327(e); AND 3) AUTHORIZING
PAYMENT OF REAL ESTATE
COMMISSIONS [1301 HIGHWAY 50,
ZEPHYR COVE, NEVADA]**

Hrg. DATE: June 4, 2002
Hrg. TIME: 2:00 p.m.
Est. Time: 5 Minutes
Set By: Liz David

16 SS# [REDACTED] 2821
17 SS#: [REDACTED] 5634

18 Based on the MOTION FOR AUTHORIZATION 1) TO SELL REAL PROPERTY
19 FREE AND CLEAR OF LIENS PURSUANT TO 11 U.S.C. §363(b) AND (f)(3); 2) TO EMPLOY
20 REAL ESTATE BROKERS PURSUANT TO 11 U.S.C. §327(e); AND 3) FOR AUTHORITY TO
21 PAY REAL ESTATE COMMISSIONS [1301 HIGHWAY 50, ZEPHYR COVE, NEVADA], filed
22 on May 7, 2002, and the AMENDMENT TO MOTION FOR AUTHORIZATION 1) TO SELL
23 REAL PROPERTY FREE AND CLEAR OF LIENS PURSUANT TO 11 U.S.C. §363(b) AND
24 (f)(3); 2) TO EMPLOY REAL ESTATE BROKERS PURSUANT TO 11 U.S.C. §327(e); AND
25 3) FOR AUTHORITY TO PAY REAL ESTATE COMMISSIONS [1301 HIGHWAY 50, ZEPHYR
26 COVE, NEVADA], filed on May 10, 2002, by the DEBTORS, MICHAEL PATRICK TAYLOR
27 and MARLENE F. LADAGE, through their attorney STEPHEN R. HARRIS, ESQ. of
28 BELDING, HARRIS & PETRONI, LTD., and the MOTION and the AMENDMENT TO MOTION
having been duly noticed to all creditors and parties in interest for hearing on June 4,

86316-SL6

SCANNED
PW

BY OFFICES OF
BELDING, HARRIS
& PETRONI, LTD.
ATTORNEYS AT LAW
417 WEST PLUMB LANE
RENO,
NEVADA 89509
(775) 786-7600

1 2002, at 2:00 p.m.; with STEPHEN R. HARRIS, ESQ., of BELDING, HARRIS & PETRONI,
2 LTD., appearing on behalf the Debtors, and Debtors, M. PATRICK TAYLOR and MARLENE
3 F. LADAGE, also present; the prospective buyer and buyer, PHAT PADS, INC.'s
4 representative, KEN ISSACS, also being present, along with its attorney JEFFREY
5 RAHBECK, ESQ., present; and no oppositions having been filed to the relief requested;
6 and good cause appearing,

7 **IT IS HEREBY ORDERED** that the MOTION FOR AUTHORIZATION 1) TO
8 SELL REAL PROPERTY FREE AND CLEAR OF LIENS PURSUANT TO 11 U.S.C. §363(b)
9 AND (f)(3); 2) TO EMPLOY REAL ESTATE BROKERS PURSUANT TO 11 U.S.C. §327(e);
10 AND 3) FOR AUTHORITY TO PAY REAL ESTATE COMMISSIONS [1301 HIGHWAY 50,
11 ZEPHYR COVE, NEVADA], as amended by the AMENDMENT TO MOTION FOR
12 AUTHORIZATION 1) TO SELL REAL PROPERTY FREE AND CLEAR OF LIENS PURSUANT
13 TO 11 U.S.C. §363(b) AND (f)(3); 2) TO EMPLOY REAL ESTATE BROKERS PURSUANT
14 TO 11 U.S.C. §327(e); AND 3) FOR AUTHORITY TO PAY REAL ESTATE COMMISSIONS
15 [1301 HIGHWAY 50, ZEPHYR COVE, NEVADA], is **GRANTED**, and Debtor MICHAEL
16 PATRICK TAYLOR ("SELLER") is authorized to sell, pursuant to 11 U.S.C. §363(b), the
17 commercial and residential improved real property located at 1301 Highway 50, Zephyr
18 Cove, Nevada, A.P. #03-150-01 ("Real Property"), as more particularly described in the
19 attached Exhibit "B" to the subject MOTION, free and clear of liens and encumbrances,
pursuant to 11 U.S.C. §363(f)(3), on the following terms and condition:

20 1. The purchase price is \$2,000,000.00, all cash, with the closing to occur
21 on or before June 14, 2002, to PHAT PADS, INC. ("BUYER");

22 2. The Court finds and concludes that the BUYER has completed its due
23 diligence and that the BUYER is committed to close escrow, without contingencies,
24 effective June 4, 2002;

25 3. Escrow shall close with Western Title Company [Minden-Garderville
26 Branch], with BUYER and SELLER to share equally the cost of title insurance, escrow
27 fees and other closing costs;

28 4. BUYER is purchasing the Real Property in "as is" condition, with BUYER
acknowledging and accepting the existing environmental monitoring, coupled with

1 BUYER's acknowledgment and acceptance of past contamination and the present
2 residual contamination of the Real Property, and BUYER having acknowledged and
3 agreed to abide by the letter dated April 30, 2002, from SELLER to BUYER, attached as
4 part of Exhibit "A" to the subject MOTION; and

5 5. BUYER to assume and pay for all further environmental monitoring and
6 environmental/contamination issues with respect to the Real Property.

7 **IT IS FURTHER ORDERED** that from the escrow sale proceeds, SELLER
8 shall pay the following:

9 1. Real estate commissions of seventy-five thousand dollars (\$75,000.00)
10 to ASPEN REALTY and twenty-five thousand dollars (\$25,000.00) to COLDWELL
11 BANKER;

12 2. Real property taxes, assessments (if any), rents, utilities and insurance
13 premiums are to be paid and prorated as of the close of escrow;

14 3. The first trust deed principal pay-off of \$1,025,000.00, to co-
15 beneficiaries, The Flynn Family Trust, Nick Barron, William Downey and Marion Lord, and
16 accrued interest thereon in the amount of \$202,437.50, calculated as of June 9, 2002,
17 and per diem interest from June 10, 2002, through the date of closing; and specifically,
18 The Flynn Family Trust shall receive the sum of \$299,582.84 (which includes principal
19 of \$250,000.00 and interest of \$49,582.84, through June 9, 2002), plus per diem
20 interest of \$104.17 per day, commencing June 10, 2002, through the date of closing;
21 Nick Barron shall receive the sum of \$361,003.46 (which includes principal of
22 \$300,000.00 and interest of \$61,003.46, through June 9, 2002), plus per diem interest
23 of \$125.01 per day, commencing June 10, 2002, through the date of closing; William
24 Downey shall receive the sum of \$239,662.20 (which includes principal of \$200,000.00
25 and interest of \$39,662.20, through June 9, 2002), plus per diem interest of \$83.32 per
26 day, commencing June 10, 2002, through the date of closing; and Marion Lord shall
27 receive the sum of \$329,543.16 (which includes principal of \$275,000.00 and interest
28 of \$54,543.16, through June 9, 2002), plus per diem interest of \$114.59 per day,
commencing June 10, 2002, through the date of closing; in consideration of which, after
said loan payoffs are deposited with Western Title Company, each of these .co-

1 beneficiaries shall execute a Release and Request for Full Reconveyance of their
2 respective note and deed of trust interests, and shall deliver their original loan
3 documents as the title company shall require, marked "paid in full" and signed by each
4 co-beneficiary delivering same;

5 4. The second trust deed principal pay-off of \$176,400.00, to Versafab,
6 Inc., and accrued interest thereon in the amount of \$18,318.67, calculated as of June
7 9, 2002, with per diem interest from June 10, 2002, through the date of closing of
8 \$41.65 per day; in consideration of which, after said sum is deposited with Western Title
9 Company, the beneficiary shall execute a Release and Request for Full Reconveyance
10 of its note and deed of trust interest, and shall deliver its original loan documents as the
11 title company shall require, marked "paid in full" and signed by the beneficiary delivering
12 same;

13 5. The attorney's lien of Kern & Rosenauer in the amount of \$150,276.13;
14 in consideration of which, after said sum is deposited with Western Title Company, the
15 lienholder shall execute a release of its liens and deliver same to the title company; and

16 6. The disputed claim of lien of Harding ESE, Inc., in the amount of
17 \$77,636.53, which monies shall be held in escrow, in a segregated interest bearing bank
18 account, until further order of this Court; in consideration of which, after said sum is
19 deposited with Western Title Company, the lienholder shall execute a release of its liens
20 and deliver same to the title company.

21 **IT IS FURTHER ORDERED** that no personal property is being conveyed
22 herein, only the Real Property referenced hereinabove, with all environmental
23 monitoring buildings and equipment located therein and around not being conveyed
24 herein, given its ownership held by third parties;

25 **IT IS FURTHER ORDERED** that the monies remaining after payment of
26 secured claims referenced hereinabove, are to be paid to the DEBTORS and deposited

27 ///

28 ///

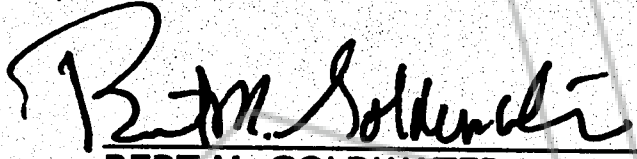
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1 by the DEBTORS in an interest bearing segregated bank account, with disbursements
2 therefrom only upon Court Order.

3 **IT IS FURTHER ORDERED** that the ten (10) day stay provided for in
4 Federal Rule of Bankruptcy Procedure 6004(g), shall not be imposed with respect to this
5 ORDER.

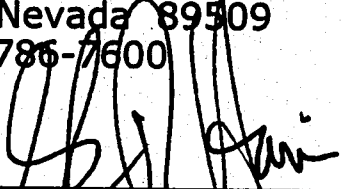
6 Respectfully submitted this 7th day of June, 2002.

7 

8 BERT M. GOLDWATER
9 UNITED STATES BANKRUPTCY JUDGE

10 Prepared by:

11 STEPHEN R. HARRIS, ESQ.
12 BELDING, HARRIS & PETRONI, LTD.
13 417 West Plumb Lane
14 Reno, Nevada 89509
15 (775) 786-7600



15 Attorneys for Debtors

16 Terms and Conditions Approved and
17 Accepted, this _____ day of June, 2002.

18 MICHAEL PATRICK TAYLOR

19 See faxed signature attached.
20 Debtor/Seller

21 Approved/Disapproved (Circle One)
22 as to form, this _____ day of June, 2002.

23 NICHOLAS A. STROZZA, ESQ.

24 See faxed signature attached.
25 Office of the United States Trustee
26 C. Clifton Young Federal Building
27 300 Booth Street, Room 2129
28 Reno, Nevada 89509

I certify that this is a true copy:

Attest: Tammy Hudson
Deputy Clerk, Bankruptcy Court

LAW OFFICES OF
BELDING, HARRIS
& PETRONI, LTD.
ATTORNEYS AT LAW
417 WEST PLUMB LANE
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JUN. 5.2002 4:26PM BELDING & HARRIS 786-7764 NO.968 P.6

1 by the DEBTORS In an interest bearing segregated bank account, with disbursements
2 therefrom only upon Court Order.

3 IT IS FURTHER ORDERED that the ten (10) day stay provided for in
4 Federal Rule of Bankruptcy Procedure 6004(g), shall not be imposed with respect to this
5 ORDER.

6 Respectfully submitted this ____ day of June, 2002.

8 BERT M. GOLDWATER
9 UNITED STATES BANKRUPTCY JUDGE

10 Prepared by:
11 STEPHEN R. HARRIS, ESQ.
12 BELDING, HARRIS & PETRONI, LTD.
13 417 West Plumb Lane
14 Reno, Nevada 89509
15 (775) 786-7600

15 Attorneys for Debtors

16 Terms and Conditions Approved and
17 Accepted, this ____ day of June, 2002.

18 MICHAEL PATRICK TAYLOR

19 Michael Patrick Taylor
20 Debtor/Seller

22 Approved/Disapproved (Circle One)
23 as to form, this ____ day of June, 2002.

24 NICHOLAS A. STROZZA, ESQ.

26 Office of the United States Trustee
27 C. Clifton Young Federal Building
28 300 Booth Street, Room 2129
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1 by the DEBTORS in an interest bearing segregated bank account, with disbursements
2 therefrom only upon Court Order.

3 **IT IS FURTHER ORDERED** that the ten (10) day stay provided for in
4 Federal Rule of Bankruptcy Procedure 6004(g), shall not be imposed with respect to this
5 ORDER.

6 Respectfully submitted this _____ day of June, 2002.

7
8
9

BERT M. GOLDWATER
UNITED STATES BANKRUPTCY JUDGE

10 *Prepared by:*

11 **STEPHEN R. HARRIS, ESQ.**
12 **BELDING, HARRIS & PETRONI, LTD.**
13 417 West Plumb Lane
Reno, Nevada 89509
(775) 786-7600

14 _____
15 **Attorneys for Debtors**

16 Terms and Conditions Approved and
17 Accepted, this _____ day of June, 2002.

18 **MICHAEL PATRICK TAYLOR**

19 _____
20 **Debtor/Seller**

21 _____
22 Approved/Disapproved (Circle One)
23 as to form, this 5 day of June, 2002.

24 **NICHOLAS A. STROZZA, ESQ.**

25 _____
26 **Office of the United States Trustee**
27 **C. Clifton Young Federal Building**
28 300 Booth Street, Room 2129
Reno, Nevada 89509

OFFICE OF
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& PETRONI, LTD.
ATTORNEYS AT LAW
417 WEST PLUMB LANE
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NEVADA 89509

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REQUESTED BY
WESTERN TITLE COMPANY, INC.
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

2002 JUN 14 PM 3: 07

LINDA SLATER
RECORDER

21st PAID *KJ* DEPUTY

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