

UNITED STATES DISTRICT COURT  
DISTRICT OF MINNESOTA  
Civil No. 08-5348 ADM/JSM

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UNITED STATES OF AMERICA )

Plaintiff, )

v. )

1. THOMAS JOSEPH PETTERS; )

PETTERS COMPANY INC., )

PCI; PETTERS GROUP WORLWIDE, LLC; )

2. DEANNA COLEMAN aka DEANNA MUNSON; )

3. ROBERT WHITE; )

4. JAMES WEHMHOFF; )

5. LARRY REYNOLDS dba )

NATIONWIDE INTERNATIONAL RESOURCES) )

aka NIR; )

6. MICHAEL CATAIN dba )

ENCHANTED FAMILY BUYING COMPANY; )

7. FRANK E. VENNES JR. dba )

METRO GEM FINANCE )

METRO GEM INC., )

GRACE OFFERINGS OF FLORIDA LLC, )

METRO PROPERTY FINANCING, LLC, )

38 E. ROBINSON, LLC, )

55 E. PINE, LLC, )

ORLANDO RENTAL POOL, LLC, )

100 PINE STREET PROPERTY, LLC, )

ORANGE STREET TOWER, LLC, )

CORNERSTONE RENTAL POOL, LLC, )

2 SOUTH ORANGE AVENUE, LLC, )

HOPE COMMONS, LLC, )

METRO GOLD, INC., )

Defendants. )

**ORDER**

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**ORDER AUTHORIZING**  
**TRANSFER OF MEMBERSHIP INTEREST**  
**IN WELSH BAKER ROAD, LLC**

Upon consideration of the motion and supporting affidavit of Douglas A. Kelley, in his capacity as the Court-appointed receiver (the “Receiver”), moving this Court to authorize the transfer by Petters Real Estate Group, LLC of its fifty percent (50%) membership interest in Welsh Baker Road, LLC, the Court finds:

1. Petters Real Estate Group, LLC (“REG”) and RB Broadway Development Company, LLC, an affiliate of Welsh Companies (“Welsh”) each hold a fifty percent (50%) membership interest in Welsh Baker Road, LLC (“Baker Road”).

2. Baker Road owns vacant land and two (2) office buildings on Baker Road in Minnetonka, MN, one office building at 4350 Baker Road (the “4350 Building”) and the other office building at 4400 Baker Road (the “4400 Building”).

3. The 4400 Building is leased in its entirety by Baker Road to REG’s parent, Petters Group Worldwide, LLC (“PGW”) pursuant to a lease agreement dated December 8, 2006 (the “PGW Lease”). PGW has defaulted under the PGW Lease in that it has failed to make any payments due under the PGW Lease on and after October 1, 2008.

4. On behalf of Baker Road, Welsh has offered to: (i) agree to the rejection of the PGW Lease in the PGW bankruptcy and substantially compromise the post-petition bankruptcy claim of Baker Road against PGW and (ii) enter into direct leases with PGW and Polaroid Corporation or an affiliate thereof for space in the 4400 Building at rental rates substantially below what was being paid by PGW under the PGW Lease and providing flexibility to PGW as it unwinds its operations and to Polaroid Corporation in the event of the sale of such company. It was a condition of such offer by Welsh, however, that REG transfer its fifty percent (50%) membership interest in Baker Road to Welsh or an affiliate thereof for the sum of One Dollar.

5. It is in the best interests of PGW and Polaroid Corporation to accept the offer of Welsh made on behalf of Baker Road to compromise the post-petition bankruptcy claim of Baker Road and enter into direct leases with PGW and Polaroid Corporation for space in the 4400 Building.

6. The Receiver engaged the services of FTI Consulting, Inc. (“FTI”) to perform an independent analysis of the value of REG’s fifty percent (50%) membership interest in

Baker Road. Based on market conditions, the amount of mortgage debt against the property and other factors, FTI concluded that the offer by Welsh to purchase REG's fifty percent (50%) membership interest in Baker Road for One Dollar was not unreasonable.

THEREFORE, IT IS ORDERED that Petters Real Estate Group, LLC, by Thomas S. Hay or any other officer of such entity, is authorized to execute and deliver such documents as are deemed necessary or appropriate to transfer the fifty percent (50%) membership interest being held by Petters Real Estate Group, LLC in Welsh Baker Road, LLC for the sum of One Dollar, to RB Broadway Development Company, LLC or its designated affiliate.

IT IS SO ORDERED, this 30th day of January, 2009.

BY THE COURT:

s/Ann D. Montgomery  
ANN D. MONTGOMERY  
U.S. DISTRICT JUDGE