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Attorneys for the Receiver of PMI Mortgage Insurance Co.

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA

IN AND FOR THE COUNTY OF MARICOPA

<p>13 In re the Matter of the Rehabilitation of:</p> <p>14 PMI MORTGAGE INSURANCE CO.,</p> <p>15 an Arizona corporation.</p>	<p>) Case No. CV 2011-018944</p> <p>)</p> <p>) ORDER RE PETITION NO. 24</p> <p>)</p> <p>) APPROVING THE ASSET</p> <p>) PURCHASE AGREEMENT, THE</p> <p>) STOCK PURCHASE AGREEMENT,</p> <p>) AND THE RELATED</p> <p>) TRANSACTIONS DOCUMENTS</p> <p>)</p> <p>) (Assigned to the Hon. J. Richard Gama)</p> <p>)</p> <p>)</p>
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Germaine L. Marks, as Director of the Arizona Department of Insurance, in her capacity as Receiver (hereinafter "Receiver") of PMI Mortgage Insurance Co. ("PMI"), having filed Petition No. 24 for Order Approving the Asset Purchase Agreement, the Stock

1 Purchase Agreement, and the Related Transactions Documents (collectively, using the
2 defined terms set forth in Petition No. 24, the “Agreements”), and the Receiver having filed a
3 Supplement to Petition No. 24 setting forth amendments to the Asset Purchase Agreement,
4 Stock Purchase Agreement, and certain of the Related Transaction Documents, and the Court
5 having jurisdiction to consider Petition No. 24 and the relief requested therein, and such
6 Petition No. 24 having come on regularly for hearing on June 20, 2013 (the “Hearing”) and
7 all parties entitled to notice of this hearing having been duly notified by service of Petition
8 No. 24, and it appearing that no other or further notice need be provided, and upon the
9 appearances of parties in interest as noted in the record of the Hearing, and upon all of the
10 proceedings had before the Court, and it appearing to the Court that the matters being
11 requested by Petition No. 24 are reasonable, just, and appropriate, and upon due deliberation
12 it appearing that good and sufficient cause exists therefor;

13 **IT IS HEREBY FOUND AND DETERMINED:**

14 A. The granting of the relief requested in Petition No. 24 and the Supplement to
15 Petition No. 24 is in the best interests of PMI, its economic stakeholders, and all parties in
16 interest.

17 B. The Receiver provided due and sufficient notice of the Hearing to all parties in
18 interest and such parties had a reasonable opportunity to appear and be heard in respect of the
19 relief requested in Petition No. 24 and the Supplement to Petition No. 24.

20 C. The marketing of PMI’s assets was conducted by the Receiver in good faith, in
21 a proper, fair, and impartial manner that was reasonably calculated to reach the population of
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1 potentially-interested parties capable of consummating the transactions contemplated by
2 Petition No. 24 and the Supplement to Petition No. 24.

3 D. The Receiver negotiated all of the terms and conditions of the Agreements,
4 including the Asset Purchase Agreement, as amended, the Stock Purchase Agreement, as
5 amended, and the Related Transactions Documents, as amended, including the Joint Sales
6 Agreement, the PMI Quota Share Reinsurance Agreement and the Services Agreement, at
7 arm's length and in good faith and all of the terms and conditions of such Agreements are in
8 the best interests of PMI, its economic stakeholders and all parties in interest.

9 E. The legal and factual bases set forth in Petition No. 24, the Supplement to
10 Petition No. 24, and at the Hearing establish just cause for the relief granted herein.

11 F. The transactions contemplated in Petition No. 24 and the Supplement to Petition
12 No. 24 are fair and reasonable and necessary to the administration of the receivership of PMI
13 and are supported by sound business reasons and judgment.

14 G. The payment of the Break-Up Fee contemplated by the Asset Purchase
15 Agreement, as amended, by PMI to the Purchaser under those circumstances specified in the
16 Asset Purchase Agreement, as amended, and the provision for the guaranty by PMI of the
17 payment of the Break-Up Fee contemplated by the Stock Purchase Agreement, as amended,
18 to the Purchaser under those circumstances specified in the Stock Purchase Agreement, as
19 amended, and PMI's payment of its share of the Break-Up Fee under the Stock Purchase
20 Agreement, as amended, in performance of such guaranty, are necessary to preserve and
21 enhance the value of PMI's estate and will further the diverse interests of PMI and its
22 creditors.

1 H. Pursuant to Rule 54(b) of the Arizona Rules of Civil Procedure, there is no just
2 reason for delay of the entry of a final judgment on the relief requested in Petition No. 24 and
3 the Supplement to Petition No. 24.

4 **NOW, THEREFORE, IT IS ORDERED THAT:**

5 1. Petition No. 24, as supplemented, is hereby granted as provided herein.

6 2. The Asset Purchase Agreement, as amended, the Stock Purchase Agreement, as
7 amended, and the Related Transactions Documents, as amended, including, but not limited to,
8 the Joint Sales Agreement, the PMI Quota Share Reinsurance Agreement, and the Services
9 Agreement, and all the other Agreements, and the transactions contemplated thereby, are
10 authorized and approved.

11 3. The payment of the Break-Up Fee by PMI to the Purchaser under those
12 circumstances specified in the Asset Purchase Agreement, as amended, and the provision for
13 the guaranty by PMI of the payment of the Break-Up Fee to the Purchaser under those
14 circumstances specified in the Stock Purchase Agreement, as amended, are hereby authorized
15 and approved.

16 4. PMI, the Receiver, and the Special Deputy Receiver are hereby authorized to
17 enter into and perform each of their respective obligations under the Asset Purchase
18 Agreement, as amended, the Stock Purchase Agreement, as amended, and the Related
19 Transactions Documents, as amended, including, but not limited to, the Joint Sales
20 Agreement, the PMI Quota Share Reinsurance Agreement, and the Services Agreement, and
21 all other transactions contemplated by the Agreements, and all of the terms and conditions
22 thereof.

1 5. To the extent necessary to allow the Receiver and other Parties to perform
2 under the Asset Purchase Agreement, as amended, the Stock Purchase Agreement, as
3 amended, and the Related Transactions Documents, as amended, including, but not limited to,
4 the Joint Sales Agreement, the PMI Quota Share Reinsurance Agreement, and the Services
5 Agreement, and all other transactions contemplated by the Agreements, and all of the terms
6 and conditions thereof, the terms of this Order supersede any conflicting terms in the
7 Receivership Order and all other Orders the Court has issued in this proceeding.

8 6. This Order is a final judgment and shall be immediately effective upon entry.

9 7. Any obligations of PMI incurred or to be incurred under the Asset Purchase
10 Agreement, as amended, the Stock Purchase Agreement, as amended, and the Related
11 Transactions Documents, as amended, including, but not limited to, the Joint Sales
12 Agreement, the PMI Quota Share Reinsurance Agreement, and the Services Agreement, and
13 all of PMI's obligations thereunder, including the provision for the payment of the Break-Up
14 Fee by PMI to the Purchaser under those circumstances specified in the Asset Purchase
15 Agreement, as amended, and the provision for the guaranty by PMI of the payment of the
16 Break-Up Fee to the Purchaser under those circumstances specified in the Stock Purchase
17 Agreement, as amended, and PMI's payment of its share of the Break-Up Fee under the Stock
18 Purchase Agreement, as amended, in performance of such guaranty, are hereby designated as
19 costs and expenses of administration incurred in connection with the delinquency proceeding
20 pending against PMI and shall have the priority set forth in A.R.S. § 20-629(A)(1) without
21 the need to file any application with, or obtain any further order from, the Court.
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8. This Court shall retain jurisdiction in this proceeding with respect to all matters arising from or related to the interpretation or implementation of the Agreements, as amended, or this Order.

ENTERED this 20 day of June, 2013.

J. RICHARD GAMA

Honorable J. Richard Gama
Maricopa County Superior Court

1 **ORIGINAL** of the foregoing electronically
2 lodged this 11th day of June, 2013.

3 **COPY** of the foregoing sent via the Court's
4 electronic system this 11th day of February, 2013, to:

5 The Honorable J. Richard Gama
6 Maricopa County Superior Court
7 101 West Jefferson
8 Phoenix, Arizona 85003

9 **COPY** of the foregoing e-mailed
10 this 11th day of June, 2013, to:

11 The Attached Master Service List

12 By: /s/ Danielle Avery

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