IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION

IN RE:	)	Chapter 11 5th
Finance	)	Case No. 02 B 49672
Conseco, Inc.	)	Honorable Carol A. Doyle
	)	
Debtor,	)	

FILED
UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
MAY 24 2005
KENNETH S. GARDNER, CLERK
PS REP. - EG

SUPPLEMENTAL NOTICE OF MOTION

To: John T. Gregg
Greenbeg Traurig, PC
77 West Wacker Dr., Ste. 2500
Chicago, IL 60601

PLEASE TAKE NOTICE that on June 15, 2005, at 11:00 a.m. or as soon thereafter as counsel may be heard, the undersigned appeared before the Honorable Judge Carol A. Doyle in Courtroom 742 of the U.S. Bankruptcy Court, 219 South Dearborn, Chicago, Illinois 60604 or before any other judge who may be sitting in her stead, and shall then and there present the attached:

MOTION TO ENFORCE PURCHASE AGREEMENT BETWEEN CONSECO FINANCE CORPORATION AND EMCC-MH HOMES LLC

MEMORANDUM IN SUPPORT OF MOTION TO ENFORCE PURCHASE AGREEMENT BETWEEN CONSECO FINANCE CORPORATION AND EMCC-MH HOMES LLC

CERTIFICATE OF SERVICE

The undersigned, an attorney, certifies that on 5/24/05, she caused to be mailed a copy of the foregoing Notice of Motion and Motion to Enforce Purchase Agreement Between Conseco Finance Corporation and EMCC-MH Homes LLC and Memorandum in Support of Motion to Enforce Purchase Agreement Between Conseco Finance Corporation and EMCC-MH Homes LLC, to the named addressees, by first class mail, postage prepaid, from 333 West Wacker Drive, Suite 1710, Chicago, Illinois 60606, before 5:00 p.m. on that date.

Kathleen E. Weeks

Statman Harris Siegel & Eyrich, LLC
333 West Wacker Drive, Suite 1710
Chicago, Illinois 60606
(312) 263-1070

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION

FILED
UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
MAY 24 2005
KENNETH S. GARDNER, CLERK
PS REP. - EG

IN RE: Finance Conseco, Inc.	)	Chapter 11 5di
	)	Case No. 02 B 49672
	)	Honorable Carol A. Doyle
Debtor.	)	

MOTION TO ENFORCE PURCHASE AGREEMENT BETWEEN CONSECO FINANCE CORP. AND EMCC-MH HOMES LLC

NOW COMES EMCC-MH Homes LLC (hereinafter "EMCC") and for its Motion to Enforce Purchase Agreement Between Conseco Finance Corporation and EMCC-MH Homes, LLC states as follows:

1. On or about June 17, 2003, pursuant to a Purchase Agreement attached to this Court's Emergency Order, Conseco sold EMCC several unpaid deficiency balances and charged-off balances on manufactured home loan and credit accounts.

2. Six of the account deficiency balances purchased by EMCC were already part of a separate agreement, secured by a mortgage, between Conseco and a third party, Art Dellano, and Dellano's company, Calvary Mobile Homes, Inc. (hereinafter collectively "Dellano" and the "Dellano Agreement"). Conseco contends that it is entitled to continue receiving the payments under the Dellano Agreement despite the fact that these account balances have now been sold to EMCC.

4. Dellano is a party to the Purchase Agreement between Conseco and EMCC by virtue of his position as a "customer" under the Purchase Agreement who owes the deficiency balance on the accounts sold to EMCC. Additionally, the Purchase Agreement contemplates that more than one person or entity may be responsible for payment of these account balances. Pursuant to the terms of both the Dellano Agreement and the Purchase Agreement, the Dellano

payments transfer to EMCC.

5. Conseco cannot sell the right to collect these account balances while simultaneously collecting payments on the same accounts pursuant to the Dellano Agreement.

6. EMCC is entitled to receive the payments made by Dellano from the date of the Purchase Agreement onward. Any Dellano payments currently held in escrow should be turned over to EMCC as well as all future payments.

7. The property secured by the Dellano Agreement is being sold in order to halt a foreclosure proceeding pending in North Carolina. See Exhibit A. The proceeds should be held in escrow pending further Order of this Court.

8. A Memorandum in Support of this Motion is attached hereto and incorporated herein by reference.

WHEREFORE, EMCC-MH Homes, LLC prays that this Court enter an Order finding that the Dellano Agreement extends to EMCC as a purchaser of the subject accounts, and directing that:

(i) Conseco assign its mortgage lien established under the Dellano Agreement to EMCC, and

(ii) EMCC receive all payments made by Dellano to Conseco or held in trust after the date of the EMCC-Conseco Agreement, and

(iii) Dellano make all future payments relative to the six (6) accounts in dispute directly to EMCC until such time as the accounts are paid in full, and

(iv) The proceeds of the Dellano refinance be held in escrow pending resolution of the issues raised in this Motion.

EMCC-MH Homes, LLC

By: _____
One of its Attorneys

Statman Harris Siegel & Eyrich LLC
333 W. Wacker Suite 1710
Chicago, IL 60606
(312)-263-1070

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

AFFIDAVIT

Personally appeared before me Stanley H. McGuffin who being duly sworn, deposes and says the following:

1. I am a licensed attorney in the State of South Carolina and currently represent Arthur J. Dellano and Barbara M. Dellano (collectively, the "Dellanos") in the case of Conseco Finance Servicing Corporation vs. Arthur J. Dellano, et. al, case number 2002-CP-21-2273 pending in the Court of Common Pleas for the State of South Carolina, County of Florence. This action is one to enforce a mortgage through a foreclosure proceeding.

2. In connection with the referenced case, the Court has entered various Orders, copies of which are attached hereto as Exhibits 1, 2, 3 and 4. The essence of these Orders is that the Court has determined that Conseco is entitled to foreclose a mortgage from the Dellanos to Conseco against property in Florence County. The foreclosure sale has been delayed pursuant to the terms of the Orders attached hereto. In connection with the terms of the attached Orders, the Dellanos have the right to satisfy the mortgage of Conseco upon payment of the amounts set forth in the Orders.

3. I have been advised by the Dellanos that they have the necessary commitments for financing to pay the amounts due under the Orders to avoid the sale of the property, which by the terms of the Orders could occur on or about June 1, 2005.

4. Subsequent to entry of the initial Order, (Exhibit 1) hereto, I was contacted by Michael Wernick on behalf of EMCC and advised that EMCC was the owner of all rights to payments on the obligation secured by the mortgage which is the subject matter of the

foreclosure proceeding by virtue of a purchase of such rights in the Chapter 11 bankruptcy proceedings of Conseco. Subsequent to being contacted by Mr. Wernick, I advised counsel for Conseco in the foreclosure proceedings, Joe R. North, Esquire, of the adverse claim to the funds due under the Order. Thereafter, with the agreement of Mr. North and Mr. Wernick, the Dellanos paid the monthly payments of $1,500.00for the period April 1, 2004 to November 30, 2004. Conseco refused to consent to the extension of the escrow arrangement after November 30, 2004, and has been paid directly the sum of $10,000.00 towards the principal amount and $1,500.00 towards interest pursuant to the terms of the Third Supplemental Order (Exhibit 4 hereto).

5. As a result of the adverse claims to this money, it is uncertain whether Conseco is the owner and holder of interest in the monies due pursuant to the Orders. I have requested of Conseco that I be allowed to hold the remaining balance due (approximately $277,175.12) in my escrow account pending a determination by a judicial authority regarding entitlement to these funds. However, Conseco has not agreed to me holding these funds in my escrow and is requiring that payment be made to Conseco notwithstanding claims of EMCC.

FURTHER AFFIANT SAYETH NOT.

Stanley H. McGuffin

SWORN to and subscribed before me
on this 10TH day of May, 2005.

Sunny P. Riffle - Notary Public
Lexington County, South Carolina
My commission expires: February 08/2010

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	TWELFTH JUDICIAL CIRCUIT
COUNTY OF FLORENCE	)	Docket No. 2002-CP-21-2273
CONSECO FINANCE SERVICING CORPORATION,	)	
Plaintiff,	)	
vs.	)	CONSENT ORDER
ARTHUR J. DELLANO, BARBARA M. DELLANO and ANY TENANTS IN POSSESSION,	)	
Defendants.	)	

CERTIFIED: A TRUE COPY
Connie R. Bell
CLERK OF COURT C.P & G.S
FLORENCE COUNTY, S.C.

FILED
2004 JUL 26 A 10:53
CONNIE R. BELL
CCCP & GS
FLORENCE COUNTY SC

Pursuant to Rule 53 SCRCP, the above-entitled matter was referred to the undersigned to make appropriate findings of fact and conclusions of law with authority to enter a final judgment in this cause; with any appeal from this Order to the South Carolina Supreme Court.

The parties have now informed the Court, through their respective attorneys, that they have resolved all outstanding issues. This agreement of the parties is set out below.

FINDINGS OF FACT

1. The Lis Pendens was filed on December 11, 2002.

2. The Summons and Complaint were filed on December 11, 2002.

3. Service was made upon the Defendants named in this Report as is shown by the proofs of service filed herein.

EXHIBIT 1

4. The Defendants, Arthur J. Dellano and Barbara M. Dellano, filed an Answer dated February 14, 2003, which was subsequently served upon the Plaintiff.

5. All Defendants were notified of the time, date, and place of the hearing in this matter.

6. That on May 18, 2001, the Defendant, Arthur J. Dellano, entered into an agreement with Plaintiff whereby he would pay the Plaintiff certain sums of money more specifically set out in a Note dated May 30, 2001, whereby the Defendant, Arthur J. Dellano, specifically agreed to pay the amount of Five Hundred Thirteen Thousand Eight Hundred Ninety Five and 10/100 ($513,895.10) Dollars with no interest on or before June 15, 2002.

7. In order to secure payment of the sums due and owing under the agreement and note as hereinabove referenced, the Defendants, Arthur J. Dellano and Barbara M. Dellano, did on May 18, 2001, execute and deliver to Conseco Finance Servicing Corporation that certain mortgage covering real property located in the County of Florence, State of South Carolina. This mortgage was filed on May 23, 2001, in Book A632, Page 2167 in the Clerk of Court's Office for Florence County.

8. This mortgage constitutes a first lien on the subject property.

9. The Plaintiff in this action is the owner and holder of the note, agreement and mortgage it is seeking to foreclose.

10. The titleholders of record in and to the subject property as of the date of filing of the Lis Pendens in this action are Arthur J. Dellano and Barbara M.

Dellano, who are the original mortgagors and Defendants in this action.

11. Payment due on the note and agreement has not been made in full and the Defendants, Arthur J. Dellano and Barbara M. Dellano, owe the Plaintiff a total sum of Two Hundred Sixty Four Thousand One Hundred Seventy Five and 19/100 ($264,175.19) Dollars plus reasonable attorney's fees and costs in the amount of Five Thousand and No/100 ($5,000.00) Dollars, making a total debt in the amount of Two Hundred Sixty Nine Thousand One Hundred Seventy Five and 19/100 ($269,175.19) Dollars.

12. The parties agree that the Plaintiff will have judgment of foreclosure of the mortgage in the amount of Two Hundred Sixty Nine Thousand One Hundred Seventy Five and 19/100 ($269,175.19) Dollars. This includes the amounts as set out above.

13. The parties agree that from the date this order is signed through the month of May 2004, unless sooner sold by the Defendants, Arthur J. Dellano and Barbara M. Dellano, the Defendants, Arthur J. Dellano and Barbara M. Dellano, will have the exclusive right to market the property for sale, providing the amount as set out below is paid the Plaintiff on a timely basis. The Defendants, Arthur J. Dellano and Barbara M. Dellano, will promptly list the property for sale with a commercial broker and provide the Plaintiff with a copy of the listing agreement. If the property is sold, the Defendants, Arthur J. Dellano and Barbara M. Dellano, will pay the indebtedness owed to the Plaintiffs in amount of Two Hundred Sixty Nine Thousand

One Hundred Seventy Five and 19/100 ($269,175.19) Dollars and the Plaintiff will thereafter release its lien upon the property.

14. Beginning December 15, 2003, and due on the fifteenth (15th) of each and every successive month until the property is sold by the Defendants, Arthur J. Dellano and Barbara M. Dellano, or through May 2004, whichever event occurs first, the Defendants, Arthur J. Dellano and Barbara M. Dellano, will pay to the Plaintiff the sum of One Thousand Five Hundred and No/100 ($1,500.00) Dollars per month. These payments are not to be applied to the balance owed by the Defendants, Arthur J. Dellano and Barbara M. Dellano, but are payments made to the Plaintiff in consideration of the Plaintiff foregoing its right to pursue immediate sale of the property. These payments should be made to Plaintiff at the following address:

Joe R. North, Attorney at Law
Post Office Box 21248
Columbia, South Carolina 29221

15. If the Defendants, Arthur J. Dellano and Barbara M. Dellano, have not sold the property on or before May 31, 2004, then the Defendants' rights to market the property will end and the Plaintiff will have the exclusive right to sell the property at the first foreclosure sale scheduled in June 2004 which will be June 7, 2004.

16. Upon payment of (i) the monthly payments required by Paragraph fourteen (14) of this Order and (ii) payment of the balance due of Two Hundred Sixty Nine Thousand One Hundred Seventy Five and 19/100 ($269,175.19) Dollar by May 31, 2004, the Plaintiff will assign without recourse to the Defendants, Arthur J.

Dellano and Barbara M. Dellano, all of its right, title and interest to the Carpenter loan, Account No. 94405031, (including any related notes, security agreements, mortgages or other security documents).

17. The Defendants, Arthur J. Dellano and Barbara M. Dellano, will pay on a timely basis all real estate taxes that are due and owing on the subject premises through the tax year 2003, and any subsequent amounts due and owing in the tax year 2004 upon the sale of the property. If the Defendants, Arthur J. Dellano and Barbara M. Dellano, do not timely pay the taxes and the Plaintiff pays such taxes, the debt owed by the Defendants, Arthur J. Dellano and Barbara M. Dellano, will increase by the amount of such taxes.

18. Upon default of the Defendants, Arthur J. Dellano and Barbara M. Dellano, to make timely payments of the above amounts of One Thousand Five Hundred and No/100 ($1,500.00) Dollars a month payable to the Plaintiff or upon the Defendants, Arthur J. Dellano and Barbara M. Dellano's failure to make timely payment of any real estate taxes due and owing through the tax year 2003, the Plaintiff may file an affidavit with the Special Referee's office setting out such default. Without further notice or hearing, upon the filing of such affidavit, the Special Referee shall order that the sale date of the property shall be the next available sales date for foreclosure sales in the County of Florence and all rights of the Defendants, Arthur J. Dellano and Barbara M. Dellano, to sell or market the property will end. The Plaintiff will have the right to sell the property at foreclosure

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KB

sale and the Defendants' rights to the property as set out under this agreement will end.

CONCLUSIONS OF LAW

I, therefore, conclude as follows:

1. The Plaintiff should have judgment of foreclosure of the mortgage and the agreement of the parties as set out above shall be the order of this Court.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED:

1. That there is due the Plaintiff on the obligations and mortgage set forth in the complaint the sum of Two Hundred Sixty Nine Thousand One Hundred Seventy Five and 19/100 ($269,175.19) Dollars representing the total debt due the Plaintiff.

2. The parties agree that the Plaintiff will have judgment of foreclosure of the mortgage in the amount of Two Hundred Sixty Nine Thousand One Hundred Seventy Five and 19/100 ($269,175.19) Dollars.

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3. That the agreement of the parties as set out in paragraphs thirteen (13) through eighteen (18) is the order of this Court.

4. That upon default of the Defendants, Arthur J. Dellano and Barbara M. Dellano, in making any of the scheduled payments of One Thousand Five Hundred and No/100 ($1,500.00) Dollars per month to the Plaintiff or in promptly paying by the due date any outstanding property taxes due on the subject premises through the tax year 2003, or if the Defendant is unable to successfully sell the property by May

31, 2004, the mortgaged premises described in the Complaint as hereinafter set forth shall be sold by the Florence County Clerk of Court at public auction at the designated location for such judicial sales on June 7, 2004, or before if the Defendants, Arthur J. Dellano and Barbara M. Dellano, default as set out above, under the following terms, that is to say:

(a) FOR CASH: The undersigned Special Referee will require a deposit of five (5%) percent of the amount of the bid (in cash or equivalent), same to be applied on the purchase money only upon compliance with the bid, but in case of non-compliance within twenty (20) days same to be forfeited and applied to the costs of the Plaintiff's debt.

(b) Interest on the bid shall be paid to the day of compliance at the rate of 14%.

(c) The sale shall be subject to taxes and assessments, existing easements and easements and restrictions of record, and any other senior encumbrances.

(d) Purchaser to pay for deed stamps and cost of recording deed.

10. If Plaintiff be the successful bidder at the said sale, for a sum, not exceeding the amount of costs, disbursements, expenses and indebtedness of the Plaintiff in full, Plaintiff may pay to the undersigned Special Referee only the amount of the costs, disbursements and expenses crediting the balance of the bid on Plaintiff's indebtedness.

5. Personal or deficiency judgment having been waived, the sale will be

closed. 6. That the undersigned Special Referee will by advertisement according to law, give notice of the time, and place of such sale, and the terms thereof; and will execute to the purchaser, or purchasers, a deed to the premises sold. The Plaintiff of any other party to this action, may become a purchaser at such sale, and that if, upon such sale being made, the purchaser, or purchasers, should fail to comply with the terms thereof within thirty (30) days after date of sale, then the undersigned Special Referee may advertise the said premises for sale on the next, or some other subsequent sales day, at the risk of the former highest bidder, and so from time to time thereafter until full compliance shall be secured.

7. That the undersigned Special Referee will apply the proceeds of sale as follows:

FIRST: To the payment of the amount of the costs, disbursements, and expenses of this action, including any Guardian *ad Litem* fee or fees of attorneys appointed under order of court.

NEXT: To the payment of the Plaintiff or the Plaintiff's attorney, of the amount of Plaintiff's debt and interest, or so much thereof as the purchase money will pay on the same.

NEXT: That any surplus be held pending further order of the Court.

8. IT IS FURTHER ORDERED, ADJUDGED AND DECREED, that in the event the successful bidder is other than the Defendants, Arthur J. Dellano and Barbara M.

Dellano, in possession herein, the Sheriff of Florence County is ordered and directed to eject and remove from the premises the occupant(s) of the property sold; together with all personal property located thereon, and put the successful bidder or his assigns in such peaceable possession.

9. AND, IT IS FURTHER ORDERED, ADJUDGED AND DECREED, that each Defendant named herein and all persons whosoever claiming under him, them or it, be forever barred and foreclosed of all right, title, interest and equity of redemption in the said mortgaged premises so sold, or any part thereof.

10. IT IS FURTHER ORDERED that, pursuant to South Carolina Code Ann. §30-9-31 (Supp. 1987), the deed of conveyance made pursuant to this sale shall be indexed by the Clerk of Court's Office in the name of the owner of record of subject property immediately prior to the execution of the deed, as well as in the name of the undersigned Special Referee, who executes such deed as grantor.

11. The undersigned Special Referee will retain jurisdiction to do all necessary acts incident to this foreclosure including, but not limited to, the issuance of a Writ of Assistance and disposing of any surplus funds pursuant to Rule 71(c), South Carolina Rules of Civil Procedure.

12. The following is a description of the premises herein ordered to be sold:

All that certain piece, parcel or tract of land situate, lying and being approximately ½ mile east of the limits of the City of Florence, in the County of Florence, State of South Carolina, containing 4.00 acres, and being more particularly described as follows, to wit:

commencing at an iron pin on the southern margin of U.S. Highway 76 and 301, 285 feet West of the center line of the Seaboard Coast Line Railroad and extending from said iron pin in a southerly direction South 0 degrees and 22 minutes West, 343.25 feet to an iron pin on the northern margin of the Old Mars Bluff Road; thence, westerly along the said northern margin of the Old Mars Bluff Road South 77 degrees and 14 minutes West, 455.5 feet to an iron pin; thence, in a northerly direction, North 1 degree and 27 minutes and 30 seconds East, 451.25 feet to an iron pin on the Southern margin of U.S. Highway 76 and 301, thence, in an easterly direction along said southern margin of U.S. Highway 76 and 301, South 89 degrees and 3 minutes East, 435.0 feet to the point of beginning. Said property is bounded as follows; on the North by U.S. Highway 76 and 301, on the East by property of D. L. Carter and Southern Bonded Warehouse, Co., on the South by Old Mars Bluff Road, and, on the West by property of W. B. Cox.

This being the same property conveyed to Arthur J. Dellano and Barbara M. Dellano from William D. Atkinson by deed dated March 20, 1997, and recorded in Book A-488 at Page 95, on March 20, 1997, in the Office of the Clerk of Court for Florence County, South Carolina.

#11

HAIGH PORTER, Special Referee
for Florence County

Florence, South Carolina
~~March~~ July 21, **2004.**

WE CONSENT:

JOE R. NORTH, Attorney for Plaintiff

STANLEY M. McGUFFIN, Attorney
for Defendants, Arthur J. Dellano
and Barbara M. Dellano

ARTHUR J. DELLANO, Defendant

BARBARA M. DELLANO, Defendant

FILED
2004 JUL 26 A 10:53
CONNIE R. [illegible]
CCCP & GS
FLORENCE COUNTY SC

State of South Carolina | Form 4 | Judgment in a Civil Case

County of Florence County

2002 CP-21-2273

Consolidated Finance Servicing Corporation

CERTIFIED: A TRUE COPY
CLERK OF COURT C.P. & G.S.
FLORENCE COUNTY, S.C.

Arthur J. Dellaro, Connie G. Bell et al

Plaintiff(s) | Defendant(s)

Check one:

( ) **JURY VERDICT.** This action came before the court for a trial by jury. The issues have been tried and a verdict rendered.

( ) **DECISION BY THE COURT** This action came to trial or hearing before the court. The issues have been tried or heard and decision rendered.

( ) **ACTION DISMISSED** (CHECK REASON): ( ) Rule 12(b), SCRCP; ( ) Rule 41 (a), SCRCP (Vol. Nonsuit); ( ) Rule 43(k), SCRCP (Settled); ( ) Other _____

( ) **ACTION STRICKEN** (CHECK REASON): ( ) Rule 40(j) SCRCP; ( ) Bankruptcy; ( ) Binding arbitration, subject to right to restore to confirm, vacate modify arbitration award; ( ) Other _____

IT IS ORDERED AND ADJUDGED: (✓) See attached order; ( ) Statement of Judgment by the court:

FILED
2004 JUL 27 A 11:26
CONNIE R. BELL
CCCP & GS
FLORENCE COUNTY SC

Dated at Florence, South Carolina, this _____ day of _____ 2004.

PRESIDING JUDGE

This judgment was entered on the 26 day of July 2004, and a copy mailed first class this 27 day of July, 2004 to attorneys of record or to parties (when appearing pro-se) as follows.

J R North
PO Box 21248 Columbia, SC 29221
H Porter - Spec Hand Delivered

Attorney(s) for Plaintiff(s)

S H McGuffin
PO Box 11889
Columbia, SC 29201

Attorney(s) for Defendant(s)

Connie R. Bell
Florence County Clerk of Court

SCRCP APP-24

SCRCP FORM 4 (REVISED 5/00

EXHIBIT 2

STATE OF SOUTH CAROLINA)
) IN THE COURT OF COMMON PLEAS
COUNTY OF FLORENCE) TWELFTH JUDICIAL CIRCUIT
) Docket No. 2002-CP-21-2273
CONSECO FINANCE SERVICING)
CORPORATION,)
)
Plaintiff,)
)
vs.) SUPPLEMENTAL ORDER
)
ARTHUR J. DELLANO, BARBARA M.)
DELLANO and ANY TENANTS IN)
POSSESSION,)
)
Defendants.)

CERTIFIED A TRUE COPY
CLERK OF COURT C.P & G.S
FLORENCE COUTNY, S.C.

FILED
2004 JUL 26 A 10:54
CONNIE R. BELL
CCP & GS
FLORENCE COUNTY SC

WHEREAS, the parties have agreed that the Consent Order entered in the above-captioned case should be modified as set out below. All terms and conditions of the Consent Order remain in full force and effect except as modified below. The parties have agreed to the following modifications of the Consent Order:

1. The effective date for the various conditions of the order to be completed is extended from May 31, 2004, to August 31, 2004.

2. Any language referencing the foreclosure sale on June 7, 2004, should be changed and modified to reference the foreclosure sale scheduled on ~~September 7~~ October 4, 2004, as scheduled thereafter.

3. The above changes will allow the Defendants, Arthur J. Dellano and Barbara M. Dellano, through the month of August 2004 to the exclusive rights to market or sell the property and will also extend the time which they are required to pay the One Thousand Five Hundred and No/100 ($1,500.00) Dollar a month payments as set out in the Consent Order through August 31, 2004.

4. All other terms and conditions of the Consent Order with the exception of the above changes will remain in full force and effect.

WHEREFORE IT IS HEREBY ORDERED, ADJUDGED AND DECREED that the above agreement between the parties is the order of the Court and the Consent Order is modified so that the effective dates are as set out above. All other terms and conditions of the Consent Order will remain in full force and effect.

#2

HAIGH PORTER, Special Referee
for Florence County

Florence, South Carolina
June 21, 2004.

WE CONSENT:

JOE R. NORTH, Attorney for Plaintiff

STANLEY H. McGUFFIN, Attorney
for Defendants, Arthur J. Dellano
and Barbara M. Dellano

FILED
2004 JUL 26 A 10:54
CONNIE R. BELL
CCCP & GS
FLORENCE COUNTY SC

State of South Carolina | Form 4 | dgment in a Civil Case

County of Florence County

2002 CP-21-2273

Concord Finance Service Corporation

CERTIFIED: A TRUE COPY
Connie R. Bell

Arthur J. Dellano, et al

CLERK OF COURT C.P & G.S
FLORENCE COUNTY, S.C.

Plaintiff(s) | Defendant(s)

Check one:

( ) **JURY VERDICT.** This action came before the court for a trial by jury. The issues have been tried and a verdict rendered.

( ) **DECISION BY THE COURT** This action came to trial or hearing before the court. The issues have been tried or heard and decision rendered.

( ) **ACTION DISMISSED** (CHECK REASON): ( ) Rule 12(b), SCRCP; ( ) Rule 41 (a), SCRCP (Vol. Nonsuit); ( ) Rule 43(k), SCRCP (Settled); ( ) Other _____

( ) **ACTION STRICKEN** (CHECK REASON): ( ) Rule 40(j) SCRCP; ( ) Bankruptcy; ( ) Binding arbitration, subject to right to restore to confirm, vacate modify arbitration award; ( ) Other _____

IT IS ORDERED AND ADJUDGED: (✓) See attached order; ( ) Statement of Judgment by the court:

FILED
2004 OCT 25 A 9:38
CONNIE R. BELL
CCCP & GS
FLORENCE COUNTY, SC

Dated at Florence, South Carolina, this _____ day of _____ 2004.

PRESIDING JUDGE

This judgment was entered on the 22 day of October 2004, and a copy mailed first class this 25 day of October, 2004 to attorneys of record or to parties (when appearing pro-se) as follows.

J.R. North
PO Box 1248 Columbia, SC 29221
H. Porter Special Referee Appointed
Attorney(s) for Plaintiff(s)

S.H. McGriffin
PO Box 11889
Columbia, SC 29211
Attorney(s) for Defendant(s)

Connie R. Bell
Florence County Clerk of Court

SCRCP APP-24

SCRCP FORM 4 (REVISED 5/00

EXHIBIT 3

115064

STATE OF SOUTH CAROLINA) IN THE COURT OF COMMON PLEAS
) TWELFTH JUDICIAL CIRCUIT
COUNTY OF FLORENCE) Docket No. 2002-CP-21-2273

CERTIFIED: A TRUE COPY
Connie P. Bell
CLERK OF COURT C.P. & G.S.
FLORENCE COUNTY, S.C.

CONSECO FINANCE SERVICING CORPORATION,

Plaintiff,

vs.

ARTHUR J. DELLANO, BARBARA M. DELLANO and ANY TENANTS IN POSSESSION,

Defendants.

SECOND SUPPLEMENTAL ORDER

FILED
2004 OCT 22 A 8:53
CONNIE P. BELL
CLERK OF COURT C.P. & G.S.
FLORENCE COUNTY, S.C.

WHEREAS, the parties have agreed that the Consent Order and the Supplemental Order both dated July 21, 2004, entered in the above-captioned case should be modified as set out below. All terms and conditions of the Consent Order remain in full force and effect except as modified below. The parties have agreed to the following modifications of the Consent Order and the Supplemental Order:

1. The effective date for the various conditions of the orders to be completed is extended from August 31, 2004, to November 30, 2004.

2. Any language referencing foreclosure sales should be changed and modified to reference the foreclosure sale scheduled for the first sale date in January 2005 or as scheduled thereafter.

3. The above changes will allow the Defendants, Arthur J. Dellano and Barbara M. Dellano, through the month of November 2004 to the exclusive rights to market or sell the property and will also extend the time which they are required to pay the One

Thousand Five Hundred and No/100 ($1,500.00) Dollar a month payments as set out in the Consent Order through November 30, 2004.

4. All other terms and conditions of the Consent Order with the exception of the above changes will remain in full force and effect.

WHEREFORE IT IS HEREBY ORDERED, ADJUDGED AND DECREED that the above agreement between the parties is the order of the Court and the Consent Order dated July 21, 2004, and the Supplemental Order dated July 21, 2004, are modified so that the effective dates are as set out above. All other terms and conditions of the Consent Order dated July 21, 2004, will remain in full force and effect.

#2

HAIGH PORTER, Special Referee
for Florence County

Florence, South Carolina
~~September~~ Oct. 12, 2004.

FILED
2004 OCT 22 A 9:53
CONNIE R. BELK
CCCP & GS
FLORENCE COUNTY SC

WE CONSENT:

JOE R. NORTH, Attorney for Plaintiff

STANLEY H. McGUFFIN, Attorney
for Defendants, Arthur J. Dellano
and Barbara M. Dellano

State of South Carolina | Form 4 | Judgment in a Civil Case

County of Florence County | 2002-CP-21-2273

CERTIFIED: A TRUE COPY

Conseco Finance Servicing Corporation | Arthur J. Dellano, Ctal

Connie R. Bell

CLERK OF COURT C.P & G.S
FLORENCE COUNTY, S.C.

Plaintiff(s) | Defendant(s)

Check one:

( ) **JURY VERDICT.** This action came before the court for a trial by jury. The issues have been tried and a verdict rendered.

( ) **DECISION BY THE COURT** This action came to trial or hearing before the court. The issues have been tried or heard and decision rendered.

( ) **ACTION DISMISSED** (CHECK REASON): ( ) Rule 12(b), SCRCP; ( ) Rule 41 (a), SCRCP (Vol. Nonsuit); ( ) Rule 43(k), SCRCP (Settled); ( ) Other _____

( ) **ACTION STRICKEN** (CHECK REASON): ( ) Rule 40(j) SCRCP; ( ) Bankruptcy; ( ) Binding arbitration, subject to right to restore to confirm, vacate modify arbitration award; ( ) Other _____

IT IS ORDERED AND ADJUDGED: (✓) See attached order; ( ) Statement of Judgment by the court:

FILED
2005 FEB 15 A 7:46
CONNIE R. BELL
CCCP & GS
FLORENCE COUNTY SC

Dated at Florence, South Carolina, this _____ day of _____ 2005.

_____
PRESIDING JUDGE

This judgment was entered on the 9 day of February 2005, and a copy mailed first class this 15 day of February 2005, to attorneys of record or to parties (when appearing pro-se) as follows.

J R North
PO BOX 21248 Columbia, SC 29221
W H Porter (Sp Ref) Hand Delivered
Attorney(s) for Plaintiff(s)

S H McGuffin
PO BOX 11889
Columbia, SC 29201
Attorney(s) for Defendant(s)

Connie R. Bell
Florence County Clerk of Court

Haynsworth Sinkler Boyd, P.A.
Date Rec'd 2/16/05
C/M # 11911.2 [illegible]
Docketed _____
IDL _____

SCRCP APP-24 | SCRCP FORM 4 (REVISED 5/00

EXHIBIT
4

115054

CERTIFIED: A TRUE COPY

Connie R. Bell

CLERK OF COURT C.P.&G.S.
FLORENCE COUNTY, S.C.

STATE OF SOUTH CAROLINA	)	IN THE COURT OF COMMON PLEAS
	)	TWELFTH JUDICIAL CIRCUIT
COUNTY OF FLORENCE	)	Docket No. 2002-CP-21-2273
CONSECO FINANCE SERVICING CORPORATION,	)	
Plaintiff,	)	
vs.	)	THIRD SUPPLEMENTAL ORDER
ARTHUR J. DELLANO, BARBARA M. DELLANO and ANY TENANTS IN POSSESSION,	)	
Defendants.	)	

CLOCK IN CANCELLED
NOT RECORDED

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05 FE -9 AM 11:29.5

WHEREAS, the parties have agreed that the Consent Order and the Supplemental Order both dated July 21, 2004, and Second Supplemental Order dated October 12, 2004, entered in the above-captioned case should be modified as set out below. All terms and conditions of the prior Orders remain in full force and effect except as modified below. The parties have agreed to the following modifications of the prior Orders:

1. The effective date for the various conditions of the orders to be completed is extended from November 30, 2004, to May 31, 2005.

2. Any language referencing foreclosure sales should be changed and modified to reference the foreclosure sale scheduled for the first sale date in June 2005 or as scheduled thereafter.

3. The above changes will allow the Defendants, Arthur J. Dellano and Barbara M. Dellano, through the month of May 2005, to the exclusive rights to market or sell the property and will also extend the time which they are required to pay the One Thousand

Five Hundred and No/100 ($1,500.00) Dollar a month payments as set out in the Consent Order through May 31, 2005.

4. The Defendants, Arthur J. Dellano and Barbara M. Dellano, will pay the sum of Ten Thousand and No/100 ($10,000.00) Dollars to the Plaintiff within thirty (30) days of this Order as a partial payment of principal owed the Plaintiff by the Defendants.

5. All future payments of the One Thousand Five Hundred and No/100 ($1,500.00) Dollar monthly amounts as well as the lump sum payment of Ten Thousand and No/100 ($10,000.00) Dollars will be paid directly to the Plaintiff rather than such payments being placed in the trust account of the Defendants' attorney.

6. All other terms and conditions of the Consent Order dated July 21, 2004, with the exception of the above changes will remain in full force and effect.

WHEREFORE IT IS HEREBY ORDERED, ADJUDGED AND DECREED that the above agreement between the parties is the order of the Court and the Consent Order and Supplemental Order dated July 21, 2004, and the Second Supplemental Order dated July 21, 2004, are modified so that the effective dates are as set out above. All other terms and conditions of the Consent Order dated July 21, 2004, will remain in full force and effect.

#2

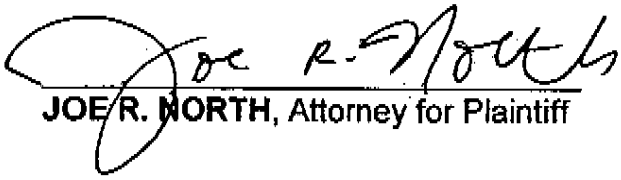
Haigh Porter

HAIGH PORTER, Special Referee
for Florence County

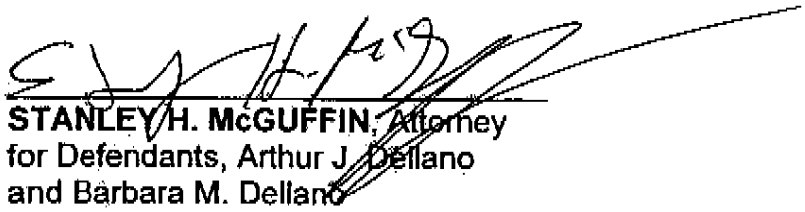
Florence, South Carolina

January 13, 2005.

WE CONSENT:



JOE R. NORTH, Attorney for Plaintiff



STANLEY H. McGUFFIN, Attorney
for Defendants, Arthur J. Dellano
and Barbara M. Dellano

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS, EASTERN DIVISION

	)	Chapter 11
IN RE:	)	Case No. 02 B 49672
Conseco, Inc.	)	Honorable Carol A. Doyle
	)	
	)	
Debtor,	)	

MEMORANDUM IN SUPPORT OF MOTION TO ENFORCE PURCHASE AGREEMENT BETWEEN CONSECO FINANCE CORP. AND EMCC-MH HOMES LLC

NOW COMES EMCC-MH Homes LLC (hereinafter "EMCC") and for its Memorandum in Support of Motion to Enforce Purchase Agreement Between Conseco Finance Corp. and EMCC-MH Homes, LLC, states as follows:

INTRODUCTION

On June 17, 2003, pursuant to an Emergency Order entered by this Court, Conseco Finance Corp. (hereinafter "Conseco") sold all of its rights, title and interest in several outstanding accounts receivables to EMCC in accordance with the terms of a certain Purchase Agreement (hereinafter the "EMCC-Conseco Agreement")[1]. Six (6) of the accounts sold to EMCC were related to a separate agreement dated May 18, 2001, between Conseco and a third party, Art Dellano, and his wholly-owned company, Calvary Mobile Homes, Inc. (collectively referred to herein as "Dellano"), whereby Dellano assumed responsibility for, or otherwise guaranteed, payment of the aforementioned six (6) accounts and certain other accounts not

[1]A copy of this agreement (unsigned) was attached as Exhibit "A" to the Emergency Order of the Bankruptcy Court entered on June 17, 2003. A signed copy of this agreement is attached to this Memorandum (without the Court Order) as Exhibit A.

owned by EMCC (hereinafter the "Dellano Agreement"[2]). Conseco is now interfering with EMCC's rights to collect from Dellano those monies which are owed on these six (6) accounts.

ARGUMENT

I. Pursuant to the terms of both the EMCC-Conseco Agreement and the Dellano Agreement, EMCC is entitled to collect from Dellano certain account balances.

On June 17, 2003, after considering Conseco's Emergency Motion and supporting papers, this Court approved the sale of several of Conseco's unpaid deficiency and charged off balances on manufactured home loan and credit accounts to EMCC as part of Conseco's attempt to liquidate unwanted assets, generate revenue and consummate its plan of reorganization in its Chapter 11 Bankruptcy. Six (6) of the accounts EMCC purchased were already subject of the Dellano Agreement, whereby Dellano became, along with the original six (6) respective account debtors, an obligor of these accounts. The Dellano Agreement also included a promissory note and mortgage on real property owned by Dellano to Conseco to secure the payment of the six (6) account balances that are now owned by EMCC, along with other accounts not part of the EMCC-Conseco Agreement.

Dellano's guarantee of payment of these accounts is set forth: (i) in the second "WHEREAS" clause on the first page of the Dellano Agreement, in which the parties acknowledge that they "anticipate balances owed by [Dellano] to Conseco under" the six (6) accounts now owned by EMCC, and (ii) in Section 6.1.f of the Dellano Agreement, which provides that Dellano will be "in default" if Dellano does not pay the balances of the accounts

[2]A copy of the Dellano Agreement is attached to this Memorandum as Exhibit B.

attached to the Dellano Agreement.

It should also be noted that the Dellano Agreement originally set forth that as to the six (6) accounts in dispute, the balance owed was $234,360.02, whereas approximately two years and one month later, when the EMCC-Conseco Agreement was entered into, the balance of these accounts sold to EMCC was $196,550.78. Otherwise put, during the period of time from the Dellano Agreement to the EMCC-Conseco Agreement, payments made by Dellano in the amount of $37,809.24 were credited to the six (6) accounts in dispute[3]. Furthermore, Dellano's entire obligation under the Dellano Agreement equaled the aggregate outstanding balance of all accounts attached to the Dellano Agreement (i.e., the six (6) accounts in dispute as well as the other accounts not owned by EMCC).

Under the EMCC-Conseco Agreement, Dellano is considered as a "Customer" and, as such, EMCC is entitled to receive payment from Dellano relative to these six (6) accounts. This conclusion is reached as follows:

1. Pursuant to Section 2 (a) of the EMCC-Conseco Agreement, EMCC obtained all of Conseco's "rights, title and interest in and to the 'Purchased Accounts'."

2. "Purchased Accounts" are defined in Section 1 on Page 2 of the EMCC-Conseco Agreement as being "Charged-Off Accounts" and "Deficiency Balance Accounts." The six (6) accounts at issue herein were identified as "Deficiency Balance Accounts," as same were attached as part of Exhibit A to the EMCC-Conseco Agreement.

3. "Deficiency Balance Accounts" are defined under Section 1 on Page 2 the EMCC-Conseco Agreement as being accounts in which "a manufactured home loan or

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[3]The balances owed on the six (6) accounts were reduced by payments made by Dellano under the Dellano Agreement prior to the sale to EMCC. A list of the account balances at the time of the Dellano Agreement vis-a-vis the time of the EMCC-Conseco Agreement is attached hereto as Exhibit C.

credit account for which the collateral securing the loan has been repossessed and there remains a balance owed by the **Customer** after such proceeds have been applied to the loan or credit account." (Emphasis supplied.)

4. A "Customer" is defined under Section 1 on Page 2 of the EMCC-Conseco Agreement as "the person or entity who or which is obligated to repay a Purchased Account, or if there are multiple persons or entities obligated to repay, all such persons or entities collectively."

5. As demonstrated above, Dellano, pursuant to the terms of the Dellano Agreement, is responsible for payment of the six (6) accounts now owned by EMCC, thus making Dellano a "Customer" under the EMCC-Conseco Agreement.

Accordingly, because Dellano is a "Customer" under the EMCC-Conseco Agreement, the payments Dellano makes pursuant to the Dellano Agreement which relate to the six (6) accounts in question rightfully belong to EMCC, and not Conseco.

II. It is of no moment that Dellano was not the original obligor on the accounts purchased from Conseco by EMCC, as the EMCC-Conseco Agreement acknowledges that multiple persons or entities may be jointly and severally liable for payment of the outstanding account balances.

As set forth above, the EMCC-Conseco Agreement defines a "Customer" as the "person or entity who or which is obligated to repay a Purchased Account, or if there are multiple persons or entities obligated to repay, all such persons or entities collectively." As the EMCC-Conseco Agreement anticipated that one or more persons or entities could be responsible for payment of the accounts purchased by EMCC in addition to the original individual borrowers, Dellano's payment obligations clearly extend to EMCC as the new owner of the "Deficiency Balance Accounts."

It is true that the original borrowers remain fully liable to EMCC on these accounts; however, if the parties intended that EMCC collect only from the original individual borrowers,

then the definition of the term "Customer" would not have included the potential for multiple obligors in the EMCC-Conseco Agreement. Thus, it is clear that the parties contemplated the existence of a separate agreement such as the Dellano Agreement.

There is no claim by EMCC that it is prevented from also collecting the account balances owed to it from the original debtors. However, this does not change the fact that the original borrowers and Dellano are jointly and severally liable for the outstanding balances on these accounts. EMCC is not the party here attempting a double recovery on these accounts. However, Conseco **IS** receiving a double recovery, as it has already sold the right to collect these accounts to EMCC while still collecting the outstanding balances on these accounts from another party also responsible for its payment. As illustrated above, the amount of the balances purchased by EMCC has been reduced by the payments made to Conseco from Dellano. Thus, there can be no legitimate claim by Conseco that it was not treating Dellano's payments as being related to the accounts now owned by EMCC. See Exhibit C .

It is clear from the evidence and exhibits, and the actions of Conseco, that Conseco transferred the sole right to collect these six (6) account balances to EMCC and that more than one person or entities are responsible for these debts. Conseco cannot lawfully sell the entire right to collect on these account balances while collecting the same amounts due from another obligor on the same accounts.

The payments made by Dellano relative to these six (6) accounts had been put into escrow for release upon determination of the rights of the within parties. However, Conseco has just demanded a release of these escrows from Dellano, threatening foreclosure action on the real property mortgaged under the Dellano Agreement if the monies are not released. Dellano

reluctantly released the escrows. Thus, Conseco is now keeping the proceeds from the sale of the accounts to EMCC as well as the current payments made by Dellano. It is difficult to conceive that this Court authorized a double recovery for Conseco such as this when it granted Conseco's Emergency Motion authorizing the EMCC-Conseco Agreement in order to facilitate Conseco's plan of reorganization and enhance the value of Conseco's liquidity. See Order, para. 6. In any event, this is clearly not what EMCC could have reasonably anticipated at the time it entered into the EMCC-Conseco Agreement and paid for the accounts.

Pursuant to paragraph 12 of this Court's Order, Conseco warranted that it would transfer and sell to EMCC these accounts "free and clear" of other encumbrances or claims that purport to give to "any party a right of option to effect any forfeiture, modification or termination of the Debtors' or [EMCC's] interests in the Purchased Accounts." Moreover, under paragraph 32 of this Court's Order, Conseco was directed to "execute such documents and take all other actions as may be necessary to release its Interests in or Claims against the Purchased Accounts." This was not done. Moreover, on information and belief, Conseco filed a foreclosure action against Dellano pursuant to the secured Dellano Agreement.

CONCLUSION

Based upon the foregoing, EMCC requests that an Order be entered finding that the Dellano Agreement extends to EMCC as a purchaser of the subject accounts, and directing that: (i) Conseco assign its mortgage lien established under the Dellano Agreement to EMCC, and (ii) EMCC receive all payments made by Dellano to Conseco or held in trust after the date of the EMCC-Conseco Agreement, and (iii) Dellano make all future payments relative to the six (6) accounts in dispute directly to EMCC until such time as the accounts are paid in full.

EMCC-MH Homes, LLC

By: _____
One of its attorneys

Statman Harris Siegel & Eyrich LLC
333 W. Wacker Suite 1710
Chicago, IL 60606
(312) 263-1070

PURCHASE AGREEMENT BETWEEN CONSECO FINANCE CORP. AND EMCC-MH HOMES LLC

THIS AGREEMENT is made as of June 17, 2003 by Conseco Finance Corp., a Delaware corporation (the "Seller"), doing business at 332 Minnesota St., St. Paul 55101-1311, and EMCC-MH Homes LLC, a Delaware limited liability company ("Purchaser"), doing business at 33 Riverside Drive, Pembroke, MA 02359.

WITNESSETH

WHEREAS, Seller from time to time has manufactured home loan and credit accounts, the unpaid balances of which have been charged off by Seller as uncollectible obligations of the obligors and other such manufactured home loan and credit accounts with unpaid deficiency balances remaining after repossession and sale of the collateral securing the account, which outstanding balances remain the obligations of the defaulting customers;

WHEREAS, Seller desires to sell to Purchaser certain of such manufactured home loan and credit accounts with charged-off or deficiency balances on the terms and conditions contained herein; and

WHEREAS, Purchaser desires to purchase such manufactured home loan and credit accounts with charged-off and deficiency balances, all on the terms and conditions hereinafter set forth.

NOW THEREFORE, in consideration of the foregoing recitals and the mutual covenants and agreements of the parties hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Definitions

As used herein, the following terms have the following respective meanings:

"Account(s)" means the following categories of Purchased Accounts:

(i) Recall sent to prime accounts with Unpaid Balances equaling approximately $211,074,985;

(ii) Recall sent to seconds accounts with Unpaid Balances equaling approximately $261,882;

(iii) Payers accounts with Unpaid Balances equaling approximately $474,157;

(iv) Hold from agency placement accounts with Unpaid Balances equaling approximately $214,979,573; and

(v) Retail new business accounts with Unpaid Balances equaling approximately $60,515,532.

"Charged-Off Account(s)" means a manufactured home loan or credit account which Seller has charged-off its books as uncollectible in accordance with its usual loan and account servicing practices.

"Closing Date" means a date that is within 2 business days after Seller has obtained all necessary bankruptcy court approval to consummate transactions contemplated by this Agreement or such other date as may be agreed upon by Seller and Purchaser, provided that such date is not later than the earlier of (i) June 18, 2003 and (ii) the closing of the transactions contemplated by the Amended and Restated Asset Purchase Agreement dated as of March 14, 2003 by and among the Seller, certain subsidiaries of the Seller named therein and CFN Investment Holdings LLC, as amended.

"Customer" means the person or entity who or which is obligated to repay a Purchased Account, or if there are multiple persons or entities obligated to repay, all such persons or entities collectively.

"Cut-Off Date" means May 20, 2003

"Deficiency Balance Account(s)" means a manufactured home loan or credit account for which the collateral securing the loan or account has been repossessed and sold and there remains a balance owed by the Customer after such proceeds have been applied to the loan or credit account.

"Purchased Accounts" shall mean the Charged-Off Accounts and Deficiency Balance Accounts listed on Exhibit A attached hereto, ~~as may be amended~~ pursuant to Section 2(c) of this Agreement. Purchased Accounts do not include accounts with credit balances even if listed on Exhibit A.

"Purchase Price Adjustment" means, with respect to any Unqualified Accounts, the sum of Unqualified Account Amounts for such Unqualified Accounts determined pursuant to Section 2 hereof; provided, however, in no event shall the aggregate of all Purchase Price Adjustments exceed the Holdback Amount (as defined in Section 2(c)).

"Qualified Account" means any Account, which at the Cut-Off Date complies with the following:

(i) The Account was not the result of fraud;

(ii) The Account was not subject to any litigation (by a debtor against Seller or its agents) or refund;

(iii) No Account debtor was in a case under the Bankruptcy Code (whether Chapter 7 or Chapter 13);

(iv) No Account debtor was deceased;

(v) No Account debtor was incarcerated for a felony;

(vi) The Account was not rendered unforceable by court order;

(vii) The Unpaid Balance of such Account balance was properly reflected on Exhibit A, as amended pursuant to Section 2(h) of this Agreement and has not been settled for a lesser amount or otherwise paid in full; and

(viii) The Account did not have a credit balance.

"Unpaid Balance" means, as to any Purchased Account, the total outstanding unpaid balance of the Purchased Account as set forth on Exhibit A.

"Unqualified Account" means an Account that was not a Qualified Account as of the Cut-Off Date.

"Unqualified Account Amount" means, as of the date of payment of any Purchase Price Adjustment amounts, for each Unqualified Account determined pursuant to Section 2 hereof, an amount equal to (a) the product of (i) the Purchase Percentage (as defined in Section 2(b)) multiplied by (ii) the principal balance of the Unqualified Account as of such date of payment.

2. Sale of Accounts

(a) Subject to the terms and conditions of this Agreement (including the conditions to the Closing set forth in Section 13 below), on the Closing Date, Seller will sell, assign and transfer to Purchaser all of its rights, title and interest in and to the Purchased Accounts.

(b) The purchase price for the Purchased Accounts (the "Purchase Price") shall be an amount equal to the sum of (i) 0.489125% (the "Purchase Percentage") of the aggregate Unpaid Balances for the Purchased Accounts as of the Cut-Off Date, minus one hundred percent (100%) of the collections, net of third party collection costs and expenses, from the Cut-Off Date through the Closing Date (the "Initial Purchase Price"), minus (ii) any and all Purchase Price Adjustments.

(c) On the Closing Date, Purchaser shall remit by wire transfer to Seller or Seller's designee in immediately available funds to an account or accounts specified by the Seller an amount equal to the Initial Purchase Price *less* a sum of $50,000.00 (the "Holdback Amount"), which shall be held by the Purchaser in an separate account in escrow for the benefit of the parties hereunder and held back from the Purchase Price, pending a determination pursuant to terms and conditions of this Section 2 that none of the Accounts are Unqualified Accounts.

(d) If, on or before the Closing, Purchaser notifies Seller in writing that it believes that an Account is an Unqualified Account and the Seller does not dispute such determination, either:

(i) Seller may, subject to obtaining required approvals, replace the Unqualified Accounts with additional receivables that (A) would otherwise qualify as a Qualified Account hereunder (including having similar characteristics to those of the Unqualified Accounts (including principal balance and average aging) and (B) are otherwise reasonably acceptable to Purchaser (the "Replacement Accounts"), or

(ii) in the event Seller is unable or elects not to provide Replacement Accounts, the Purchase Price shall be reduced by an amount equal to the amount by which (A) the product of (i) the Purchase Percentage multiplied by (ii) the principal balance of such Unqualified Accounts as of the Cut-Off Date exceeds (B) one hundred percent (100%) of the collections, net of third party collection costs and expenses, from the Cut-Off Date through the Closing Date on such Unqualified Accounts.

(e) Purchaser shall within ten (10) days after the expiration of a sixty (60) day review period commencing on the Closing Date, notify Seller in writing (the "Return Notice") that an Account is an Unqualified Account. The Return Notice shall contain a written report (the "Unqualified Accounts Report") of the Accounts that Purchaser believes fall within the definition of Unqualified Accounts (excluding Unqualified Accounts determined pursuant to Section 2(d) above) and a calculation of the Purchase Price Adjustment for all such Unqualified Accounts. The Unqualified Accounts Report will also state the reason each such Unqualified Account Receivable is, in Purchaser's opinion, an Unqualified Account. Within five (5) business days from from the time Purchaser delivers the Return Notice to Seller, Purchaser shall pay to Seller from the Holdback Amount an amount equal to the excess, if any, of the Holdback Amount over the Purchase Price Adjustment for such Unqualified Accounts with the balance continuing to be be held in escrow. If no Return Notice is delivered by Purchaser to Seller within the ten (10) day period specified above, Purchaser shall promptly pay to Seller the entire Holdback Amount within five (5) business days after the end of such ten (10) day period.

(f) Within ten (10) business days from the time Purchaser delivers the Return Notice to Seller, Seller shall (i) notify Purchaser that it accepts the Unqualified Accounts as Unqualified Accounts or (ii) notify Purchaser that it disputes Purchaser's determination that an Unqualified Account is not an Unqualified Account (the "Dispute Notice"). For all Unqualified Accounts for which a Dispute Notice is not received, Purchaser shall withdraw from the balance of the Holdback Amount within ten (10) business days from the date of delivery of the Dispute Notice was due for such Accounts, the Purchase Price Adjustment for such Unqualified Accounts and shall promptly notify the Seller of such withdrawal.

(g) Purchaser and Seller agree to use their commercially reasonable efforts to resolve any issues with respect to a Dispute Notice within 30 days of the delivery of such notice. Any Dispute Notice that cannot be resolved by the Seller and the Purchaser within such 30 day period, unless extended by the mutual agreement of Seller and Purchaser, shall be submitted for adjudication to the bankruptcy court in accordance with Section 14 hereof. Within ten (10) business days after the earlier of (x) the consensual resolution of such issues by Seller and Purchaser and (y) the entry of a final order with respect to the Unqualified Accounts, Purchaser shall (i) withdraw from the balance of the Holdback Amount any Purchase Price Adjustments with respect to Unqualified Accounts covered by a Dispute Notice, (ii) promptly notify the Seller

of such withdrawal, and (iii) pay to Seller the remaining balance of the Holdback Amount after such withdrawal.

(h) Exhibit A sets forth the Purchased Accounts and their respective Unpaid Balances as of May 20, 2003. On or before the Closing Date, the Seller shall provide to the Purchaser a list of the Purchased Accounts and their respective Unpaid Balances as of the Closing Date.

(i) All collections with respect to the Purchased Accounts received after the start of business on the Closing Date shall be paid to and shall be owned by Purchaser. Purchaser and Seller shall within ten (10) days after the Closing Date and periodically (but not less than every thirty (30) days) thereafter reconcile actual receipts on the Purchased Accounts for the period on or after the Closing Date. Any receipts that were received prior to the Closing Date and that were not applied to reduce the Unpaid Balance of the Purchased Accounts as of the Closing Date shall be paid promptly to Purchaser.

3. Operational

Purchaser agrees not to refer any inquiries from a Customer regarding a Purchased Account to Seller. Purchaser shall handle all such inquiries directly with Seller.

On or after the Closing Date, Seller will mark all Purchased Accounts on its collection/recovery systems as sold to Purchaser with Purchaser's phone number 1-800-880-8899.

4. Integrity of Data

The Seller believes in good faith that all data with respect to the Purchased Accounts, including but not limited to, balance, date of charge-off, date of last payment, date of repossession and loan type, supplied to Purchaser prior to the date hereof is true and accurate to the best of Seller's knowledge and that the integrity of the data has not been altered in any way.

5. Compliance with the Law

In the performance of its collection efforts, and in the course of collection of the Purchased Accounts, Purchaser agrees at all times to conform with all requirements all applicable federal, state and local laws, rules and regulations applicable to the conduct of such activities, including, without limitation, the requirements of the Fair Debt Collection Practices Act (15 USC SS 1692 et seq.).

6. Relationship

Nothing in this Agreement is intended to or shall be construed to constitute or establish an agency, joint venture, partnership or fiduciary relations between the parties and no party shall have the right or authority to act for or on behalf of the other with respect to any matter.

7. Notices/Payments

Any and all notices/payments or other communications required or permitted under this Agreement shall be in writing and shall be delivered by Federal Express or other reputable carrier for delivery on a weekly basis, addressed as follows:

Purchaser: EMCC-MH Homes LLC
33 Riverside Drive
Pembroke, MA 02359
Attn: Legal Department

Seller: Conseco Finance Corp.
1100 Landmark Towers
345 St. Peter Street
St. Paul, MN 55102
Attn: Brian Corey, Sr. Vice President

or to such address as either party shall have previously designated to the other party by written notice sent Federal Express or similar carrier for delivery next business morning. Purchaser is entitled to any payments received on the Purchased Accounts on or after the Cut-Off Date.

8. Records

The Seller agrees to deliver to Purchaser hard copy files for the imaged application with respect to the Purchased Accounts within 30 days after the Closing Date.

9. Credit Bureau Reporting

After the Closing Date, Seller shall delete its tradeline on the credit bureaus, will report the accounts as sold/transferred and will promptly direct all incoming calls received in regard to the Purchased Accounts to Purchaser.

10. Entire Agreement/Amendment

This Agreement, including Exhibit A, constitutes the entire understanding between the parties with respect to the subject matter hereof and supersedes all prior written and oral proposals, understandings, agreements and representations, all of which are merged herein. Except as otherwise provided herein, no amendment of this Agreement shall be effective unless in writing and executed by all of the parties hereto.

11. Assignment

Neither the Seller, on the one hand, nor the Purchaser, on the other hand, may assign its rights or delegate its obligations under this Agreement without the prior written consent of the Purchaser or the Seller, respectively. Notwithstanding the foregoing, this agreement may be assigned by the Purchaser to a special purpose entity to be formed by the Purchaser without the consent of the Seller. The Seller, on the one hand, and the Purchaser, on the other hand, may assign this Agreement without the consent of the Purchaser or the Seller,

respectively, to any successor to all or substantially all of its business or to one of its affiliates if such affiliate is a surviving corporation to all or substantially all of the assignor's business in any merger, reorganization or the like; provided that the assignee shall assume, either expressly or by operation of law, the assignor's obligations hereunder; and provided, further, that Purchaser may assign as security its rights in the Purchased Accounts and its rights under this Agreement to the financial institution (and its successors or assigns) which is providing financing to Purchaser for the Purchase Price hereunder. Any assignments in violation of this Agreement shall be null and void.

12. Survival.

Sections 1, 3, 5, 6, 7, 8, 9, 11, 12, and 14 of this Agreement shall survive the Closing Date and any permitted assignment by the Purchaser or the Seller to any other party.

13. Closing

Closing of the purchase and sale of the Purchased Accounts under Section 2 hereof shall occur on the Closing Date; provided that (i) the Seller has received the prior written consent of CFN Investment Holdings LLC to consummate the transactions contemplated hereby and (ii) the bankruptcy court has approved this Agreement. The closing shall take place in the offices of Seller located at the address specified in Section 8 hereof, or at such other place as shall be mutually agreed to by the parties hereto.

14. Governing Law

This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Minnesota.

15. Counterparts

This Agreement may be executed in separate counterparts (including by facsimile), each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

16. Termination

This Agreement shall terminate automatically and be of no further force or effect if the Closing Date does not take place on or before the earlier of (i) June 18, 2003 and (ii) the closing of the transactions contemplated by the Amended and Restated Asset Purchase Agreement dated as of March 14, 2003 by and among the Seller, certain subsidiaries of the Seller named therein and CFN Investment Holdings LLC, as amended.

* * * * *

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the day and year first above written.

SELLER:

CONSECO FINANCE CORP.
345 Saint Peter Street, 1100 Landmark Towers
St. Paul, MN 55102

By: _____
Its: Vice President

PURCHASER:

EMCC-MH HOMES LLC
33 Riverside Drive
Pembroke, MA 02359

By: _____
Its: Manager

Exhibit A

List of Deficiency Balance Accounts and Charge-Off Accounts

AGREEMENT

THIS AGREEMENT is entered into this 10th day of May, 2001, by and between Calvary Mobile Homes, Inc., a North Carolina corporation with its principal place of business located at 112 Firetower Road, Winterville, North Carolina 28590 (hereinafter referred to as "Calvary"), Arthur J. Dellano, the principal of Calvary, a citizen and resident of Pitt County, North Carolina ("Dellano") and Conseco Finance Servicing Corp., formerly known as Green Tree Financial Servicing Corporation, a Delaware corporation, with a place of business located at 2501 Blue Ridge Road, Suite 200, Raleigh, North Carolina (hereinafter referred to as "Conseco").

RECITALS

WHEREAS, Calvary and Conseco entered into that certain Dealer Agreement dated the 17th day of November, 1997 (hereinafter referred to as the "Dealer Agreement"), personally guaranteed by Dellano incorporated herein by reference;

WHEREAS, Calvary, Dellano and Conseco anticipate deficiencies in balances owed by Calvary to Conseco under those outstanding loans listed on Exhibit "A", attached hereto and incorporated herein by reference;

WHEREAS, Calvary is contingently liable for balances owed under those loans listed on Exhibit "B", attached hereto and incorporated herein by reference;

AND WHEREAS, Calvary and Conseco further entered into that certain Inventory Financing and Security Agreement dated the 10th day of November, 1997 (hereinafter referred to as the "Inventory Agreement"), incorporated herein by reference;

WHEREAS, Calvary and Dellano are desirous of granting and Conseco is desirous of accepting a mortgage on that certain real property located at 1716 East Palmetto Street, Florence, Florence County, South Carolina, as described in Deed Book A488, Page 95, in the Florence County Registry (hereinafter referred to as the "Mortgaged Property") and an assignment of Lease Agreement payments to secure payments on those loans listed on Exhibit "A" and Exhibit "B"; and

WHEREAS, Barbara M Dellano, the wife of Dellano (hereinafter referred to as the "wife"), is desirous of joining in and consenting to this Agreement to the extent of her ownership in the Mortgaged Property.

NOW, THEREFORE, in consideration of the continuation of the Dealer Agreement, Inventory Agreement, the mutual promises and covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties do hereby agree as follows:

1.0 PROMISE TO PAY/MORTGAGED PROPERTY

Dellano and wife, to the extent provided above, and Calvary hereby agree that they will grant a mortgage with good first lien status in a form acceptable to Conseco (hereinafter referred to as the "Mortgage") on the Mortgaged Property, on or before 31 May, 2001, in the amount of Five Hundred Thousand Dollars ($500,000.00) (hereinafter referred to as the "Debt"). Calvary and Dellano hereby promise to pay all sums set forth herein and agree that they will bear all costs associated with the preparation and recording of all documents necessary to properly secure the Mortgage and the Debt. Such documents include, but may not be limited to:

a. Promissory Note, due upon default;
b. Mortgage or Deed of Trust conveying first lien status;
c. Title Search updating ownership by Dellano and wife and no encumbrances,
d. Hypothecation Agreements;
e. UCC Financing Statements ; and
f. Personal Guaranty.

2.0 EXHIBIT "A" LOANS

2.1 Calvary and Dellano hereby agree that Conseco shall take possession of all collateral associated with those loans listed on Exhibit "A" that have an outstanding balance due. Such possession shall occur as of July 15, 2001.

2.2 Calvary hereby agrees that it will execute all documentation required, as requested by Conseco, to allow Conseco to take possession of the collateral as contemplated in Section 2.1 above.

2.3 Conseco hereby agrees that it will liquidate the collateral associated with those loans listed on Exhibit "A" within a reasonable time after taking possession of such collateral. The proceeds of any such liquidation shall be applied to the Calvary account with Conseco corresponding with the liquidated collateral. The balance of such liquidation, if any, shall be applied to the Mortgage.

3.0 EXHIBIT "B" LOANS

3.1 Calvary and Dellano hereby agree to pay off the Hall loan with the proceeds of the sale of that property located at 1712 North Road Street, Elizabeth City, North Carolina, and reportedly owned by Lisa C. Hall (hereinafter referred to as the "Elizabeth City Property"). The sale of the Elizabeth City Property is anticipated to close on or before June 6, 2001.

3.2 Calvary and Dellano hereby agree to continue marketing the collateral associated with the Carpenter loan; provided, however, that if the Carpenter loan has an outstanding balance as of July 15, 2001, Conseco shall take possession of all collateral associated with such loan Calvary and Dellano hereby agree that they will execute all documentation required, as requested

by Conseco, to allow Conseco to take possession of the collateral as contemplated in this Section. Conseco hereby agrees that it will liquidate the collateral associated with the Carpenter loan within a reasonable time after taking possession of such collateral. The proceeds of any such liquidation shall be applied to the Calvary and/or Dellano account with Conseco corresponding with the Carpenter loan. The balance of such liquidation, if any, shall be applied to the Mortgage.

3.3 Conseco hereby agrees to continue accepting payments from the consumers associated with the Simmons loan and the Bell loan and to forbear from making pay-off demands upon Calvary with respect to such loans; provided, however, that in the event of default on payments of such loans, Conseco shall take possession of the respective collateral associated with the loan then in default. Calvary and Dellano hereby agree that they will execute all documentation required, as requested by Conseco, to allow Conseco to take possession of the collateral as contemplated in this Section. Conseco hereby agrees that it will liquidate the collateral associated with the defaulting loan within a reasonable time after taking possession of such collateral. The proceeds of any such liquidation shall be applied to the Calvary and/or Dellano account with Conseco corresponding with the defaulting loan. The balance of such liquidation, if any, shall be applied to the Mortgage.

4.0 LIQUIDATION BY CALVARY.

Notwithstanding anything else provided herein, Calvary and Dellano shall be permitted to liquidate any of the collateral associated with the loans listed on Schedule "A" and Schedule "B" of which Conseco has taken possession in accordance with the terms and conditions of this Agreement if the following conditions are met:

a. Consumers associated with such loans qualify for and obtain financing under Conseco's standard credit quality guidelines; and

b. No other retail or wholesale purchase agreements are pending and in effect between Calvary and Conseco at the time of the contemplated liquidation.

The proceeds of any such liquidation shall be applied to the Calvary and/or Dellano account with Conseco corresponding with the liquidated collateral. The balance of such liquidation, if any, shall be applied to the Mortgage.

5.0 ESCROW FUNDS.

Calvary and Dellano hereby agree that Conseco shall retain certain proceeds checks payable to Calvary (with a right of offset under the Dealer Agreement) until such time as all the necessary documents are prepared, executed, filed and/or recorded in association with the Mortgage. On 16 July 2001, Conseco shall apply such escrowed funds to make payments on any of the loans listed in Schedule "A" or Schedule "B" or to make payments on any other obligation owed to Conseco by Calvary or Dellano, including the Inventory Agreement. The remainder of

the account, if any, shall be released to Calvary or Dellano upon the satisfaction of all of the obligations under this Agreement.

6.0 DEFAULT

6.1 Calvary and/or Dellano shall be in default under the terms and conditions of this Agreement upon the occurrence of one or more of the following events, provided Calvary and/or Dellano has failed to cure such condition within ten (10) days after Calvary shall have received written notice of the intent of Conseco to declare this Agreement in default:

a. The filing of a voluntary or involuntary bankruptcy of Calvary or Dellano or his wife,
b. The insolvency or appointment of a trustee or receiver on behalf of the creditors of Calvary or Dellano or his wife;
c. The assignment of assets for the benefit of creditors of Calvary or Dellano or his wife;
d. A material breach of the terms and conditions of the Mortgage or any associated documents;
e. The failure by Calvary or Dellano to pay off the aforementioned Hall loan by June 8, 2001;
f. The failure by Calvary or Dellano to pay off any of the remaining loans listed on Schedule "A" and Schedule "B" no later that ninety (90) days after the liquidation set forth in Paragraph 4 herein;
g. The failure by Calvary or Dellano to pay off the Simmons and Bell loans by August 15, 2001;
h. The misrepresentation of any aspect of any retail transaction subsequent to the date of this Agreement; or
i. Any default under the provisions of that certain Inventory Agreement.

6.2 In the event of default, all unpaid balances on the loans listed on Exhibit "A" and Exhibit "B" plus reasonable attorney's fees incurred in enforcing this Agreement shall become immediately due and payable. In addition, any remaining balance in the non-interest bearing account shall be forfeited

7.0 WAIVER

The failure of Calvary, Dellano and/or Conseco at any time to demand strict performance by the other of any terms, covenants or conditions set forth herein, shall not be construed as a continuing waiver or relinquishment thereof, and either party may, at any time, demand strict and complete performance by the other of said terms, covenants or conditions.

8.0 GOVERNING LAW/VENUE.

It is the intent of the parties hereto that all questions with respect to the construction of this Agreement and the rights and liabilities of the parties hereto shall be determined in accordance with the provisions of the laws of the State of North Carolina, in such case made and provided. Venue, for the purposes of this Agreement, shall be considered the County of Wake and the State of North Carolina.

9.0 ATTORNEYS' FEES.

In the event of any action brought by any party against the other arising out of this Agreement, or for the purposes of enforcing the Agreement or collection of any damages alleged to have resulted to one of the parties by reason of the breach or failure of performance of the other, the party prevailing in any such action shall be entitled to recover reasonable attorneys' fees and cost of suit as may be determined by the court.

10.0 PARAGRAPH HEADINGS.

The subject headings of the paragraphs of this Agreement are included for purposes of convenience only and shall not affect the construction or interpretation of any of its provisions.

11.0 SEVERABILITY.

In the event that any of the terms of this Agreement are held to be partially or wholly invalid or unenforceable for any reason whatsoever, such holdings shall not affect, alter, modify or impair in any manner whatsoever, any of the other terms, or the remaining portion of any term, held to be partially invalid or unenforceable.

12.0 GENDER.

Whenever required by the context, the singular number shall include the plural number, the plural number shall include the singular number, the masculine gender shall include the neuter and feminine genders and vice versa.

13.0 NOTICE.

All notices required to be given hereunder shall be in writing and shall be deemed to be delivered if personally delivered or dispatched by Certified or Registered mail, Return Receipt Request, postage paid, addressed to the parties as follows:

Calvary:
Calvary Mobile Homes, Inc.
ATTN: Arthur J. Dellano
112 Firetower Road
Winterville, North Carolina 28590

Dellano:
Arthur J. Dellano
112 Firetower Road
Winterville, North Carolina 28590

Conseco:
Conseco Finance Servicing Corp.
ATTN: Kara T. Burrows
2501 Blue Ridge Road, Suite 200
Post Office Box 33663
Raleigh, North Carolina 27636

and a copy to:
Paul T. Flick, Attorney
Post Office Box 2021
Raleigh, North Carolina 27602

Notice shall be deemed given on the date that it is deposited in the mail in accordance with the foregoing. Any party may change the address to which to send notices by notifying the other party of such change of address in writing in accordance with the foregoing.

14.0 ENTIRE AGREEMENT.

14.1 This Agreement constitutes the entire agreement between the parties, and contains all of the agreements between the parties with respect to the subject matter hereof; this Agreement supersedes any and all other agreements, either oral or in writing, among the parties hereto with respect to the subject matter hereof.

14.2 No change or modification of this Agreement shall be valid unless the same shall be in writing and signed by Calvary, Delano and Conseco. No waiver of any provision of this Agreement shall be valid unless in writing and signed by the person or party against whom charged.

15.0 INVALID PROVISION.

The invalidity or unenforceability of any other particular provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provisions were omitted.

16.0 COUNTERPARTS.

This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

WITNESS:

CALVARY MOBILE HOMES, INC.,
a North Carolina corporation

By: _____
Name: _____
Its: President

"Calvary"

ARTHUR J. DELLANO

By: _____

"Dellano"

CONSECO FINANCE SERVICING CORPORATION,
a Delaware corporation

By: _____
Name: Greg DeLuca
Its: Regional Manager

"Conseco"

Consented to:

Barbara M. Dellano
Barbara M. Dellano