

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	Chapter 11
)	
HomeBanc Mortgage Corporation, <i>et al.</i> , ¹)	Case No. 07-11079 (KJC)
)	
Debtors.)	Jointly Administered
)	
)	Ref. Docket No. 62

**ORDER PURSUANT TO BANKRUPTCY CODE SECTIONS 105 AND 363:
(A) APPROVING AGREEMENT FOR REPURCHASE AND SALE OF WAREHOUSED
LOANS PURSUANT TO ACCEPTED PREPETITION BID; AND (B) AUTHORIZING
THE DEBTORS TO SELL SUCH PROPERTY FREE AND CLEAR
OF LIENS, INTERESTS, AND ENCUMBRANCES, WITHOUT ANY
REPRESENTATIONS OR WARRANTIES OF ANY KIND**

Upon the Debtors' Motion For An Order Pursuant To Bankruptcy Code Sections 105 And 363: (A) Approving Agreement For Repurchase And Sale Of Warehoused Loans Pursuant To Accepted Prepetition Bid; And (B) Authorizing The Debtors To Sell Such Property Free And Clear Of Liens, Interests, And Encumbrances, Without Any Representations Or Warranties Of Any Kind (the "Motion"), filed by the above-captioned debtors and debtors-in-possession (the "Debtors"), and the Debtors, the Warehouse Lenders, and the Buyer² having agreed to sell and purchase the Mortgages; and due and sufficient notice having been given to all parties-in-interest; and any objections to the relief requested in the Motion having been withdrawn or resolved and to the extent not withdrawn or resolved, are hereby overruled; and it appearing that sale of the Mortgages to the Buyers is in the best interests of the Debtors, their estates, creditors and other parties-in-interest; and sufficient cause appearing therefor,

¹ The last four digits of the taxpayer identification numbers for each of the Debtors follow in parentheses: (i) HomeBanc Mortgage Corporation (2745); (ii) HomeBanc Corp. (3067); (iii) HomeBanc Funding Corp. II (6229); (iv) HMB Acceptance Corp. (6280); (v) HMB Mortgage Partners, LLC (9446); and (vi) HomeBanc Funding Corp. (5742). Each of these entities has a mailing address of: 2002 Summit Boulevard, Suite 100, Atlanta, GA 30319

² Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.



IT IS HEREBY FOUND AND DETERMINED that:

- A. It is in the best interests of the Debtors, the Debtors' estates, their creditors, and other parties-in-interest to grant the relief requested in the Motion and authorize the Debtors to (i) repurchase the Mortgages from the Warehouse Lenders and (ii) immediately sell the Mortgages to the Buyer;
- B. To the extent any inconsistency arises as between this Order and the bids described in the Motion, this Order shall control.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED THAT:

- 1. The relief requested in the Motion is granted;
- 2. The repurchase of the Mortgages from the Warehouse Lenders and sale of the Mortgages to the Buyer, and each of the transactions contemplated thereby, are approved in their entirety;
- 3. Pursuant to 11 U.S.C. § 363(b), the Debtors are authorized to (i) perform their obligations under and comply with the terms of the transactions set forth in the Motion; and (ii) consummate the repurchase of the Mortgages from the Warehouse Lenders and the sale of the Mortgages to the Buyer;
- 4. Pursuant to 11 U.S.C. § 363(b), the Debtors are authorized to perform their obligations under and comply with the terms of the sale as set forth in the Motion, and consummate the sale of the Mortgages to the Buyer;
- 5. The Debtors are authorized to execute and deliver, and empowered to perform under, consummate and implement, the sales, together with all additional instruments and documents that may be reasonably necessary or desirable to implement the sales, and to take all further actions as may be requested by the Warehouse Lenders and the Buyer for the purpose of assigning, transferring, granting, conveying and conferring to the Buyer the Mortgages, or as may be necessary or appropriate to the performance of the obligations as contemplated by the sales;
- 6. If the Buyer or any other party proposes to vary the terms for the repurchase and sale of the Mortgages after the date hereof from such terms as set forth in the Motion, including, without limitation, if Buyer requests to purchase any Mortgage at a price that would reduce the blended price for the entire pool of Mortgages (which pool has an original principal balance of approximately \$134 million) by more than 54.5 basis points (the "Price Reduction") (i) the Debtors shall promptly notify JPMorgan Chase Bank, N.A. ("JPMC") (x) as administrative agent under a Master Repurchase Agreement, between, among others, JPMC, the buyers party thereto (the "Warehouse Lenders") and the Debtors, dated October 31, 2006 (as amended, the "Warehouse Facility") and (y) as Buyer under a

Master Repurchase Agreement, between JPMC and the Debtors dated January 23, 2007 (as amended, the "Aggregation Facility"); and (ii) acceptance of any such proposed variance shall be in the sole discretion of JPMC. For purposes of the foregoing, (A) the Price Reduction shall be measured against the price of such Mortgages (taken as a whole) as set forth in the outstanding commitments issued by Buyer to Debtor, (B) the Price Reduction shall take fully into account the non-recourse nature of the sales to the Buyer; (C) the Price Reduction shall not take into account variances attributable to factors other than the non-recourse nature of the sales to the Buyer; provided, however, that any disputes about the propriety of such variances shall, if not resolved by mutual agreement of JPMC and the Buyer, be subject to further Court order; and (D) any pricing adjustments that are agreed to by JPMC after the date hereof pursuant to the foregoing subclause (ii) shall be disregarded and not be deemed a pricing reduction for purposes of this paragraph 6;

7. The Buyer may purchase less than all of the Mortgages, but if the Buyer proposes to purchase less than 95% of the Mortgages in any pool of Mortgages that meet the terms of the original commitments concerning the Mortgages for such pool, the Debtors may only consummate the sale of any of the Mortgages upon mutual agreement of JPMC and the Buyer and, if no agreement can be reached, upon further Order of the Court;
8. Notwithstanding anything to the contrary set forth in any commitment letter, bid document, or confirmation, closings by the Buyer on the all purchases of the Mortgages shall be completed on or before September 14, 2007, which date may be extended only upon mutual agreement of JPMC and the Buyer and, if no agreement can be reached, upon further Order of the Court;
9. Notwithstanding anything to the contrary set forth in any commitment letter, bid document, or confirmation, the Debtors are conveying to the Buyers their rights to the Mortgages as is, without warranties or representations of any kind, whether express or implied;
10. Notwithstanding anything set forth to the contrary in any agreement between Buyer and Debtors, Buyer understands and agrees that the Debtors are conveying their rights to the Mortgages as is, without warranties or representations of any kind, whether express or implied;
11. The Debtors, the Warehouse Lenders, JPMC and the Buyer are authorized to take any and all actions as may be necessary or desirable to implement the sales and each of the transactions contemplated thereunder;
12. Notwithstanding anything to the contrary set forth in this Order, any commitment letter, bid document, or confirmation, or the Motion, all proceeds of the sale of the Mortgages (the "Sale Proceeds") shall be paid

immediately upon the closing of the sale of each Mortgage to JPMC, to be applied, in full and without offset or reduction, to the loans under the Aggregation Facility and the Warehouse Facility, as applicable;

13. Absent further order of this Court, the Buyer shall not be entitled to, or shall it, set off or recoup any pre-petition or post-petition amounts owed by the Debtors (or any of them) to the Buyer against any obligations of the Buyer under the transactions contemplated in the Motion or by this Order;

14. Notwithstanding anything to the contrary set forth in this Order, any commitment letter, bid document, or confirmation, or the Motion, the Sale Proceeds shall be remitted by the Buyer to JPMC via federal funds pursuant to the following wire transfer instructions:

JPMORGAN CHASE BANK, N.A.
ABA number: 0210-0002-1
For Credit Account No. 730141298
Attention: Mortgage Finance Loan Services
Further Credit — HomeBanc Mortgage Corporation and HomeBanc Corp.;

15. Upon the receipt by JPMC of the Sale Proceeds as to any Mortgage Loan purchased by the Buyer, JPMC's security interest and any and all other liens, security interests, claims, interests or encumbrances in such Mortgage Loan(s) shall be fully released and the responsibilities of the Buyer as bailee under the related Bailee Letters between the Buyer and JPMC shall terminate;

16. Notwithstanding anything to the contrary set forth in this Order, any commitment letter, bid document, or confirmation, or the Motion, in the event that the Buyer elects not to purchase any of the Mortgages, it shall return the Mortgage documentation immediately to the following address:

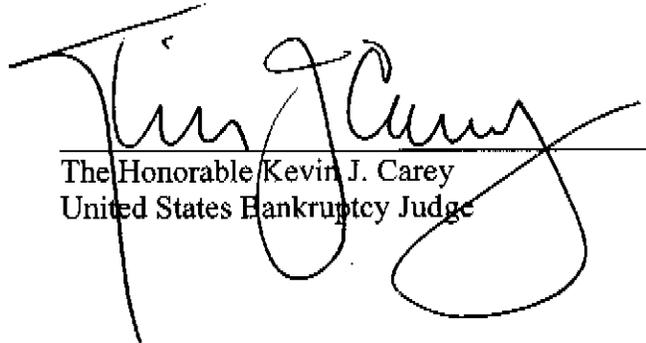
J.P. Morgan Chase Bank, National Association
1111 Fannin, 12th Floor, TX2-F200
Houston, Texas 77002
Attention: Mortgage Finance Loan Services

17. The sale by the Debtors of the Mortgages to the Buyer is free and clear of all liens, claims, interests, or encumbrances thereon and any presently existing liens;

18. To the extent that, after the Debtors repurchase the Mortgages from the Warehouse Lenders, the Buyer fails to consummate the purchase of one or more of the Mortgages, the Debtors shall offer to sell the Mortgages to the Warehouse Lenders, and the Warehouse Lenders may, in their sole discretion, re-purchase same, at the same price for which they were sold to the Buyer, without deductions or offsets of any kind;

19. To the extent applicable, pursuant to 11 U.S.C. § 363(o), and notwithstanding any other provision in this Order or the agreements between Debtors and Buyer to the contrary, the Buyer remains subject to all claims and defenses related to consumer credit transactions subject to Truth in Lending Act or any consumer credit contract as defined by 16 C.F.R. 433.1, to the fullest extent of the law, including applicable nonbankruptcy law, as if the purchase had not been made.
20. This Court hereby retains jurisdiction over the Buyer and the Debtors to enforce the sales.

Dated: Aug 27, 2007
Wilmington, Delaware



The Honorable Kevin J. Carey
United States Bankruptcy Judge