

EXHIBIT

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7 IN THE UNITED STATES BANKRUPTCY COURT
8 FOR THE DISTRICT OF ARIZONA

9 In re
10 MORTGAGES LTD.,
11 Debtor.

Chapter 11
Case No. 2:08-bk-07465-RJH

**ORDER APPROVING MOTION TO SELL
REAL PROPERTY FREE AND CLEAR OF
LIENS, CLAIMS, ENCUMBRANCES, AND
INTERESTS**

**Real Property located at 802 East Missouri
Avenue, Phoenix, Arizona**

**Hearing Date: August 26, 2010
Hearing Time: 3:30 p.m.**

16 ML Manager LLC (“ML Manager”) filed a Motion (“Motion”) (Docket No. 2867)
17 requesting that the Court enter an order authorizing ML Manager as the manager for ZDC
18 II Loan LLC and the agent for certain non-transferring pass-through investors, to sell the
19 66 partially developed lots located at 802 East Missouri Avenue, Phoenix, Arizona (the
20 “Property”) for the price and on the terms set forth in the Agreement of Sale and Purchase
21 and Escrow Instructions (“Sale Agreement”) which was attached to the Motion as Exhibit
22 A. Among other things, the Sale Agreement provides for the sale of the Property for
23 approximately \$2,112,000 to WESCAP Investments, Inc. (“Purchaser”). A notice to
24 creditors, interested parties and the non-transferring pass-through investors of the Motion
25 and the hearing date was served. The hearing was held on the Motion on August 26, 2010
26 at 3:30 a.m. in Phoenix.

1 Upon consideration of the Motion and statements and arguments of counsel at the
2 hearing; it appears to the Court that:

3 (a) This Court has jurisdiction over the issues presented in the Motion;

4 (b) The purchase price offered constitutes fair consideration for the Property;

5 (c) The Purchaser is a good faith purchaser;

6 (d) The investors in ZDC II Loan LLC and the applicable MP Funds have
7 agreed by the applicable dollar vote to the sale terms;

8 (e) The ML Manager LLC is authorized to enter into the Sale Agreement, to
9 sell the Property pursuant to the terms of the Sale Agreement, to proceed with this sale
10 and to execute all necessary documents to implement the sale;

11 (f) The liens, claims, encumbrances and interests shall attach to the proceeds of
12 the sale and the Property shall be transferred free and clear of liens, claims, encumbrances
13 and interests;

14 (g) The decision to sell and enter into the Sale Agreement is supported by the
15 best exercise of business judgment of ML Manager and is consistent with ML Manager's
16 fiduciary duties and responsibilities.

17 IT IS THEREFORE ORDERED THAT:

18 (1) The Motion is granted and approved as set forth in this Order and all
19 objections are overruled.

20 (2) ML Manager, as the Manager of ZDC II Loan LLC and as agent for the
21 non-transferring pass-through investors, has authority and is directed to enter into the Sale
22 Agreement, to consummate the sale, to sell the Property pursuant to the terms of the Sale
23 Agreement, and to execute any and all documents needed to consummate the sale.

24 (3) To the extent that the title company requires a deed to be executed by the
25 non-transferring pass-through investors, the non-transferring pass-through investors are
26 hereby directed and required to sign such deeds and in the event that they do not timely

1 execute such deeds, then ML Manager is expressly authorized to execute them on their
2 behalf and deliver the deeds to the title company.

3 (4) The sale and transfer of the Property to the Purchaser shall be free and clear
4 of all liens, claims, encumbrances and interests with such liens claims, encumbrances and
5 interests to attach to the proceeds.

6 (5) ML Manager is authorized to pay out of the sale proceeds all costs of sale,
7 including real property taxes, assessments, broker's fees, title insurance or other closing
8 costs and to pay out of the ZDC II Loan LLC proceeds any liens or encumbrances on the
9 Property owed to the current exit lender pursuant to the Loan Agreement, and to create
10 and use any Permitted Reserves pursuant to the Loan Agreement.

11 (6) The Purchaser is a good faith purchaser for fair consideration of the
12 Property.

13 (7) The net sale proceeds attributable to the ownership percentage for the ZDC
14 II Loan LLC shall be transferred at closing to the ML Manager as the Manager for the
15 ZDC II Loan LLC and used and distributed pursuant its agreements, the Interborrower
16 Agreement and the Confirmation Order. The net sale proceeds attributable to the
17 ownership percentage for the non-transferring pass-through investors shall be transferred
18 to ML Manager as their agent and shall be used and distributed pursuant to the applicable
19 agency agreements and the Confirmation Order.

20 (8) The 14-day stay of an order for the sale of property under Bankruptcy Rule
21 6004(h) is hereby waived and shall not be applied to this Order.

22 DATED AND ORDERED AS STATED ABOVE.

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