

EXHIBIT “A”

IT IS HEREBY ADJUDGED
and DECREED this is SO
ORDERED.

The party obtaining this order is responsible for
noticing it pursuant to Local Rule 9022-1.

Dated: August 25, 2010



1 FENNEMORE CRAIG, P.C.
2 Cathy L. Reece (005932)
3 Keith L. Hendricks (012750)
4 3003 N. Central Ave., Suite 2600
5 Phoenix, Arizona 85012
6 Telephone: (602) 916-5343
7 Facsimile: (602) 916-5543
8 Email: creece@fclaw.com

Randolph J. Haines

RANDOLPH J. HAINES
U.S. Bankruptcy Judge

Attorneys for ML Manager LLC

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF ARIZONA

In re
MORTGAGES LTD.,
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 in Maricopa County, AZ
at Hohokam Freeway and Belleview Street,
Phoenix, AZ**

**Hearing Date: August 25, 2010
Hearing Time: 10:30 a.m.**

16 ML Manager LLC ("ML Manager") filed a Motion ("Motion") (Docket No. 2859)
17 requesting that the Court enter an order authorizing ML Manager as the manager for
18 CITLO Loan LLC and the agent for certain non-transferring pass-through investors, to
19 sell the real and personal property consisting of approximately 6 acres of real estate and
20 personal property, including a 42 apartment units, located in Maricopa County, Arizona,
21 at Hohkam Freeway and Belleview Street, Phoenix, Arizona (the "Property") for the
22 price and on the terms set forth in the Agreement of Sale and Purchase and Escrow
23 Instructions ("Sale Agreement") which was attached to the Motion as Exhibit A. Among
24 other things, the Sale Agreement provides for the sale of the Property for approximately
25 \$1.925 million to Endres, LLC or its assigns ("Purchaser"). A notice to creditors,
26

1 interested parties and the non-transferring pass-through investors of the Motion and the
2 hearing date was served. The hearing was held on the Motion on August 25, 2010 at 10:30
3 a.m. in Phoenix.

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

- 6 (a) This Court has jurisdiction over the issues presented in the Motion;
- 7 (b) The purchase price offered constitutes fair consideration for the Property;
- 8 (c) The Purchaser is a good faith purchaser;
- 9 (d) The investors in CITLO Loan LLC and the applicable MP Funds have
10 agreed by the applicable dollar vote to the sale terms;
- 11 (e) The ML Manager LLC is authorized to enter into the Sale Agreement, to
12 sell the Property pursuant to the terms of the Sale Agreement, to proceed with this sale
13 and to execute all necessary documents to implement the sale;
- 14 (f) The liens, claims, encumbrances and interests shall attach to the proceeds of
15 the sale and the Property shall be transferred free and clear of liens, claims, encumbrances
16 and interests;
- 17 (g) The decision to sell and enter into the Sale Agreement is supported by the
18 best exercise of business judgment of ML Manager and is consistent with ML Manager's
19 fiduciary duties and responsibilities.

20 **IT IS THEREFORE ORDERED THAT:**

- 21 (1) The Motion is granted and approved as set forth in this Order and all
22 objections are overruled.
- 23 (2) ML Manager, as the Manager of CITLO Loan LLC and as agent for the
24 non-transferring pass-through investors, has authority and is directed to enter into the Sale
25 Agreement, to consummate the sale, to sell the Property pursuant to the terms of the Sale
26 Agreement, and to execute any and all documents needed to consummate the sale.

1 (3) To the extent that the title company requires a deed to be executed by the
2 non-transferring pass-through investors, the non-transferring pass-through investors are
3 hereby directed and required to sign such deeds and in the event that they do not timely
4 execute such deeds, then ML Manager is expressly authorized to execute them on their
5 behalf and deliver the deeds to the title company.

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

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

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

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

23 (8) The 14-day stay of an order for the sale of property under Bankruptcy Rule
24 6004(h) is hereby waived and shall not be applied to this Order.

25 DATED AND ORDERED AS STATED ABOVE.

26 2343604

**IT IS HEREBY ADJUDGED
and DECREED this is SO
ORDERED.**

The party obtaining this order is responsible for
noticing it pursuant to Local Rule 9022-1.

Dated: August 26, 2010



1 FENNEMORE CRAIG, P.C.
2 Cathy L. Reece (005932)
3 Keith L. Hendricks (012750)
4 3003 N. Central Ave., Suite 2600
5 Phoenix, Arizona 85012
6 Telephone: (602) 916-5343
7 Facsimile: (602) 916-5543
8 Email: creece@fclaw.com

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**RANDOLPH J. HAINES
U.S. Bankruptcy Judge**

Attorneys for ML Manager LLC

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF ARIZONA**

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MORTGAGES LTD.,
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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. A Response to ML Manager's Motion to Approve Sale
26 of Real Property (ZDC II Loan) (Docket No. 2881) ("Objection") was filed by Queen

1 Creek XVIII, LLC and Pueblo Sereno Mobile Home Park LLC (collectively, the
2 “Objecting Parties”). The hearing was held on the Motion on August 26, 2010 at 3:30 a.m.
3 in Phoenix.

4 Upon consideration of the Motion and statements and arguments of counsel at the
5 hearing; it appears to the Court and the Court finds that:

6 (a) This Court has jurisdiction over the issues presented in the Motion and the
7 Motion and the Court’s hearing thereon were duly and properly noticed;

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

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

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

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

15 (f) The liens, claims, encumbrances and interests shall attach to the proceeds of
16 the sale and the Property shall be transferred free and clear of all liens, claims,
17 encumbrances and interests of any kind;

18 (g) The decision to sell and enter into the Sale Agreement is supported by the
19 best exercise of business judgment of ML Manager and is consistent with ML Manager’s
20 fiduciary duties and responsibilities.

21 IT IS THEREFORE ORDERED THAT:

22 (1) The Motion is granted and approved as set forth in this Order and the
23 Objection and any and all other responses or objections are overruled.

24 (2) ML Manager, as the Manager of ZDC II Loan LLC and as agent for the
25 non-transferring pass-through investors, has authority and is directed to enter into the Sale
26 Agreement, to consummate the sale, to sell the Property pursuant to the terms of the Sale

1 Agreement, and to execute any and all documents needed to consummate the sale.

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

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

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

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

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

21 (8) Pursuant to Section 1146(a) of the Bankruptcy Code and Section 10.5 of the
22 confirmed Plan of Reorganization, all mortgage recording tax, stamp tax, real estate
23 transfer tax, speculative builder, transaction privilege or other similar tax imposed by
24 federal, state or local law are hereby waived.

25 DATED AND ORDERED AS STATED ABOVE.

26 2343605.2