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

8 In re  
9 MORTGAGES LTD.,  
10 Debtor.

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

**NOTICE OF LODGING ORDER  
APPROVING MOTION TO SELL REAL  
PROPERTY**

**Real Property located at the northwest corner of  
University Dr. and Ash Ave. in Tempe, Arizona**

**Hearing Date: April 11, 2011  
Hearing Time: 2:30 p.m.**

15 ML Manager LLC (“ML Manager”) hereby lodges the form of Order Approving  
16 Motion to Sell for the University & Ash real property. Pursuant to the Court’s direction,  
17 the proposed Sale Order does not have language that the sale is “free and clear of liens,  
18 claims, encumbrances and interests” or that the Purchaser is a “good faith purchaser”.  
19 Counsel for ML Manager circulated the proposed Sale Order and a revised version to the  
20 Rev Op Group’s counsel, the Purchaser’s counsel and the title company and made some  
21 of the changes requested by Rev Op Group’s counsel. There are two provisions in the  
22 proposed Sale Order which have been objected to by the Rev Op Group but which ML  
23 Manager asserts it needs to keep in the proposed Sale Order.

24 The first provision is in paragraph (e) of the findings and conclusions. Rev Op  
25 Group has objected to the inclusion of the phrase “which is consistent with ML Manager’s  
26

1 fiduciary duties and responsibilities”. ML Manager specifically requested this finding in  
2 the Motion. The Rev Op Group asserts that the sale is a breach of ML Manager’s  
3 fiduciary duty. The Court has included this same language in prior Sale Orders over the  
4 objection of the Rev Op Group. This phrase is consistent with the determination that this  
5 is the valid exercise of business judgment. Thus, ML Manager has kept the phrase in the  
6 proposed Sale Order as an appropriate part of the finding about business judgment.

7           The second provision is in paragraph (5) of the Sale Order portion. ML Manager’s  
8 counsel took out all reference to the sale being “free and clear of any lien, claim,  
9 encumbrance and interest” as directed by the Court because the sale is not made pursuant  
10 to Section 363 of the Code. ML Manager did keep in a sentence (which is the second  
11 sentence of the paragraph 5) that states “The ownership percentage interest of the non-  
12 transferring pass-through investors, including the Rev Op Group Investors, shall attach to  
13 the sale proceeds.” The Rev Op Group objected to this sentence because he says it is a 363  
14 concept. ML Manager asserts that it is being authorized as their Agent to sell the Rev Op  
15 Group interest in the real property and to transfer title to the Purchaser in exchange for  
16 sale proceeds in which the Rev Op Group will now have an interest. The investors retain  
17 no interest in the real property but in the sale proceeds. Thus, under traditional real  
18 property concepts, this is a logical statement and ML Manager asserts the sentence should  
19 be kept in the proposed Sale Order.

20           The proposed Sale Order has been uploaded in Word and a copy is attached to this  
21 Notice as Exhibit A. Also attached as Exhibit B is the redline which shows the two  
22 provisions to which Rev Op Group’s counsel objects.  
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24  
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1 DATED: April 14, 2011

2 FENNEMORE CRAIG, P.C.

3 By /s/ Cathy L. Reece  
4 Cathy L. Reece  
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6 Copy of the foregoing emailed to:

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