

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: April 14, 2011



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RANDOLPH J. HAINES
U.S. Bankruptcy Judge

5 Attorneys for ML Manager LLC

6
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**

**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.**

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15 ML Manager LLC ("ML Manager") filed a Motion ("Motion") (Docket No. 3113)
16 requesting that the Court enter an order authorizing ML Manager as the manager for U&A
17 Loan LLC and the agent for certain non-transferring pass-through investors, to sell the
18 property located at the northwest corner of University Dr. and Ash Ave. in Tempe,
19 Arizona which is more specifically described in the Sale Agreement (the "Property") for
20 the price and on the terms set forth in the Agreement of Sale and Purchase and Escrow
21 Instructions ("Sale Agreement") which were filed with the Court (Docket No. 3144) and
22 incorporated into the Motion. Among other things, the Sale Agreement provides for the
23 sale of the Property for approximately \$3.24 million to BREOF Investors LLC or assignee
24 ("Purchaser"). A notice to creditors, interested parties and the non-transferring pass-
25 through investors of the Motion and the hearing date was served. An Objection (Docket
26 No. 3153) was filed by members of the Rev Op Group Investors or certain of their alleged

1 successors in interest (the "Objection"). No other party filed a response or objection. The
2 hearing was held on the Motion on April 11, 2011 at 2:30 p.m. in Phoenix and the Court
3 at the conclusion of the hearing made findings of fact and conclusions of law on the
4 record.

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

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

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

10 (c) The investors in U&A Loan LLC and the applicable MP Funds have agreed
11 by the applicable dollar vote to the sale terms;

12 (d) 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 (e) The decision to sell and enter into the Sale Agreement is supported by the
16 best exercise of business judgment of ML Manager which is consistent with ML
17 Manager's fiduciary duties and responsibilities.

18 IT IS THEREFORE ORDERED THAT:

19 (1) The Motion is granted and approved and the Objection is overruled.

20 (2) ML Manager, as the Manager of U&A Loan LLC and as Agent for the pass-
21 through investors, including the alleged successors in interest to the Rev Op Group
22 Investors, has authority and is directed to enter into the Sale Agreement, to consummate
23 the sale, to sell the Property pursuant to the terms of the Sale Agreement, to execute the
24 conveyance deed to the Purchaser and to execute any and all documents needed to
25 consummate the sale.

26 (3) ML Manager is authorized to pay out of the sale proceeds all costs of sale,

1 including real property taxes, assessments, broker's fees, title insurance or other closing
2 costs and to pay out of the U&A Loan LLC proceeds any liens or encumbrances on the
3 Property owed to the current exit lender pursuant to the Loan Agreement, and to create
4 and use any Permitted Reserves out of the U&A Loan LLC proceeds pursuant to the Loan
5 Agreement.

6 (4) The purchase price is fair consideration for the Property.

7 (5) The net sale proceeds attributable to the ownership percentage for the U&A
8 Loan LLC shall be transferred at closing to the ML Manager as the Manager for the U&A
9 Loan LLC and used pursuant its agreements, the Interborrower Agreement and the
10 Confirmation Order. The ownership percentage interest of the non-transferring pass-
11 through investors, including the Rev Op Group Investors, shall attach to the sale proceeds.
12 The net sale proceeds attributable to the ownership percentage for the non-transferring
13 pass-through investors, including the Rev Op Group Investors, shall be transferred to ML
14 Manager as their Agent and held pending further motion of ML Manager and order of the
15 Court.

16 (6) Pursuant to Section 1146(a) of the Bankruptcy Code and Section 10.5 of the
17 confirmed Plan of Reorganization, any and all mortgage recording tax, stamp tax, real
18 estate transfer tax, speculative builder, transaction privilege or other similar tax imposed
19 by federal, state or local law are hereby waived.

20 DATED AND ORDERED AS STATED ABOVE.

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