

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: July 25, 2011



Randolph J. Haines

Randolph J. Haines, Bankruptcy Judge

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10 IN THE UNITED STATES BANKRUPTCY COURT
11 FOR THE DISTRICT OF ARIZONA

12 In re
13 MORTGAGES LTD.,
14 Debtor.

Chapter 11

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

**ORDER APPROVING MOTION TO SELL
REAL PROPERTY**

**Real Property consisting of approximately 14.29
acres located at the southwest corner of Miller
Road and McDowell Road in Scottsdale,
Arizona, known as PDG Los Arcos**

**Hearing Date: July 19, 2011
Hearing Time: 10:00 a.m.**

19 ML Manager LLC ("ML Manager") filed a Motion ("Motion") (Docket No. 3255)
20 requesting that the Court enter an order authorizing ML Manager as the manager for PDG
21 LA Loan LLC and the agent for certain non-transferring pass-through investors, to sell the
22 property consisting of approximately 14.29 acres located at the southwest corner of Miller
23 Road and McDowell Road in Scottsdale, Arizona which is more specifically described in
24 the Sale Agreement (the "Property") for the price and on the terms set forth in the
25 Agreement of Sale and Purchase ("Sale Agreement"). Among other things, the Sale
26 Agreement provides for the sale of the Property for approximately \$6.4 million to Mark-

1 Taylor Capital LLC (“Purchaser”). A notice to creditors, interested parties and the non-
2 transferring pass-through investors of the Motion and the hearing date was served. An
3 Objection (Docket No. 3262) was filed by members of the Rev-Op Group Investors (the
4 “Rev-Op Group Objection”). Borrower PDG Los Arcos LLC also filed an Objection
5 (Docket No. 3266) (“Borrower Objection”). The Maricopa County Treasurer also filed a
6 Limited Objection (Docket No. 3265). The hearing was held on the Motion on July 19,
7 2011 at 10:00 a.m. in Phoenix and the Court at the conclusion of the hearing made
8 findings of fact and conclusions of law on the record.

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

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

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

14 (c) The investors in PDG LA Loan LLC and the applicable MP Funds have
15 agreed by the applicable dollar vote to the sale terms;

16 (d) The ML Manager LLC is authorized to enter into the Sale Agreement, to
17 sell the Property pursuant to the terms of the Sale Agreement, to proceed with this sale
18 and to execute all necessary documents to implement the sale;

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

22 IT IS THEREFORE ORDERED THAT:

23 (1) The Motion is granted and approved and the Rev-Op Group Objection and
24 the Borrower Objection are overruled. The Maricopa County Treasurer Objection has
25 been resolved by the parties since the real estate taxes will be paid at the closing for the
26 parcels reflected in the Objection.

1 (2) ML Manager, as the Manager of PDG LA Loan LLC and as Agent for the
2 pass-through investors, including the alleged Rev-Op Group Investors, has authority and
3 is directed to enter into the Sale Agreement, to consummate the sale, to sell the Property
4 pursuant to the terms of the Sale Agreement, to execute the conveyance deed to the
5 Purchaser and to execute any and all documents needed to consummate the sale.

6 (3) 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 PDG LA 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 out of the PDG LA Loan LLC proceeds pursuant to the
11 Loan Agreement.

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

13 (5) The net sale proceeds attributable to the ownership percentage for the PDG
14 LA Loan LLC shall be transferred at closing to the ML Manager as the Manager for the
15 PDG LA Loan LLC and used and distributed pursuant to its agreements, the Interborrower
16 Agreement, the Confirmation Order and the Allocation Model approved by the Court. The
17 net sale proceeds attributable to the ownership percentage for the non-transferring pass-
18 through investors, including the Rev Op Group Investors, shall be transferred to ML
19 Manager as their Agent and distributed pursuant to the applicable agency agreements, the
20 Plan, Confirmation Order and the Allocation Model approved by the Court.

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

25 DATED AND ORDERED AS STATED ABOVE.

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