

1 FENNEMORE CRAIG, P.C.  
Cathy L. Reece (005932)  
2 3003 N. Central Ave., Suite 2600  
Phoenix, Arizona 85012  
3 Telephone: (602) 916-5343  
Facsimile: (602) 916-5543  
4 Email: [creece@fclaw.com](mailto:creece@fclaw.com)

5 MOYES SELLER & HENDRICKS  
Keith L. Hendricks (012750)  
6 1850 North Central Ave., Suite 1100  
Phoenix, Arizona 85004  
7 Telephone: (602) 604-2120  
Email: [khendricks@law-msh.com](mailto:khendricks@law-msh.com)

8 Attorneys for ML Manager LLC

9  
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

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

**Real Property consisting of approximately 307  
acres located at Crismon Road and Germann  
Road in Mesa, Arizona known as Foothills  
property**

**Hearing Date: October 5, 2011  
Hearing Time: 1:30 p.m.**

15  
16  
17  
18  
19 NOTICE IS HEREBY GIVEN that ML Manager has lodged a proposed Order  
20 Approving Motion to Sell Real Property, which Order is attached as Exhibit A.

21 DATED: October 6, 2011

22 FENNEMORE CRAIG, P.C.

23 By /s/ Cathy L. Reece

24 Cathy L. Reece  
25 Attorneys for ML Manager LLC

26 :::

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

Copy of the foregoing emailed this  
6<sup>th</sup> day of October 2011 to:  
  
Bryce Suzuki  
BRYAN CAVE LLP  
Two North Central Ave., Suite 2200  
Phoenix, AZ 85004  
[Bryce.suzuki@bryancave.com](mailto:Bryce.suzuki@bryancave.com)

By /s/ Gidget Kelsey-Bacon

# EXHIBIT

# A

1 FENNEMORE CRAIG, P.C.  
Cathy L. Reece (005932)  
2 3003 N. Central Ave., Suite 2600  
Phoenix, Arizona 85012  
3 Telephone: (602) 916-5343  
Facsimile: (602) 916-5543  
4 Email: [creece@fclaw.com](mailto:creece@fclaw.com)

5 MOYES SELLER & HENDRICKS  
Keith L. Hendricks (012750)  
6 1850 North Central Ave., Suite 1100  
Phoenix, Arizona 85004  
7 Telephone: (602) 604-2120  
Email: [khendricks@law-msh.com](mailto:khendricks@law-msh.com)

8 Attorneys for ML Manager LLC

9  
10 IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF ARIZONA

11 In re  
12 MORTGAGES LTD.,  
13 Debtor.

Chapter 11

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

**ORDER APPROVING MOTION TO SELL  
REAL PROPERTY**

**Real Property consisting of approximately 307  
acres located at Crismon Road and Germann  
Road in Mesa, Arizona known as Foothills  
property**

**Hearing Date: October 5, 2011  
Hearing Time: 1:30 p.m.**

19 ML Manager LLC (“ML Manager”) filed a Motion (“Motion”) (Docket No. 3313)  
20 requesting that the Court enter an order authorizing ML Manager as the manager for FP  
21 IV Loan LLC and the agent for the non-transferring pass-through investors, to sell the  
22 property consisting of approximately 307 acres located at Crismon Road and Germann  
23 Road in Mesa, Arizona which is more specifically described in the Sale Agreement (the  
24 “Property”) for the price and on the terms set forth in the Agreement of Sale and Purchase  
25 (“Sale Agreement”). Among other things, the Sale Agreement provides for the sale of the  
26 Property for approximately \$5,922,644 to Hibernia Capital Advisors, LLC (“Purchaser”).

1 The Motion also requested approval of and authority to transfer 4.1636 acres to Sternberg  
2 as set forth in the Motion. A notice to creditors, interested parties and the non-transferring  
3 pass-through investors of the Motion and the hearing date was served. An Objection  
4 (Docket No. 3327) was filed by members of the Rev-Op Group Investors (the “Rev-Op  
5 Group Objection”). The hearing was held on the Motion on October 5, 2011 at 1:30 p.m.  
6 in Phoenix and the Court at the conclusion of the hearing made findings of fact and  
7 conclusions of law on the record.

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

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

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

13 (c) The investors in FP IV Loan LLC and the applicable MP Funds have  
14 agreed by the applicable dollar vote to the sale terms;

15 (d) As set forth in this Order and the Motion, the ML Manager LLC is  
16 authorized to enter into the Sale Agreement or an agreement with the Exit Financier, to  
17 sell the Property pursuant to the terms of the Sale Agreement or an agreement with the  
18 Exit Financier, to transfer 4.1636 acres to Sternberg (as set forth in the Motion), to  
19 proceed with the sale and transfer and to execute all necessary documents to implement  
20 the sale and transfer;

21 (e) The decision to sell and enter into the Sale Agreement or an Agreement with  
22 the Exit Financier and to transfer 4.1636 acres to Sternberg as set forth in the Motion is  
23 supported by the best exercise of business judgment of ML Manager which is consistent  
24 with ML Manager’s fiduciary duties and responsibilities.

25 IT IS THEREFORE ORDERED THAT:

26 (1) The Motion is granted and approved and the Rev-Op Group Objection is

1 overruled.

2 (2) ML Manager, as the Manager of FP IV Loan LLC and as Agent for the  
3 pass-through investors, including the alleged Rev-Op Group Investors, has authority and  
4 is directed in its sole discretion to enter into the Sale Agreement or an Agreement with the  
5 Exit Financier, to consummate the sale, to sell the Property pursuant to the terms of the  
6 Sale Agreement or an Agreement with the Exit Financier on terms acceptable to ML  
7 Manager, to enter into an agreement with and transfer approximately 4.1636 acres to  
8 Sternberg (as set forth in the Motion), to execute the conveyance deed to the Purchaser or  
9 the Exit Financier and to Sternberg and to execute any and all documents needed to  
10 consummate the sale and transfer. The approval of the sale and transfer are conditioned  
11 upon a mutual agreement between Sternberg and ML Manager being finalized.

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

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

19 (5) The net sale proceeds attributable to the ownership percentage for the FP IV  
20 Loan LLC shall be transferred at closing to the ML Manager as the Manager for the FP IV  
21 Loan LLC and used and distributed pursuant to its agreements, the Inter-Borrower  
22 Agreement, the Confirmation Order and the Allocation Model approved by the Court. The  
23 net sale proceeds attributable to the ownership percentage for the non-transferring pass-  
24 through investors, including the Rev Op Group Investors, shall be transferred to ML  
25 Manager as their Agent and distributed pursuant to the applicable agency agreements, the  
26 Plan, Confirmation Order and the Allocation Model approved by the Court.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

(6) ML Manager may determine in its sole discretion whether to sell to the Purchaser or to accept an offer from the Exit Financier which ML Manager determines to be better. In the event that the sale to the Purchaser does not close, ML Manager in its sole discretion may accept the Exit Financier's existing offer as a back up offer and close a sale of the Property without further order of this Court to the Exit Financier pursuant to the terms of the existing offer of the Exit Financier.

DATED AND ORDERED AS STATED ABOVE.

2498791