

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: October 6, 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 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.

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(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.

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