

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: November 23, 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 FREE AND CLEAR OF
LIENS, CLAIMS, ENCUMBRANCES, AND
INTERESTS**

**Real Property located in Maricopa County, AZ
located at 902 N. Signal Butte Rd., Mesa, AZ
known as Adobe Meadows**

**Hearing Date: November 22, 2011
Hearing Time: 11:00 a.m.**

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19 ML Manager LLC ("ML Manager") filed a Motion ("Motion") (Docket No. 3344)
20 requesting that the Court enter an order authorizing ML Manager as the manager for VCB
21 Loan LLC and the agent for 17 non-transferring pass-through investors to sell real
22 property located in Mesa, Arizona, located at 902 N. Signal Butte Rd., Mesa, Arizona,
23 known as Adobe Meadows development which is more specifically described in the Sale
24 Agreement (the "Property") to Pinnacle Ridge Holdings, LLC ("Purchaser") for the price
25 and on the terms set forth in the Agreement of Sale and Purchase and Escrow Instructions
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1 (“Sale Agreement”) which was attached to the Motion filed with this Court. Among other
2 things, the Sale Agreement provides for the purchase of the Property for approximately
3 \$1.2 million by Purchaser. A notice to creditors, interested parties and the 17 non-
4 transferring pass-through investors of the Motion and the hearing date was timely served.
5 Three objections were filed. They are Soteria, LLC’s Joinder in Robert Furst’s Objection
6 to Motion (Docket No. 3358), Robert Furst’s Objection to Motion (Docket No. 3359), and
7 John C. Vinson & Taeko Vinson’s Joinder in Robert Furst’s Objection (Docket No. 3360)
8 (collectively, the “Objections”). The hearing was held on the Motion on November 22,
9 2011 at 11:00 a.m. in Phoenix and the Court at the conclusion of the hearing made
10 findings of fact and conclusions of law on the record.

11 Upon consideration of the Motion, the objection and reply thereto, and statements
12 and arguments of counsel at the hearing; it appears to the Court that:

- 13 (a) This Court has jurisdiction over the issues presented in the Motion;
- 14 (b) The purchase price offered constitutes fair consideration for the Property;
- 15 (c) The Purchaser is a good faith purchaser;
- 16 (d) The investors in the VCB Loan LLC and the applicable MP Funds have
17 agreed by the applicable dollar vote to the sale terms;
- 18 (e) The ML Manager LLC has authority to enter into the Sale Agreement and to
19 sell the Property pursuant to the terms of the Sale Agreement and is authorized to proceed
20 with this sale and to execute all necessary documents to implement the sale;
- 21 (f) The decision to sell and enter into the Sale Agreement and the sale of the
22 Property pursuant to the Sale Agreement are supported by best business judgment which
23 is consistent with ML Manager’s fiduciary duties and responsibilities.

24 **IT IS THEREFORE ORDERED THAT:**

- 25 (1) The Motion is granted and approved and the Objections are overruled on the
26 merits.

1 (2) ML Manager has authority to enter into the Sale Agreement and to
2 consummate the sale and is authorized to sell the Property pursuant to the terms of the
3 Sale Agreement. ML Manager is directed and authorized as the manager for VCB Loan
4 LLC and the agent for the 17 non-transferring pass-through investors, including the three
5 non-transferring pass-through investors who filed the Objections, to execute any and all
6 documents needed to consummate the sale, including the conveyance deed to the
7 Purchaser.

8 (3) ML Manager is authorized to pay out of the sale proceeds all costs of sale,
9 including real property taxes, assessments, broker's fees, title insurance or other closing
10 costs and to pay out of the sale proceeds any liens or encumbrances on the Property owed
11 to the current exit lender pursuant to the Loan Agreement, and, to the extent it has been
12 paid then to repay the replacement loans under the Interborrower Agreement, and to create
13 and use any reserves pursuant to the Loan Agreement, Interborrower Agreement and other
14 documents.

15 (4) The Purchaser is a good faith purchaser for fair consideration of the
16 Property.

17 (5) The net sale proceeds attributable to the ownership percentage for the VCB
18 Loan LLC shall be transferred at closing to the ML Manager as the Manager for the VCB
19 Loan LLC and used and distributed pursuant its agreements, the Interborrower
20 Agreement, the Plan, the Confirmation Order and the Allocation Model approved by the
21 Court. The net sale proceeds attributable to the ownership percentage for the non-
22 transferring pass-through investors shall be transferred at closing to ML Manager as their
23 agent and shall be used and distributed pursuant to the applicable agency agreements, the
24 Plan, the Confirmation Order, the Interborrower Agreement, the Allocation Model and the
25 Motion approved by the Court.

26 (6) Pursuant to Section 1146(a) of the Bankruptcy Code and Section 10.5 of the

1 confirmed Plan of Reorganization, any and all mortgage recording tax, stamp tax, real
2 estate transfer tax, speculative builder tax, transaction privilege or other similar tax
3 imposed by federal, state or local law are hereby waived.

4 ORDERED, SIGNED AND DATED AS STATED ABOVE.

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