

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 3, 2011



Randolph J. Haines

Randolph J. Haines, Bankruptcy Judge

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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 located at 1st Ave. and Maryland
in Phoenix, Arizona known as Residences on
Maryland**

**Hearing Date: November 1, 2011
Hearing Time: 3:00 p.m.**

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19 ML Manager LLC (“ML Manager”) filed a Motion (“Motion”) (Docket No. 3335)
20 requesting that the Court enter an order authorizing ML Manager as the manager for ZDC
21 III Loan LLC and the agent for certain non-transferring pass-through investors, to sell the
22 property located at 1st Ave. and Maryland Ave., in Phoenix, Arizona known as Residences
23 on Maryland which is more specifically described in the Sale Agreement (the “Property”)
24 for the price and on the terms set forth in the Agreement of Sale and Purchase (“Sale
25 Agreement”). Among other things, the Sale Agreement provides for the sale of the
26 Property for approximately \$2.16 million to All Saints’ Episcopal Church (“Purchaser”).

1 A notice to creditors, interested parties and the non-transferring pass-through investors of
2 the Motion and the hearing date was served. An Objection (Docket No. 3343) was filed by
3 members of the Rev-Op Group Investors (the "Rev-Op Group Objection"). The hearing
4 was held on the Motion on November 1, 2011 at 3:00 p.m. in Phoenix and the Court at the
5 conclusion of the hearing made findings of fact and conclusions of law on the record.

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

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

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

11 (c) The investors in ZDC III Loan LLC and the applicable MP Funds have
12 agreed by the applicable dollar vote to the sale terms;

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

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

19 IT IS THEREFORE ORDERED THAT:

20 (1) The Motion is granted and approved and the Rev-Op Group Objection is
21 overruled.

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

1 (3) ML Manager is authorized to pay out of the sale proceeds all costs of sale,
2 including real property taxes, assessments, broker's fees, title insurance or other closing
3 costs and to pay out of the ZDC III Loan LLC proceeds any liens or encumbrances on the
4 Property owed to the current exit lender pursuant to the Loan Agreement, and to the extent
5 that it has been paid then to repay the replacement loans under the Interborrower
6 Agreement, and to create and use any reserves out of the ZDC III Loan LLC proceeds
7 pursuant to the Loan Agreement and Interborrower Agreement.

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

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

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

21 DATED AND ORDERED AS STATED ABOVE.

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