

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: December 20, 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 located at 5116 N. Dysart Rd.,
Litchfield Park, Arizona**

**Hearing Date: December 19, 2011
Hearing Time: 11:30 a.m.**

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19 ML Manager LLC ("ML Manager") filed a Motion ("Motion") (Docket No. 3372)
20 requesting that the Court enter an order authorizing ML Manager as the manager for
21 NRDP Loan LLC and the agent for certain non-transferring pass-through investors, to sell
22 the property located at 5116 N. Dysart Rd., Litchfield Park, Arizona, which is more
23 specifically described in the Sale Agreement (the "Property") for the price and on the
24 terms set forth in the Agreement of Sale and Purchase ("Sale Agreement"). Among other
25 things, the Sale Agreement provides for the sale of the Property for approximately \$2.3
26 million to The Southwest Mack Corporation ("Purchaser"). A notice to creditors,

1 interested parties and the non-transferring pass-through investors of the Motion and the
2 hearing date was served. An Objection (Docket No. 3380) was filed by one member of the
3 Rev-Op Group Investors (the “Rev-Op Group Objection”). The hearing was held on the
4 Motion on December 19, 2011 at 11:30 a.m. in Phoenix and the Court at the conclusion of
5 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 NRDP 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 NRDP Loan LLC and as Agent for the
23 pass-through investors, including the Rev-Op Group Investor, has authority and is
24 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 NRDP 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 NRDP 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
10 NRDP Loan LLC shall be transferred at closing to the ML Manager as the Manager for
11 the NRDP Loan LLC and used and distributed pursuant to its agreements, the
12 Interborrower Agreement, the Confirmation Order and the Allocation Model approved by
13 the Court. The net sale proceeds attributable to the ownership percentage for the non-
14 transferring pass-through investors, including the Rev Op Group Investor, shall be
15 transferred to ML Manager as their Agent and distributed pursuant to the applicable
16 agency agreements, the Plan, Confirmation Order, the Allocation Model and the Motion
17 approved by the Court.

18 (6) In the event that the Sale Agreement is terminated, ML Manager is hereby
19 authorized without coming back to the Court to sell the Property on the same or better
20 terms to Focus Group.

21 (7) 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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