

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 Northern Avenue and
Cotton Lane, in Maricopa County, 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. 3374)
20 and a Supplement (Docket No. 3381) requesting that the Court enter an order authorizing
21 ML Manager, as the manager for Nocit Loan LLC and the agent for certain non-
22 transferring pass-through investors and as the manager of Citno Loan LLC and the agent
23 for certain non-transferring pass-through investors, to sell the properties located at
24 Northern Avenue and Cotton Lane, in Maricopa County, Arizona which are more
25 specifically described in the Sale Agreement (the "Property") for the price and on the
26 terms set forth in the Agreement of Sale and Purchase ("Sale Agreement"). Among other

1 things, the Sale Agreement provides for the sale of the Property for approximately
2 \$5,789,375 to Wayne Smith (“Purchaser”). The Motion also requested approval and
3 authority to transfer certain acres to Sternberg as set forth in the Motion and Supplement
4 and as set forth on the record at the hearing. A notice to creditors, interested parties and
5 the non-transferring pass-through investors of the Motion and the hearing date was served.
6 An Objection (Docket No. 3382)(“Buckley Objection”) was filed by Bruce Dennis
7 Buckley and Alivia Virginia Buckley, Trustees of the Bruce Dennis Buckley and Alivia
8 Virginia Buckley Revocable Trust dated June 4, 1985, and amended December 7, 1994
9 (the Buckley Trust) and The Bruce D. Buckley IRA (Equity Trust as
10 Custodian)(collectively “Buckley”). The hearing was held on the Motion on December
11 19, 2011 at 11:30 a.m. in Phoenix and the Court at the conclusion of the hearing made
12 findings of fact and conclusions of law on the record.

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

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

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

18 (c) The investors in the Citno Loan LLC and Nocit Loan LLC and the
19 applicable MP Funds have agreed by the applicable dollar vote to the sale terms;

20 (d) As set forth in this Order and the Motion and Supplement and as provided
21 on the record at the hearing, ML Manager LLC is authorized to enter into the Sale
22 Agreement, to sell the Property pursuant to the terms of the Sale Agreement, to transfer
23 and/or sell certain acres to Sternberg, to proceed with this sale and transfer and to execute
24 all necessary documents to implement the sale and transfer;

25 (e) The decision to sell and enter into the Sale Agreement and to transfer and/or
26 sell certain property to Sternberg is supported by the best exercise of business judgment of

1 ML Manager which is consistent with ML Manager's fiduciary duties and responsibilities.

2 IT IS THEREFORE ORDERED THAT:

3 (1) The Motion is granted and approved and the Buckley Objection is
4 overruled.

5 (2) ML Manager, as the Manager of Nocit Loan LLC and Citno Loan LLC and
6 as Agent for the pass-through investors, including Buckley, has authority and is directed
7 to enter into the Sale Agreement, to consummate the sale and transfer, to sell the Property
8 pursuant to the terms of the Sale Agreement, to transfer and/or sell certain acres to
9 Sternberg, to execute the conveyance deed to the Purchaser and Sternberg, to proceed
10 with this sale and transfer, and to execute any and all documents needed to consummate
11 the sale and transfer.

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 Nocit Loan LLC and the Citno Loan LLC proceeds any liens or
15 encumbrances on the Property owed to the current exit lender pursuant to the Loan
16 Agreement, and to the extent that it has been paid then to repay the replacement loans
17 under the Interborrower Agreement, and to create and use any reserves out of the Nocit
18 Loan LLC and Citno Loan LLC proceeds pursuant to the Loan Agreement and
19 Interborrower Agreement.

20 (4) As agreed to on the record at the hearing, ML Manager is authorized to
21 transfer and sell the Property to Purchaser and/or Sternberg in such amount and
22 configuration as agreed by the parties prior to or at the closing, as long as such agreement
23 shall not impact the total Purchase Price or the amount allocated to each loan and to be
24 paid to the investors in each loan.

25 (5) The purchase price is fair consideration for the Property.

26 (6) The net sale proceeds attributable to the ownership percentage for the Nocit

1 Loan LLC and Citno Loan LLC shall be transferred at closing to the ML Manager as the
2 Manager for the Nocit Loan LLC and Citno Loan LLC and used and distributed pursuant
3 to its agreements, the Interborrower Agreement, the Confirmation Order and the
4 Allocation Model approved by the Court. The net sale proceeds attributable to the
5 ownership percentage for the non-transferring pass-through investors, including Buckley,
6 shall be transferred to ML Manager as their Agent and distributed pursuant to the
7 applicable agency agreements, the Plan, Confirmation Order, the Allocation Model and
8 the Motion approved by the Court.

9 DATED AND ORDERED AS STATED ABOVE.
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