

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 12, 2012



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 on Hunt Highway, Pinal
County, Arizona**

**Hearing Date: December 11, 2012
Hearing Time: 11:00 a.m.**

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19 ML Manager LLC ("ML Manager") filed a Motion ("Motion") (Docket No. 3641)
20 requesting that the Court enter an order authorizing ML Manager as the manager for HH
21 Loan LLC and the agent for certain non-transferring pass-through investors, to sell the
22 property located on Hunt Highway, Pinal County, Arizona, which is more specifically
23 described in the Purchase Agreement (the "Property") for the price and on the terms set
24 forth in the Purchase Agreement or a similar sale agreement to another buyer on the same
25 or better terms (collectively, "Purchase Agreement"). A Notice of Filing Purchase
26 Agreement was filed (Docket No. 3662). Among other things, the Purchase Agreement

1 provides for the sale of 31,616 square feet of the Property for \$56,000 to Pinal County
2 (“Purchaser”). A notice to creditors, interested parties and the non-transferring pass-
3 through investors of the Motion and the hearing date was served. An Objection (Docket
4 No. 3659) was filed by one member of the Rev-Op Group Investors (the “Rev-Op
5 Objection”). The hearing was held on the Motion on December 11, 2012 at 11:00 a.m. in
6 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 HH Loan LLC and the applicable MP Funds have agreed
14 by the applicable dollar vote to the sale terms;

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

18 (e) The decision to sell and enter into the Purchase Agreement is supported by
19 the best exercise of business judgment of ML Manager which is consistent with ML
20 Manager’s fiduciary duties and responsibilities.

21 IT IS THEREFORE ORDERED THAT:

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

23 (2) ML Manager, as the Manager of HH Loan LLC and as Agent for the pass-
24 through investors, including the Rev-Op Investor, has authority and is directed to enter
25 into the Purchase Agreement, to consummate the sale, to sell the Property pursuant to the
26 terms of the Purchase Agreement, to execute the conveyance deed to the Purchaser and to

1 execute any and all documents needed to consummate the sale.

2 (3) ML Manager is authorized to pay out of the sale proceeds all costs of sale,
3 including real property taxes, assessments, broker's fees, title insurance or other closing
4 costs and to pay out of the HH Loan LLC proceeds the replacement loans under the
5 Interborrower Agreement, and to create and use any reserves out of the HH Loan LLC
6 proceeds pursuant to the Loan Agreement and Interborrower Agreement.

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

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

16 DATED AND ORDERED AS STATED ABOVE.

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