

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

1 FENNEMORE CRAIG, P.C.  
Cathy L. Reece (005932)  
2 3003 N. Central Ave., Suite 2600  
Phoenix, Arizona 85012  
3 Telephone: (602) 916-5343  
Facsimile: (602) 916-5543  
4 Email: [creece@fclaw.com](mailto:creece@fclaw.com)

5 MOYES SELLER & HENDRICKS  
Keith L. Hendricks (012750)  
6 1850 North Central Ave., Suite 1100  
Phoenix, Arizona 85004  
7 Telephone: (602) 604-2120  
Email: [khendricks@law-msh.com](mailto:khendricks@law-msh.com)

8 Attorneys for ML Manager LLC

9  
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 Crismon Road and  
Germann Road in Mesa, Arizona, known as the  
Foothills property**

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

18 ML Manager LLC ("ML Manager") filed a Motion ("Motion") (Docket No. 3646 )  
19 requesting that the Court enter an order authorizing ML Manager, as the manager for FP  
20 IV Loan LLC and the agent for the non-transferring pass-through investors, to sell the  
21 property consisting of approximately 291 acres located at Crismon Road and Germann  
22 Road in Mesa, Arizona which is more specifically described in the Sale Agreement (the  
23 "Property") for the price of \$6,547,500 and on the terms set forth in the Agreement of  
24 Sale and Purchase or a similar sale agreement to another buyer on the same terms or better  
25 terms as determined by ML Manager in its sole discretion ("Sale Agreement") to Emerson  
26

1 Investments LLC (“Purchaser”). A notice to creditors, interested parties and the non-  
2 transferring pass-through investors of the Motion and the hearing date was served. An  
3 Objection (“Objection”) (Docket No. 3666) was filed by three Rev Op Investors. The  
4 hearing was held on the Motion on December 11, 2012 at 11:00 a.m. in Phoenix and the  
5 Court at the conclusion of the hearing made findings of fact and conclusions of law on the  
6 record.

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

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

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

12 (c) The investors in FP IV Loan LLC and the applicable MP Funds have  
13 agreed by the applicable dollar vote to the sale terms;

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

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

20 IT IS THEREFORE ORDERED THAT:

21 (1) The Motion is granted and approved in its entirety. The Objection is  
22 overruled.

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

1 Agreement and to 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 repay out of the FP IV Loan LLC proceeds the replacement loans pursuant to  
5 the Interborrower Agreement, and to create and use any reserves out of the FP IV Loan  
6 LLC proceeds pursuant to the Interborrower Agreement and Loan 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 FP IV  
9 Loan LLC shall be transferred at closing to the ML Manager as the Manager for the FP IV  
10 Loan LLC and used and distributed pursuant to its agreements, the Inter-Borrower  
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 shall be transferred to ML Manager as their Agent and distributed  
14 pursuant to the applicable agency agreements, the Plan, Confirmation Order and the  
15 Allocation Model approved by the Court.

16 DATED AND ORDERED AS STATED ABOVE.

17  
18  
19  
20  
21  
22  
23  
24  
25  
26