

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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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF ARIZONA

In re
MORTGAGES LTD.,
Debtor.

Chapter 11

Case No. 2:08-bk-07465-RJH

**ORDER APPROVING MOTION FOR
SHORT SALE**

**Real Property consisting of approximately 26
acres located in Oro Valley, Pima County,
Arizona, known as Rancho Vistoso**

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

ML Manager LLC ("ML Manager") filed a Motion ("Motion") (Docket No. 3648) requesting that the Court enter an order authorizing ML Manager as the manager for VP I Loan LLC and the agent for the non-transferring pass-through investors, to accept a short sale by its Borrower which would pay ML Manager net sale proceeds and provide a partial release of the lien to sell the real and personal property consisting of approximately 26 acres which is zoned for single family residences located in Oro Valley, Pinal County, Arizona, in the Master Planned Community known as Rancho Vistoso, which is more specifically described in the Sale Agreement (the "Property") for the price and on the terms set forth in the Agreement of Sale and Purchase or a similar sale agreement to another buyer on the same or better terms (collectively, "Sale Agreement"). Among other things, the Sale Agreement provides for the sale of the Property for approximately \$3.38

1 million to True Life Communities, LLC (“Purchaser”). A notice to creditors, interested
2 parties and the non-transferring pass-through investors of the Motion and the hearing date
3 was served. An Objection (“Objection”) was filed by one Rev Op Investor (Docket No.
4 3667). Mr. Furst filed a Response and approved and agreed to the sale (Docket No. 3674).
5 ML Manager filed a Reply (Docket No. 3682). The hearing was held on the Motion on
6 December 11, 2012 at 11:00 a.m. in Phoenix and the Court at the conclusion of the
7 hearing made findings of fact and 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 VP I Loan LLC and the applicable MP Funds have agreed
14 by the applicable dollar vote to the short sale terms;

15 (d) The ML Manager LLC is authorized to approve the short sale as set forth in
16 the Sale Agreement, to provide a partial release of its deed of trust on the Property
17 pursuant to the terms of the Sale Agreement, to proceed with this short sale and to execute
18 all necessary documents to implement the short sale;

19 (e) The decision to sell and enter into the short sale as provided in the Sale
20 Agreement and provide a partial release of the deed of trust is supported by the best
21 exercise of business judgment of ML Manager which is consistent with ML Manager’s
22 fiduciary duties and responsibilities.

23 **IT IS THEREFORE ORDERED THAT:**

24 (1) The Motion is granted and approved in its entirety. The Objection is
25 overruled.

26 (2) ML Manager, as the Manager of VP I Loan LLC and as Agent for the pass-

1 through investors, including the Rev Op Investor, has authority and is directed to enter
2 into a short sale as provided for in the Sale Agreement, to consummate the sale, to execute
3 and provide a partial release of its deed of trust on the Property pursuant to the terms of
4 the Sale Agreement, and to execute any and all documents needed to consummate the
5 sale.

6 (3) ML Manager is authorized to repay out of the VP I Loan LLC proceeds the
7 replacement loans under the Interborrower Agreement, and to create and use any reserves
8 out of the VP I Loan LLC proceeds pursuant to the Loan Agreement and Interborrower
9 Agreement.

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

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

19 (6) In the event that the sale to the Purchaser is not consummated, ML Manager
20 is hereby authorized without coming back to the Court to consummate a short sale of the
21 Property in ML Manager's sole discretion on the same or better terms as set forth in the
22 Sale Agreement to another buyer and provide a partial release of the lien on the Property.

23 DATED AND ORDERED AS STATED ABOVE.
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