

1 Robert J. Miller, Esq. (#013334)
2 Bryce A. Suzuki, Esq. (#022721)
3 Justin A. Sabin, Esq. (#026359)
4 **BRYAN CAVE LLP**
5 Two North Central Avenue, Suite 2200
6 Phoenix, Arizona 85004-4406
7 Telephone: (602) 364-7000
8 Facsimile: (602) 364-7070
9 Internet: rjmiller@bryancave.com
10 bryce.suzuki@bryancave.com
11 justin.sabin@bryancave.com

12 Counsel for the Rev Op Investors

13 **IN THE UNITED STATES BANKRUPTCY COURT**
14 **FOR THE DISTRICT OF ARIZONA**

15 In re:
16 MORTGAGES LTD.,
17 Debtor.

Chapter 11

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

**OBJECTION TO ML MANAGER'S MOTION
TO SELL REAL PROPERTY**

**REAL PROPERTY LOCATED ON HUNT
HIGHWAY, PINAL COUNTY, ARIZONA**

Hearing Date: February 13, 2012

Hearing Time: 1:30 p.m.

18
19 Pueblo Sereno Mobile Home Park, L.L.C. and/or its successors and assigns (collectively,
20 the "Rev Op Investors") hereby file this Objection to ML Manager's *Motion To Sell Real*
21 *Property* [DE #3413] dated January 23, 2012 (the "Sale Motion"). In support of this Objection,
22 the Rev Op Investors hereby submit as follows:

23 1. According to the Sale Motion, HH Loan LLC and six pass-through investors co-
24 own the real property and improvements located on Hunt Highway in Pinal County, Arizona (the
25 "Property"). The Rev Op Investors are among the pass-through investors referenced in the Sale
26 Motion.

27 2. The Rev Op Investors collectively held a 13.621% interest in Loan No. 858305
28 (the "Loan"), and own a corresponding interest as tenants in common of the Property.

1 3. ML Manager states that it has foreclosed on the Property at a trustee’s sale.
2 According to the Sale Motion, the outstanding principal amount on the Loan totals
3 approximately \$3.67 million.

4 4. Pursuant to the Sale Motion, ML Manager seeks authority to sell a *5 acre portion*
5 of the Property to Sun Life Family Health Centers, Inc. (“Purchaser”) for \$300,000. The Sale
6 Motion provides no description of the 5 acre portion of the Property to be sold. Indeed,
7 according to Section 1.1 of the Agreement of Sale and Purchase attached to the Sale Motion (the
8 “Purchase Agreement”), “[t]he legal description and exact dimensions of the [5 acre portion of
9 the Property] shall be subject to the written approval of both Seller and Buyer.”¹ In other words,
10 ML Manager and the Purchaser have not even reached an agreement as to the exact portion of
11 the Property that ML Manager seeks authority to sell. Accordingly, the Rev Op Investors object
12 to the Sale Motion on the basis that it fails to provide any meaningful information regarding the
13 actual portion of the Property to be sold.

14 5. In addition, the Rev Op Investors have repeatedly requested that ML Manager
15 partition the real property in which they hold tenant-in-common ownership interests. ML
16 Manager, however, has repeatedly denied such requests on the asserted basis that partitioning is
17 impossible under the circumstances and would diminish the value of the respective properties.
18 Ironically, ML Manager now seeks authority to sell only a 5 acre portion of the Property despite
19 its previous representations to the Rev Op Investors and the Court about the effect such a
20 transaction would have on the overall value of the Property. Accordingly, the Rev Op Investors
21 object to ML Manager’s splitting of the Property, or, in the alternative, request that the Court
22 order ML Manager to partition the Rev Op Investors’ portion of the Property in full satisfaction
23 of the Rev Op Investors’ tenant-in-common ownership interests in the Property.

24 6. Lastly, the Rev Op Investors incorporate by reference herein previous sale-motion
25 objections filed by the Rev Op Investors and affiliated parties (and the arguments and authorities
26

27 ¹ Exhibit B to the Purchase Agreement sets forth only a “depiction” of the portion of the
28 Property to be sold, which amounts only to an indecipherable sketch of a portion of the Property.

1 set forth therein) at the following Docket Entry numbers: DE #2499; DE #2504; DE #2878; DE
2 #2881; DE #2965; DE #3003; DE #3095; DE #3153; DE #3185; DE #3187; DE #3262; DE
3 #3307; DE #3327; DE #3343; and DE #3380.

4 7. The Rev Op Investors hereby reserve all of their rights with respect to the
5 proposed sale of the subject property. Various Rev Op Investors previously recorded
6 terminations of agency that put prospective buyers on notice that any sale will be subject to the
7 Rev Op Investors' interests.

8 WHEREFORE, the Rev Op Investors request that the Court enter an order denying the
9 Sale Motion and granting to the Rev Op Investors such other relief as it deems appropriate.

10 DATED this 6th day of February, 2012.

11 BRYAN CAVE LLP

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13 By /s/ JAS, #026359
14 Robert J. Miller
15 Bryce A. Suzuki
16 Justin A. Sabin
17 Two North Central Avenue, Suite 2200
18 Phoenix, AZ 85004-4406
19 Counsel for the Rev Op Investors
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COPY of the foregoing served via email
this 6th day of February, 2012 upon:

Cathy L. Reece, Esq.
Fennemore Craig, P.C.
3003 North Central Avenue, Suite 2600
Phoenix, Arizona 85012-2913
creece@fclaw.com
Counsel for ML Manager LLC

Keith L. Hendricks, Esq.
Moyes Sellers & Hendricks
1850 North Central Avenue, Suite 1100
Phoenix, Arizona 85004
khendricks@law-msh.com
Counsel for ML Manager LLC

/s/ Robyn L. Kerns