

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: February 16, 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 in the vicinity of
Buchanan Street and 3rd Street, Phoenix,
Arizona, known as the SOJAC property**

**Hearing Date: February 13, 2012
Hearing Time: 1:30 p.m.**

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19 ML Manager LLC ("ML Manager") filed a Motion ("Motion") (Docket No. 3416)
20 requesting that the Court enter an order authorizing ML Manager as the manager for SOJ
21 Loan LLC and the agent for certain non-transferring pass-through investors, to sell the
22 property located in the vicinity of Buchanan Street and 3rd Street, Phoenix, Arizona, which
23 is more specifically described in the Sale Agreement (the "Property") for the price and on
24 the terms set forth in the Agreement of Sale and Purchase or a similar sale agreement to
25 another buyer on the same or better terms (collectively, "Sale Agreement"). Among other
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1 things, the Sale Agreement provides for the sale of the Property for approximately \$4.75
2 million to Granite Capital Investments, LLC (“Purchaser”). A notice to creditors,
3 interested parties and the non-transferring pass-through investors of the Motion and the
4 hearing date was served. An Objection (Docket No. 3428) was filed by the Rev-Op Group
5 Investors (the “Rev-Op Group Objection”). The hearing was held on the Motion on
6 February 13, 2012 at 1:30 p.m. in Phoenix and the Court at the conclusion of the hearing
7 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 SOJ 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 Sale Agreement, to
16 sell the Property pursuant to the terms of the Sale Agreement, to proceed with this sale
17 and to execute all necessary documents to implement the sale;

18 (e) The decision to sell and enter into the Sale Agreement is supported by the
19 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 Group Objection is
23 overruled.

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

1 terms of the Sale Agreement, to execute the conveyance deed pursuant to the Sale
2 Agreement and to execute any and all documents needed to consummate the sale.

3 (3) ML Manager is authorized to pay out of the sale proceeds all costs of sale,
4 including real property taxes, assessments, broker's fees, title insurance or other closing
5 costs and to pay out of the SOJ Loan LLC proceeds any liens or encumbrances on the
6 Property owed to the current exit lender pursuant to the Loan Agreement, and to the extent
7 that it has been paid then to repay the replacement loans under the Interborrower
8 Agreement, and to create and use any reserves out of the SOJ Loan LLC proceeds
9 pursuant to the Loan Agreement and Interborrower 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 SOJ
12 Loan LLC shall be transferred at closing to the ML Manager as the Manager for the SOJ
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, including the Rev Op Group Investors, shall be transferred to ML
17 Manager as their Agent and distributed pursuant to the applicable agency agreements, the
18 Plan, Confirmation Order, the 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 sell the Property on the same or
21 better terms as set forth in the Sale Agreement to another buyer in ML Manager's sole
22 discretion.

23 DATED AND ORDERED AS STATED ABOVE.

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