

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: March 8, 2012



Randolph J. Haines

Randolph J. Haines, Bankruptcy Judge

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10 IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF ARIZONA

11 In re
12 MORTGAGES LTD.,
13 Debtor.

Chapter 11

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

**ORDER APPROVING MOTION TO SELL
REAL PROPERTY**

**Real Property located on the Northeast corner
of Main Street and 10th Street, Cottonwood,
Arizona**

**Hearing Date: February 28, 2012
Hearing Time: 10:30 a.m.**

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19 ML Manager LLC ("ML Manager") filed a Motion ("Motion") (Docket No. 3432)
20 requesting that the Court enter an order authorizing ML Manager as the manager for CP
21 Loan LLC and the agent for certain non-transferring pass-through investors, to sell the
22 property located on the Northeast corner of Main Street and 10th Street, Cottonwood,
23 Arizona, which is more specifically described in the Sale Agreement (the "Property") for
24 the price and on the terms set forth in the Agreement of Sale and Purchase or a similar
25 sale agreement to another buyer on the same or better terms (collectively, "Sale
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1 Agreement”). Among other things, the Sale Agreement provides for the sale of the
2 Property for \$2.85 million to Verde Valley Medical Center (“Purchaser”). A notice to
3 creditors, interested parties and the non-transferring pass-through investors of the Motion
4 and the hearing date was served. An Objection (Docket No. 3453) was filed by Soteria,
5 LLC, as the transferee and successor to Bruce Dennis Buckley and Alivia Virginia
6 Buckley, Trustees of the Bruce Dennis Buckley and Alivia Virginia Buckley Revocable
7 Trust dated June 4, 1985, and amended December 7, 1994 (“Buckley Objection”). The
8 hearing was held on the Motion on February 28, 2012 at 10:30 a.m. in Phoenix and the
9 Court at the conclusion of the hearing made findings of fact and conclusions of law on the
10 record.

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

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

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

16 (c) The investors in CP Loan LLC and the applicable MP Funds have agreed
17 by the applicable dollar vote to the sale terms;

18 (d) The ML Manager LLC is authorized to enter into the Sale Agreement, to
19 sell the Property pursuant to the terms of the Sale Agreement, to proceed with this sale
20 and to execute all necessary documents to implement the sale;

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

24 IT IS THEREFORE ORDERED THAT:

25 (1) The Motion is granted and approved and the Buckley Objection is
26 overruled.

1 (2) ML Manager, as the Manager of CP Loan LLC and as Agent for the pass-
2 through investors, including Soteria, LLC, has authority and is directed to enter into the
3 Sale Agreement, to consummate the sale, to sell the Property pursuant to the terms of the
4 Sale Agreement, to execute the conveyance deed pursuant to the Sale Agreement and to
5 execute any and all documents needed to consummate the sale.

6 (3) ML Manager is authorized to pay out of the sale proceeds all costs of sale,
7 including real property taxes, assessments, broker's fees, title insurance or other closing
8 costs and to pay out of the CP Loan LLC proceeds any liens or encumbrances on the
9 Property owed to the current exit lender pursuant to the Loan Agreement, and to the extent
10 that it has been paid then to repay the replacement loans under the Interborrower
11 Agreement, and to create and use any reserves out of the CP Loan LLC proceeds
12 pursuant to the Loan Agreement and Interborrower Agreement.

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

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

22 (6) In the event that the sale to the Purchaser is not consummated, ML Manager
23 is hereby authorized without coming back to the Court to sell the Property on the same or
24 better terms as set forth in the Sale Agreement to another buyer in ML Manager's sole
25 discretion.

26 DATED AND ORDERED AS STATED ABOVE.