

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
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 FOR
SHORT SALE AND PARTIAL RELEASE OF
LIEN**

**Real Property consisting of approximately 1,888
acres located in Pinal County, Arizona, known
as the Pearce Farm Property**

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

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20 ML Manager LLC ("ML Manager") filed a Motion ("Motion") (Docket No. 3438)
21 requesting that the Court enter an order authorizing ML Manager as the manager for
22 ABCDW I Loan LLC and the agent for certain non-transferring pass-through investors, to
23 accept a short sale by its Borrower which would pay ML Manager net sale proceeds and
24 provide a partial release of the lien to sell the real and personal property consisting of
25 approximately 1,888 acres located in Pinal County, Arizona known as the Pearce Farm,
26 which is more specifically described in the Sale Agreement (the "Property") for the price

1 and on the terms set forth in the Agreement of Sale and Purchase or a similar sale
2 agreement to another buyer on the same or better terms (collectively, "Sale Agreement").
3 Among other things, the Sale Agreement provides for the sale of the Property for
4 approximately \$5.5 million to Arnold Burruel and/or nominee ("Purchaser"). A notice to
5 creditors, interested parties and the non-transferring pass-through investors of the Motion
6 and the hearing date was served. No objections were filed or served. The hearing was held
7 on the Motion on February 28, 2012 at 10:30 a.m. in Phoenix and the Court at the
8 conclusion of the hearing made findings of fact and conclusions of law on the record.

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

11 (a) This Court has jurisdiction over the issues presented in the Motion, and the
12 Motion and the Court's hearing thereon were duly and properly noticed;

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

14 (c) The investors in ABCDW I Loan LLC and the applicable MP Funds have
15 agreed by the applicable dollar vote to the short sale terms;

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

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

24 IT IS THEREFORE ORDERED THAT:

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

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

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

5 (3) ML Manager is authorized to pay out of the ABCDW I Loan LLC proceeds
6 any liens or encumbrances on the Property owed to the current exit lender pursuant to the
7 Loan Agreement, and to the extent that it has been paid then to repay the replacement
8 loans under the Interborrower Agreement, and to create and use any reserves out of the
9 ABCDW I Loan LLC proceeds pursuant to the Loan Agreement and Interborrower
10 Agreement. ML Manager is also authorized to pay from the net sale proceeds the
11 principal and interest due on the unsecured loan from several of the investors in the loan.

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

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

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

25 DATED AND ORDERED AS STATED ABOVE.
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