

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 20, 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 at 535 West Thomas
Road, Phoenix, Arizona known as Metro Lofts
Property**

**Hearing Date: March 8, 2012
Hearing Time: 11:30 a.m.**

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19 ML Manager LLC ("ML Manager") filed a Motion ("Motion") (Docket No. 3449)
20 requesting that the Court enter an order authorizing ML Manager as the manager for
21 Metro Loan LLC and the agent for certain non-transferring pass-through investors, to sell
22 the property located at 535 West Thomas Road, Phoenix, Arizona, known as Metro Lofts,
23 which is more specifically described in the Sale Agreement (the "Property") for the price
24 and on the terms set forth in the Agreement of Sale and Purchase or a similar sale
25 agreement to another buyer on the same or better terms (collectively, "Sale Agreement").
26

1 Among other things, the Sale Agreement provides for the sale of the Property for
2 approximately \$2.7 million to Compass Consulting, Inc. (“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. No objection or response was filed and served. The
5 hearing was held on the Motion on March 8, 2012 at 11:30 a.m. in Phoenix and the Court
6 at the conclusion of the hearing made findings of fact and conclusions of law on the
7 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 Metro Loan LLC and the applicable MP Funds have
14 agreed 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.

23 (2) ML Manager, as the Manager of Metro Loan LLC and as Agent for the
24 pass-through investors, has authority and is directed to enter into the Sale Agreement, to
25 consummate the sale, to sell the Property pursuant to the terms of the Sale Agreement, to
26 execute the conveyance deed pursuant to the Sale Agreement and to execute any and all

1 documents needed to consummate the sale.

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

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

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

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

22 (7) Pursuant to Section 1146(a) of the Bankruptcy Code and Section 10.5 of the
23 confirmed Plan of Reorganization, any and all mortgage recording tax, stamp tax, real
24 estate transfer tax, speculative builder, transaction privilege or other similar tax imposed
25 by federal, state or local law are hereby waived.

26 DATED AND ORDERED AS STATED ABOVE.