

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: October 2, 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**

**A Portion of the Real Property located at
Merrill Road and Pecos Road in Mesa, Arizona,
known as the Foothills property to Sternberg**

**Hearing Date: September 27, 2012
Hearing Time: 2:00 p.m.**

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18 ML Manager LLC ("ML Manager") filed a Motion ("Motion") (Docket No. 3581)
19 and a Supplement to motion (Docket No. 3590) requesting that the Court enter an order
20 authorizing ML Manager as the manager for FP IV Loan LLC and the agent for the non-
21 transferring pass-through investors, to sell and transfer the property consisting of
22 approximately 20.506288 acres located at Merrill Road and Pecos Road in Mesa, Arizona
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 ("Sale Agreement")(which is attached to the
25 Motion) to Sternberg (as defined in the Sale Agreement). A notice to creditors, interested
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1 parties and the non-transferring pass-through investors of the Motion and the hearing date
2 was served. No objections were filed or served. The hearing was held on the Motion on
3 September 27, 2012 at 2:00 p.m. in Phoenix and the Court at the conclusion of the hearing
4 made findings of fact and conclusions of law on the record.

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

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

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

10 (c) The investors in FP IV Loan LLC and the applicable MP Funds have
11 agreed by the applicable dollar vote to the sale terms;

12 (d) As set forth in this Order and the Motion, the ML Manager LLC is
13 authorized to enter into the Sale Agreement, to sell the Property pursuant to the terms of
14 the Sale Agreement, to sell and transfer 20.506288 acres to Sternberg or Sternberg's
15 designee (as set forth in the Motion and the Sale Agreement), to proceed with the sale and
16 transfer and to execute all necessary documents to implement the sale and transfer;

17 (e) The decision to sell and enter into the Sale Agreement and to sell and
18 transfer 20.506288 acres to Sternberg as set forth in the Motion is supported by the best
19 exercise of business judgment of ML Manager which is consistent with ML Manager's
20 fiduciary duties and responsibilities.

21 IT IS THEREFORE ORDERED THAT:

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

23 (2) ML Manager, as the Manager of FP IV 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 and transfer the Property pursuant to the terms of the Sale
26 Agreement, to execute the conveyance deed to the Sternberg and to execute any and all

1 documents needed to consummate the sale and transfer.

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 repay out of the FP IV Loan LLC proceeds the replacement loans pursuant to
5 the Interborrower Agreement, and to create and use any reserves out of the FP IV Loan
6 LLC proceeds pursuant to the Interborrower Agreement and Loan Agreement.

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

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

16 DATED AND ORDERED AS STATED ABOVE.

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