

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 FOR
SHORT SALE AND RELEASE OF LIEN**

**Real Property consisting of approximately
316.69 acres at the northwest corner of Farrell
Road and Warren Road in Pinal County,
Arizona (Anglin Property)**

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

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20 ML Manager LLC ("ML Manager") filed a Motion ("Motion") (Docket No. 3579)
21 and Supplement to Motion (Docket No. 3589) requesting that the Court enter an order
22 authorizing ML Manager as the manager for ABCDW II Loan LLC and the agent for the
23 non-transferring pass-through investors, to accept a short sale by its Borrower which
24 would pay ML Manager net sale proceeds and provide a release of the lien to sell the real
25 and personal property consisting of approximately 316.69 acres at the northwest corner of
26 Farrell Road and Warren Road in Pinal County, Arizona, which is more specifically

1 described in the Sale Agreement (the “Property”) for the price and on the terms set forth
2 in the Agreement of Sale and Purchase or a similar sale agreement to another buyer on the
3 same or better terms (collectively, “Sale Agreement”). Among other things, the Sale
4 Agreement provides for the sale of the Property for approximately \$1,900,140 to Robert J.
5 Knorr and/or nominee (“Purchaser”). A notice to creditors, interested parties and the non-
6 transferring pass-through investors of the Motion and the hearing date was served. No
7 objections were filed or served. The hearing was held on the Motion on September 27,
8 2012 at 2:00 p.m. in Phoenix and the Court at the conclusion of the hearing made findings
9 of fact and conclusions of law on the record.

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

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

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

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

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

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

25 IT IS THEREFORE ORDERED THAT:

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

1 (2) ML Manager, as the Manager of ABCDW II Loan LLC and as Agent for the
2 pass-through investors, has authority and is directed to enter into a short sale as provided
3 for in the Sale Agreement, to consummate the sale, to execute and provide a release of its
4 deed of trust on the Property pursuant to the terms of the Sale Agreement, and to execute
5 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 repay out of the ABCDW II Loan LLC proceeds the replacement loans under
9 the Interborrower Agreement, and to create and use any reserves out of the ABCDW II
10 Loan LLC proceeds pursuant to the Loan Agreement and Interborrower Agreement.

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

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

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

24 DATED AND ORDERED AS STATED ABOVE.
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