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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF ARIZONA

In re
MORTGAGES LTD.,
Debtor.

Chapter 11

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

**NOTICE OF LODGING ORDER
APPROVING MOTION TO SELL REAL
PROPERTY**

Real Property located at 4441 East McKinley
Street, Phoenix, Arizona

Hearing Date: August 30, 2012
Hearing Time: 2:30 p.m.

NOTICE IS HEREBY GIVEN that ML Manager has lodged a proposed *Order Approving Motion to Sell Real Property*, which Order is attached as Exhibit A.

DATED: September 4, 2012

FENNEMORE CRAIG, P.C.

By /s/ Cathy L. Reece

Cathy L. Reece
Attorneys for ML Manager LLC

Copy of the foregoing e-mailed this
4th day of September, 2012 to :

Bryce A. Suzuki
BRYAN CAVE LLP
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/s/ Gidget Kelsey-Bacon

EXHIBIT

A

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

11 In re
12 MORTGAGES LTD.,
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Chapter 11

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

**ORDER APPROVING MOTION TO SELL
REAL PROPERTY**

**Real Property located at 4441 East McKinley
Street, Phoenix, Arizona**

**Hearing Date: August 30, 2012
Hearing Time: 2:30 p.m.**

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19 ML Manager LLC (“ML Manager”) filed a Motion (“Motion”) (Docket No. 3544)
20 requesting that the Court enter an order authorizing ML Manager as the Manager for
21 MCKIN Loan LLC and the Agent for certain non-transferring pass-through investors, to
22 sell the property located at 4441 East McKinley Street, Phoenix, Arizona, which is more
23 specifically described in the Sale Agreement (the “Property”) for the price and on the
24 terms set forth in the Agreement of Sale and Purchase or a similar sale agreement to
25 another buyer on the same or better terms (collectively, “Sale Agreement”). Among other
26 things, the Sale Agreement provides for the sale of the Property for \$1,121,670 to

1 Commercial One Investments, LLC (“Purchaser”). A notice to creditors, interested parties
2 and the non-transferring pass-through investors of the Motion and the hearing date was
3 served. An Objection (Docket No. 3555) was filed by one Rev Op Group Investor. The
4 hearing was held on the Motion on August 30, 2012 at 2:30 p.m. in Phoenix and the Court
5 at the conclusion of the hearing made findings of fact and conclusions of law on the
6 record.

7 Upon consideration of the Motion, the Objection, the reply and statements and
8 arguments of counsel at the hearing; it appears to the Court and the Court finds that:

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

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

12 (c) The investors in MCKIN Loan LLC and the applicable MP Funds have
13 agreed by the applicable dollar vote to the sale terms;

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

17 (e) The decision to sell and enter into the Sale Agreement is supported by the
18 best exercise of business judgment of ML Manager.

19 IT IS THEREFORE ORDERED THAT:

20 (1) The Motion is granted and approved and the Objection is overruled.

21 (2) ML Manager, as the Manager of MCKIN Loan LLC and as Agent for the
22 pass-through investors, including the Rev-Op Group Investor, has authority and is
23 directed to enter into the Sale Agreement, to consummate the sale, to sell the Property
24 pursuant to the terms of the Sale Agreement, to execute the conveyance deed pursuant to
25 the Sale Agreement and to execute any and all documents needed to consummate the sale.

26 (3) ML Manager is authorized to pay out of the sale proceeds all costs of sale,

1 including real property taxes, assessments, broker's fees, title insurance or other closing
2 costs and to repay out of the MCKIN Loan LLC proceeds the replacement loans under the
3 Interborrower Agreement, and to create and use any reserves out of the MCKIN Loan
4 LLC proceeds pursuant to the Loan Agreement and Interborrower Agreement.

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

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

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

18 DATED AND ORDERED AS STATED ABOVE.

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