1	FENNEMORE CRAIG, P.C.		
2	Cathy L. Reece (005932) 3003 N. Central Ave., Suite 2600		
3	Phoenix, Arizona 85012 Telephone: (602) 916-5343		
4	Facsimile: (602) 916-5543 Email: <u>creece@fclaw.com</u>		
5	Attorneys for ML Manager LLC		
6	IN THE UNITED STATES BANKRUPTCY COURT		
7	FOR THE DISTRICT OF ARIZONA		
8	In re	Chapter 11	
9	MORTGAGES LTD.,	Case No. 2:08-bk-07465-RJH	
10	,		
11	Debtor.	MOTION FOR ORDER APPROVING SALE AND ASSIGNMENT OF MORRISON JUDGMENT	
12		Judgment against Cottonwood Parking, Inc.,	
13		GLM Enterprises, LLC, and Glen and Laura Morrison	
14		Hearing Date: March 6, 2013	
15		Hearing Time: 1:30 p.m.	
16	ML Manager LLC ("ML Manager"), requests that the Court enter an orde		
17	authorizing ML Manager, as the manager for CP Loan LLC and the agent for certain Pass		

ML Manager LLC ("ML Manager"), requests that the Court enter an order authorizing ML Manager, as the manager for CP Loan LLC and the agent for certain Pass-Through Investors, to sell and assign the Judgment against Cottonwood Parking, Inc., GLM Enterprises, LLC and Glen and Laura Morrison ("the Morrison Judgment"), as more specifically described in and on the terms set forth in the Sale Agreement and Assignment of Judgment, as amended ("Sale Agreement"), to MBR Land I, LLP, an Arizona limited liability partnership or its assignee ("Purchaser"). ML Manager and Purchaser have agreed to improve the terms of the Sale, including increasing the purchase price to \$4.9 million ("Purchase Price") and increasing the deposit to \$1 million and deleting a term which required the signature and consent of the Pass-Through Investors. ML Manager and are finalizing an Amendment to the Sale Agreement setting forth the additional terms and a

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copy of the Amendment will be filed as soon as it is finalized and signed. The term "Sale Agreement" as used herein shall be deemed to include the terms of the Amendment after it is signed. ML Manager seeks approval to sell and assign the Morrison Judgment on the terms contained in the Sale Agreement, as amended, or upon better terms to Purchaser or another party as determined by ML Manager in its sole discretion. The Sale Agreement, as amended, is attached hereto as Exhibit A and has a contemplated closing of end of March, 2013.

Borrower Cottonwood Parking, Inc. defaulted on its loan with Mortgages Ltd. The unpaid principal balance on the loan (Loan No. 853705) was about \$7,516,373. Interest and fees also were due. ML Manager held a deed of trust sale and foreclosed on the Property which was secured by the Deed of Trust. Pursuant to the Official Investors' Committee's First Amended Plan confirmed by the Court, CP Loan LLC was formed on the effective date and the fractional interests in the note and deed of trust which were held by the MP Funds were transferred into CP Loan LLC. Subsequently some of the pass-through investors transferred their interests into CP Loan LLC. At the time of the trustee sale, 8 Pass-Through Investors had not transferred their fractional interests ("Pass-Through Investors"). As a result, 85.439% of the interest in the loan is owned by CP Loan LLC and the rest is owned by the 8 Pass-Through Investors in the loan.

ML Manager brought suit on the Note and Guarantees against Cottonwood Parking, Inc., GLM Enterprises, LLC and Glen and Laura Morrison and on July 6, 2011 obtained a Judgment for \$16,687,371.30 (which included principal, default interest and attorneys fees). ML Manager previously hired SMS Financial Recovery Services, LLC

<sup>1</sup> The sale to Purchaser is still subject to the right to compete by the Exit Lender who still has

until close of business on February 18, 2013 to make a counter-proposal to ML Manager. If the Exit Lender makes such a counter-proposal and it is acceptable to ML Manager, and if the

Purchaser does not again increase its price, then ML Manager will be seeking approval of the sale to the Exit Lender pursuant to this Motion. Until such bidding is ended, the ultimate purchaser

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and price are subject to change.

("SMS") to assist ML Manager in searching for assets owned by various parties owing money to ML Manager and ML Manager asked SMS to pursue collection activities against the Judgment Defendants. SMS' work began well before the Morrison Judgment was obtained. The work performed by SMS included reviewing financial information, assessing and analyzing the ability of the Judgment Defendants to pay the Morrison Judgment, investigating the relationship of related entities and transactions, establishing and planning the strategy, implementation and direction of collection efforts and negotiations, negotiating with the Judgment Defendants, and locating possible purchasers for the Morrison Judgment. As SMS was pursuing the collection of the Morrison Judgment, the Purchaser made an offer to purchase the Morrison Judgment for \$3 million. Purchaser is related to and connected with the Judgment Defendants. Purchaser is owned and controlled by Scott Morrison who is related to Glen and Laura Morrison. ML Manager solicited offers for the sale of the Morrison Judgment and negotiated with other parties, including the Exit Lender pursuant to the right to compete in the Exit Lender Loan Agreement. Exit Lender has participated in the bidding process and as a result the price has increased significantly and the terms have improved. Ultimately, Purchaser made an offer for the Morrison Judgment of \$4.9 million which was acceptable to ML Manager. Purchaser and ML Manager have signed a Sale Agreement and are in the process of finalizing and signing an amendment to reflect that price and other changed terms, subject to the regular contingencies for ML Manager. Purchaser has deposited \$500,000 and opened escrow at Thomas Title & Escrow and will deposit an additional \$500,000 at Thomas Title within 5 days of the amendment of the Sale Agreement. Because the Morrison Judgment has already been exposed to the market, this is not proposed to be an auction and no higher and better bids are being solicited. The contingencies include approval by the investors in CP Loan LLC and the applicable MP Funds and Bankruptcy Court approval. One of the contingencies was the waiver of the right to compete by the 7943446.2

Exit Lender. As expressed in the first footnote, the Exit Lender has until the end of business February 18, 2013 to make another counter-proposal pursuant to its right to compete. Until the bidding process has stopped the purchaser and price are still subject to change. At this pint in time, the Purchase Price is to be paid in cash at closing. This is an arms-length, negotiated sale between Purchaser and ML Manager although the Purchaser is related to the Judgment Defendants as discussed above. The amount of the Morrison Judgment is being reduced by the amount of the sale proceeds received from the sale of the Property. ML Manager obtained Court approval and CP Loan LLC approval for the sale of the Property on March 8, 2012 for \$2.85 million (Docket No. 3473) and on May 23, 2012, the buyer of the Property closed the sale. The Morrison Judgment is being sold "as-is, where-is, with all faults and without recourse to the Seller".

Even though the Morrison Judgment will not be paid in full through the sale, ML Manager believes that this price reflects the current value of the Morrison Judgment and that it is unlikely in the foreseeable future to get a higher amount for the Morrison Judgment. Through the efforts of SMS and counsel for ML Manager, ML Manager asserts that it has maximized the value of the Morrison Judgment through the bidding process and sale to Purchaser. The sale results in immediate cash to the investors and will end any continuing costs and fees of collection. ML Manager believes that this sale is in the best interest of the investors in the Loan LLC and the Pass-Through Investors and is a valid exercise of its business judgment consistent with any fiduciary responsibilities.

Due to the actions pending in the Bankruptcy Court, District Court and Ninth Circuit by certain investors, ML Manager believes that it is prudent to seek Bankruptcy Court approval of the sale. An order approving the sale and authorizing the sale by ML Manager of 100% of the interest in the Morrison Judgment will insure a smooth closing and will aid in the implementation of the Plan. Bankruptcy Court approval is a specific requirement of the Purchaser.

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Under the Operating Agreement of CP Loan LLC, since this event might be a Major Decision, ML Manager is seeking approval of the sale of the Morrison Judgment from the investors in the Loan LLC and the MP Funds investors. Approval must be obtained by a majority of the investors' dollars voting. The voting process will start shortly and by the time the parties get to a sale hearing the results will be known to ML Manager. If approved ML Manager asserts it has the authority and ability to go forward with the sale of the Morrison Judgment.

ML Manager, as the agent for the Pass-Through Investors, has the authority and ability to obtain the Judgment, engage professionals to collect the Judgment, enter into a sale agreement and to sell and assign the Morrison Judgment on behalf of the principals. ML Manager as the agent will execute the documents on behalf of the Pass-Through Investors since it holds the irrevocable power of attorney coupled with an interest to do so. ML Manager will include language in the Sale order authorizing ML Manager to execute any and all such documents on behalf of the Pass-Through Investors.

ML Manager asserts that the Court has retained and reserved jurisdiction in the Plan for such a matter as this, including sections 9.1(e), (g) and (h) of the Plan among others, and has the authority to approve the sale under Section 105 of the Bankruptcy Code, among other sections, as an order in aid of implementation of the Plan. As the Court has noted at several prior sale hearings, there is a close nexus between the sale motion and the bankruptcy because the relief requested is an important part of the Plan. See, State of Montana v. Goldin (In re Pegasus Gold Corp.), 394 F.3d 1189, 1194 (9th Cir. 2005). The Plan specifically called for the creation of the ML Manager to manage the Loan LLCs and to step into the role as manager of the MP Funds and agent of non-transferring pass through investors. The relief requested by ML Manager affects the amount of money that the investors will receive and the pay down of the replacement loans to the other Loan LLCs. Accordingly, the Bankruptcy Court retains post-

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confirmation jurisdiction.

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As is customary ML Manager does propose to pay closing costs, escrow fees, attorneys fees and the fees of SMS at the closing out of the gross sale proceeds. On May 26, 2010, ML Manager entered into an engagement letter with SMS in which SMS agreed to pursue debtors designated by ML Manager. The engagement letter provides that SMS is entitled to receive 30% of all proceeds collected for ML Manager. The compensation is consistent with industry practice for collection agencies and attorneys. During the negotiations with the Purchaser, ML Manager requested that SMS reduce its fee and agreed to an arrangement whereby SMS would receive a contingent fee of 22% of the first \$2 million collected and 33% of all amounts in excess of \$2 million collected. As a result, the approximate amount of the contingent fee will be \$1.397 million from the sale proceeds. ML Manager asserts that its contingent fee arrangement with SMS is consistent with industry standards and is similar to its contingent fee arrangements with Beus Gilbert PLLC for handling the Losch guarantee lawsuit or in handling the Jenson guarantee lawsuit. SMS is a recognized and experienced collection recovery agency with effective collection methods. SMS has attorneys and MBAs on staff, as well as experienced bank and financial institution attorneys and professionals. ML Manager asserts the contingent fee is reasonable under the circumstances and constitutes a valid expense for ML Manager as manager and agent and is recoverable and payable from the gross sale proceeds. ML Manager asserts that the payment of the contingent fee to SMS is a valid exercise of its business judgment consistent with its fiduciary duties and responsibilities. ML Manager will include such provision in the Sale Order allowing ML Manager to pay the fee to SMS.

ML Manager also proposes to repay the replacement loans to the other Loan LLCs from the Loan LLC's portion of the sale proceeds pursuant to the Loan Agreement and the Inter-borrower Agreement.

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Pursuant to the Allocation Model which has been approved by this Court, ML Manager will propose to disburse the net sale proceeds attributable to the Pass-Through Investors subject to what amount should be charged back or allocated to the Pass-Through Investors as their fair share of the expenses, including exit financing. Also pursuant to the Allocation Model, ML Manager will propose to distribute net sale proceeds attributable to the ownership interest to the Loan LLC pursuant to its agreements, the Plan, Confirmation Order, and Inter-borrower Agreement.

WHEREFORE, ML Manager LLC requests that the Court enter an order authorizing and approving the sale as set forth above, and for such other and further relief as is just and proper under the circumstances.

DATED: February 15, 2013

FENNEMORE CRAIG, P.C.

/s/ Cathy L. Reece Cathy L. Reece

Attorneys for ML Manager LLC

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# EXHBIT A



# Jennings, Strouss & Salmon, PLC

Attorneys at Law

One East Washington Street, Suite 1900 Phoenix, Arizona 85004-2554 Telephone: 602.262.5911 www.jssiaw.com

Brian N. Spector

Direct Dial: 602.262.5977 Direct Fax: 602.495.2654 bspector@jsslaw.com

February 14, 2013

Keith Hendricks Moyes Sellers & Hendricks 1850 N. Central Avenue, Suite 1100 Phoenix, AZ 85004

Re:

CP Loan, LLC v. Riverfront Commons, LLC, Adv. No. 2:08-ap-00906 RTBP, Case No. 2:09-bk-00122; Judgment in favor of CP Loan, LLC (as authorized agent for certain investors) against GLM Enterprises, LLC, Glen and Laura Morrison, and Cottonwood Parking, Inc. in the principal amount of \$16,687,371.30 (collectively, the "Judgment")

#### Dear Keith:

This is a follow up to our prior communications in regarding the executed Sale Agreement and Assignment of Judgment dated as of January 10, 2013 (the "Sale Agreement"). Terms used but not defined in this letter have the meanings defined in the Sale Agreement.

Based on your recent communications, we understand that Seller's lender has again exercised the right to compete and that either Buyer or Seller now may terminate the Sale Agreement, whereupon the Deposit shall be returned to Buyer. This will confirm our agreement and understanding, however, that it is not necessary for either party to do so at this moment and that, in any event, the Deposit shall not be deemed to serve as security for any revised offer submitted by Buyer herein or hereafter until an amendment (the "Amendment") to the Sale Agreement incorporating the terms below is executed.

Provided that the foregoing is agreeable, I have been authorized to convey the following revised offer (the "Offer") to Seller. If you concur with these terms, please reply with your written acceptance; and the Amendment will be prepared for execution.

The terms of the Sale Agreement are agreeable and incorporated herein, subject to the following exclusions, modifications, and additions:

Section 1.2.1.4 Buyer agrees to waive this contingency.

Section 3.1 The Purchase Price shall be \$4,900,000.

Section 3.1.1 Within (5) business days after the date of this letter, Buyer will deposit

with Escrow Agent an additional \$500,000, bringing the total Deposit

to one million dollars (\$1,000,000.00).

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Keith Hendricks Page 2

Section 3.1.2 The Closing Date shall be shall be no later than the later of (i) thirty

days from the Effective Date or (ii) ten days after Seller has issued the

Contingency Satisfaction Notice.

Section 4 Buyer may assign its rights under this Agreement; and if it assigns it

rights prior to Closing, the Assignment of Judgment shall be executed in favor of the assignee (provided, however, that the assignee cannot be an "Investor" in Mortgages, Ltd., as that term is defined under the plan of reorganization confirmed in the Mortgages, Ltd. bankruptcy

case).

Should you have any questions regarding the foregoing, do not hesitate to contact me. This Offer shall remain open for a period of three (3) days from the date of this letter until 5:00 p.m. Central Standard Time (U.S) on the third day, at which time (if not accepted) it shall expire and be of no further force and effect.

Very truly yours,

JENNINGS, STROUSS & SALMON, P.L.C.

Ву

Brian N. Spector

BNS/ds

#### SALE AGREEMENT AND ASSIGNMENT OF JUDGMENT

This SALE AGREEMENT AND ASSIGNMENT OF JUDGMENT (the "Sale Agreement") dated as of January 10, 2013 (the "Effective Date"), is made by and among CP Loan, LLC, an Arizona limited liability company; ML Manager, LLC, an Arizona limited liability company, as agent for those individual owners ("Owners") listed on Exhibit A attached hereto (collectively "Seller"), and MBR LAND I, LLP, an Arizona limited liability partnership ("Buyer").

#### RECITALS

- A. Seller holds a judgment dated July 6, 2011 entered by the United States Bankruptcy Court, District of Arizona in Case No. 2:08-ap-00906 (the "Judgment") in the principal amount of \$16,687,371.30 against Cottonwood Parking, Inc., an Arizona "S" corporation; GLM Enterprises, LLC, an Arizona limited liability company; and Glen and Laura Morrison, previously husband and wife. A copy of the Judgment is attached hereto as Exhibit R
- B. CP Loan, LLC was formed pursuant to the First Amended Plan of Reorganization dated March 12, 2009 in the Chapter 11 Proceedings In re: Mortgages, Ltd., Case No. 2:08-bk-07465-RJH, which was confirmed by the United States Bankruptcy Court, District of Arizona on May 20, 2009 (the "Approved Plan") to which persons holding undivided fractional interests in certain loans made by Mortgages Ltd, an Arizona corporation (now known as ML Servicing Company, Inc.) could elect to assign and transfer such interests to consolidate such interests to the extent possible to a single entity.
- C. Pursuant to the Approved Plan, ML Manager, LLC, an Arizona limited liability company, was designated as successor agent to ML Servicing Company, Inc. under certain agency agreements wherein ML Manager, LLC was given a power of attorney to act for the Owners of undivided interests. ML Manager, LLC is acting under this power of attorney as the agent for the Owners who have not transferred their undivided interests to CP Loan, LLC. Those individual Owners are listed on Exhibit A (the "Individual Owners").
- D. Buyer desires to enter into an agreement to acquire all of Seller's interest in and rights under the Judgment and Seller is willing to enter into an agreement with Buyer regarding the purchase of the Judgment on the terms and conditions set forth herein.

#### AGREEMENT

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and described to below, the Parties agree as follows:

#### 1. Agreement to Sell and Purchase

1.1. <u>Judgment.</u> Subject solely to the specific representations and warranties contained herein, Seller agrees to sell to Buyer, as-is and where-is, and Buyer agrees to purchase

from Seller, as-is and where-is, with all faults and without recourse to the Seller except as provided pursuant to the terms and conditions of this Agreement, all of Seller's right, title and interest in the Judgment (the "Sale").

# 1.2. Contingencies.

- 1.2.1. Notwithstanding any provision to the contrary contained herein, the obligations of Seller to consummate the Sale and sell the Judgment to Buyer, and the obligations of Buyer to purchase the Judgment from Seller, are contingent upon the satisfaction of each of the following contingencies (collectively, the "Contingencies");
- 1.2.1.1. Seller's lender under the Exit Financing Loan dated June 11, 2009 has the right to compete to acquire the Judgment from the Seller under Section 6.11(a) of the Exit Financing Loan Agreement. Seller's lender must have failed to exercise or must have waived the right to complete (the "Lender Approval");
- 1.2.1.2. The members of CP Loan, LLC must have approved the sale of the Judgment for the Purchase Price specified herein as required by Section 5.4(h) of the Operating Agreements of CP Loan, LLC (the "Members Approval"); and
- 1.2.1.3. If Seller or Buyer deems it necessary, Seller must have obtained the approval of the Court by final order with respect to the sale to Buyer for which no stay order pending appeal has been ordered.
- 1.2.1.4. Seller shall request and obtain written acknowledgements from each of the Individual Owners consenting to the Sale and authorizing ML Manager, LLC to enter into this Agreement and all documents executed pursuant hereto, and to perform the obligations stated herein in accordance with the terms and conditions hereof.
- 1.2.2. Seller will attempt to satisfy the Contingencies by taking such action as it deems commercially reasonable; provided, however, Seller shall not be in default hereunder if any of the Contingencies is not satisfied.
- 1.2.3. If all of the Contingencies have been satisfied prior to the end of the period commencing on the Effective Date and ending 90 days after the Effective Date (the "Contingency Period"), then Seller shall notify Buyer in writing of such satisfaction (the "Contingency Satisfaction Notice"), and this Agreement shall continue in full force and effect. If the Contingencies have not been satisfied prior to the end of the Contingency Period, then Seller shall notify Buyer in writing that the Contingencies have not been satisfied, whereupon either party may terminate this Agreement by written notice to the other party. Upon any such termination, Escrow Agent (defined below) shall return the Deposit (defined below) to Buyer and Seller and Buyer shall have no further obligations hereunder, except as expressly provided herein.
- 2. Opening of Escrow. Within two (2) business days after the Effective Date, the parties will establish an escrow with Thomas Title & Escrow (Diane F. Carpenter), Promenade

Corporate Center, 16435 N. Scottsdale Rd., Ste. 405, Scottsdale, Arizona 85254; (480) 222-1116, ext. 203 ("Escrow Agent"). Upon delivery to the Escrow Agent of this executed Agreement, Escrow Agent is instructed to open an escrow and deliver copies of the executed Agreement to Buyer and Seller. "Opening of Escrow" shall occur when Escrow Agent accepts this Agreement by execution of the Agreement and Consent by Escrow Agent provided at the end of this Agreement. This Agreement, and the exhibits attached hereto, shall constitute escrow instructions to Escrow Agent in connection with this transaction, but the parties agree to execute such supplemental instructions, not inconsistent with this Agreement, as Escrow Agent may reasonably require.

#### 3. Purchase Price; Deposits.

- 3.1. <u>Purchase Price.</u> The purchase price for the Judgment shall be Four Million Dollars (\$4,000,000.00) (the "Purchase Price").
- 3.1.1. Buyer shall deposit with Escrow Agent the amount of Five Hundred Thousand Dollars (\$500,000.00) (the "Deposit") by wire, transfer, cashier's check, or other readily available funds within two (2) business days after the Effective Date.
- 3.1.2. On or before the later of (i) ten (10) business days after Seller's satisfaction of all of the Contingencies and provision of the Contingency Satisfaction Notice to Buyer or (ii) sixty (60) days after the Effective Date, Buyer shall pay the balance of the Purchase Price to Seller at Closing Date (as defined below) in cash by wire transfer, cashier's check or other readily available funds.
- 3.2. <u>Deposit.</u> The Deposit includes all interest earned thereon. The Deposit shall be held in an interest bearing, federally insured account by the Escrow Agent pending consummation of this transaction.
- 4. Assignment of Judgment. Prior to Closing, Seller shall deposit with the Escrow Agent a fully executed copy of the Assignment of Judgment, together with any and all related liens, charging orders, garnishments, and other collection actions, in the form attached as Exhibit C.
- 5. Closing Date. The Sale shall close and the full Purchase Price shall be paid to the Escrow Agent on a date (the "Closing Date") no later than the later of (i) sixty (60) days from the Effective Date or (ii) ten (10) days after Seller has issued the Contingency Satisfaction Notice.
- 6. <u>Discontinuance of Collection Activities</u>. Seller shall halt all collection activities related to the Judgment pending the Closing and consummation of the Sale Agreement.
- 7. <u>Seller Representations and Warranties</u>, Seller represents and warrants as follows that the following are true as of the date of this Agreement and will be true as of Closing:
  - 7.1. Neither Seller nor any of the Individual Owners has sold, conveyed,

transferred or assigned any interest in, the Judgment except as described above.

- 7.2. To the best of Seller's knowledge, the Judgment has not been pledged as collateral and is free and clear of any and all liens, claims, and interests.
- 7.3. Seller has not previously collected more than \$10,000 of the Judgment, and the rest of the Judgment remains owing.
- 7.4. Seller controls all collection activities related to the Judgment and can discontinue such activities pending consummation of the Sale Agreement.
- 7.5. To the best of Seller's knowledge, after Seller issues the Contingency Satisfaction Notice, there will be no other approvals that Seller is required to obtain to perform its obligations in accordance with the terms and conditions of this Agreement.
- 7.6. Seller is not aware of or has received any notice of any appeal or challenge to the Judgment or of any bankruptcy proceedings of any of the Judgment Debtors affecting the Judgment or any other fact adversely affecting the Judgment or its rights thereunder, except for the currently pending personal bankruptcy of Laura Morrison (United States Bankruptcy Court, District of Arizona Case No. 2:12-bk-13426).
- 7.7. Seller is not a "foreign person" as that term is defined in the Internal Revenue Code of 1986, as amended, and the regulations promulgated pursuant thereto.
- 7.8. Subject to the satisfaction of the Contingencies set forth in Section 1.2, Seller has full power and authority to enter into this Agreement and all documents executed pursuant to this Agreement, and to perform its obligation in accordance with the terms and conditions hereof and thereof.
- 7.9. For purposes of this Section, the phrase "Seller's knowledge" means the actual knowledge of Mark Winkleman or Seller's attorneys without the duty of inquiry or investigation. The matters set forth in this Section constitute representations and warranties by Seller that will be true and correct as of the date hereof and on the Closing Date.
- 7.10. If Seller becomes aware of any facts or circumstances that cause any of such representations and warranties to become materially false or incorrect, Seller will promptly notify Buyer of same. Notwithstanding any contrary provision of this paragraph, the representations, warranties and covenants of Seller set forth in this Section shall not apply to the extent that any matter or condition is caused by the act or acquiescence of Buyer, its affiliates, employees, agents, contractors, subcontractors or representatives, or to the extent Buyer has actual knowledge of any inaccuracy in any such representation, warranty or covenant at the time of the Closing. If Seller becomes aware of any change in the representations, warranties or covenants of Seller set forth in this Section after the date hereof (whether arising before or after the date hereof), Seller shall give prompt written notice (a "Change Notice") to Buyer, which shall specifically reference this Section and the representation and warranty being modified.

Buyer (as Buyer's sole remedy) shall have ten (10) days following its receipt of a Change Notice within which to terminate this Agreement by written notice to Seller. In the event of such termination, Escrow Agent shall return the Deposit to Buyer and neither party shall have any further obligations hereunder, except as expressly provided herein. Buyer's failure to terminate this Agreement within the foregoing ten (10)-day period shall be deemed acceptance of the matters disclosed in the Change Notice and an election by Buyer to proceed with the purchase of the Judgment notwithstanding the Change Notice. If Closing is scheduled to occur during the ten (10) day period following Buyer's receipt of a Change Notice, then Closing shall be postponed until the end of such period, so that Buyer may have the full ten (10) day period to review and consider the Change Notice. If Buyer elects (or is deemed to have elected) to proceed with the purchase of the Judgment after receipt of a Change Notice, then Buyer shall be deemed to have assumed all risk of and released Seller from all liability for the matter(s) specified in such Change Notice, and Seller's representations, warranties and covenants under this Section shall thereafter be deemed to have been modified as provided in the Change Notice.

- 8. <u>Buyer Representations and Warranties</u>. Buyer covenants, represents and warrants to Seller as follows:
- 8.1. Buyer has full power and authority to enter into this Agreement and all documents executed pursuant to this Agreement, and to perform its obligations in accordance with the terms and conditions hereof and thereof.
- 8.2. Execution of this Agreement and all documents executed pursuant to this Agreement by Buyer, and performance by Buyer of each and all of its obligations hereunder, will not breach or violate any other agreement, court order or other arrangement by which Buyer is bound.
- 8.3. All necessary and appropriate action on the part of Buyer which is required for the execution, delivery and performance of this Agreement has been fully and effectively taken.
- 8.4. Buyer has, or will have prior to closing, the financial ability to perform Buyer's obligations under this Agreement.
- 8.5. The matters set forth in this Section constitute representations and warranties by Buyer that will be true and correct as of the date hereof and on the Closing Date.

## 9. "As-Is," "Where-Is," and "With All Faults".

9.1. Seller Inducements. To induce Seller to accept this Agreement, Buyer acknowledges that, except as expressly set forth in this Agreement: (i) no understandings, representations or promises of any kind have been made to induce the execution of this Agreement; (ii) Buyer has not relied on any oral agreement, statement, representation or other promise; (iii) Seller has made no express or implied warranties concerning the condition of the Judgment or the fitness or suitability of the Judgment for Buyer's intended use; and (iv) Buyer acknowledges and agrees that the Judgment is being assigned, sold and transferred by Seller to

Buyer in its present "AS-IS," "WHERE-1S," and "WITH ALL FAULTS" physical condition without warranty of any kind. No salesman, broker, agent or employee of Seller has any authority to modify the terms of this Section or any authority to make any representation or agreement not contained in this Agreement and no person on behalf of Seller is authorized to make any future oral agreement upon which Buyer may rely to cancel, change or modify any portion of this Agreement.

- Additional Buyer Warranties. Buyer represents and warrants that, except 9.2. as expressly set forth in this Agreement: (i) Buyer is a knowledgeable, experienced and sophisticated purchaser and that it is relying solely on its own expertise and that of Buyer's consultants or professionals in purchasing the Judgment; (ii) Buyer is familiar with the Judgment; (iii) Buyer is relying solely upon its own independent inspection, investigation and analysis of the Judgment as it deems necessary or appropriate in so acquiring the Judgment from Seller, including without limitation, physical inspections, analysis of any and all matters concerning the condition of the Judgment and its suitability for Buyer's intended purposes, and review of all applicable laws, ordinances, rules, court orders, rulings, procedural requirements, and governmental regulations affecting the use, or enforceability of the Judgment; (iv) Seller is not liable or bound in any manner by any oral or written statements, representations, warranties, or information pertaining to the Judgment furnished by any broker, agent, employee, servant or other person, unless the same are specifically set forth or referred to herein; and (v) Buyer acknowledges that the Purchase Price reflects the "as is" nature of this sale and any faults, liabilities, defects or other adverse matters that may be associated with the Judgment. Buyer has fully reviewed the representations, warranties, disclaimers and waivers set forth in this Agreement with its counsel and understands the significance and effect thereof. Buyer acknowledges and agrees that the representations, warranties, disclaimers and other agreements set forth in this Agreement are an integral part of this Agreement and that Seller would not have agreed to sell the Judgment to Buyer for the Purchase Price without such representations, warranties, disclaimers and other agreements set forth in this Agreement. Buver further acknowledges and agrees that Seller has no obligation whatsoever to cure any faults, defects or other adverse conditions affecting the Judgment. The covenants, representations and warranties contained in this Section shall expressly survive the Closing without limitation.
- 10. <u>Survival.</u> The covenants, representations or warranties made by Seller and Buyer, respectfully, are made as of the Opening of Escrow and as of the Close of Escrow and shall survive the Closing, except that any claim for breach of warranty by either party must be asserted within six (6) months after the Closing or be forever barred.

#### 11. Remedies.

11.1. <u>Seller's Remedies</u>. If Buyer fails to deposit the Deposit or Purchase Price in accordance with the terms of this Agreement, or to timely close escrow as required hereunder, or fails to perform any of its obligations under this Agreement, which failure is not cured within three (3) business days after written notice from Seller, Seller shall be entitled, as Seller's sole and exclusive right and remedy hereunder, to terminate this Agreement by giving written notice of termination to Buyer, in which event Seller shall be entitled to receive the Deposit as liquidated damages and as consideration for acceptance of this Agreement. Notwithstanding

anything mentioned herein to the contrary, Seller hereby waives any claim for consequential, special, punitive, exemplary or similar damages against Buyer. Buyer and Seller agree that based upon the circumstances now existing, known and unknown, it would be impractical or extremely difficult to establish Seller's damages by reason of default by Buyer. Accordingly, Buyer and Seller agree that it would be reasonable at such time to award to Seller "liquidated damages" equal to the amount of the Deposit in the event of a default by Buyer.

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- 11.2. <u>Buyer's Remedies.</u> Upon a breach or default by Seller hereunder, which default is not cured within three (3) business days after written notice from Buyer, Buyer shall be entitled, as it sole remedies for Seller's default hereunder, to exercise one of the following remedies: (i) terminate this Agreement, in which event Escrow Agent will return the Deposit to Buyer not later than the second business day after such termination; (ii) proceed with the transaction and waive the default; or (iii) seek specific performance of Seller's obligations hereunder within forty-five (45) days after the purported default and/or compensatory damages for any breach of warranty or other default. Notwithstanding anything mentioned herein to the contrary, Buyer hereby waives any claim for consequential, punitive, exemplary or similar damages against Seller.
- 11.3. <u>Cancellation Fees</u>. Upon the effective cancellation of this Agreement, the defaulting party shall be responsible for any escrow cancellation charges charged by Escrow Agent.
- 12. Notices. All notices, demands and requests under this Agreement must be in writing, and will not be effective unless given to the other party by (i) email and (ii) prepaid registered or certified mail, return receipt requested, by nationally recognized commercial overnight courier service, by hand-delivery with a signed acknowledgement of receipt by the receiving party, or by confirmed facsimile transmittal (if a facsimile number is given below), addressed as follows:

#### 12.1. If addressed to Seller:

ML Manager LLC 14050 N. 83'd Avenue, Suite 180 Peoria, Arizona 85381 Attn: Mark Winkleman Facsimile: (623) 234-9575 Telephone: (623) 234-9562 Email: mwinkleman@mtgltd.com

with a copy to:

Moyes Sellers & Hendricks, Ltd. 1850 North Central Avenue, Suite 1100 Phoenix, Arizona 85004 Attention: Keith L. Hendricks Facsimile: (602) 274-9135

Telephone: (602) 604-2120 Email: khendricks@law-msh.com

#### 12.2. If addressed to Buyer:

MBR Land I 3180 East Elliot Road Gilbert, Arizona 85234 Attn: Scott Morrison Telephone: (602) 228-7973

Email: scmorrison@morrisonranch.com

with a copy to:

Jennings Strouss & Salmon, PLC
One East Washington Street, Suite 1900
Phoenix, Arizona 85004-2554
Attention: Brian N. Spector
Facsimile: (602) 495-2654
Telephone: (602) 262-5977

Email: bspector@jsslaw.com

13. <u>Copies</u> of all notices, demands and requests shall also be delivered to Escrow Agent.

Thomas Title & Escrow
Promenade Corporate Center
16435 N. Scottsdale Rd., Ste.
405 Scottsdale, Arizona 85254
Attention: Diane F. Carpenter
Telephone: (480) 222-1116; ext.
203 Facsimile: (480) 383-6792
Email; dcarpenter@thomastitle.com

or at such other address or facsimile number as any party may hereafter designate by written notice to all other parties. The effective date of all notices shall be three (3) days following transmittal by prepaid registered or certified mail, return receipt requested, one (1) day after transmittal by nationally recognized commercial overnight courier service, upon receipt by hand-delivery with a signed acknowledgement of receipt by the receiving party, and upon transmission by email or facsimile (transmittal confirmed); if receipt of such notice is not accepted or is not possible due to a change in address or facsimile number for which the sending party did not receive notice, the effective date of such a notice shall be the date of attempted delivery.

14. <u>Additional Documents.</u> Seller agrees that it will at any time, and from time-to-time, at the request of Buyer, execute and deliver, or cause to be done, execute and deliver, all such further acts, transfers, assignments and conveyances as Buyer shall reasonably require to

assure, convey, and confirm the transfer of the Judgment to Buyer.

- 15. <u>Time for Performance.</u> If the time for the performance of any obligation under this Agreement expires on a Saturday, Sunday or legal holiday, the time for performance shall be extended to the next succeeding day that is not a Saturday, Sunday or legal holiday.
- 16. <u>Risk of Loss.</u> Any or all risk of loss of the value of the Judgment from the Effective Date until the Closing Date shall be borne by the Buyer.
- 17. <u>Time of Essence.</u> Time is of the essence of each and every provision and each obligation of this Agreement.
- 18. <u>Counterparts</u>. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which when taken together shall constitute one instrument.
- 19. <u>Entire Agreement.</u> This Agreement and any schedules and exhibits attached hereto constitute the entire agreement between the parties. All terms and conditions contained in any other instruments previously executed by the parties in connection with the Judgment are superseded hereby and merged herein. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, person representatives, successors and assigns.
- 20. Governing Law. This Agreement shall be governed by, interpreted under, and construed and enforceable in accordance with, the laws of the State of Arizona.

CP LOAN, LLC, an Arizona limited liability company

By: ML Manager, LLC, an Arizona limited liability company, its Manager

Mark Winkleman Chief Operating Officer

ML MANAGER, LLC, an Arizona-limited liability company, as agent for those individual owners,

listed om Exhibit/A

Mark Winkleman Chief Operating Officer

MBR LAND I, LLP, an Arizona limited liability partnership,

By: SSM Land Enterprises, LLC

Scott C. Morrison Its Manager

# **EXHIBIT A**

#### EXHIBIT A - List of Individual Owners

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Bruce Deniss Buckley and Alivia Virginia Buckley, Trustees of The Bruce Dennis Buckley and Alivia Virginia Buckley Revocable Living Trust dated June 4, 1985 and Amended December 7, 1994.

Morris A. Kaplan, Trustee of Carolyn's Interiors Ltd. Profit Sharing Plan & Trust dated October 4, 1990.

Harold J. Christ, Ltd., an Arizona corporation

William L. Hawkins Family L.L.P., an Arizona limited liability partnership

Queen Creek XVIII, L.L.C., an Arizona limited liability company

Pauld D. Levie, Trustee of the Paul D. Levie, Inc. Profit Sharing Plan

Linda A. Reeves, Trustee of The Linda Ann Reeves Trust dated March 2, 2005, and any amendments thereto

Michael L. Rosenfield and Sigrid K. Rosenfield, husband and wife as joint tenants with right of survivorship.

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# **EXHIBIT B**

SO ORDERED.

Dated: July 5, 2011

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Redfield T. Baum, Bankruptcy Judge

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UNITED STATES BANKRUPTCY COURT

DISTRICT OF ARIZONA

In re: 11

> RIVERFRONT COMMONS, L.L.C., an Arizona limited liability company,

Debtor.

CP LOAN LLC, an Arizona Limited Liability Company; BRUCE DENNIS BUCKLEY and ALIVIA VIRGINIA BUCKLEY, Trustees of The Bruce

17 Dennis Buckley and Alivia Virginia Buckley Revocable

18 Living Trust dated June 4, 1985 and Amended December 7, 1994; MORRIS A. KAPLAN, Trustee of

19 Carolyn's Interiors Ltd., 20 Profit Sharing Plan & Trust

dated October 4, 1990; HAROLD 21 J. CHRIST, LTD., an Arizona

corporation; WILLIAM L. HAWKINS 22 FAMILY L.L.P., an Arizona

limited liability partnership; 23 QUEEN CREEK XVIII, L.L.C., an Arizona limited liability

24 company; PAUL D. LEVIE, Trustee of The Paul D. Levie, Inc., Profit Sharing Plan; LINDA A

CMM:pde 1506370,1 5/17/2011

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Case No. 2:09-bk-00122-RTBP Adv. No. 2:08-ap-00906-RTBP

(Chapter 11)

FINAL JUDGMENT AGAINST GUARANTOR DEFENDANTS

REEVES, Trustee of The Linda Ann Reeves Trust dated March 2, 2005, and any amendments thereto; MICHAEL L. ROSENFIELD and SIGRID K. ROSENFIELD, husband and wife as joint tenants with right of survivorship, by and through ML Manager LLC, assignee by assignment and operation of law from Mortgages Ltd., as authorized agent for said foregoing Investors,

Plaintiffs,

v.

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RIVERFRONT COMMONS, LLC, an Arizona limited liability company; COTTONWOOD PARKING, INC., an Arizona "S" corporation; GLM ENTERPRISES, L.L.C., an Arizona limited liability company; and GLEN and LAURA MORRISON, husband and wife,

Defendants.

Upon consideration of the Motion for Entry of Final Judgment Against Guarantor Defendants submitted by Plaintiffs CP Loan, LLC ("CP Loan") and ML Manager, LLC ("ML Manager"), assignee by assignment and operation of law from Mortgages Ltd., as authorized agent for those certain Investors identified in the above-caption of this Adversary Proceeding as well as in Exhibit A attached hereto (collectively, the "Plaintiffs"), and good cause therefore appearing, the Court hereby finds and concludes that there

CMM;pde 1506370.1 5/17/2011 Doc 113 Filed 07/05/11 Entered 07/06/11 10:18:06 Desc Case 2|08-ap-00906-RTBP - Notice of Filing Page 2 of 5

is no just reason for delay in entry of this Final Judgment 1 against Cottonwood Parking, Inc., GLM Enterprises, L.L.C., 2 and Glen and Laura Morrison (collectively, the "Guarantor 3 Defendants"), and accordingly Final Judgment is hereby 4 awarded and entered against the Guarantor Defendants, 5 jointly and severally, and in favor of the Plaintiffs in 6 the interests as reflected in Exhibit A, for the aggregate amount of \$16,687,371.30, comprised of the following 8 amounts: 9 \$ 7,516,373.00 Principal balance 10 5,439,974.96 Interest Late Charges on Payments Due 11 (6/27/08 thru 9/27/08) 118,338.68 Late Charges on Matured Loan 12 (10/27/08 thru 12/30/09) 3,382,367,85 7,591.00 Trustee Sale Guarantee 13 Unpaid 2009, 2010 and 2011 Property Taxes including Penalties 14 (\$7,295.96 for 2008; \$107,844.27 for 2009; 15 \$100,815.78 for 2010; 222,725.81 \$6,769.80 for 2011, estimate) 16 \$16,687,371.30 TOTAL AMOUNT: 17 18 Together with a per diem of \$5,560.06 accruing from the date of 19 entry of this Final Judgment until paid. 20 It is further ordered that the Guarantor Defendants 21 shall not be precluded by this Final Judgment from timely 22 exercising their rights under A.R.S.Section 12-1566 with 23 respect to any trustee's or sheriff's foreclosure sale of the 24 subject secured Property, located generally near Main and 10th 25

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Case 2|08-ap-00906-RTBP

Street, in Cottonwood, Arizona, pursuant to the loan and security documents (the "Loan Documents") in the main administrative case within which this adversary proceeding in 3 pending. This Final Judgment is without impairment or 5 prejudice as the Plaintiffs other rights and remedies under the 6 Loan Documents. 7 DATED this \_\_\_ of May, 2011. 8 9 ORDERED ACCORDINGLY 10 (Signed and Dated above) 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 CMM;pde 1506370.1 S/17/2011 Doc 113 Filed 07/05/11 Entered 07/06/11 10:18:06 Desc Case 2 08-ap-00906-RTBP - Notice of Filing Page 4 of 5

## EXHIBIT A

### LOAN NO. 853705 - COTTONWOOD/RIVERFRONT CURRENT **OWNERSHIP & INVESTOR INFORMATION**

是有的发生的形式。 1000年的第一次,1000年的第一次,1000年的第一次,1000年的第一次,1000年的	Recorded (Ovnership Schools
CP Loan LLC, an Arizona Limited Liability Company	85.439%
Bruce Dennis Buckley and Alivia Virginia Buckley,	
Trustages of The Bruce Dennis Buckley and Alivia	
Virginia Buckley Revocable Living Trust dated June	
4, 1985 and Amended December 7, 1994	3.217%
	1
Morris A. Kaplan, Trustee of Carolyn's Interiors Ltd., Profit Sharing Plan & Trust dated October 4, 1990	0.642%
Herold J. Christ, Ltd., an Arizona corporation	1,438%
William L. Hawkins Femily L.L.P., an Arizona limited	
liability partnership	0.732%
Queen Creek XVIII, L.L.C., an Arizona ilmited liability	
company	6.653%
Paul D. Levie, Trustee of The Paul D. Levie, Inc.,	
Profit Sharing Plan	0.441%
Linda A. Reeves, Trustee of The Linda Ann Reeves	
Trust dated March 2, 2005, and any amendments	A 6208/
thereto	0.638%
Michael L. Rosenfield and Signid K. Rosenfield,	<b>.</b>
husband and wife as joint tenants with right of survivorship	0.800%
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Main Document

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# **EXHIBIT C**

1 MOYES SELLERS & HENDRICKS Keith Hendricks (No. 012750) 2 Stephen Brower (No. 024908) 1850 North Central Avenue, Suite 1100 Phoenix, Arizona 85004 Telephone: (602) 604-2170 Email: sbrower@law-msh.com 3 4 Attorneys for ML Manager LLC 5 6 UNITED STATES BANKRUPTCY COURT 7 DISTRICT OF ARIZONA 8 Case No. 2:09-bk-00122-RTB In re: 9 RIVERFRONT COMMONS, LLC, an 10 Arizona limited liability company, Case No.: 2:08-ap-00906-RTB 11 CP LOAN, LLC, an Arizona limited ASSIGNMENT OF JUDGMENT liability company; et al. 12 Plaintiffs, 13 ٧. 14 RIVERFRONT COMMONS, LLC, an Arizona limited liability company; COTTONWOOD PARKING, INC., an 15 Arizona corporation; GLM ENTERPRISES, LLC, an Arizona limited 16 liability; and GLEN and LAURA 17 MORRISON, husband and wife, 18 Defendants 19 In consideration of good and valuable consideration, the receipt and sufficiency of 20 which is hereby acknowledged, ML Manager, LLC1("Assignee"), hereby irrevocably sells, 21 conveys, transfers and assigns to MBR Land I, LLC, all rights, title, and interest in the 22 Final Judgment Against Guarantor Defendants dated July 6, 2011 [DE 113] and attached 23 hereto as Exhibit A, including, but not limited to, any related liens, charging orders, 24 25

<sup>1</sup> ML Manager is an Arizona limited liability company acting as agent for CP Loan LLC an Arizona limited liability company and also the individual owners designated on Exhibit B. CP Loan LLC and those individual owners designated on Exhibit B, attached hereto, are collectively referred to as the "Judgment Creditors."

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judgments on garnishment, writs of execution, related to the enforcement efforts against Ì 2 the Final Judgment Against Guarantor Defendants dated July 6, 2011 (the "Judgment"). 3 Assignee represent and warrants as follows: (i) Judgment Creditors are the sole owners of the Judgment; (ii) Judgment Creditors have not previously sold, conveyed, 4 transferred or assigned any interest in the Judgment; (iii) Judgment Creditors are not aware 5 6 of and have not received any notice of any appeal or challenge to the Judgment or of any 7 bankruptcy proceedings affecting the Judgment or any other fact adversely affecting the 8 Judgment or its rights thereunder; and (iv) Judgment Creditors have good right to sell, 9 convey, transfer and assign all rights and interests to the Judgment. The undersigned represents and warrants that it is property authorized to sign this 10 Assignment of Judgment. 11 DATED this \_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_, 2013 12 13 MOYES SELLERS & HENDRICKS 14 15 Keith Hendricks 16 Attorneys for ML Manager, LLC 17 18 19 20 21 22 23 24 25 26 27 28 -2-

SO ORDERED.

Dated: July 5, 2011

Redfield T. Baum, Bankruptcy Judge

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In re:

RIVERFRONT COMMONS, L.L.C., an Arizona limited liability company, 13

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17 Dennis Buckley and Alivia Living Trust dated June 4, 1985 18

19 MORRIS A. KAPLAN, Trustee of Carolyn's Interiors Ltd., 20 Profit Sharing Plan & Trust

21 corporation; WILLIAM L. HAWKINS 22

FAMILY L.L.P., an Arizona limited liability partnership; 23 QUEEN CREEK XVIII, L.L.C., an Arizona limited liability

24 25

Debtor.

CP LOAN LLC, an Arizona Limited Liability Company; BRUCE DENNIS

BUCKLEY and ALIVIA VIRGINIA BUCKLEY, Trustees of The Bruce

Virginia Buckley Revocable

and Amended December 7, 1994;

dated October 4, 1990; HAROLD

company; PAUL D. LEVIE, Trustee of The Paul D. Levie, Inc.,

Profit Sharing Plan; LINDA A

J. CHRIST, LTD., an Arizona

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DISTRICT OF ARIZONA

Case No. 2:09-bk-00122-RTBP Adv. No. 2:08-ap-00906-RTBP

(Chapter 11)

UNITED STATES BANKRUPTCY COURT

FINAL JUDGMENT AGAINST GUARANTOR DEFENDANTS

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REEVES, Trustee of The Linda Ann Reeves Trust dated March 2, 2005, and any amendments thereto; MICHAEL L. ROSENFIELD and SIGRID K. ROSENFIELD, husband and wife as joint tenants with right of survivorship, by and through ML Manager LLC, assignee by assignment and operation of law from Mortgages Ltd., as authorized agent for said foregoing Investors,

Plaintiffs.

v.

RIVERFRONT COMMONS, LLC, an Arizona limited liability company; COTTONWOOD PARKING, INC., an Arizona "S" corporation; GLM ENTERPRISES, L.L.C., an Arizona limited liability company; and GLEN and LAURA MORRISON, husband and wife,

Defendants.

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Upon consideration of the Motion for Entry of Final Judgment Against Guarantor Defendants submitted by Plaintiffs CP Loan, LLC ("CP Loan") and ML Manager, LLC ("ML Manager"), assignee by assignment and operation of law from Mortgages Ltd., as authorized agent for those certain Investors identified in the above-caption of this Adversary Proceeding as well as in Exhibit A attached hereto (collectively, the "Plaintiffs"), and good cause therefore appearing, the Court hereby finds and concludes that there

CMM:pde 1506370,1 5/17/2011

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Page 3 of 5

Street, in Cottonwood, Arizona, pursuant to the loan and security documents (the "Loan Documents") in the main 2 administrative case within which this adversary proceeding in 3 pending. 4 This Final Judgment is without impairment or 5 prejudice as the Plaintiffs other rights and remedies under the 6 Loan Documents. 7 DATED this \_\_\_ of May, 2011. 8 9 ORDERED ACCORDINGLY 10 (Signed and Dated above) u 12 13 14 15 16 17 18 19 20 21 22 23 24 25 CMM:pdc 1506370.1 5/17/7011 Case 2 08-ap-00906-RTBP Doc 113 Filed 07/05/11 Entered 07/06/11 10:18:06 Desc - Notice of Filing Page 4 of 5

# EXHIBIT A

## LOAN NO. 853705 - COTTONWOOD/RIVERFRONT CURRENT OWNERSHIP & INVESTOR INFORMATION

Ship West
85,439%
65.43976
3,217%
- 0.21775
0.642%
1,438%
0.732%
6.653%
0.441%
0.638%
0.800%

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#### EXHIBIT B - List of Individual Owners

Bruce Deniss Buckley and Alivia Virginia Buckley, Trustees of The Bruce Dennis Buckley and Alivia Virginia Buckley Revocable Living Trust dated June 4, 1985 and Amended December 7, 1994.

Morris A. Kaplan, Trustee of Carolyn's Interiors Ltd. Profit Sharing Plan & Trust dated October 4, 1990.

Harold J. Christ, Ltd., an Arizona corporation

William L. Hawkins Family L.L.P., an Arizona limited liability partnership

Queen Creek XVIII, L.L.C., an Arizona limited liability company

Pauld D. Levie, Trustee of the Paul D. Levie, Inc. Profit Sharing Plan

Linda A. Reeves, Trustee of The Linda Ann Reeves Trust dated March 2, 2005, and any amendments thereto

Michael L. Rosenfield and Sigrid K. Rosenfield, husband and wife as joint tenants with right of survivorship.

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