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9
10 IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF ARIZONA

11 In re
12 MORTGAGES LTD.,
13 Debtor.

Chapter 11
Case No. 2:08-bk-07465-RJH

14 **MOTION TO SELL REAL PROPERTY**

15 **Real Property located in Pinal County, Arizona**
16 **known as All State XVI and All State IX**
17 **properties**

Hearing Date: October 5, 2011
Hearing Time: 1:30 p.m.

18 ML Manager LLC (“ML Manager”), requests that the Court enter an order
19 authorizing ML Manager as the manager for ASA XVI Loan LLC and ASA IX Loan LLC
20 and the agent for certain Pass-Through Investors to sell the real property located in Pinal
21 County, Arizona, as more specifically described in the Sale Agreement (“Property”), to
22 Ideas Unlimited of Scottsdale, Inc., an Arizona corporation, (“Purchaser”) for the price of
23 \$2000 per net acre which is estimated to be about \$1,170,000 (“Purchase Price”) and on
24 the terms set forth in the proposed Agreement of Sale and Purchase (“Sale Agreement”)
25 which is attached as Exhibit A or upon better terms as reasonably determined by ML
26 Manager. The Sale Agreement has a contemplated closing of the end of October 2011.

1 Borrower All State Associates of Pinal IX, LLC defaulted on its loan with
2 Mortgages Ltd. The unpaid principal balance on the loan (Loan No. 861506) is about
3 \$17,750,000. Interest and fees also are due. ML Manager held a deed of trust sale and
4 foreclosed on the Property. The guarantors are C. Thomas and Pamela Cummings have
5 filed their own chapter 7 bankruptcy proceeding. Pursuant to the Official Investors'
6 Committee's First Amended Plan confirmed by the Court, ASA IX Loan LLC was formed
7 on the effective date and the fractional interests in the note and deed of trust which were
8 held by the MP Funds were transferred into ASA IX Loan LLC. Subsequently some of the
9 pass-through investors transferred their interests into ASA IX Loan LLC. At the time of
10 the trustee sale, 6 Pass-Through Investors had not transferred their fractional interests
11 ("Pass-Through Investors"). As a result, 97.377% of the interest in the real property is
12 owned by ASA IX Loan LLC and the rest is owned by the 6 Pass-Through Investors in
13 the loan. ML Manager previously sought Court and investor approval to sell substantially
14 all of the ALL State IX property and after it obtained the approvals closed that sale in
15 April 2011. The last acreage of the All State IX property which is about 80 acres is
16 included in this sale.

17 Borrower All State Associates of Pinal XVI, LLC defaulted on its loan with
18 Mortgages Ltd. The unpaid principal balance on the loan (Loan No. 859506) is about
19 \$20,000,000. Interest and fees also are due. ML Manager held a deed of trust sale and
20 foreclosed on the Property. The guarantors are C. Thomas and Pamela Cummings have
21 filed their own chapter 7 bankruptcy proceeding. Pursuant to the Official Investors'
22 Committee's First Amended Plan confirmed by the Court, ASA XVI Loan LLC was
23 formed on the effective date and the fractional interests in the note and deed of trust which
24 were held by the MP Funds were transferred into ASA XVI Loan LLC. Subsequently
25 some of the pass-through investors transferred their interests into ASA XVI Loan LLC. At
26 the time of the trustee sale, 9 Pass-Through Investors had not transferred their fractional

1 interests (“Pass-Through Investors”). As a result, 94.421% of the interest in the real
2 property is owned by ASA XVI Loan LLC and the rest is owned by the 9 Pass-Through
3 Investors in the loan. All of the All State XVI property will be included in this sale.

4 The Purchase Price will be allocated between the two properties based upon the
5 percentage of net acres in each such parcel to the total net acreage times \$2,000 per net
6 acre or portion thereof in each parcel. The net acreage will be determined from the Survey
7 and is defined as gross acreage minus dedicated streets, roads, right-of-ways and roadway
8 easements granted for public use.

9 ML Manager retained the services of Arizona Land Advisors, LLC doing business
10 as Land Advisors Organization, a leading real estate brokerage firm, to widely market the
11 property for sale. After completing substantial marketing efforts, Purchaser made an offer
12 of \$1.17 million and ML Manager entered into the Sale Agreement with Purchaser for that
13 price, subject to the regular contingencies for ML Manager. Purchaser has deposited
14 \$25,000 and opened escrow at First American Title Insurance Company. Because the
15 property has already been fully marketed, this is not proposed to be an auction and no
16 higher and better bids are being solicited. The contingencies include approval by the
17 investors in both Loan LLCs and the applicable MP Funds and Bankruptcy Court
18 approval. One of the contingencies is the waiver or the exercise of the right to compete by
19 the exit financier which has already been waived. An additional deposit of \$25,000 will be
20 deposited prior to the expiration of the feasibility period. The Purchase Price is to be paid
21 in cash at closing. This is an arms-length, negotiated sale between unrelated parties. The
22 anticipated closing is end of October, 2011.

23 Even though the debt will not be paid in full, ML Manager believes that this price
24 reflects the current market value of the Property and that it is unlikely in the foreseeable
25 future to get a higher amount for the Property. ML Manager believes that this sale is in the
26 best interest of the investors in the Loan LLCs and the Pass-Through Investors and is a

1 valid exercise of its business judgment consistent with any fiduciary responsibilities.

2 Due to the actions pending in the Bankruptcy Court and District Court by certain
3 investors, ML Manager believes that it is prudent to seek Bankruptcy Court approval of
4 the sale. An order approving the sale and authorizing the sale by ML Manager of 100% of
5 the interest in the real properties will insure a smooth closing and will aid in the
6 implementation of the Plan.

7 Under the Operating Agreement of Loan LLCs, since this event is a Major
8 Decision, ML Manager must seek approval of the sale from the investors in both of the
9 Loan LLCs and the MP Funds investors. Approval must be obtained by a majority of the
10 investors' dollars voting. The voting process will start shortly and by the time the parties
11 get to a sale hearing the results will be known to ML Manager. If approved ML Manager
12 asserts it has the authority and ability to go forward with the sale of the Loan LLC
13 interests.

14 ML Manager, as the agent for the Pass-Through Investors, has the authority and
15 ability to engage a broker, enter into a sale agreement and to sell the real estate on behalf
16 of the principals. ML Manager as the agent will execute the documents on behalf of the
17 Pass-Through Investors since it holds the irrevocable power of attorney coupled with an
18 interest to do so. ML Manager will include language in the Sale order authorizing ML
19 Manager to execute any and all such documents on behalf of the Pass-Through Investors.

20 ML Manager asserts that the Court has retained and reserved jurisdiction in the
21 Plan for such a matter as this, including sections 9.1(e), (g) and (h) of the Plan among
22 others, and has the authority to approve the sale under Section 105 of the Bankruptcy
23 Code, among other sections, as an order in aid of implementation of the Plan. As the
24 Court has noted at several prior sale hearings, there is a close nexus between the sale
25 motion and the bankruptcy because the relief requested is an important part of the Plan.
26 *See, State of Montana v. Goldin (In re Pegasus Gold Corp.)*, 394 F.3d 1189, 1194 (9th

1 Cir. 2005). The Plan specifically called for the creation of the ML Manager to manage the
2 Loan LLCs and to step into the role as manager of the MP Funds and agent of non-
3 transferring pass through investors. The relief requested by ML Manager affects the
4 amount of money that the investors will receive and the pay down of the exit financing.
5 Accordingly, the Bankruptcy Court retains post-confirmation jurisdiction.

6 As is customary ML Manager does propose to pay the closing costs, real property
7 and any commission as set forth in the Sale Agreement at the closing out of the gross sale
8 proceeds. ML Manager also proposes to pay the exit financier, and to the extent that it has
9 been paid then to repay the replacement loans to the other Loan LLCs, from the Loan
10 LLC's portion of the sale proceeds pursuant to the Loan Agreement and the Interborrower
11 Agreement and to create and use the Permitted Reserves pursuant to the Loan Agreement.

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

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

22 DATED: September 21, 2010

23 FENNEMORE CRAIG, P.C.

24 By /s/ Cathy L. Reece
25 Cathy L. Reece

26 Attorneys for ML Manager LLC

2448962

EXHIBIT

A

**AGREEMENT OF SALE AND PURCHASE
(All State Properties)**

This Agreement of Sale and Purchase (this "Agreement") is made effective as of August __, 2011 (the "Effective Date"), by and among ASA XVI Loan LLC, an Arizona limited liability company ("ASA XVI"); ML Manager LLC, an Arizona limited liability company as agent ("Agent") for those individual owners listed on Exhibit "A-1" attached (with ASA XVI, the "Parcel A Owners"); ASA IX Loan LLC, an Arizona limited liability company ("ASA IX"), and ML Manager LLC, an Arizona limited liability company as Agent for those individual owners listed on Exhibit "A-2" attached (with ASA IX, the "Parcel B Owners") (collectively, "Seller"); and Ideas Unlimited of Scottsdale, Inc., an Arizona corporation ("Buyer"). Seller and Buyer may herein be referred to collectively as "the parties" or individually as "a party."

RECITALS

A. The Parcel A Owners are the owners of the real property located in Pinal County Arizona, and described as Parcel A on Exhibit "B" attached hereto ("Parcel A"). The Parcel B Owners are the owners of the real property located in Pinal County Arizona, and described as Parcel B on Exhibit "B" attached hereto ("Parcel B"). (Parcel A and Parcel B are referred to together as the "Land").

B. ASA XVI and ASA IX were formed pursuant to the Official Committee of Investors First Amended Plan of Reorganization dated March 12, 2009 in the Chapter 11 Proceedings in In re: Mortgages Ltd., Case No. 2:08-bk-07465-RJH which was confirmed by the Bankruptcy Court ("Court") on May 20, 2009 ("Approved Plan"), to which persons holding fractional interests ("Fractional Interests") in certain loans made by Mortgages Ltd., an Arizona corporation (now known as ML Servicing Company, Inc.) ("ML") could elect to and did assign and transfer Fractional Interests to consolidate such Fractional Interests to the extent possible in a single entity or entities.

C. Pursuant to the Approved Plan, the Agent was designated as successor agent to ML under certain agency agreements ("Agency Agreement") wherein the Agent was given a power of attorney to act for the Parcel A Owners and the Parcel B Owners, and the Agent is acting under this Agreement pursuant to the power of attorney, as the Agent of the Parcel A Owners and Parcel B Owners who have not transferred their undivided interests in the Land to ASA XVI or ASA IX. The Parcel A Owners and the Parcel B Owners may be referred to together as the "Owners".

D. The collective undivided interests of ASA XVI and the other Parcel A Owners is one hundred percent (100%) of Parcel A and the collective undivided interests of ASA IX and the other Parcel B Owners is one hundred percent (100%) of Parcel B.

E. Buyer desires to enter into an agreement to acquire the Land from Seller, and Seller is willing to enter into an agreement with Buyer regarding the purchase of the Land, on the terms and conditions set forth herein.

AGREEMENT

In consideration of the covenants and provisions contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Agreement to Sell and Purchase.

1.1 Property. Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, subject to the terms and conditions of this Agreement, all of Seller's right, title and interest in the Land (comprised of Parcel A and Parcel B), comprising approximately 585 acres, located in Pinal County, Arizona, together with all of Seller's right, title and interest in and to (i) all structures and improvements, if any, located thereon; (ii) all appurtenances, hereditaments, easements, rights-of-way, reversions, remainders, development rights, well rights, water rights, and air rights; (iii) all oil, gas, and mineral rights not previously reserved; (iv) all land lying in the bed of any highway, street, road or avenue, opened or proposed, in front of or abutting or adjoining such tract or piece of land; (v) any pre-paid impact fees, school fees and other development fees; (vi) any plans, and (vii) and any other rights, privileges and benefits appurtenant to or used in connection with the beneficial use and enjoyment of such Land (collectively, the "Property"). For the avoidance of doubt, Seller, Agent and the Owners acquired the Property in foreclosure and may have rights against borrowers or guarantors whose obligations to Seller, Agent or the Owners were secured by the Property prior to foreclosure, and the Property does not include any rights of Seller, Agent or the Owners as against any such borrower or guarantor, or any rights of Seller, Agent or the Owners to any other real property.

1.2 Contingencies.

(a) Notwithstanding any provision to the contrary contained herein, the obligations of Seller to sell the Property to Buyer, and the obligations of Buyer to purchase the Property from Seller, are contingent upon the satisfaction of each of the following contingencies (collectively, the "Contingencies"):

(i) Seller's lender under the Exit Financing Loan dated June 11, 2009 has the right to compete to acquire the Property 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 compete (the "Lender Approval");

(ii) the members of ASA XVI and ASA IX ("Members") must have approved the sale of the Property for the Purchase Price specified herein as required by Section 5.4(h) of the Operating Agreements of ASA XVI and ASA IX (the "Members Approval"); and

(iii) if Seller 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, which order is sufficient for the Title Insurer (described below) to issue the Title Policy (described below).

(b) Seller will attempt to satisfy the Contingencies by taking such action as is commercially reasonable; provided, however, Seller shall not be in default hereunder if any of the Contingencies are not satisfied despite its commercially reasonable efforts to satisfy same.

(c) If all of the Contingencies have been satisfied prior to the end of the period commencing on the Effective Date and ending 60 days after the Effective Date (the "Contingency Period"), then Seller shall notify Buyer 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 ("Non-Satisfaction Notice"), whereupon either party may terminate this Agreement by written notice to the other party given within five days after Seller gives the Non-Satisfaction Notice. If Seller does not provide Buyer with a timely Non-Satisfaction Notice, then the Contingencies shall be deemed satisfied. 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. Upon termination by either Seller or Buyer after delivery of the Non-Satisfaction Notice, the Seller shall reimburse the Buyer for up to \$15,000.00 of expenses incurred and paid for to independent third parties for attorneys' fees, and for surveys, environmental reports, soils tests and other due diligence studies or tests upon presentation of paid invoices or other reasonable evidence of payment. Buyer shall submit only one request for reimbursement accompanied by the evidence of payment.

2. Opening of Escrow. Within three (3) business days after both parties have executed this Agreement, the parties will establish an escrow with First American Title Insurance Company, 2425 East Camelback Road, Suite 300, Phoenix, AZ 85016, attention Carol Peterson ("Escrow Agent"). The term business day(s) shall mean a day upon which national banks in the City of Phoenix, Arizona are open for business. 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 Purchase Price. The purchase price for the Property shall be \$2,000.00 per net acre which is estimated to be One Million One Hundred Seventy Thousand One Hundred Thirty-eight Dollars (\$1,170,000) (the "Purchase Price"). An exact legal description and the net acreage of Parcel A and Parcel B shall be determined during the Escrow period. The Purchase Price shall be allocated to Parcel A and to Parcel B based upon the percentage of net acres in each such parcel to the total net acreage times \$2,000 per net acre or portion thereof in each parcel ("Purchase Price Allocation"). The net acreage will be determined from the Survey and is defined as gross acreage minus dedicated streets, roads, rights-of-way and roadway easements granted for public use. The Purchase Price shall be payable as follows:

(a) Buyer shall deposit with Escrow Agent the amount of Twenty Five Thousand Dollars (\$25,000) (the "Initial Deposit") by wire transfer, cashier's check, or other readily available funds, within five business days after the Effective Date. On or prior to the expiration of the Feasibility Period (described below), unless this Agreement is terminated by Buyer on or prior to the expiration of the Feasibility Period, Buyer shall deposit with Escrow Agent an additional Twenty Five Thousand Dollars (\$25,000) (the "Additional Deposit"). To the extent deposited into escrow, the Additional Deposit and the Initial Deposit are individually and/or collectively referred to as the "Deposit".

(b) Buyer shall pay the balance of the Purchase Price to Seller at Close of Escrow (as defined below) in cash by wire transfer, cashier's check or other readily available funds.

3.2 Deposit. The Deposit includes all interest earned thereon. The Deposit shall be held in an interest bearing, federally insured account by Escrow Agent pending consummation of this transaction.

4. Property Documents. Upon two (2) days written notice from the Buyer, Seller will make available to Buyer, on the date specified in such notice at Seller's office address as set forth in Section 20.1 below, for review and copying the following documents to the extent they are in Seller's possession or control or Seller has reasonable access to same: all permits, approvals, plats, plans, specifications, certificates, surveys, engineering reports (including, without limitation, any geotechnical reports), studies, environmental reports, leases, permits, contracts, improvement plans, utility plans, and other materials relating to the condition or development of the Property (collectively, the "Property Documents"). Seller makes no representation or warranty that (i) the Property Documents provided will constitute all information which exists concerning the Property or that such information will be sufficient in itself to permit an adequate analysis of the Property or (ii) the Property Documents are complete, current or accurate.

5. Feasibility Period. During the period commencing on the Effective Date and ending on 45 days thereafter (the "Feasibility Period"), Buyer will determine whether the Property is suitable for Buyer's acquisition. If Buyer determines, in its sole discretion, that the Property is not suitable for Buyer's acquisition, then Buyer may terminate this Agreement by giving written notice of termination to Seller and Escrow Agent prior to the expiration of the Feasibility Period. If no such written notice is given to Seller and Escrow Agent prior to the expiration of the Feasibility Period, then Buyer will be deemed to have elected to waive its right to terminate this Agreement pursuant to this Section, and the Deposit shall be non-refundable to Buyer except as expressly provided herein, including the right to a refund as set forth in Section 1.2(c) upon a termination after a Non-Satisfaction Notice. If this Agreement is terminated pursuant to this Section, Escrow Agent shall return the Deposit to Buyer not later than the second business day after such termination, and the parties shall have no further obligations hereunder, except as expressly provided herein.

6. Buyer's Access. Buyer and Buyer's representatives will have the right, from and after the Effective Date and continuing through the Closing or earlier termination of this Agreement, to enter upon the Property for the purpose of inspecting the Property and making

surveys, engineering tests and other investigations, inspections and tests (collectively, "Investigations"). Any entry upon the Property and all Investigations will be at the sole risk and expense of Buyer and Buyer's representatives. Buyer must:

6.1 promptly repair any damage to the Property resulting from any such Investigations and replace, refill and regrade any holes made in, or excavations of, any portion of the Property used for such Investigations so that the Property will be in the same condition that it existed in prior to such Investigations;

6.2 fully comply with all laws applicable to the Investigations and all other activities undertaken in connection therewith;

6.3 provide Seller 24 hour advance notice of any entry onto the Property so as to permit Seller to have the right to have a representative present during such Investigations undertaken hereunder;

6.4 take all actions and implement all protections necessary to ensure that all actions taken in connection with the Investigations, and the equipment, materials, and substances generated, used or brought onto the Property, pose no threat to the safety or health of persons or the environment, and cause no damage to the Property or other property of Seller or other persons;

6.5 if this Agreement is terminated for a reason other than Seller's failure to satisfy the Contingencies, then promptly after such termination, furnish to Seller, at no cost or expense to Seller, copies of all surveys, soils, engineering and environmental reports, which Buyer will obtain with respect to the Property. Buyer makes no representation or warranty that any such documents are complete, current or accurate. If this Agreement is terminated by reason of Seller's failure to satisfy the Contingencies prior to the end of the Contingency Period, then Buyer shall not be obligated to furnish any surveys, soils, engineering and environmental reports, etc., to Seller;

6.6 maintain or cause to be maintained, at Buyer's expense, a policy of commercial general liability insurance, with a combined single limit of not less than \$500,000.00 general liability and \$1,000,000.00 excess umbrella liability, insuring Buyer and Agent, as additional insured, against injuries or damages to persons or property that may result from or are related to (i) Buyer's and/or Buyer's representatives' entry upon the Property, (ii) any Investigations or other activities conducted thereon, and (iii) any and all other activities undertaken by Buyer or Buyer's representatives upon the Property, in such forms and with an insurance company reasonably acceptable to Seller, and deliver a copy of such insurance policy or certificate evidencing such policy to Seller prior to the first entry on the Property;

6.7 not allow the Investigations or any and all other activities undertaken by Buyer or Buyer's representatives to result in any liens, judgments or other encumbrances being filed or recorded against the Property, and Buyer must, at its sole cost and expense, either (i) promptly discharge of record any such liens or encumbrances that are so filed or recorded (including, without limitation, liens for service, labor or materials furnished); or (ii) if such liens, judgments or encumbrances are being contested by the Buyer in good faith, promptly furnish a

bond in form reasonably acceptable to Agent for the discharge of such liens, judgments or encumbrances; and

6.8 indemnify, defend and hold Seller harmless from and against any and all claims, demands, causes of action, losses, damages, liabilities, costs and expenses (including without limitation, attorneys' fees and disbursements), suffered or incurred by Seller and arising out of or in connection with (i) Buyer's and/or Buyer's representatives' entry upon the Property, (ii) any Investigations or other activities conducted thereon by Buyer or Buyer's representatives, (iii) any liens or encumbrances filed or recorded against the Property as a consequence of the Investigations or any and all other activities undertaken by Buyer or Buyer's representatives, or (iv) any and all other activities undertaken by Buyer or Buyer's representatives upon the Property. Notwithstanding anything in this Agreement to the contrary, the representations and indemnities set forth in this Section 6 survive any termination of this Agreement.

7. Title Review.

7.1 Status of Title. Within five (5) business days after Opening of Escrow, Title Insurer (defined below) shall provide Buyer and Seller with a commitment ("Title Report") of the title to the Property for issuance of a standard coverage owner's policy of title insurance, disclosing all matters of record which relate to the title to the Property, and Escrow Agent's requirements for both closing the escrow created by this Agreement and issuing the policy of title insurance described herein. At such time as Buyer receives the Title Report (and any amended Title Report adding additional title exceptions), Escrow Agent shall also cause legible copies of all instruments referred to in the Title Report or amended Title Report to be furnished to Buyer. Buyer shall have until fifteen (15) days prior to the end of the Feasibility Period (the "Title Review Period"), to object in writing to any matter shown in the Title Report. If Buyer fails to object within the Title Review Period, the condition of title to the Property as reflected in the most recent Title Report issued to Buyer shall be deemed approved by Buyer. If Buyer does object to any matter disclosed in the Title Report, Buyer shall deliver a written notice of such objection (an "Objection Notice") to Seller and Escrow Agent within the Title Review Period. All matters in the Title Report to which Buyer does not object in an Objection Notice, and any matters subsequently approved by Buyer, are referred to as "Approved Exceptions".

7.2 Right to Object to Title Report Amendments. If the Title Report is amended prior to the Closing to show any additional exceptions to title (other than items created by Buyer), Buyer shall be entitled to object thereto by delivering an Objection Notice to Seller and Escrow Agent within five (5) days after Buyer receives such amendment, said notice to specify in reasonable detail the basis for Buyer's objection. If Buyer fails to deliver notice of objection to any matter set forth in any amendment to the Title Report within the time period prescribed above, Buyer shall be deemed to have approved such additional matter.

7.3 Right to Cure. If Buyer timely delivers any Objection Notice, Seller may deliver a written notice (a "Response") to Buyer and Escrow Agent within five (5) days after receipt of such Objection Notice, which Response shall state whether the Seller intends to remove each matter to which Buyer has objected and may state any actions that Seller intends to so take. If the Response does not state an intention to remove each matter to which Buyer has objected, or if Seller does not deliver a Response, Buyer shall deliver to Seller and Escrow Agent

within five (5) days after the expiration of the period for Seller's Response, a written notice (a "Reply") stating Buyer's election either (a) to terminate this Agreement, in which event Buyer shall be entitled to the return of the Deposit; or (b) to waive Buyer's objections (on the condition that Seller accomplishes any objectives described by Seller in the Response). If Buyer fails to make a timely election pursuant to the preceding sentence, Buyer shall be deemed to have elected to waive Buyer's objections and accept the condition of title to the Property as reflected in the most recent Title Report issued to Buyer. If Buyer has conditionally waived, or has been deemed by its non-response to waive, an objection that Seller has agreed to cure, and the matter to which Buyer had objected is not satisfied on the Closing Date, Buyer shall have the right, as its sole remedies, either (a) to terminate this Agreement, in which event Buyer shall be entitled to the return of the Deposit; or (b) to proceed with this transaction and waive such objection. In the event that Buyer waives an objection, the item with respect to which the objection was made shall be deemed to be an Approved Exception.

7.4 Amendment to Title Report Issued Shortly Before Closing. If an amendment to the Title Report is issued within 15 days before the Closing Date, the Closing Date shall be extended if (and to the minimum extent) necessary: (a) to provide Buyer the period contemplated by Section 7.2 hereof to deliver an Objection Notice; (b) to provide Seller the period contemplated by Section 7.3 hereof to deliver a Response, if Buyer delivers an Objection Notice; and (c) to provide Buyer the period contemplated by Section 7.3 hereof to deliver a Reply, if Seller fails to deliver a Response or delivers a Response which does not include a commitment to remove all of the matters to which Buyer has objected.

7.5 Survey. Buyer shall at its own expense, obtain a new survey of the Property for the purpose of determining the net acreage (the "Survey"). The Survey shall be certified to the Title Insurer and Seller. Buyer shall provide Seller and Escrow Agent with copies of such Survey.

7.6 Condition of Closing. It shall be a condition of Buyer's obligations hereunder that at the Closing, that First American Title Insurance Company as the title insurer ("Title Insurer") for Escrow Agent shall deliver to Buyer an ALTA extended coverage owner's title insurance policy (the "Title Policy") or the unconditional commitment of Title Insurer to issue such policy with a limit of liability in the amount of the Purchase Price, insuring that fee simple title to the Property is held by Buyer subject only to (a) the printed exceptions normally contained in such policy; (b) the Approved Exceptions and any exceptions which are approved by Buyer pursuant to Section 7; and (c) any interests (such as deeds of trust or mortgages) which may be granted by Buyer. Seller shall be responsible for the cost of a standard coverage title insurance policy and Buyer shall be responsible for any additional cost of extended coverage. Seller will cooperate with Buyer's efforts to obtain such title insurance coverage, including any endorsements requested by Buyer.

8. Conditions to Closing.

8.1 Buyer's Conditions. Notwithstanding anything to the contrary contained in this Agreement, Buyer's obligation to purchase the Property is expressly conditioned on the following:

(a) Seller's representations and warranties contained herein shall be materially true and accurate.

(b) Seller will not be in default of this Agreement.

(c) Title Insurer will be irrevocably and unconditionally committed to issue the Title Policy to Buyer, subject to only the matters described in Section 7.6.

For the avoidance of doubt, except as expressly provided herein, Buyer shall not be obligated to purchase a portion of the Property which comprises less than all of the Property. If any of the conditions set forth in subsections (a) or (b) above are not satisfied on the Closing Date, Buyer shall be entitled to the remedies prescribed under either Section 14 or Section 18.2 below, as applicable. If the condition set forth in subsection (c) above is not satisfied on the Closing Date, then Buyer may terminate this Agreement by giving written notice of termination to Seller, in which event Escrow Agent will return the Deposit to Buyer, and the parties shall have no further obligations hereunder, except as expressly provided herein.

8.2 Seller's Conditions. Notwithstanding anything to the contrary contained herein, Seller's obligation to sell the Property is expressly conditioned on the following:

(a) Buyer's representations and warranties contained herein shall be materially true and accurate.

(b) Buyer will not be in default of the Agreement.

(c) Seller shall not have notified Buyer by Non-Satisfaction Notice that the Contingencies as set forth in Section 1.2 of this Agreement have not been satisfied.

If any of such conditions are not satisfied on the Closing Date, Seller may terminate this Agreement by giving written notice of termination to Buyer. If Seller terminates this Agreement for the reasons stated in subsections (a) or (b) above, Seller shall be entitled to the remedies prescribed under Section 18.1 below.

9. Transfer of Title. At the Close of Escrow, the Parcel A Owners will convey title to Parcel A to Buyer by a special warranty deed in the form attached hereto as Exhibit "C" (the "Deed") and will execute a Blanket Assignment and Bill of Sale ("Blanket Assignment") in the form attached hereto as Exhibit "D" as to Parcel A. At the Close of Escrow, the Parcel B Owners will convey title to Parcel B to Buyer by a special warranty deed in the form of the Deed attached hereto as Exhibit "C" and will execute a Blanket Assignment and Bill of Sale in the form attached hereto as Exhibit "D" as to Parcel B.

10. Closing Date. The closing of the transaction contemplated by this Agreement (the "Close of Escrow") will occur on or before thirty (30) days after the expiration of the Feasibility Period (the "Closing Date").

11. Closing Documents.

11.1 Seller's Obligations. Subject to compliance by Buyer with the provisions of Section 11.2 hereof, at the Closing Seller will:

- (a) the Parcel A Owners will execute, acknowledge, and deliver the Deed for Parcel A;
- (b) the Parcel B Owners will execute, acknowledge, and deliver the Deed for Parcel B;
- (c) deliver a certification that it is not a "foreign person" in the form required by 26 U.S.C. 1445;
- (d) deliver such settlement statements, affidavits, and agreements that are not inconsistent with the provisions of this Agreement as the Escrow Agent may require or request, in order to consummate the transactions contemplated by this Agreement;
- (e) provide for payment out of the Purchase Price or deliver such amounts required to be paid by Seller pursuant to Section 12.1;
- (f) the Parcel A Owners will execute and deliver to Buyer the Blanket Assignment as to Parcel A; and
- (g) the Parcel B Owners will execute and deliver to Buyer the Blanket Assignment as to Parcel B.

11.2 Buyer's Obligations. At the Closing, Buyer will:

- (a) deliver the Purchase Price, less the amount of the Deposit, to the Escrow Agent for distribution to Seller, by wire transfer or immediately available funds;
- (b) deliver any additional amounts required to be paid by Buyer pursuant to Section 12.1; and
- (c) deliver such settlement statements, affidavits and agreements as the Title Company may require or request in order to consummate the transactions contemplated by this Agreement.

11.3 Mutual Obligations. All documents must be deposited by the applicable parties with Escrow Agent in sufficient time to permit Escrow Agent to close the escrow on the Closing Date.

12. Closing Costs and Prorations. The following are to be apportioned as of the Closing Date and charged or paid to Seller or Buyer, as applicable, with Buyer being deemed to be the owner of the Property on the Closing Date:

12.1 Apportionments. Seller will pay the fee for the standard coverage owner's portion of the Title Policy; one-half of Escrow Agent's escrow fee; and recording fees with respect to release of any liens or encumbrances. Buyer will pay one-half of Escrow Agent's escrow fee; recording fees with respect to the Deed and the Affidavit of Real Property Value; and the cost of the Title Policy in excess of the cost of a standard coverage owner's policy of title insurance, plus the cost of any title endorsements Buyer may request. Real property taxes will be prorated as of the Closing Date. Seller shall pay all general and special assessments existing as of the Closing Date. If the Closing Date shall occur before the tax rate is fixed for the then-current year, the apportionment of taxes shall be upon the basis of the tax rate for the preceding year applied to the latest assessed valuation.

12.2 Post-Closing Reconciliation. If any of the apportionments or prorations (including the apportionment of taxes on the basis of the tax rate for the preceding year) required above cannot be calculated accurately on the Closing Date or are miscalculated, then they shall be calculated or recalculated as soon as possible after the Closing Date. Either party owing the other party a sum of money based on such subsequent apportionments or prorations shall promptly pay said sum to the other party outside of escrow within ten (10) days after receipt of an invoice therefor. There shall be no further adjustments of such apportionments or prorations after the first anniversary of the Closing Date.

13. Damage or Condemnation. If, prior to the Close of Escrow, all or any portion of the Property is damaged or destroyed by casualty or becomes the subject of any pending or threatened eminent domain proceeding (or any transfer in lieu thereof has occurred), then Buyer may terminate this Agreement by giving written notice of termination to Seller within 20 days after notice of such damage, destruction or pending or threatened eminent domain proceeding, in which event Escrow Agent will return the Deposit to Buyer not later than the second business day after such termination and the parties will have no further obligations hereunder, except as expressly provided herein. If Buyer fails to give notice or termination during the foregoing 20-day period, Buyer shall be deemed to have elected to waive its right to terminate, the parties shall proceed with the purchase and sale transaction described herein, and all rights, claims, benefits, insurance proceeds, or other consideration relating to the damage, destruction or eminent domain proceeding shall be assigned and transferred to Buyer at Close of Escrow.

14. Seller Representations and Warranties. The Parcel A Owners hereby represent and warrant to Buyer the following as to themselves and Parcel A; and the Parcel B Owners hereby represent and warrant to Buyer the following as to themselves and Parcel B:

14.1 Agreements for Parcel A. Except for the Property Documents and any matters that are disclosed in the Title Commitment, to Seller's knowledge, the Parcel A Owners have not entered into any contract, operating arrangement, lease, or other agreement relating to Parcel A that will remain in effect and be binding on Parcel A after the Close of Escrow.

14.2 Agreements for Parcel B. Except for the Property Documents and any matters that are disclosed in the Title Commitment, to Seller's knowledge, the Parcel B Owners have not entered into any contract, operating arrangement, lease, or other agreement relating to Parcel B that will remain in effect and be binding on Parcel B after the Close of Escrow.

14.3 Non-Foreign Person. 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.

14.4 Power and Authority. Subject to the satisfaction of the Contingencies set forth in Section 1.2(a), 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.

14.5 Leases and Similar Contracts. To Seller’s knowledge, there are no tenant leases, occupancy agreements, operating agreements, licenses, or similar contracts, or parties in possession, affecting any portion of the Property.

14.6 No Violation. Subject to the satisfaction of the Contingencies, execution of this Agreement and all documents executed pursuant to this Agreement by Seller, and performance by Seller of each and all of its obligations hereunder, will not breach or violate any other agreement, court order or other arrangement by which Seller is bound.

14.7 Compliance. Subject to the satisfaction of the Contingencies, all necessary and appropriate action on the part of Seller which is required for the execution, delivery and performance of this Agreement will have been fully and effectively taken.

For purposes of this Section 14, the phrases “Seller’s knowledge”, “Seller is not aware of” and similar terms mean the actual knowledge of Mark Winkleman 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 and will, subject to Section 17, survive the Closing Date for a period of three (3) months.

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 14 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 Property 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 Property 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 14 shall thereafter be deemed to have been modified as provided in the Change Notice.

15. Buyer Representations and Warranties. Buyer covenants, represents and warrants to Seller as follows:

15.1 Power and Authority. 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.

15.2 No Violation. 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.

15.3 Compliance. 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.

15.4 Financial Ability. Buyer has, or will have prior to closing, the financial ability to perform Buyer's obligations under this Agreement.

16. "As-Is," "Where-Is," and "With All Faults".

16.1 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 Property or the fitness or suitability of the Property for Buyer's intended use; and (iv) Buyer acknowledges and agrees that the Property is being sold and transferred by Seller to Buyer in its present "AS-IS," "WHERE-IS," 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.

16.2 Additional Buyer Warranties. Buyer represents and warrants that, except as expressly set forth in this Agreement: (i) Buyer is a knowledgeable, experienced and sophisticated purchaser of real estate and that it is relying solely on its own expertise and that of Buyer's consultants in purchasing the Property; (ii) Buyer is, or as of the end of the Feasibility Period will be, familiar with the Property; (iii) Buyer is relying solely upon, and as of the end of

the Feasibility Period, will have conducted, its own independent inspection, investigation and analysis of the Property as it deems necessary or appropriate in so acquiring the Property from Seller, including without limitation, physical inspections, environmental assessments, analysis of any and all matters concerning the condition of the Property and its suitability for Buyer's intended purposes, and review of all applicable laws, ordinances, rules and governmental regulations (including, but not limited to, those relative to building, zoning and land use) affecting the use, occupancy or enjoyment of the Property; (iv) Seller is not liable or bound in any manner by any oral or written statements, representations, warranties, or information pertaining to the Property furnished by any real estate 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 Property. 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 Property to Buyer for the Purchase Price without such representations, warranties, disclaimers and other agreements set forth in this Agreement. Buyer further acknowledges and agrees that regardless of the outcome or contents of any inspection or assessment of the Property Buyer may undertake, except as otherwise expressly stated herein or otherwise agreed to by Seller, Seller has no obligation whatsoever to cure any faults, defects or other adverse conditions affecting the Property, whether or not disclosed in any such inspection or assessment or in any disclosures by Seller. The covenants, representations and warranties contained in this Section 16 shall expressly survive the Closing without limitation.

16.3 Release. Except as expressly provided in this Agreement and in the Deed, Buyer or anyone claiming by, through or under Buyer, hereby fully and irrevocably releases Seller, its managers, members, agents, representatives, any of its respective beneficiaries, shareholders, officers, affiliates, parent entities, subsidiary entities, employees, heirs, successors and assigns (collectively, the "Seller Parties"), from any and all claims that it may now have or hereafter acquire against the Seller Parties, for any cost, loss, liability, damage, expense, action or cause of action, whether foreseen or unforeseen, arising from or related to any errors or omissions on or in the Property, the presence of hazardous materials, or any other conditions (whether patent, latent or otherwise) affecting the Property, except for claims against Seller based upon any obligations, liabilities, representations and warranties of Seller expressly provided in this Agreement, or any documents delivered by Seller in accordance with Section 11.1. Buyer further acknowledges and agrees that this release will be given full force and effect according to each of its expressed terms and provisions, including, but not limited to, those relating to known and suspected claims, damages, and causes of action. The provisions of this Section 16.3 will survive the Closing and delivery of the Deed. Buyer realizes and acknowledges that factual matters now unknown to it may have given or may hereafter give rise to losses, damages, liabilities, costs and expenses which are presently unknown, unanticipated and unsuspected, and Buyer further agrees that the waivers and releases herein have been negotiated and agreed upon in light of that realization and that Buyer nevertheless hereby intends to release, discharge and acquit all of the Seller Parties from any such unknown losses, damages, liabilities, costs and expenses.

17. Survival. The covenants, representations or warranties made by Seller and Buyer, respectfully, in Sections 14, 15, and 16 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.

18. Remedies.

18.1 Seller's Remedies. Unless this Agreement is otherwise terminated as set forth herein, if Buyer fails to deposit the 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 other 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.

18.2 Buyer's Remedies. 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 its 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. Notwithstanding anything mentioned herein to the contrary, Buyer hereby waives any claim for consequential, special, punitive, exemplary or similar damages against Seller.

18.3 Cancellation Fees. Upon the effective cancellation of this Agreement, the Seller and the Buyer shall each be responsible for one-half of any escrow cancellation charges charged by Escrow Agent.

19. Brokerage Commission. If and only if the Closing hereunder occurs, Seller agrees to pay a commission to Arizona Land Advisors, LLC doing business as Land Advisors Organization ("Seller's Broker"), in an amount and on terms set forth in a separate agreement with Seller. Except for the foregoing commissions payable to Seller's Broker, each party represents and warrants to the other that such party has not dealt with any broker or finder in connection with the transaction contemplated in this Agreement. Except for the foregoing, each party shall indemnify, defend and hold harmless the other party against and from any and all claims, commissions, or other compensation, damages, liabilities and expenses, (including, without limitation, reasonable attorney fees and disbursements) arising out of any and all claims made by any other broker or finder with whom the indemnifying party has dealt, or has allegedly employed, in violation of the warranty contained in this Section.

20. 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 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:

20.1 If addressed to Seller:

ML Manager LLC
14050 N. 83rd 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:

Fennemore Craig, P.C.
3003 North Central Avenue, Suite 2600
Phoenix, Arizona 85012
Attention: Robert P. Robinson
Facsimile: (602) 916-5555
Telephone: (602) 916-5355
Email: rrobinso@fclaw.com

20.2 If addressed to Buyer:

Ideas Unlimited of Scottsdale, Inc.
8065 Via Del Desierto
Scottsdale, Arizona 85258
Attention: Ken Skinner
Facsimile: _____
Telephone: (480) 634-5064
Email: Kenskinner@aol.com

with a copy to:

Jennifer J. Understahl
Perkins Coie LLP
2901 N. Central Avenue, Suite 2000
Phoenix, Arizona 85012
Facsimile: (602) 648-7159
Telephone: (602) 351-8090
Email: JUnderstahl@perkinscoie.com

20.3 Copies of all notices, demands and requests shall also be delivered to Escrow Agent:

First American Title Insurance Company
2425 East Camelback Road, Suite 300
Phoenix, Arizona 85016
Attention: Carol Peterson
Telephone: (602) 567-8109
Facsimile: 602) 567-8101
Email: cpeterson@firstam.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 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.

21. Miscellaneous.

21.1 Additional Documents. Each party agrees in good faith to execute such further or additional documents as may be necessary or appropriate to fully carry out the intent and purpose of this Agreement.

21.2 Time for Performance. 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.

21.3 Risk of Loss. The risk of loss or damage to the Property until the Close of Escrow shall be borne by Seller.

21.4 Time of Essence. Time is of the essence of each and every provision and each obligation of this Agreement.

21.5 Counterparts. 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.

21.6 Assignment. Buyer may assign its rights and obligations under this Agreement to an affiliate of Buyer, upon written notice to Seller, or to an unaffiliated third party, subject to Seller's approval, which shall not unreasonably be withheld. Upon any such assignment, the assignee will be deemed the "Buyer" for all purposes and entitled to exercise all rights and privileges under this agreement as such. The original or previous Buyer, upon the

assignment, will be relieved of all obligations under this Agreement, except for the acts or omissions of that entity occurring prior to the assignment.

21.7 Entire Agreement. This Agreement and any schedules and exhibits attached thereto 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 Property 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, personal representatives, successors and assigns.

21.8 Attorney Fees. If suit is brought by any party to this Agreement to enforce the terms of this Agreement, the prevailing party shall be entitled to recover its reasonable attorney fees, expenses and court costs.

21.9 Broker Disclosure. Buyer discloses that one or more of the principals of Buyer is licensed as a real estate broker in the State of Arizona. Seller discloses that one or more of the principals of Seller may be licensed as a real estate broker or salesperson in the State of Arizona.

(Signatures of the parties appear on the following page.)

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date first written above.

SELLER:

ASA XVI LOAN LLC, an Arizona limited liability company

By ML MANAGER LLC,
an Arizona limited liability company, its Manager
and as Agent for the Parcel A Owners

By: 
Mark Winkleman, Chief Operating Officer

ASA IX LOAN LLC, an Arizona limited liability company

By ML MANAGER LLC,
an Arizona limited liability company, its Manager
and as Agent for the Parcel B Owners

By: 
Mark Winkleman, Chief Operating Officer

BUYER:

IDEAS UNLIMITED OF SCOTTSDALE, INC. an
Arizona corporation

By: _____
Ken Skinner, President

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date first written above.

SELLER:

ASA XVI LOAN LLC, an Arizona limited liability company

By ML MANAGER LLC,
an Arizona limited liability company, its Manager
and as Agent for the Parcel A Owners

By: _____
Mark Winkleman, Chief Operating Officer

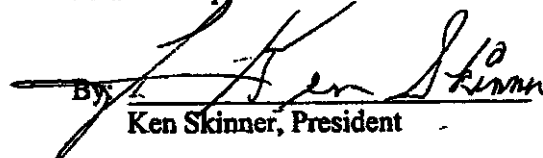
ASA IX LOAN LLC, an Arizona limited liability company

By ML MANAGER LLC,
an Arizona limited liability company, its Manager,
and as Agent for the Parcel B Owners

By: _____
Mark Winkleman, Chief Operating Officer

BUYER:

IDEAS UNLIMITED OF SCOTTSDALE, INC. an
Arizona corporation

By:  _____
Ken Skinner, President

AGREEMENT AND CONSENT BY ESCROW AGENT

The undersigned hereby agrees to (i) accept the foregoing Agreement of Sale and Purchase as instructions to the undersigned, (ii) act as Escrow Agent under said Agreement in consideration of its fees normally charged in such transactions, and (iii) be bound by said Agreement in the performance of its obligations as the Escrow Agent.

Dated this 8th day of August, 2011.

First American Title Insurance Company

By: Carol Peterson

Its: Escrow Officer

EXHIBIT "A-1"
NAMES OF PARCEL A OWNERS

ASA XVI Loan LLC, an Arizona Limited Liability Company, as to an undivided 94.421% ownership

Harvey Golden and Merylee Golden, husband and wife as joint tenants with right of survivorship, as to an undivided 0.564% ownership

Merylee Golden, Trustee of the Merylee Golden Family Trust Agreement dated May 19, 2000, and any amendments thereto, as to an undivided 0.201% ownership

Golden Lending Group, LLC, an Arizona limited liability company, as to an undivided 0.750% ownership

H. Susan Kower, an unmarried woman, as to an undivided 0.250% ownership

Athanasios Panagiotakopoulos and Athanasia Panagiotakopoulos, husband and wife as Joint Tenants with Right of Survivorship, as to an undivided 0.215% ownership

Linda A. Reeves, Trustee of The Linda Ann Reeves Trust dated March 2, 2005, and any amendments thereto, as to an undivided 1.275% ownership

Michael L. Rosenfield and Sigrid K. Rosenfield, husband and wife as joint tenants with right of survivorship, as to an undivided 0.489% ownership

Robert G. Roden, Trustee of The Robert G. Roden Living Trust dated October 1, 2004, and any amendments thereto, as to an undivided 1.524% ownership

Richard J. Sharp and Melinda A. Sharp, husband and wife as joint tenants with right of survivorship, as to an undivided 0.311% ownership

EXHIBIT "A-2"
NAMES OF PARCEL B OWNERS

ASA IX Loan LLC, an Arizona Limited Liability Company, as to an undivided 97.377% ownership

First Trust Company of Onaga, Custodian FBO Deborah L. Hooker IRA #41021XXXXXX, as to an undivided 0.286% ownership

First Trust Company of Onaga, Custodian FBO Brett W. Howell Roth IRA #46021XXXXXX, as to an undivided 0.168% ownership

First Trust Company of Onaga, Custodian FBO Justin E. Howell Roth IRA #46021XXXXXX, as to an undivided 0.202% ownership

Morris A. Kaplan and Carolyn N. Kaplan, Trustees under the Second Amendment and Restatement of the Morris and Carolyn Kaplan Revocable Trust dated October 15, 1999, as to an undivided 0.281% ownership

First Trust Company of Onaga, Custodian FBO Jan Sterling Roth IRA Account #R215XXXXX, as to an undivided 0.843% ownership

First Trust Company of Onaga, Custodian FBO Kathleen Tomasulo Roth IRA Account #R215XXXXX, as to an undivided 0.843% ownership

EXHIBIT "B"

PARCEL A

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF PINAL, STATE OF ARIZONA, AND IS DESCRIBED AS FOLLOWS:

PARCEL NO. 1:

The South half of Section 1, Township 7 South, Range 7 East of the Gila and Salt River Meridian, Pinal County, Arizona.

Except the North 16 1/2 feet of the Northwest quarter of the Southwest quarter of said Section 1; and

ALSO Except that part of the Southeast quarter of said Section 1, described as follows:

BEGINNING at the Southeast corner of said Section 1;

Thence North 00 degrees 22 minutes 22 seconds East (North 00 degrees 22 minutes 19 seconds East Measured) along the East line of said Section 1, a distance of 1234.78 feet;

Thence South 89 degrees 46 minutes 48 seconds West, a distance of 1234.78 feet;

Thence South 00 degrees 22 minutes 22 seconds West (South 00 degrees 22 minutes 19 seconds West Measured), a distance of 1234.78 feet to a point on the South line of said Section 1;

Thence North 89 degrees 46 minutes 48 seconds East along the South line, a distance of 1234.78 feet to the POINT OF BEGINNING.

PARCEL NO. 2:

Government Lots 1 and 2; the South half of the Northeast quarter AND the East half of the Southeast quarter of Section 2, Township 7 South, Range 7 East of the Gila and Salt River Meridian, Pinal County, Arizona.

Except that part of Government Lot 1 of said Section 2, described as follows:

BEGINNING at the Northeast corner of said Section 2;

Thence South 00 degrees 19 minutes 44 seconds East (South 00 degrees 19 minutes 42 seconds East Measured) along the East line of said section 2, a distance of 854.16 feet;

Thence North 89 degrees 47 minutes 34 seconds West (North 89 degrees 47 minutes 37 seconds West Measured), a distance of 765.00 feet;

Thence North 00 degrees 19 minutes 44 seconds West (North 00 degrees 19 minutes 42 seconds West Measured), a distance of 854.16 feet to a point on the North line of said Section 2;

Thence South 89 degrees 47 minutes 34 seconds East (South 89 degrees 47 minutes 37 seconds East Measured) along said North line, a distance of 765.00 feet to the POINT OF BEGINNING.

Except all oil and gas rights within the East half of the Southeast quarter of said Section 2, as reserved in instrument recorded in Book 53, Page 186 of Deeds, records of Pinal County, Arizona.

APN(s): 402-02-004 through 402-02-006, a portion of 402-02-007, a portion of 402-03-008C, 402-03-008D, and 402-03-008F/ Pinal

EXHIBIT "B"

PARCEL B

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF PINAL, STATE OF ARIZONA, AND IS DESCRIBED AS FOLLOWS:

Parcel 10:

The Southwest quarter of the Southeast quarter of Section 2, Township 7 South, Range 7 East of the Gila and Salt River Meridian, Pinal County, Arizona.

Parcel 11:

The West half of the East half of the Northwest quarter of the Southeast quarter of Section 2, Township 7 South, Range 7 East of the Gila and Salt River Meridian, Pinal County, Arizona.

Parcel 12:

The West half of the Northwest quarter of the Southeast quarter of Section 2, Township 7 South, Range 7 East of the Gila and Salt River Meridian, Pinal County, Arizona.

Parcel 13:

The East half of the East half of the Northwest quarter of the Southeast quarter of Section 2, Township 7 South, Range 7 East of the Gila and Salt River Meridian, Pinal County, Arizona.

~~APNs: Parcel 1- 404-24-005 and 404-24-006, Parcel 6 thru 7- 408-17-004B, 004C, 408-10-002B, 408-10-003B, 006B, 408-10-004B, and 408-07-008; Parcel 8- 408-25-005, 408-25-007, 408-25-008, 408-25-013 thru 15, and 408-25-016A; Parcel 9- 444-45-004; and Parcels 10 thru 13- 402-03-018A, 018B, 402-03-019A, 019C and 019D/Pinal County~~

EXHIBIT "C"

WHEN RECORDED MAIL TO:

SPECIAL WARRANTY DEED

For the consideration of Ten Dollars, and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned, ASA XVI Loan LLC, an Arizona limited liability company, (*For Parcel B: ASA IX Loan LLC, an Arizona limited liability company*) and ML Manager LLC, an Arizona limited liability company as agent ("Agent"), as attorney-in-fact for those individual owners ("Owners") listed on Exhibit "B" attached ("Grantor"), does hereby convey to _____ ("Grantee"), the following real property together with all of Seller's right, title and interest in and to (i) all improvements located thereon; (ii) all appurtenances, hereditaments, easements, rights-of-way, reversions, remainders, development rights, well rights, water rights, and air rights; (iii) all oil, gas, and mineral rights not previously reserved; (iv) land lying in the bed of any highway, street, road or avenue, opened or proposed, in front of or abutting or adjoining such tract or piece of land; and (v) and any other rights, privileges and benefits appurtenant to or used in connection with the beneficial use and enjoyment of such property:

SEE EXHIBIT "A" ATTACHED HERETO AND INCORPORATED HEREIN BY THIS REFERENCE.

SUBJECT TO all general and special real property taxes and other assessments, reservations in patents, water rights, claims or title to water and all easements, rights of way, covenants, conditions, restrictions, reservations, declarations, encumbrances, liens, obligations, liabilities and other matters as may appear of record, any and all conditions, easements, encroachments, rights of way or restrictions which a physical inspection or accurate ALTA survey of the Property would reveal.

AND the Grantor hereby binds itself and its successors and assigns to warrant and defend the title in Grantee, its successors and assigns, as against all acts of the Grantor herein and no other, subject to the matters above set forth.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

DATED this _____ day of _____, 2011.

GRANTOR

ASA XVI LOAN LLC, an Arizona limited liability company

By ML MANAGER LLC,
an Arizona limited liability company, it Manager
and as Agent for the Owners listed on Exhibit A
attached

By: _____
Mark Winkleman, Chief Operating Officer

*(For Parcel B: ASA IX LOAN LLC, an Arizona
limited liability company*

*By ML MANAGER LLC,
an Arizona limited liability company, it Manager*

*By: _____
Mark Winkleman, Chief Operating Officer)*

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this ____ day of _____, 2011, by Mark Winkleman, known by me to be the Chief Operating Officer of ML Manager LLC, an Arizona limited liability company, the Manager of ASA XVI LOAN LLC, an Arizona limited liability company, on behalf of the company and as Agent for the Owners listed on Exhibit B attached.

Notary Public

My Commission Expires:

(For Parcel B:

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this ____ day of _____, 2011, by Mark Winkleman, known by me to be the Chief Operating Officer of ML Manager LLC, an Arizona limited liability company, the Manager of ASA IX LOAN LLC, an Arizona limited liability company, on behalf of the company.

Notary Public

My Commission Expires:

EXHIBIT A
TO THE SPECIAL WARRANTY DEED

Legal Description of the Property

(Describe Parcel A or Parcel B, as applicable)

EXHIBIT B
TO THE SPECIAL WARRANTY DEED

List of Owners

(Parcel A Owners or Parcel B Owners, as applicable.)

EXHIBIT "D"
TO PURCHASE AND SALE AGREEMENT

BLANKET ASSIGNMENT AND BILL OF SALE

THIS BLANKET ASSIGNMENT AND BILL OF SALE (the "Assignment") is given as of _____, 2010, by ASA XVI Loan LLC, an Arizona limited liability company; (*For Parcel B: ASA IX Loan LLC, an Arizona limited liability company*); and ML Manager LLC, an Arizona limited liability company as agent ("Agent") for those individual owners ("Owners") listed on Exhibit "A" attached ("Assignor") for the benefit of _____, its successors and assigns ("Assignee").

RECITALS

A. Assignor and Assignee entered into that certain Agreement of Sale and Purchase, dated _____, 2011 (the "Agreement"), whereby Assignor agreed to sell and Assignee agreed to purchase that certain real property located more particularly described on Exhibit A attached hereto and incorporated herein by this reference (the "Property").

B. In connection with the foregoing transaction, but excluding any rights of Assignor as against any borrower or guarantor, Assignor desires to transfer and assign to Assignee, without representation or warranty, on the terms and conditions set forth below, all of Assignor's right, title and interest in all rights, materials and/or claims relating to Property or the use, entitlement or development thereof, including, without limitation: (i) all permits, licenses, applications, approvals, and any other authorizations issued by governmental entities or quasi-governmental entities; (ii) all entitlements, subdivision agreements and other agreements relating to the development of Property; (iii) all plats, plans, drawings, designs, engineering materials, studies, reports and other documents relating to any improvements to or serving the Property; (iv) all water and sewer taps and hookup connections relating to the Property; (v) all development rights benefiting the Property; (vi) all guarantees, warranties, indemnities, and covenants under any and all contracts and agreements with contractors, subcontractors, suppliers and other persons and entities providing labor, services or materials in connection with the design, construction and installation of any improvements to or serving the Property, (vii) any pre-paid impact fees, school fees and other development fees, and (viii) any plans, to the extent that they are assignable (collectively, the "Assigned Items") but reserving to Assignor any such Assigned Items to the extent related to other property.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee agree as set forth below.

AGREEMENT

1. Incorporation of Recitals. The foregoing Recitals are incorporated herein by reference as agreements of Assignor and Assignee.

2. Assignment. Subject to the limitations stated herein, Assignor hereby assigns and transfers unto Assignee, all of Assignor's right, title and interest in and to the Assigned Items without representation or warranty of any kind.

3. No Assumption of Obligations. Assignee does not assume any duties or obligations of Assignor to be performed, paid or complied with under or with respect to any of the Assigned Items arising prior to the date of this Assignment.

4. Binding Effect. This Assignment shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns.

5. Counterparts. This Assignment may be executed in one or more counterparts each of which shall be deemed an original instrument and all of which combined shall constitute one and the same instrument.

(Signatures appear on the following page.)

IN WITNESS WHEREOF, Assignor have executed this Assignment as of the date set forth above.

ASSIGNOR:

ASA XVI LOAN LLC, an Arizona limited liability company

By ML MANAGER LLC,
an Arizona limited liability company, it Manager
and as Agent for the Owners listed on Exhibit A
attached

By: _____
Mark Winkleman, Chief Operating Officer

*(For Parcel B: ASA IX LOAN LLC, an Arizona
limited liability company*

*By ML MANAGER LLC,
an Arizona limited liability company, it Manager*

*By: _____
Mark Winkleman, Chief Operating Officer)*

**EXHIBIT A
TO BLANKET ASSIGNMENT AND BILL OF SALE**

List of Owners

(Parcel A Owners or Parcel B Owners, as applicable.)

**EXHIBIT B
TO THE BLANKET ASSIGNMENT AND BILL OF SALE**

Legal Description of the Property

(Describe Parcel A or Parcel B, as applicable)