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

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

18 ML Manager LLC (“ML Manager”), requests that the Court enter an order
19 authorizing ML Manager as the manager for FP IV Loan LLC and the agent for certain
20 Pass-Through Investors to sell and transfer approximately 20.506288 acres of real
21 property located at Merrill Road and Pecos Road in Mesa, Arizona known as the Foothills
22 property, as more specifically described in the Sale Agreement (“Property”), to Sternberg
23 Enterprises Profit Sharing Plan, Sheldon and Sylvia Sternberg, and Pecos-Merrill 20 LLC
24 (collectively, “Sternberg” or “Purchaser”) for the price and on the terms as set forth in the
25 Agreement of Sale and Purchase (“Sale Agreement”) which is attached as Exhibit A or
26 upon better terms as reasonably determined by ML Manager. The Sale Agreement has a

1 contemplated closing in mid-October 2012. This sale will only sell and transfer a portion
2 of the acres to Sternberg and will leave about 290.5 acres remaining for the Loan LLC and
3 Pass-Through investors.

4 Borrower Foothills Plaza IV, LLC defaulted on its loan with Mortgages Ltd. The
5 unpaid principal balance on the loan (Loan No. 853106) is about \$25,740,000. Interest
6 and fees also are due. ML Manager held a deed of trust sale and foreclosed on the
7 Property. The guarantors are Doug and Elizabeth Dragoo. Pursuant to the Official
8 Investors' Committee's First Amended Plan confirmed by the Court, FP IV Loan LLC
9 was formed on the effective date and the fractional interests in the note and deed of trust
10 which were held by the MP Funds were transferred into FP IV Loan LLC. Subsequently
11 some of the pass-through investors transferred their interests into FP IV Loan LLC. At the
12 time of the trustee sale, 65 Pass-Through Investors had not transferred their fractional
13 interests ("Pass-Through Investors"). As a result, 58.8% of the interest in the real property
14 is owned by FP IV Loan LLC and the rest is owned by the Pass-Through Investors in the
15 loan.

16 ML Manager retained the services of BLC Realty Advisors, a leading real estate
17 brokerage firm, to widely market the property for sale. After completing substantial
18 marketing efforts, ML Manager and Sternberg entered into the Sale Agreement for the
19 20.506288 acres on the terms and for the price set forth therein, subject to the regular
20 contingencies for ML Manager. Purchaser has deposit \$10,000 and opened escrow at
21 Thomas Title & Escrow. Because the property has already been fully marketed, this is not
22 proposed to be an auction and no higher and better bids are being solicited. The
23 contingencies include approval by the investors in the Loan LLC and the applicable MP
24 Funds and Bankruptcy Court approval. One of the contingencies is the waiver or the
25 exercise of the right to compete by the exit financier which will be obtained prior to the
26 hearing. The Purchase Price is to be paid in cash at closing. This is an arms-length,

1 negotiated sale between ML Manager and Sternberg who is an investor.

2 Even though the debt will not be paid in full, ML Manager believes that this price
3 reflects the current market value of the Property and that it is unlikely in the foreseeable
4 future to get a higher amount for the Property. ML Manager believes that this sale is in the
5 best interest of the investors in the Loan LLC and the Pass-Through Investors and is a
6 valid exercise of its business judgment consistent with any fiduciary responsibilities.

7 ML Manager proposes to sell and transfer 20.506288 gross acres of the property
8 (or 20 acres net of the Pecos Road right-of-way) to Sternberg, including 15.8364 acres of
9 net area for the cash price of \$22,500 per acre and acquisition of 4.1636 acres of the
10 property in consideration of a credit for the Sternberg fractional interest in the property, as
11 more fully set forth in Section 3 of the Sale Agreement. Sternberg owns an undivided
12 fractional interest of 1.360% of the total approximate 311 acres that makes up this loan.
13 Sternberg was a Pass-Through Investor but under an Order dated March 23, 2011
14 Sternberg's master agency agreement, which was individually negotiated and included
15 unique provisions not included in or applicable to any other investor, was determined to
16 be terminated effective February 7, 2010. The gross 20.506288 acres is located at the
17 northeast corner of the Foothills property fronting on Pecos Road. Sternberg would not
18 receive any of the purchaser price paid now or in the event of any future sale of the
19 remaining property. The purchase price would all go to the other owners of the acres. The
20 agreement with Sternberg is contingent upon the vote of the Loan LLC. Sternberg has
21 paid all costs required to be paid pursuant to the Accounting Settlement Agreement,
22 dated March 16, 2011 between the Agent and Sternberg Enterprises Profit Sharing Plan
23 and that certain Stipulated Order Approving the Settlement Between ML Manager and
24 Sternberg Profit Sharing Plan, dated March 23, 2011, that included his fair share of
25 expenses as of February 7, 2010 (including the fair share of the exit financing). As stated
26 in Section 11.2(c) of the Sale Agreement, it is anticipated that Sternberg will pay

1 additional agreed loan specific costs allocated to Sternberg after that date pursuant to the
2 Accounting Settlement Agreement. ML Manager believes that this agreement with
3 Sternberg is a reasonable accommodation of the investors in the loan and that the price per
4 acre being paid in cash by Sternberg is fair consideration and represents the current price
5 per acre that could be obtained for the property. The location, configuration and size of
6 the acres were the subject of significant negotiations between ML Manager and Sternberg.
7 ML Manager hired a real estate professional to provide expert advice to ML Manager
8 regarding the marketing of the Foothills property. ML Manager does not believe that the
9 value of the remaining acres is impaired by the agreement with Sternberg.

10 The Sale Agreement also contains in Section 15.2 and 15.4 mutual releases of
11 claims by Sternberg and ML Manager.

12 Due to the actions pending in the Bankruptcy Court and District Court by certain
13 investors, ML Manager believes that it is prudent to seek Bankruptcy Court approval of
14 the sale to the Purchaser and the transfer to Sternberg. An order approving the sale and
15 authorizing the sale and transfer by ML Manager of 100% of the interest in the real
16 properties will insure a smooth closing and will aid in the implementation of the Plan.

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

23 ML Manager, as the agent for the Pass-Through Investors, has the authority and
24 ability to engage a broker, enter into a sale agreement and to sell the real estate on behalf
25 of the principals. ML Manager as the agent will execute the documents on behalf of the
26 Pass-Through Investors since it holds the irrevocable power of attorney coupled with an

1 interest to do so. ML Manager will include language in the Sale order authorizing ML
2 Manager to execute any and all such documents on behalf of the Pass-Through Investors.

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

15 As is customary ML Manager does propose to pay the closing costs, real property
16 and any commission as set forth in the Sale Agreement at the closing out of the gross sale
17 proceeds. ML Manager also proposes to repay the replacement loans to the other Loan
18 LLCs, from the Loan LLC's portion of the sale proceeds pursuant to the Loan Agreement
19 and the Interborrower Agreement and to create and use the Permitted Reserves pursuant to
20 the Loan Agreement.

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

1 Order, and Interborrower Agreement.

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

5 DATED: September 13, 2012

6 FENNEMORE CRAIG, P.C.

7 By /s/ Cathy L. Reece
8 Cathy L. Reece

9 Attorneys for ML Manager LLC

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EXHIBIT

A

AGREEMENT
(Pecos-Merrill Property)

This Agreement (this "Agreement") is made effective as of September 4, 2012 (the "Effective Date"), by and among FP IV Loan LLC, an Arizona limited liability company ("FP"); ML Manager LLC, an Arizona limited liability company as agent ("Agent") for those individual owners listed on Exhibit "A" (the "Individual Owners") (FP and Individual Owners will be referred to collectively as "Seller"); Sternberg Enterprises Profit Sharing Plan ("Sternberg Plan"); Sheldon H. Sternberg and Sylvia Sternberg, husband and wife (together, "Sternberg") Pecos-Merrill 20 L.L.C. ("Pecos -Merrill" or "Buyer"). Sternberg Plan, Sternberg and Pecos-Merrill are collectively referred to as "Pecos-Merrill-Sternberg". Seller and Sternberg may be referred to collectively as the "Owners". The Owners and Pecos-Merrill-Sternberg may herein be referred to collectively as "the parties" or individually as "party."

RECITALS

A. The Owners are the owners of the real property located in Maricopa County Arizona, and described on Exhibit "B" attached hereto (the "Property"). Sternberg owns an undivided 1.360% interest in the Property. Seller owns an undivided 98.64% interest in the Property. The Property consists of approximately 311 acres located between Pecos Road and Germann Road and between the Crismon Road alignment and the Merrill Road alignment, in Mesa, Arizona. As one of the Owners, Sternberg Plan originally owned an undivided fractional 1.360% interest in the Property (the "Sternberg Interest"). Sternberg Plan transferred the Sternberg Interest to Sternberg.

B. FP was 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"), in connection with loans made by Mortgages Ltd., an Arizona corporation (now known as ML Servicing Company, Inc.) ("ML").

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 Owners other than Sternberg, and the Agent is acting under this Agreement pursuant to the power of attorney under the Agency Agreement, as the Agent of the Owners other than Sternberg.

D. The Owners other than Sternberg (the "Other Owners") desire to sell the Property. Sternberg does not desire to sell its interest in the Property. The Other Owners and Sternberg desire to enter into an agreement to facilitate the sale of the Property, whereby Pecos-Merrill will obtain title to 20.506288 acres of the Property (in consideration of the conveyance of the Sternberg Interests and the payment of an amount set forth below) from the Other Owners (the "Seller"), and the Other Owners will be able to sell the remainder of the Property to one or more third party purchasers.

E. Sternberg has formed Buyer for the purpose of acquiring by purchase and by exchange for the Sternberg Interest a portion of the Property as described in "Exhibit E" attached hereto, under the terms and conditions set forth below. Other investors will become members of Buyer prior to the closing of the purchase and sale transaction under this Agreement.

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, Purchase and Transfer.

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 a portion of the Property consisting of 20.506288 acres described in Exhibit E attached hereto (the "Acquisition Parcel"), together with all of Seller's right, title and interest in and to (i) all buildings, structures and improvements located on the Acquisition Parcel; (ii) all appurtenances, hereditaments, easements, rights-of-way, reversions, remainders, water rights, development rights and air rights relating to the Acquisition Parcel; (iii) all oil, gas, and mineral rights not previously reserved relating to the Acquisition Parcel; (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 relating to the Acquisition Parcel; (v) any pre-paid impact fees, school fees and other development fees relating to the Acquisition Parcel; (vi) any plans and permits relating to the Acquisition Parcel, and (vii) a non-exclusive easement for the access, use and transportation of irrigation water through the existing concrete ditches and a grant of the right to use water in the form attached hereto as Exhibit F (the "Irrigation Easement"); and (viii) any other rights, privileges and benefits appurtenant to or used in connection with the beneficial use and enjoyment of the Acquisition Parcel (collectively, the "Acquisition Property"). However, the Acquisition Property does not include any rights of Seller or Agent against any borrower or guarantor of a loan that was previously secured by the Property, or any rights to the extent related to other property. As to those matters that apply to both the Acquisition Parcel and the remaining Property, Seller will transfer to Buyer non-exclusive rights.

1.2 Contingencies.

(a) Notwithstanding any provision to the contrary contained herein, the obligations of Seller to sell the Acquisition Property to Buyer, and the obligations of Buyer to purchase the Acquisition 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 Acquisition 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 for the acquisition of the Acquisition Property (the "Lender Approval");

(ii) the members of FP Loan must have approved the sale of the Acquisition Property for the Purchase Price specified herein and the exchange of the Sternberg Interest as provided for herein, as required by Section 5.4(h) of the Operating Agreement of FP Loan;

(iii) Seller must have obtained the approval of the Court (the "Approval Order") by final order with respect to the sale to and exchange with Buyer for which no stay order pending appeal has been ordered. The Approval Order must be sufficient for the Title Insurer (described below) to issue the Title Policy (described below) provided for in Section 7.6;

(iv) Seller and Buyer must have obtained from the owners of the approximately ten-acre property adjoining the southeast corner of the Property (the "Exception Property"), an easement across the Exception Parcel for access to the source of the water from the Cave Creek Water District (the "Barney Easement"). The Barney Easement must include the use of the concrete irrigation ditches located on the south and east portions of the Exception Property, to transport water for irrigation purposes (at the location of the existing water delivery ditches), for the benefit of all the Property including the Acquisition Property. The Barney Easement must be on terms and conditions reasonably acceptable to Seller and Buyer.

(v) Buyer must have obtained a lease for farming of the Acquisition Property by a farmer on terms and conditions reasonably acceptable to the Buyer.

(b) Seller will attempt to satisfy the Contingencies under Sections 1.3(a)(i) through (iv) (the "Seller Contingencies") by taking such action as it deems appropriate; provided, however, Seller shall not be in default hereunder if any of the Contingencies is not satisfied.

(c) If all of the Seller Contingencies have been satisfied prior to the end of the period commencing on the Opening of Escrow and ending forty-five (45) days thereafter (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 Seller Contingencies have not been satisfied prior to the end of the Contingency Period, then Seller shall notify Buyer that the Seller 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.

(d) Buyer will attempt to satisfy the Contingency set forth in Section 1.3 (a) (v) (the "Buyer Contingency") by taking such action as it deems appropriate; provided, however, neither Buyer nor Sternberg shall be in default hereunder if the Buyer Contingency is not satisfied.

(e) If the Buyer Contingency has been satisfied prior to the expiration of the Contingency Period, then Buyer shall notify Seller of such satisfaction, and this Agreement shall continue in full force and effect. If the Buyer Contingency has not been

satisfied prior to the end of the Contingency Period, then Buyer shall notify Seller that the Buyer Contingency has not been satisfied, whereupon either party may terminate this Agreement by written notice to the other party. Upon any such termination, Escrow Agent shall return the Deposit to Buyer, and Seller and Buyer shall have no further obligations hereunder, except as expressly provided herein.

2. Opening of Escrow. The parties agree that within two (2) business days after the parties have executed this Agreement, 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, Sternberg and the 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 ("Purchase Price") for the Acquisition Property is the total of the following:

(a) The cash portion of the Purchase Price is Three Hundred Fifty-Six Thousand Three Hundred Nineteen Dollars (\$356,319.00), which is an amount equal to the net area of the Acquisition Parcel (as defined in Section 3.4 below) minus 4.1636 acres for the Sternberg Interest multiplied times \$22,500 per acre. The anticipated gross area of the Acquisition Parcel is 20.506288 and the anticipated area subtracted to determine net area is .506288 acres for Pecos Road. (20.506288 gross acres minus .506288 acres for the Pecos Road 33 feet wide roadway, minus 4.1636 acres for the Sternberg Interest = 15.8364 acres x \$22,500 per acre = \$356,319.00).

(b) The conveyance of the Sternberg Interest in the remainder of Property that is not being acquired by Buyer.

3.2 Payment of Purchase Price. Buyer shall deposit with Escrow Agent the amount of Ten Thousand Dollars (\$10,000) (the "Deposit") by wire transfer, check or other readily available funds, within one (1) business day after the Opening of Escrow. 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, and Sternberg shall make the conveyance of the Sternberg Interest in the remainder of the Property to Seller at Close of Escrow.

3.3 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. The Deposit will be credited against the Purchase Price.

3.4 Determination of Net Area. During the Contingency Period, Buyer will obtain a Survey of the Acquisition Property as provided for in Section 7.5. The Survey shall set forth a net area of the Acquisition Property. The survey shall provide a net area of 20 acres for the Property, and there shall be no adjustment in the Purchase Price. The legal description shall be revised to describe the Acquisition Property by reference to metes and bounds. For purposes of determining the Purchase Price, the "net area" of the Acquisition Property means the gross area of the Acquisition Property less the area of any portion of the Acquisition Property that is subject to an existing perpetual easement for a public roadway for Pecos Road or is currently dedicated for a public roadway for Pecos Road (estimated to be .506288 acres if the area of the Acquisition Parcel is 20.506288 gross acres).

4. Property Documents. Within one (1) day after the opening of escrow, Seller will make available to Buyer for review and copying the following documents to the extent they are in Seller's possession: all permits, approvals, plats, plans, specifications, certificates, surveys, engineering reports (including, without limitation, any geotechnical reports), studies, environmental reports, appraisals, leases, permits, contracts, improvement plans, utility plans, architectural plans and elevations, construction bids and/or estimates 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. If the Property Documents include any leases or other agreements that continue in effect after the Closing, then Buyer shall assume all of Seller's obligations under such leases and agreements.

5. Feasibility Period. During the period commencing on the Opening of Escrow and ending fifteen (15) days thereafter (the "Feasibility Period"), Buyer will determine whether the Property is suitable for Buyer's acquisition. If Buyer or any of its expected investors determines, in its or their 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 at any time 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. 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 sole 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/grade 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 advance notice of any entry onto the Property so as to permit Seller to have a representative present during all 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, 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;

6.6 if Buyer physically enters the Property, 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 \$1,000,000.00 general liability and \$2,000,000.00 excess umbrella liability, insuring Buyer and Seller, 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, 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); 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. As soon as possible after Opening of Escrow, Escrow Agent shall provide Buyer and Seller with a commitment ("Title Report") of the title to the Property for issuance of an standard coverage owner's policy (or at Buyer's option extended coverage 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 five (5) business days after receipt of the Title Report (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, to 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) business days after receipt of such Objection Notice, which Response may state any actions that Seller intends to take and their anticipated effect on the matters to which Buyer has objected. 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) business 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 condition 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 shortly 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. As part of the Property Documents, Seller will provide Buyer with copies of any existing surveys of the Property that Seller has in its files. Buyer shall, at an expense to be shared equally (with Seller's share limited to \$600.00), update the existing survey or obtain a new survey of the Acquisition Property for the purpose of defining the boundaries and gross and net acreage of the Acquisition Property, which shall have one foot of frontage on Pecos Road for each two feet of depth, and shall contain 20 net acres (the "Survey"). Buyer may, at its option, obtain an extended coverage title insurance policy. 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, the title insurer ("Title Insurer") for Escrow Agent shall deliver to Buyer a standard 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; Buyer shall be responsible for any additional cost for coverage of extended coverage and any endorsements obtained by Buyer. 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 Pecos-Merrill's Conditions. Notwithstanding anything to the contrary contained in this Agreement, Pecos-Merrill'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 insuring fee title free of all liens and encumbrances, subject to only the matters described in Section 7.6.

(d) The signing and recording of the Barney Easement referred to in Section 1.32(a)(iv).

(e) The release of the Acquisition Property from the Deed of Trust that secures the Exit Financing Loan and the satisfaction of the other Contingencies described in Section 1.3(a).

(f) The signing of a farming lease referred to in Section 1.3 (a) (v).

(g) The signing of the Irrigation Easement, attached as Exhibit F, by

Seller.

If any of the conditions set forth in subsections (a), (b) or (g) above are not satisfied on the Closing Date, Buyer shall be entitled to the remedies prescribed under either Section 11 or Section 15.2 below, as applicable. If any of the conditions set forth in subsections (c)-(f) 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 Acquisition 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) The signing and recording of the Barney Easement referred to in Section 1.3(a)(iv) and the satisfaction of the other contingencies set forth in Section 1.3(a).

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 15.1 below.

9. Transfer of Title. At the Close of Escrow, the Seller will transfer title to the Acquisition Property to Buyer by a special warranty deed in the form attached hereto as Exhibit "C" ("Seller's Deed"). At the Close of Escrow, Sternberg will transfer title to the Sternberg Interest in the Property (other than the Subject property) to the Seller by a special warranty deed in the form attached hereto as Exhibit "D" (the "Sternberg Deed"). Except for the Approved Exceptions, each transfer shall be on the condition that title is free and clear of liens and encumbrances. It is a condition of the Close of Escrow that the Seller will obtain the release of the Acquisition Property from the Deed of Trust that secures the Exit Financing Loan described in Section 1.3(a)(i) above. Sternberg Plan shall retain its rights against loan borrower and guarantors referred to in subsection 1.1 above.

10. Closing Date. The closing of the transaction contemplated by this Agreement (the "Close of Escrow") will occur on or before the date that is fifteen (15) days after the Seller and Buyer give notices that both the Seller Contingencies and the Buyer Contingency have been satisfied, but not later than fifteen (15) days after expiration of the Contingency Period (the "Closing Date").

11. Closing Documents and Funds.

11.1 Seller's Obligations. At the Closing, the Seller will:

- (a) will execute, acknowledge, and deliver the Seller's Deed;
- (b) deliver a certification that it is not a "foreign person" in the form required by 26 U.S.C. 1445;
- (c) deliver the Irrigation Easement.
- (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 form and substance reasonably acceptable to Seller, in order to consummate the transactions contemplated by this Agreement; and
- (e) deliver such amounts as are required to be paid by the Seller pursuant to Section 12.1.

11.2 Pecos-Merrill-Sternberg's Obligations. At the Closing:

- (a) Sternberg will execute, acknowledge, and deliver the Sternberg Deed;
- (b) Pecos-Merrill will deliver amounts required to be paid by pursuant to Section 3.(a) and Section 12.1;
- (c) Sternberg will deposit the agreed amount to be paid by Sternberg as his share of expenses regarding the Property (which takes into account Sternberg's share of cash collateral and other income, and property tax) pursuant to that certain Accounting Settlement Agreement, dated March 16, 2011 between the Agent and Sternberg Enterprises Profit Sharing Plan and that certain Stipulated Order Approving the Settlement Between ML Manager and Sternberg Profit Sharing Plan, dated March 23, 2011, and approved by the bankruptcy Court, reduced by reimbursement for one half the cost of preparing the legal description and survey for the Acquisition Parcel. If no agreement is reached, Sternberg shall deposit such amount Sternberg acknowledges is payable and disputed amounts shall be resolved after closing by negotiation or arbitration pursuant to the Accounting Settlement Agreement.

(d) Sternberg will execute, acknowledge, and deliver to Pecos-Merrill a Special Warranty Deed conveying all of their interest in the Acquisition Parcel;

(f) All of the above parties shall deliver such settlement statements, affidavits and agreements as the Escrow Agent may require or request, in form and substance reasonably acceptable to Buyer and Sternberg, 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 Buyer and Seller as applicable:

12.1 Apportionments. Seller will pay one-half of Escrow Agent's escrow fee; and recording fees for the Seller's Deed and the cost of title insurance as limited pursuant to subsection 7.6. Buyer will pay one-half of Escrow Agent's escrow fee, and the cost of any additional title insurance obtained by Buyer. Sternberg shall pay recording fees with respect to the Sternberg Deeds. Real property taxes and assessments for the Acquisition Property will be prorated as of the Closing Date. For the purpose of calculating the tax proration for the 2012 tax year, and if the Acquisition Property is part of a larger tax parcel, the Acquisition Property's share of the tax proration shall be calculated based on the area of the Acquisition Property compared to the total area of the tax parcel that the Acquisition Property is a part. As part of the accounting pursuant to Section 11.2 (c), Sternberg shall pay 1.36% of the property tax charged to Seller in the closing of the sale of the Acquisition Property pursuant to this Agreement 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 therefore. There shall be no further adjustments of such apportionments or prorations after the first anniversary of the Closing Date.

13. Seller Representations and Warranties. Seller represents and warrants to Buyer the following as to themselves and the Acquisition Property :

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

13.2 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.

13.3 Power and Authority. Subject to the satisfaction of the Contingencies set forth in Section 1.3(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.

For purposes of this Section 13, 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 13 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 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 13 shall thereafter be deemed to have been modified as provided in the Change Notice.

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

14.1 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.

14.2 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. Sternberg represents that except for the Property Documents and any matters that are disclosed in the Title Commitment, to Sternberg's knowledge, Sternberg, has not entered into any contract, operating arrangement, lease, or other agreement relating to the Sternberg Interest that will remain in effect and be binding on Property after the Close of Escrow.

14.3 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.

14.4 Financial Ability. Subject to Buyer's investors fulfilling their declared intent, Buyer has, or will have prior to closing, the financial ability to perform Buyer's obligations under this Agreement.

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 and will, subject to Section 14, survive the Closing Date for a period of three (3) months.

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

15.1 Seller's Inducements. To induce Seller to accept this Agreement, Pecos-Merrill-Sternberg acknowledge 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 Acquisition Property or the fitness or suitability of the Acquisition Property for Buyer's intended use; and (iv) Buyer acknowledges and agrees that the Acquisition Property is being transferred by the 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 the 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 the Seller is authorized to make any future oral agreement upon which Buyer may rely to cancel, change or modify any portion of this Agreement.

15.2 Sternberg-Buyer Release. Except as expressly provided in this Agreement and in the Deed and Easement, Buyer, Sternberg or anyone claiming by, through or under Buyer or Sternberg, hereby fully and irrevocably releases Seller, its managers, members, agents, attorneys, representatives, any of their respective beneficiaries, shareholders, officers, affiliates, parent entities, subsidiary entities, employees, heirs, successors and assigns (collectively, the "Seller Parties"), from any and all claims that they may now have or hereafter acquire against the Seller Parties with respect to the Acquisition Property, 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 Acquisition Property, construction defects, the presence of hazardous materials or environmental conditions, or any other conditions (whether patent, latent or otherwise) affecting the Acquisition Property, except for claims against Seller based upon any obligations, liabilities, representations and warranties of Seller expressly provided in this

Agreement, or the Seller's Deed. Buyer and Sternberg further acknowledge and agree 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 15.2 will survive the Closing and delivery of the Seller's Deed. Buyer and Sternberg realize and acknowledge 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 and Sternberg further agree that the waivers and releases herein have been negotiated and agreed upon in light of that realization and that Buyer and Sternberg nevertheless hereby intend to release, discharge and acquit the Seller from any such unknown losses, damages, liabilities, costs and expenses.

15.3 Buyer and Sternberg Inducements. To induce Buyer and Sternberg to accept this Agreement, the Seller 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) Seller has not relied on any oral agreement, statement, representation or other promise; (iii) Buyer and Sternberg has made no express or implied warranties concerning the condition of the Property or Sternberg's Interest therein or the fitness or suitability of the Property or Sternberg's Interest therein for Seller's intended use; and (iv) Seller acknowledges and agrees that the Sternberg Interest is being transferred by Sternberg to Seller 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 Buyer or Sternberg 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 Buyer or Sternberg is authorized to make any future oral agreement upon which the Seller may rely to cancel, change or modify any portion of this Agreement.

15.4 Seller's Release. Except as expressly provided in this Agreement and in the Deed, Seller or anyone claiming by, through or under the Seller, hereby fully and irrevocably releases Buyer, Sternberg, their managers, members, agents, representatives, any of their respective beneficiaries, shareholders, officers, affiliates, parent entities, subsidiary entities, employees, heirs, successors and assigns (collectively, the "Buyer and Sternberg Parties"), from any and all claims that it may now have or hereafter acquire against the Sternberg Parties with respect to the Property, 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, construction defects, the presence of hazardous materials or environmental conditions, or any other conditions (whether patent, latent or otherwise) affecting the Property, except for claims against Buyer and Sternberg based upon any obligations, liabilities, representations and warranties of Buyer and Sternberg expressly provided in this Agreement, or the Sternberg Deed. Seller 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 15.4 will survive the Closing and delivery of the Sternberg Deeds. Seller 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 Seller further agrees that the waivers and releases herein have been negotiated and agreed upon in light of that realization and that Seller nevertheless hereby intends

to release, discharge and acquit all of the Buyer and Sternberg Parties from any such unknown losses, damages, liabilities, costs and expenses.

16. Survival. The covenants, representations or warranties made by Seller and Buyer, respectfully, in Sections 13, 14, and 15 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 three (3) months after the Closing or be forever barred.

17. Remedies.

17.1 Seller's Remedies. If Pecos-Merrill-Sternberg fail to deposit the Purchase Price in accordance with the terms of this Agreement, or to timely close escrow as required hereunder, or fail to perform any of their 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.

17.2 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 ninety (90) 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.

17.3 Cancellation Fees. Upon the effective cancellation of this Agreement, the defaulting party shall be responsible for any escrow cancellation charges charged by Escrow Agent.

18. Brokerage Commission. If and only if the Closing hereunder occurs, Seller agrees to pay a commission BLC Realty Advisors (John Bullington) in an amount and on terms set forth in a separate agreement with Seller. Except for the foregoing commission payable to the foregoing 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.

19. 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:

If addressed to Seller:

ML Manager LLC
14050 N. 83rd Avenue, #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: Mark A. Nesvig
Facsimile: (602) 916-5672
Telephone: (602) 916-5472
Email: mnesvig@fclaw.com

If addressed to Sternberg or Pecos-Merrill:

Sheldon H. Sternberg and Sylvia Sternberg
5730 Echo Canyon Drive
Phoenix, Arizona 85018
Facsimile: (602) 808-9074
Telephone: (602) 808-9884
Email: ssternberg@q.com

Copies 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
480.222.1116 ext. 203
480.383.6792 direct facsimile
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 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.

20. Miscellaneous.

20.1 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.

20.2 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.

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

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

20.5 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. The parties may deliver their signatures by facsimile or email transmission.

20.6 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.

20.7 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.

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

20.9 Accounting Settlement Agreement. Nothing in this Agreement is intended to amend or modify that certain Accounting Settlement Agreement, dated March 16, 2011 between the Agent and Sternberg Enterprises Profit Sharing Plan and that certain Stipulated Order Approving the Settlement Between ML Manager and Sternberg Profit Sharing Plan, dated March 23, 2011, and issued by the Court in the Case (together, the "Settlement Agreement"). In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of the Settlement Agreement, the Settlement Agreement shall govern and prevail.

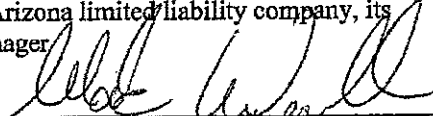
(Signatures of the parties appear on the following pages.)

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

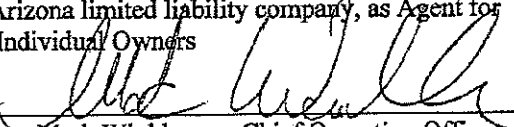
OWNERS:

FP IV LOAN LLC, an Arizona limited liability company

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

By: 
Mark Winkleman, Chief Operating
Officer

ML MANAGER LLC,
an Arizona limited liability company, as Agent for
the Individual Owners

By: 
Mark Winkleman, Chief Operating Officer

STERNBERG:

**STERNBERG ENTERPRISES PROFIT SHARING
PLAN**

By: Sheldon Sternberg
Sheldon H. Sternberg, Trustee

By: Sylvia Sternberg
Sylvia Sternberg, Trustee

Sheldon Sternberg
Sheldon H. Sternberg

Sylvia Sternberg
Sylvia Sternberg

PECOS-MERRILL 20 L.L.C.

By: Sheldon Sternberg
Sheldon H. Sternberg, Member

AGREEMENT AND CONSENT BY ESCROW AGENT

The undersigned hereby agrees to (i) accept the foregoing Agreement as instructions to the undersigned, (ii) act as Escrow Agent under said Agreement in consideration of its fees normally charged in such transactions, (iii) be bound by said Agreement in the performance of its obligations as the Escrow Agent, and (iv) be the person responsible for closing the transaction within the meaning of Section 6045(e)(2)(A) of the Internal Revenue Code of 1986 (the "Code") and filing all necessary information reports, returns and statements (collectively, the "Tax Reports") regarding the transaction required by the Code and, promptly upon the filing of the Tax Reports, transmit copies of the Tax Reports to Sternberg and the Other Owners.

Dated this 4 day of September, 2012.

Thomas Title & Escrow

By: _____

Its: _____

EXHIBIT "A"
NAMES OF ML REPRESENTED SELLERS

Craig Allison, Trustee of the Craig Allison Living Trust dated April 4, 2001, and any amendments thereto, as to an undivided 0.583% interest;

First Trust Company of Onaga, Custodian FBO Jane A. Bartelme Roth IRA #R215XXXX, as to an undivided 0.971% interest;

First Trust Company of Onaga, Custodian FBO M. Gordon Bagne Roth IRA Account ##R215XXXX, as to an undivided 0.446% interest;

First Trust Company of Onaga, Custodian FBO Stephen Barbour Roth IRA Account # R215XXXX, as to an undivided 0.458% interest;

Thomas Berlinger and Catherine Berlinger, husband and wife as community property with right of survivorship, as to an undivided 0.357% interest;

June Behrendt, a single woman, as to an undivided 0.562% interest;

FP IV Loan LLC, an Arizona Limited Liability Company, as to an undivided 58.800% interest;

SL Affiliated, L.L.C., an Arizona limited liability company, as to an undivided 0.997% interest;

Sheryl Calcavecchia, an unmarried woman, as to an undivided 0.194% interest;

Erika Carlson, Trustee of The Erika Ann Carlson Revocable Living Trust Agreement and any amendments thereto, as to an undivided 0.486% interest;

Harold J. Christ, Ltd., an Arizona corporation, as to an undivided 0.777% interest;

Tony Christensen and Jonna Christensen, husband and wife, as community property with right of survivorship, as to an undivided 0.568% interest;

Fifth Age of Man Foundation, a California corporation, as to an undivided 0.389% interest;

First Trust Company of Onaga, Custodian FBO Beverly Clarke Roth IRA Account #R215XXXX, as to an undivided 0.582% interest;

Gerald K. Smith, Successor Trustee of the SMC Revocable Trust U/T/A dated December 22, 1994, as amended, as to an undivided 0.136% interest;

First Trust Company of Onaga, Custodian FBO William L. Edwards IRA #41021XXXXX, as to an undivided 0.389% interest;

Jodi Farber, Custodian FBO Courtney Farber Olds, under The Uniform Gift to Minors Act, as to an undivided 0.019% interest;

First Trust Company of Onaga, Custodian FBO Donald Fruchtman Roth IRA Account #R215XXXX, as to an undivided 0.389% interest;

David Furst, Trustee of the DHF Corporation Retirement Trust dated August 4, 1981, and any amendments thereto, as to an undivided 0.117% interest;

Robert G. Furst, Trustee of The Robert G. Furst & Associates Defined Benefit Pension Plan, as to an undivided 0.097% interest;

David First and Hannah First, Trustees of The Furst Family Trust dated July 1, 1988, and any amendments thereto, as to an undivided 0.448% interest;

Harvey Golden and Merylee Golden, husband and wife as joint tenants with right of survivorship, as to an undivided 0.776% interest;

Merylee Golden, Trustee of the Merylee Golden Family Trust Agreement dated May 19, 2000, and any amendments thereto, as to an undivided 0.194% interest;

KK853106 LLC, an Arizona limited liability company, as to an undivided 0.194% interest;

Golden Lending Group, LLC, an Arizona limited liability company, as to an undivided 0.970% interest;

William L. Hawkins Family L.L.P., an Arizona limited liability partnership, as to an undivided 1.943% interest;

Pueblo Sereno Mobile Home Park L.L.C., an Arizona limited liability company, as to an undivided 1.943% interest;

First Trust Company of Onaga, Custodian FBO Frederick Carl Heitman Roth IRA Account #R215XXXX, as to an undivided 0.971% interest;

First Trust Company of Onaga, Custodian FBO Donna Heitman Roth IRA Account #R215XXXX, as to an undivided 0.272% interest;

First Trust Company of Onaga, Custodian FBO Justin E. Howell Roth IRA #46021XXXXX, as to an undivided 0.155% interest;

First Trust Company of Onaga, Custodian FBO Stephen Howell Roth IRA Account #R215XXXX, as to an undivided 0.524% interest;

BWH1, L.L.C., an Arizona limited liability company, as to an undivided 0.194% interest;

Ronald L. Kohner, an unmarried man, as to an undivided 0.947% interest;

Lonnie Joel Krueger, Trustee of The Lonnie Joel Krueger Family Trust Agreement dated January 24, 1991, as to an undivided 0.209% interest;

Maurice J. Lazarus, Husband of Marjorie A. Lazarus, as his sole and separate property, as to an undivided 0.268% interest;

Maurice J. Lazarus, Trustee of The Maurice J. Lazarus Charitable Remainder Annuity Trust under Agreement dated March 15, 1999, as to an undivided 0.122% interest;

Lynton R. Leslie and Rae D. Leslie, Trustees of The Lynton R. Leslie and Rae D. Leslie Revocable Trust dated November 11, 1992, and any amendments thereto, as to an undivided 0.762% interest;

WCL853106 LLC, an Arizona limited liability company, as to an undivided 1.943% interest;

First Trust Company of Onaga, Custodian FBO Leah L. Lewis Roth IRA Account #R215XXXX, as to an undivided 0.486% interest;

First Trust Company of Onaga, Custodian FBO Thomas Lutz Roth IRA Account # R215XXXX, as to an undivided 0.311% interest;

First Trust Company of Onaga, Custodian FBO Nancy Lutz Roth IRA Account #R215XXXX, as to an undivided 0.447% interest;

William J. Miller and Sandra B. Miller, Trustees of the Miller Family Trust dated February 7, 2000, and any amendments thereto, as to an undivided 0.971% interest;

Toni J. Norack, a single woman, as to an undivided 0.090% interest;

Michael L. Norman and Susan L. Tharp, Trustee of the Norman Tharp Family Trust #3 dated July 19, 2002, and any amendments thereto, as to an undivided 0.387% interest;

Corey H. Normoyle Jr. and Ellen M. Normoyle, Trustees of The Corey H. Normoyle, Jr. and Ellen M. Normoyle Living Trust dated May 23, 2005 and any amendments thereto, as to an undivided 0.777% interest;

Robert K. Rader and Katalin A.V. Rader, Trustees of The Rader Family Trust dated September 6, 2002, and any amendments thereto, as to an undivided 1.943% interest;

First Trust Company of Onaga, Custodian FBO Katalin Rader Roth IRA Account #R215XXXX, as to an undivided 0.389% interest;

First Trust Company of Onaga, Custodian FBO Robert Rader Roth IRA Account #R214XXXX, as to an undivided 0.389% interest;

Linda A. Reeves, Trustee of The Linda Ann Reeves Trust dated March 2, 2005, and any amendments thereto, as to an undivided 2.190% interest;

J. Paul Rhodes, Trustee of the J. Paul Rhodes Living Trust dated April 25, 2005, and any amendments thereto, as to an undivided 0.971% interest;

Robert G. Roden, Trustee of The Robert G. Roden Living Trust dated October 1, 2004, and any amendments thereto, as to an undivided 0.943% interest;

Mary C. Shoemaker, Trustee of the Charles J. and Mary C. Shoemaker Trust dated April 17, 2001, and any amendments thereto, as to an undivided 0.063% interest;

Jayesh K. Shah and Vaishali Shah, Trustees of The Jayesh K. & Vaishali Shah Family Trust dated August 16, 2000, and any amendments thereto, as to an undivided 0.389% interest;

Beth Larae Smith, an unmarried woman, as to an undivided 0.207% interest;

Stuart J. Steckler and Phyllis B. Steckler, Trustees of The Steckler Family Trust dated September 15, 1980, and any amendments thereto, as to an undivided 0.389% interest;

Jan M. Sterling, Trustee of The Jan M. Sterling Living Trust dated January 4, 1995, and any amendments thereto, as to an undivided 1.943% interest;

David Brian Stanton, Trustee of the David Brian Stanton Revocable Trust dated August 25, 2004, and any amendments thereto, as to an undivided 0.389% interest;

First Trust Company of Onaga, Custodian FBO David Stanton Roth IRA Account #R215XXXX, as to an undivided 0.465% interest;

First Trust Company of Onaga, Custodian FBO Jan Sterling Roth IRA Account #R215XXXX, as to an undivided 0.696% interest;

First Trust Company of Onaga, Custodian FBO Betty Tatro Roth IRA Account #R215XXXX, as to an undivided 0.389% interest;

First Trust Company of Onaga, Custodian FBO Kathleen Tomasulo Roth IRA Account #R215XXXX, as to an undivided 1.068% interest;

John S. VanderHeide, Trustee of the John S. VanderHeide Trust dated September 19, 1996, and any amendments thereto, as to an undivided 0.777% interest;

First Trust Company of Onaga, Custodian FBO Charles S. Vose IRA #4102XXXXXX, as to an undivided 0.389% interest;

First Trust Company of Onaga, Custodian FBO Judith Winn Roth IRA Account #R2I5XXXX, as to an undivided 0.583% interest; and

Clara B. Zanecki and Joseph B. Zanecki, husband and wife, as joint tenants with right of survivorship, as to an undivided 0.447% interest.

EXHIBIT "B-"

LEGAL DESCRIPTION OF THE PROPERTY

The West half of Section 2, Township 2 South, Range 7 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona;

EXCEPT the East 330.00 feet of the South 1320.00 feet thereof; and

EXCEPT the West 3 feet of the East 333.00 feet of the South 200 feet of the said West half of Section 2; and

EXCEPT 1/16th of all oil, gases and other hydrocarbon substances, coal, stone, metals, minerals, fossils and fertilizers of every name and description and except all materials which may be essential to the production of fissionable material as reserved in Arizona Revised Statutes, except Lot 3; and

Except all coal and other minerals as reserved in the Patent from the State of Arizona, pursuant to the Act of Congress, dated January 25, 1927, except Lot 3; and

Except from Lot 3, all oil, gas, metals, mineral rights and right to other materials as reserved in the Patent from the State of Arizona, as provided by A. R.S 37-231.

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, FP IV Loan L.L.C., 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"), do hereby transfer to Pecos-Merrill 20 L.L.C. an Arizona limited liability company ("Grantee"), the following real property together with all of Grantor's right, title and interest in and to (i) all buildings, structures and 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 (iv) 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 applicable municipal, county, state or federal zoning and use regulations affecting the property.

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 _____, 2012.

GRANTOR

FP IV LOAN LLC, an Arizona limited liability company

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

By: _____
Mark Winkleman, Chief Operating
Officer

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this _____ day of _____, 2012, by Mark Winkleman, known by me to be the Chief Operating Officer of ML Manager LLC, an Arizona limited liability company, the Manager of _____, an Arizona limited liability company, on behalf of the company.

Notary Public

My Commission Expires:

ML MANAGER LLC,
an Arizona limited liability company, as Agent for
the Owners listed on Exhibit B attached

By: _____
Mark Winkleman, Chief Operating Officer

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this ____ day of _____, 2012, by Mark Winkleman, known by me to be the Chief Operating Officer of ML Manager LLC, an Arizona limited liability company, as Agent for the Owners listed on Exhibit B attached.

Notary Public

My Commission Expires:

EXHIBIT A
TO THE SPECIAL WARRANTY DEED

Legal Description of the Property

The East 668.30 feet of the North 1336.6062 feet of the West half of Section 2, Township 2 South, Range 7 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona;

EXCEPT 1/16th of all oil, gases and other hydrocarbon substances, coal, stone, metals, minerals, fossils and fertilizers of every name and description and except all materials which may be essential to the production of fissionable material as reserved in Arizona Revised Statutes, except Lot 3; and

Except all coal and other minerals as reserved in the Patent from the State of Arizona, pursuant to the Act of Congress, dated January 25, 1927, except Lot 3; and

Except from Lot 3, all oil, gas, metals, mineral rights and right to other materials as reserved in the Patent from the State of Arizona, as provided by A. R.S 37-231.

(May be modified after survey)

EXHIBIT B
TO THE SPECIAL WARRANTY DEED

NAMES OF ML REPRESENTED SELLERS

Craig Allison, Trustee of the Craig Allison Living Trust dated April 4, 2001, and any amendments thereto;

First Trust Company of Onaga, Custodian FBO Jane A. Bartelme Roth IRA #R215XXXX;

First Trust Company of Onaga, Custodian FBO M. Gordon Bagne Roth IRA Account ##R215XXXX;

First Trust Company of Onaga, Custodian FBO Stephen Barbour Roth IRA Account # R215XXXX;

Thomas Berlinger and Catherine Berlinger, husband and wife as community property with right of survivorship;

June Behrendt, a single woman;

FP IV Loan LLC, an Arizona Limited Liability Company;

SL Affiliated, L.L.C., an Arizona limited liability company;

Sheryl Calcavecchia, an unmarried woman;

Erika Carlson, Trustee of The Erika Ann Carlson Revocable Living Trust Agreement and any amendments thereto;

Harold J. Christ, Ltd., an Arizona corporation;

Tony Christensen and Jonna Christensen, husband and wife, as community property with right of survivorship;

Fifth Age of Man Foundation, a California corporation;

First Trust Company of Onaga, Custodian FBO Beverly Clarke Roth IRA Account #R215XXXX;

Gerald K. Smith, Successor Trustee of the SMC Revocable Trust U/T/A dated December 22, 1994, as amended;

First Trust Company of Onaga, Custodian FBO William L. Edwards IRA #41021XXXXXX;

Jodi Farber, Custodian FBO Courtney Farber Olds, under The Uniform Gift to Minors Act;

First Trust Company of Onaga, Custodian FBO Donald Fruchtmann Roth IRA Account #R215XXXX;

David Furst, Trustee of the DHF Corporation Retirement Trust dated August 4, 1981, and any amendments thereto;

Robert G. Furst, Trustee of The Robert G. Furst & Associates Defined Benefit Pension Plan;

David First and Hannah First, Trustees of The Furst Family Trust dated July 1, 1988, and any amendments thereto;

Harvey Golden and Merylee Golden, husband and wife as joint tenants with right of survivorship;

Merylee Golden, Trustee of the Merylee Golden Family Trust Agreement dated May 19, 2000, and any amendments thereto;

KK853106 LLC, an Arizona limited liability company;

Golden Lending Group, LLC, an Arizona limited liability company;

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

Pueblo Sereno Mobile Home Park L.L.C., an Arizona limited liability company;

First Trust Company of Onaga, Custodian FBO Frederick Carl Heitman Roth IRA Account #R215XXXX;

First Trust Company of Onaga, Custodian FBO Donna Heitman Roth IRA Account #R215XXXX;

First Trust Company of Onaga, Custodian FBO Justin E. Howell Roth IRA #46021XXXX;

First Trust Company of Onaga, Custodian FBO Stephen Howell Roth IRA Account #R215XXXX;

BWH1, L.L.C., an Arizona limited liability company;

Ronald L. Kohner, an unmarried man;

Lonnie Joel Krueger, Trustee of The Lonnie Joel Krueger Family Trust Agreement dated January 24, 1991;

Maurice J. Lazarus, Husband of Marjorie A. Lazarus, as his sole and separate property;

Maurice J. Lazarus, Trustee of The Maurice J. Lazarus Charitable Remainder Annuity Trust under Agreement dated March 15, 1999;

Lynton R. Leslie and Rae D. Leslie, Trustees of The Lynton R. Leslie and Rae D. Leslie Revocable Trust dated November 11, 1992, and any amendments thereto;

WCL853106 LLC, an Arizona limited liability company;

First Trust Company of Onaga, Custodian FBO Leah L. Lewis Roth IRA Account #R215XXXX;

First Trust Company of Onaga, Custodian FBO Thomas Lutz Roth IRA Account # R215XXXX;

First Trust Company of Onaga, Custodian FBO Nancy Lutz Roth IRA Account #R215XXXX;

William J. Miller and Sandra B. Miller, Trustees of the Miller Family Trust dated February 7, 2000, and any amendments thereto;

Toni J. Norack, a single woman;

Michael L. Norman and Susan L. Tharp, Trustee of the Norman Tharp Family Trust #3 dated July 19, 2002, and any amendments thereto;

Corey H. Normoyle Jr. and Ellen M. Normoyle, Trustees of The Corey H. Normoyle, Jr. and Ellen M. Normoyle Living Trust dated May 23, 2005 and any amendments thereto;

Robert K. Rader and Katalin A.V. Rader, Trustees of The Rader Family Trust dated September 6, 2002, and any amendments thereto;

First Trust Company of Onaga, Custodian FBO Katalin Rader Roth IRA Account #R215XXXX;

First Trust Company of Onaga, Custodian FBO Robert Rader Roth IRA Account #R214XXXX;

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

J. Paul Rhodes, Trustee of the J. Paul Rhodes Living Trust dated April 25, 2005, and any amendments thereto;

Robert G. Roden, Trustee of The Robert G. Roden Living Trust dated October 1, 2004, and any amendments thereto;

Mary C. Shoemaker, Trustee of the Charles J. and Mary C. Shoemaker Trust dated April 17, 2001, and any amendments thereto;

Jayesh K. Shah and Vaishali Shah, Trustees of The Jayesh K. & Vaishali Shah Family Trust dated August 16, 2000, and any amendments thereto;

Beth Larae Smith, an unmarried woman;

Stuart J. Steckler and Phyllis B. Steckler, Trustees of The Steckler Family Trust dated September 15, 1980, and any amendments thereto;

Jan M. Sterling, Trustee of The Jan M. Sterling Living Trust dated January 4, 1995, and any amendments thereto;

David Brian Stanton, Trustee of the David Brian Stanton Revocable Trust dated August 25, 2004, and any amendments thereto;

First Trust Company of Onaga, Custodian FBO David Stanton Roth IRA Account #R215XXXX;

First Trust Company of Onaga, Custodian FBO Jan Sterling Roth IRA Account #R215XXXX;

First Trust Company of Onaga, Custodian FBO Betty Tatro Roth IRA Account #R215XXXX;

First Trust Company of Onaga, Custodian FBO Kathleen Tomasulo Roth IRA Account #R215XXXX;

John S. VanderHeide, Trustee of the John S. VanderHeide Trust dated September 19, 1996, and any amendments thereto;

First Trust Company of Onaga, Custodian FBO Charles S. Vose IRA #4102XXXXXX;

First Trust Company of Onaga, Custodian FBO Judith Winn Roth IRA Account #R215XXXX;
and

Clara B. Zanecki and Joseph B. Zanecki, husband and wife, as joint tenants with right of survivorship.

EXHIBIT "D"

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, Sheldon H. Sternberg and Sylvia Sternberg (together, "Grantor") do hereby transfer to FP IV Loan L.L.C., 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 ("Grantee"), an undivided 1.36% interest in the following real property together with all of Grantor's right, title and interest in and to (i) all buildings, structures and 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 (iv) 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 applicable municipal, county, state or federal zoning and use regulations affecting the property.

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.

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[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

DATED this _____ day of _____, 2012.

GRANTOR

Sheldon H. Sternberg

Sylvia Sternberg

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this _____ day of _____, 2012, by Sheldon H. Sternberg and Sylvia Sternberg.

Notary Public

My Commission Expires:

EXHIBIT A
TO THE SPECIAL WARRANTY DEED

Legal Description of the Property

The West half of Section 2, Township 2 South, Range 7 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona;

EXCEPT the East 330.00 feet of the South 1320.00 feet thereof; and

EXCEPT the West 3 feet of the East 333.00 feet of the South 200 feet of the said West half of Section 2;

EXCEPT the East 668.3 feet of the North 1136.6062 feet of the East half of the Northwest quarter of Section 2, Township 2 South, Range 7 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona (*this exception is subject to adjustment, if the legal description of the Acquisition Parcel is adjusted*); and

EXCEPT 1/16th of all oil, gases and other hydrocarbon substances, coal, stone, metals, minerals, fossils and fertilizers of every name and description and except all materials which may be essential to the production of fissionable material as reserved in Arizona Revised Statutes, except Lot 3; and

Except all coal and other minerals as reserved in the Patent from the State of Arizona, pursuant to the Act of Congress, dated January 25, 1927, except Lot 3; and

Except from Lot 3, all oil, gas, metals, mineral rights and right to other materials as reserved in the Patent from the State of Arizona, as provided by A. R.S 37-231.

EXHIBIT B
TO THE SPECIAL WARRANTY DEED

List of Owners (but excluding Sheldon H. Sternberg and Sylvia Sternberg)

Craig Allison, Trustee of the Craig Allison Living Trust dated April 4, 2001, and any amendments thereto;

First Trust Company of Onaga, Custodian FBO Jane A. Bartelme Roth IRA #R215XXXX;

First Trust Company of Onaga, Custodian FBO M. Gordon Bagne Roth IRA Account ##R215XXXX;

First Trust Company of Onaga, Custodian FBO Stephen Barbour Roth IRA Account # R215XXXX;

Thomas Berlinger and Catherine Berlinger, husband and wife as community property with right of survivorship;

June Behrendt, a single woman;

FP IV Loan LLC, an Arizona Limited Liability Company;

SL Affiliated, L.L.C., an Arizona limited liability company;

Sheryl Calcavecchia, an unmarried woman;

Erika Carlson, Trustee of The Erika Ann Carlson Revocable Living Trust Agreement and any amendments thereto;

Harold J. Christ, Ltd., an Arizona corporation;

Tony Christensen and Jonna Christensen, husband and wife, as community property with right of survivorship;

Fifth Age of Man Foundation, a California corporation;

First Trust Company of Onaga, Custodian FBO Beverly Clarke Roth IRA Account #R215XXXX;

Gerald K. Smith, Successor Trustee of the SMC Revocable Trust U/T/A dated December 22, 1994, as amended;

First Trust Company of Onaga, Custodian FBO William L. Edwards IRA #41021XXXXX;

Jodi Farber, Custodian FBO Courtney Farber Olds, under The Uniform Gift to Minors Act;

First Trust Company of Onaga, Custodian FBO Donald Fruchtman Roth IRA Account #R215XXXX;

David Furst, Trustee of the DHF Corporation Retirement Trust dated August 4, 1981, and any amendments thereto;

Robert G. Furst, Trustee of The Robert G. Furst & Associates Defined Benefit Pension Plan;

David First and Hannah First, Trustees of The Furst Family Trust dated July 1, 1988, and any amendments thereto;

Harvey Golden and Merylee Golden, husband and wife as joint tenants with right of survivorship;

Merylee Golden, Trustee of the Merylee Golden Family Trust Agreement dated May 19, 2000, and any amendments thereto;

KK853106 LLC, an Arizona limited liability company;

Golden Lending Group, LLC, an Arizona limited liability company;

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

Pueblo Sereno Mobile Home Park L.L.C., an Arizona limited liability company;

First Trust Company of Onaga, Custodian FBO Frederick Carl Heitman Roth IRA Account #R215XXXX;

First Trust Company of Onaga, Custodian FBO Donna Heitman Roth IRA Account #R215XXXX;

First Trust Company of Onaga, Custodian FBO Justin E. Howell Roth IRA #46021XXXXX;

First Trust Company of Onaga, Custodian FBO Stephen Howell Roth IRA Account #R215XXXX;

BWH1, L.L.C., an Arizona limited liability company;

Ronald L. Kohner, an unmarried man;

Lonnie Joel Krueger, Trustee of The Lonnie Joel Krueger Family Trust Agreement dated January 24, 1991;

Maurice J. Lazarus, Husband of Marjorie A. Lazarus, as his sole and separate property;

Maurice J. Lazarus, Trustee of The Maurice J. Lazarus Charitable Remainder Annuity Trust under Agreement dated March 15, 1999;

Lynton R. Leslie and Rae D. Leslie, Trustees of The Lynton R. Leslie and Rae D. Leslie Revocable Trust dated November 11, 1992, and any amendments thereto;

WCL853106 LLC, an Arizona limited liability company;

First Trust Company of Onaga, Custodian FBO Leah L. Lewis Roth IRA Account #R215XXXX;

First Trust Company of Onaga, Custodian FBO Thomas Lutz Roth IRA Account # R215XXXX;

First Trust Company of Onaga, Custodian FBO Nancy Lutz Roth IRA Account #R215XXXX;

William J. Miller and Sandra B. Miller, Trustees of the Miller Family Trust dated February 7, 2000, and any amendments thereto;

Toni J. Norack, a single woman;

Michael L. Norman and Susan L. Tharp, Trustee of the Norman Tharp Family Trust #3 dated July 19, 2002, and any amendments thereto;

Corey H. Normoyle Jr. and Ellen M. Normoyle, Trustees of The Corey H. Normoyle, Jr. and Ellen M. Normoyle Living Trust dated May 23, 2005 and any amendments thereto;

Robert K. Rader and Katalin A.V. Rader, Trustees of The Rader Family Trust dated September 6, 2002, and any amendments thereto;

First Trust Company of Onaga, Custodian FBO Katalin Rader Roth IRA Account #R215XXXX;

First Trust Company of Onaga, Custodian FBO Robert Rader Roth IRA Account #R214XXXX;

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

J. Paul Rhodes, Trustee of the J. Paul Rhodes Living Trust dated April 25, 2005, and any amendments thereto;

Robert G. Roden, Trustee of The Robert G. Roden Living Trust dated October 1, 2004, and any amendments thereto;

Mary C. Shoemaker, Trustee of the Charles J. and Mary C. Shoemaker Trust dated April 17, 2001, and any amendments thereto;

Jayesh K. Shah and Vaishali Shah, Trustees of The Jayesh K. & Vaishali Shah Family Trust dated August 16, 2000, and any amendments thereto;

Beth Larae Smith, an unmarried woman;

Stuart J. Steckler and Phyllis B. Steckler, Trustees of The Steckler Family Trust dated September 15, 1980, and any amendments thereto;

Jan M. Sterling, Trustee of The Jan M. Sterling Living Trust dated January 4, 1995, and any amendments thereto;

David Brian Stanton, Trustee of the David Brian Stanton Revocable Trust dated August 25, 2004, and any amendments thereto;

First Trust Company of Onaga, Custodian FBO David Stanton Roth IRA Account #R215XXXX;

First Trust Company of Onaga, Custodian FBO Jan Sterling Roth IRA Account #R215XXXX;

First Trust Company of Onaga, Custodian FBO Betty Tatro Roth IRA Account #R215XXXX;

First Trust Company of Onaga, Custodian FBO Kathleen Tomasulo Roth IRA Account #R215XXXX;

John S. VanderHeide, Trustee of the John S. VanderHeide Trust dated September 19, 1996, and any amendments thereto;

First Trust Company of Onaga, Custodian FBO Charles S. Vose IRA #4102XXXXXX;

First Trust Company of Onaga, Custodian FBO Judith Winn Roth IRA Account #R215XXXX;
and

Clara B. Zanecki and Joseph B. Zanecki, husband and wife, as joint tenants with right of survivorship.

EXHIBIT "E"

DESCRIPTION OF ACQUISITION PARCEL

The East 668.30 feet of the North 1336.6062 feet of the West half of Section 2, Township 2 South, Range 7 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona;

EXCEPT 1/16th of all oil, gases and other hydrocarbon substances, coal, stone, metals, minerals, fossils and fertilizers of every name and description and except all materials which may be essential to the production of fissionable material as reserved in Arizona Revised Statutes, except Lot 3; and

Except all coal and other minerals as reserved in the Patent from the State of Arizona, pursuant to the Act of Congress, dated January 25, 1927, except Lot 3; and

Except from Lot 3, all oil, gas, metals, mineral rights and right to other materials as reserved in the Patent from the State of Arizona, as provided by A. R.S 37-231.

(May be modified after survey)

I

EXHIBIT F

When recorded return to:

Pecos-Merrill 20 LLC
5730 N. Echo Canyon Dr.
Phoenix, Arizona 850118-1254

IRRIGATION EASEMENT AND GRANT OF WATER RIGHTS

THIS IRRIGATION EASEMENT AND GRANT OF WATER RIGHTS (this "Easement") is entered into as of this ____ day of _____, 2012, by FP IV Loan L.L.C., 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 "A" attached ("Grantor"), and Pecos-Merrill 20 L.L.C., an Arizona limited liability company ("Grantee").

RECITALS

A. Grantor owns the property located in Maricopa County, Arizona, and legally described on Exhibit "B" attached hereto and by this reference incorporated herein ("Grantor's Property").

B. Grantee is acquiring from Grantor approximately 20 acres of the property that is adjacent to Grantor's Property and legally described on Exhibit "C" attached hereto and by this reference incorporated herein ("Grantee's Property")

C. Grantee intends to continue the farming on Grantee's Property and has requested that Grantor grant a temporary easement to Grantee to allow Grantee to utilize certain existing irrigation ditches (collectively, the "Ditch") located on the portion of Grantor's Property legally described on Exhibit "D" attached hereto and by this reference incorporated herein (the "Easement Property").

D. Grantor desires to give Grantee permission to utilize the Ditch and to grant a temporary easement to Grantee as set forth herein.

E. Farm runoff water is stored in two ponds located on the west 150 feet of the north 1,800 feet of Grantor's Property and is re-circulated by pump and underground pipe to the irrigation ditches that are owned by _____ ("Barney") and are located southeast of the southeast corner of Grantor's Property on property owned by Barney (the "Barney Property"), from where irrigation water for Grantor's Property and Grantee's Property originates. Grantee desires to acquire the proportionate right to use the water re-circulated from the ponds, and subject to the conditions set forth below, Grantor has agreed to grant such right.

NOW, THEREFORE, in consideration of the promises and of the mutual covenants and agreements herein contained, the parties agree as follows:

1. **Irrigation and Access Easement.** Grantor hereby grants to Grantee, its tenants, successors and assigns, a temporary easement (the "Easement") over, across, under and through the Easement Property for the sole purpose of using, operating, maintaining, repairing, replacing and granting access to the Ditch.

2. **Right to Relocate Easement.** Grantor shall have the right to relocate the Easement Property and Ditch to a different location on Grantor's Property under the following circumstances: (i) if reasonably required by a utility service provider in connection with substantial development of Grantor's Property; (ii) if the relocation is part of an overall plan to improve and further entitle Grantor's Property in accordance with an approved final plat; or (iii) the Easement, under any circumstance, reduces the market value, or inhibits in any way, Grantor's ability to sell, transfer, convey or otherwise reasonably utilize Grantor's Property. The Easement may be relocated provided that (i) Grantor will coordinate the timing of the relocation with Grantee and will use commercially reasonable efforts to minimize any disruption to the farming operations on Grantee's Property, and (ii) following the relocation, the relocated irrigation ditch will function in the same manner as the Ditch functioned prior to such relocation. In the event of such relocation, Grantor shall pay the cost to relocate the Ditch.

4. **Term of the Easement.** This Easement shall terminate upon the earlier to occur of the following: (i) fifteen (15) years from the date of this Agreement; or (ii) the date when Grantee ceases farming at least ten (10) acres of Grantee's Property. In the event that Grantee no longer utilizes or no longer intends to utilize the Easement for the purpose of supplying water to Grantee's Property, Grantee shall immediately notify Grantor, and the Easement shall automatically terminate effective upon the effective date of such notice.

5. **Grantee Indemnification and Insurance.** Grantee shall be responsible for its own acts and omissions, as well as for the acts and omissions of its agents, employees, contractors and subcontractors and any other persons using or entering upon the Easement Property. Grantee shall indemnify, defend and hold harmless Grantor, including but not limited to its partners, members, officers, directors, shareholders, trustees, affiliates, agents and employees, their respective successors and assigns (collectively, the "Grantor Parties") for, from and against any and all claims, demands, suits, liabilities, costs and expenses which may be claimed or asserted against the Grantor Parties, Grantor's Property or the Easement Property, on account of injury to any person or property arising out of or resulting from Grantee's entry and use of the Easement Property.

Grantee shall maintain or cause to be maintained, at Grantee's expense, a policy of commercial general liability insurance, with a combined single limit of not less than \$1,000,000.00 general liability, insuring Grantor and Grantee, as additional insureds, against injuries or damages to persons or property that may result from or are related to (i) Grantee's and/or Grantee's representatives' entry upon the Easement Property, (ii) any farming or other activities conducted thereon, and (iii) any and all other activities undertaken by Grantee or

Grantee's representatives upon the Easement Property, in such forms and with an insurance company reasonably acceptable to Grantor, and deliver a copy of such insurance policy or certificate evidencing such policy to Grantor.

It is understood that Grantor's Property and Grantee's Property may be farmed by the same farmer tenant and that indemnification and insurance requirements described above may be provided by the farmer tenant pursuant to one or more farming leases. It is also understood that it is the parties' intention that Grantor's Property and Grantee's Property may be farmed by the same farmer in a coordinated manner similarly to the way the Properties are presently farmed. Additionally, Grantee intends that Grantee's Property be farmed by the same entity selected by Grantor to farm Grantor's Property. It is therefore agreed that an indemnification of Grantor pursuant to a lease between Grantee and a farmer and the insurance provided by the farmer naming Grantor as additional insured pursuant to said lease shall be accepted as compliance with this Section 5. In addition, it is agreed that if no insurance is provided by the entity farming the Properties, Grantor and Grantee will acquire insurance naming both Grantor and Grantee as insured and the cost thereof will be paid by each party proportionately to the amount of acres owned by each party that is being farmed.

6. **Use of Easement Property.** Grantor reserves the right to use the Easement Property, and the right to grant others the right to use the Easement Property, in any manner so long as such use is not inconsistent with, and does not unreasonably interfere with, Grantee's rights as set forth in this Agreement.

7. **Grant of Water Rights.** Farm runoff water is stored in two ponds located on the west 150 feet of the north 1800 of Grantor's Property and is re-circulated by pump and underground pipe to the irrigation ditches located on the Barney Property, where irrigation water for Grantor's Property and Grantee's Property originates. Grantor hereby grants to Grantee the proportionate right to use the water re-circulated from the ponds. For this purpose "proportionate" shall mean the number of acres of Grantee's Property that is farmed divided by the total number of acres of Grantor's Property and Grantee's Property that is farmed. As its sole payment therefore, Grantee shall reimburse Grantor for its proportionate share of direct utility, maintenance and repair costs incurred in connection with the Ditches, the Easement Property and the recirculation pump and pipes. Without changing the rights and obligations of the parties, Grantor may, in its sole discretion and cost, change the location of its ponds and/or its recirculation pipes and equipment. This right to use runoff water shall continue for the term of the Easement described in Section 4 above, provided that the right to use runoff water shall sooner terminate upon Grantor's complete and permanent termination of its use of the recirculation pump and pipe system.

7. **Attorney's Fees.** Grantee shall be responsible to pay its proportionate share of the reasonable attorney's fees on behalf of Grantor in the event that representation is required to administer this Easement in any way, including but not limited to amendment, extension, recording and third party litigation. However, in the event of litigation between the parties or any other resolution of a dispute related to the rights and benefits conveyed in this Easement, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs from the non-prevailing party. .

8. **Government Requirements.** Use of the Easement Property shall at all times be in strict compliance with applicable federal, state, county and municipal laws, ordinances and requirements.

9. **No Obstructions.** Grantor shall not permanently obstruct, impede or block the Easement Property in any manner nor permit any of its respective tenants, employees, agents, customers, patrons, suppliers or business visitors to permanently obstruct or block the Easement Property.

10. **Fee Ownership.** Grantor represents and warrants to Grantee that it owns the fee title to the Easement Property, subject to all matters of record, and has the unrestricted right to grant this Easement and other rights that are referred to herein.

11. **Binding Effect.** This Easement shall run with the land for the term described herein and be binding upon and benefit the successors in title of the parties hereto. A party shall have no further rights or obligations hereunder with regard to any property it has transferred after it has made such transfer of title, but a transfer shall not affect its obligations or rights under this Easement with regard to events occurring prior to transfer of title.

12. **No Dedication.** The provisions hereof are not intended to and do not constitute a dedication for public use, and the rights and easements herein created are private and for the benefit only of Grantee and Grantee's successors and assigns.

13. **Notices.** Any notice desired or required to be given hereunder must be in writing and delivered personally or sent by certified mail (return receipt requested), postage prepaid, addressed to the party to receive the same at the address of such party shown below or such other address(es) as such party may hereafter furnish to the other in writing. Any notice mailed in accordance with the preceding sentence is deemed to have been given at the time it is received.

If to Grantor:

ML Manager LLC
14050 N. 83rd Avenue, #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: Mark A. Nesvig
Facsimile: (602) 916-5672
Telephone: (602) 916-5472
Email: mnesvig@fclaw.com

If to Grantee: Sheldon H. Sternberg and Sylvia Sternberg
5730 Echo Canyon Drive
Phoenix, Arizona 85018
Facsimile: (602) 808-9074
Telephone: (602) 808-9884
Email: sssternberg@q.com

14. **Construction.** This instrument shall be construed in accordance with the laws of the State of Arizona.

15. **Authority.** Each party represents that the person executing this Easement on behalf of such party is duly authorized to execute and deliver this Easement and all requisite actions have been obtained for such authority.

16. **Counterparts.** This Easement may be executed simultaneously or in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

IN WITNESS WHEREOF, this Easement is executed by the parties as of the date first above written.

[SIGNATURE PAGES FOLLOW]

GRANTOR:

FP IV LOAN LLC, an Arizona limited liability company

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

By: _____
Mark Winkleman, Chief Operating
Officer

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this ____ day of _____, 2012, by Mark Winkleman, known by me to be the Chief Operating Officer of ML Manager LLC, an Arizona limited liability company, the Manager of _____, an Arizona limited liability company, on behalf of the company.

Notary Public

My Commission Expires:

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

By: _____
Mark Winkleman, Chief Operating Officer

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this _____ day of _____, 2012, by Mark Winkleman, known by me to be the Chief Operating Officer of ML Manager LLC, an Arizona limited liability company, as Agent for the Owners listed on Exhibit A attached.

Notary Public

My Commission Expires:

GRANTEE:

PECOS-MERRILL 20 LLC

By _____
Sheldon H. Sternberg, Member

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this ____ day of _____, 2012, by Sheldon h. Sternberg, known by me to be a Member of Pecos-Merrill 20 LLC, an Arizona limited liability company.

Notary Public

My Commission Expires:

EXHIBIT A

List of Owners

Craig Allison, Trustee of the Craig Allison Living Trust dated April 4, 2001, and any amendments thereto;

First Trust Company of Onaga, Custodian FBO Jane A. Bartelme Roth IRA #R215XXXX;

First Trust Company of Onaga, Custodian FBO M. Gordon Bagne Roth IRA Account ##R215XXXX;

First Trust Company of Onaga, Custodian FBO Stephen Barbour Roth IRA Account # R215XXXX;

Thomas Berlinger and Catherine Berlinger, husband and wife as community property with right of survivorship;

June Behrendt, a single woman;

FP IV Loan LLC, an Arizona Limited Liability Company;

SL Affiliated, L.L.C., an Arizona limited liability company;

Sheryl Calcavecchia, an unmarried woman;

Erika Carlson, Trustee of The Erika Ann Carlson Revocable Living Trust Agreement and any amendments thereto;

Harold J. Christ, Ltd., an Arizona corporation;

Tony Christensen and Jonna Christensen, husband and wife, as community property with right of survivorship;

Fifth Age of Man Foundation, a California corporation;

First Trust Company of Onaga, Custodian FBO Beverly Clarke Roth IRA Account #R215XXXX;

Gerald K. Smith, Successor Trustee of the SMC Revocable Trust U/T/A dated December 22, 1994, as amended;

First Trust Company of Onaga, Custodian FBO William L. Edwards IRA #41021XXXXX;

Jodi Farber, Custodian FBO Courtney Farber Olds, under The Uniform Gift to Minors Act;

First Trust Company of Onaga, Custodian FBO Donald Fruchtman Roth IRA Account #R215XXXX;

David Furst, Trustee of the DHF Corporation Retirement Trust dated August 4, 1981, and any amendments thereto;

Robert G. Furst, Trustee of The Robert G. Furst & Associates Defined Benefit Pension Plan;

David First and Hannah First, Trustees of The Furst Family Trust dated July 1, 1988, and any amendments thereto;

Harvey Golden and Merylee Golden, husband and wife as joint tenants with right of survivorship;

Merylee Golden, Trustee of the Merylee Golden Family Trust Agreement dated May 19, 2000, and any amendments thereto;

KK853106 LLC, an Arizona limited liability company;

Golden Lending Group, LLC, an Arizona limited liability company;

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

Pueblo Sereno Mobile Home Park L.L.C., an Arizona limited liability company;

First Trust Company of Onaga, Custodian FBO Frederick Carl Heitman Roth IRA Account #R215XXXX;

First Trust Company of Onaga, Custodian FBO Donna Heitman Roth IRA Account #R215XXXX;

First Trust Company of Onaga, Custodian FBO Justin E. Howell Roth IRA #46021XXXXX;

First Trust Company of Onaga, Custodian FBO Stephen Howell Roth IRA Account #R215XXXX;

BWH1, L.L.C., an Arizona limited liability company;

Ronald L. Kohner, an unmarried man;

Lonnie Joel Krueger, Trustee of The Lonnie Joel Krueger Family Trust Agreement dated January 24, 1991;

Maurice J. Lazarus, Husband of Marjorie A. Lazarus, as his sole and separate property;

Maurice J. Lazarus, Trustee of The Maurice J. Lazarus Charitable Remainder Annuity Trust under Agreement dated March 15, 1999;

Lynton R. Leslie and Rae D. Leslie, Trustees of The Lynton R. Leslie and Rae D. Leslie Revocable Trust dated November 11, 1992, and any amendments thereto;

WCL853106 LLC, an Arizona limited liability company;

First Trust Company of Onaga, Custodian FBO Leah L. Lewis Roth IRA Account #R215XXXX;

First Trust Company of Onaga, Custodian FBO Thomas Lutz Roth IRA Account # R215XXXX;

First Trust Company of Onaga, Custodian FBO Nancy Lutz Roth IRA Account #R215XXXX;

William J. Miller and Sandra B. Miller, Trustees of the Miller Family Trust dated February 7, 2000, and any amendments thereto;

Toni J. Norack, a single woman;

Michael L. Norman and Susan L. Tharp, Trustee of the Norman Tharp Family Trust #3 dated July 19, 2002, and any amendments thereto;

Corey H. Normoyle Jr. and Ellen M. Normoyle, Trustees of The Corey H. Normoyle, Jr. and Ellen M. Normoyle Living Trust dated May 23, 2005 and any amendments thereto;

Robert K. Rader and Katalin A.V. Rader, Trustees of The Rader Family Trust dated September 6, 2002, and any amendments thereto;

First Trust Company of Onaga, Custodian FBO Katalin Rader Roth IRA Account #R215XXXX;

First Trust Company of Onaga, Custodian FBO Robert Rader Roth IRA Account #R214XXXX;

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

J. Paul Rhodes, Trustee of the J. Paul Rhodes Living Trust dated April 25, 2005, and any amendments thereto;

Robert G. Roden, Trustee of The Robert G. Roden Living Trust dated October 1, 2004, and any amendments thereto;

Mary C. Shoemaker, Trustee of the Charles J. and Mary C. Shoemaker Trust dated April 17, 2001, and any amendments thereto;

Jayesh K. Shah and Vaishali Shah, Trustees of The Jayesh K. & Vaishali Shah Family Trust dated August 16, 2000, and any amendments thereto;

Beth Larae Smith, an unmarried woman;

Stuart J. Steckler and Phyllis B. Steckler, Trustees of The Steckler Family Trust dated September 15, 1980, and any amendments thereto;

Jan M. Sterling, Trustee of The Jan M. Sterling Living Trust dated January 4, 1995, and any amendments thereto;

David Brian Stanton, Trustee of the David Brian Stanton Revocable Trust dated August 25, 2004, and any amendments thereto;

First Trust Company of Onaga, Custodian FBO David Stanton Roth IRA Account #R215XXXX;

First Trust Company of Onaga, Custodian FBO Jan Sterling Roth IRA Account #R215XXXX;

First Trust Company of Onaga, Custodian FBO Betty Tatro Roth IRA Account #R215XXXX;

First Trust Company of Onaga, Custodian FBO Kathleen Tomasulo Roth IRA Account #R215XXXX;

John S. VanderHeide, Trustee of the John S. VanderHeide Trust dated September 19, 1996, and any amendments thereto;

First Trust Company of Onaga, Custodian FBO Charles S. Vose IRA #4102XXXXXX;

First Trust Company of Onaga, Custodian FBO Judith Winn Roth IRA Account #R215XXXX;
and

Clara B. Zanecki and Joseph B. Zanecki, husband and wife, as joint tenants with right of survivorship.

EXHIBIT "B"

Legal Description of Grantor's Property

The West half of Section 2, Township 2 South, Range 7 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona;

EXCEPT the East 330.00 feet of the South 1320.00 feet thereof; and

EXCEPT the West 3 feet of the East 333.00 feet of the South 200 feet of the said West half of Section 2;

EXCEPT the East 668.3 feet of the North 1336.6062 feet of the East half of the Northwest quarter of Section 2, Township 2 South, Range 7 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona (*this exception is subject to adjustment, if the legal description of the 20 Acres is adjusted*); and

EXCEPT 1/16th of all oil, gases and other hydrocarbon substances, coal, stone, metals, minerals, fossils and fertilizers of every name and description and except all materials which may be essential to the production of fissionable material as reserved in Arizona Revised Statutes, except Lot 3; and

Except all coal and other minerals as reserved in the Patent from the State of Arizona, pursuant to the Act of Congress, dated January 25, 1927, except Lot 3; and

Except from Lot 3, all oil, gas, metals, mineral rights and right to other materials as reserved in the Patent from the State of Arizona, as provided by A. R.S 37-231.

EXHIBIT "C"

Legal Description of Grantee's Property

The East 668.3 feet of the North 1336.6062 feet of the Northwest quarter of Section 2, Township 2 South, Range 7 East, of the G.S. & R. B. & M. (the "Benefited Property").

EXHIBIT "D"

Legal Description of Easement Property

The East 33 feet of the West half of Section 2, Township 2 South, Range 7 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona;

Except the South 1320.20 feet thereof;

And except the North 1336.6062 feet thereof.