

July 22, 2009

To: Pass-Through Investors of Mortgages Ltd. Loans
From: ML Manager LLC
Re: Transfer of fractional interests to the new Loan Limited Liability Companies and August 14, 2009 deadline

As you know the Investors Committee's First Amended Plan of Reorganization ("Plan") in the Mortgages Ltd. bankruptcy case has been confirmed by the Bankruptcy Court and became effective on June 15, 2009. This letter is written to you as a Pass-Through Investor who indicated you would be willing to transfer your interest to let you know that you now need to decide whether or not you will transfer your fractional interest in a Note and Deed of Trust to the new entities set up under the Plan to handle the loan or loans in which you have an interest.

Under the Plan and in the Order Confirming the Plan, the Bankruptcy Court approved this Plan and process as a safe harbor exemption from federal, state and local securities laws under Section 1145 of the Bankruptcy Code. The Amended Disclosure Statement which was approved by the Bankruptcy Court is posted on the following website for your review. It is the same Amended Disclosure Statement that was sent to you during the Solicitation Period when your vote on the Plan was being sought. It is on the disk you would have received with that Solicitation package and the ballots. The website if you want to view it again is www.fclaw.com/mortgages-ltd-investors. We have also posted the Order Confirming the Plan.

ML Manager LLC, the new entity set up under the Plan, is the new manager for all the MP Funds and the new agent for all the Pass-Through Investors, including you. That was approved by the Bankruptcy Court as a part of the Plan. As such ML Manager LLC manages or is the agent for 100% of the owners of the Notes and Deeds of Trust. The ML Manager LLC will be managed by a five-person investor board consisting of Scott Summers, Bruce Buckley, David Fieler (as the replacement for Grant Lyon), Bill Hawkins and Elliott Pollack, who is the chair.

Pursuant to the Plan, and with the Court's approval, 48 new limited liability companies have been set up for 48 of the loans in the portfolio. Attached is a list of the new 48 loan limited liability companies. All of the fractional interests in Notes and Deeds of Trust that were owned by the 9 MP Funds or by Mortgages Ltd. have already been transferred into the appropriate Loan limited liability companies for that loan. As a result about two-thirds of the \$900 million loan portfolio has already been transferred into the new entities. For example, all of Mortgages Ltd.'s or the 9 MP Fund's interests in the Central & Monroe LLC Note have been transferred into a new entity called C&M Loan LLC. The other 17 loans of the 65 loans are too small or belong to the Mortgages Ltd. Employee

401k Plan and will not be transferred into Loan limited liability companies. If you are in any of those loans, ML Manager LLC will be contacting you separately about those loans.

The time has come for you as a Pass-Through Investor in one or more of the 48 loans to decide if you will transfer your interest in the Note and Deed of Trust into the new entity. As you may recall, the Plan did not require or force any Pass-Through Investor to transfer fractional interests in Notes and Deeds of Trust into these new entities. This is your choice. In the ballot that you received, and that most of you filled out and returned, there was a box to check if you intended to transfer your interest. The Plan indicated that you would be contacted once the Plan became effective in order to document that transfer. ML Manager LLC has 60 days from the effective date of the Plan to work with the Pass-Through Investors and give you the opportunity to consider and make that decision. That time will expire August 14, 2009.

Attached is a copy of the forms that were used to transfer the MP Funds into a new Loan limited liability company set up for the loan. They are a sample Indorsement to the Note, a sample Assignment of Beneficial Interest in the Deed of Trust, the Assignment of the Assignment of Rights, and the Assignment of the Non-recorded Loan Documents. These are the same forms which will be used for the transfer of your fractional interests. Also attached is the operating agreement for one of the new Loan limited liability companies which will govern the new entity. The operating agreements are the same for each one. The form operating agreement was attached to the Disclosure Statement and approved by the Bankruptcy Court in the Order Confirming the Plan.

To facilitate your decision, we have set up a series of meetings to discuss the pros and cons with you and to provide you with the documents to be executed and notarized. Cathy Reece and Ed McDonough, among others, will be at the meetings to discuss this with you and answer your questions. We will also have notaries available at the meetings to notarize the documents at no charge. Those meetings, like the meetings during the Plan solicitation process, will be held at 3003 N. Central Ave., Phoenix, Arizona 85012. Your meeting will be in the lower level Auditorium. The meetings will be held as follows:

Thursday July 30 at 10 a.m.
Thursday July 30 at 2 p.m.
Thursday July 30 at 5:30 p.m.
Friday August 7 at 3 p.m.
Monday August 10 at 10 a.m.
Monday August 10 at 2 p.m.
Monday August 10 at 5:30 p.m.
Tuesday August 11 at 10 am
Tuesday August 11 at 2 pm

Please RSVP to Terri at tvink@fclaw.com to let her know which meeting you will attend. That way we can have your set of documents printed and available for signature in case after the meeting you decide to transfer your interests.

We will also be having 2 telephone conference calls to answer questions.
Friday July 31 at 1 p.m.
Thursday August 6 at 5:30 p.m.

If you can only attend by telephone, then let Terri at tvink@fclaw.com know so that she can give you the dial-in number for the call. Your documents can be mailed or emailed to you after the meeting.

If you do not want to or cannot attend such a meeting or telephone call but you want to transfer your fractional interests into the appropriate Loan limited liability company, then make a request in writing to Erica Jacob at ejacob@mtgltd.com as soon as possible and she will arrange for the paperwork on your loans to be prepared and mailed to you so that you can return it promptly. If you have any questions, do not hesitate to contact Karen Epstein at kme818@cox.net. Thank you for your consideration.