

ML MANAGER LLC
14050 N.83rd Ave., Suite 180
Peoria, AZ 85381

October 28, 2009

To: Pass-Through Investors of Mortgages Ltd. Loans

Re: **DEADLINE OF OCTOBER 31, 2009**--Transfer of Pass-Through Investor fractional interests to the new Loan Limited Liability Companies ("Loan LLCs")

As you know the Investors Committee's First Amended Plan of Reorganization ("Plan") in the Mortgages Ltd. bankruptcy case became effective on June 15, 2009. Over the last few months, we have sent you several emails and communications giving you instructions about transferring your Pass-Through Investor 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. See prior emails and attachments for copies of form documents, operating agreements of the Loan LLCs, the Plan, the Disclosure Statement and Order Confirming the Plan. The deadline for transfers has been extended by the Court to **October 31, 2009**.

ML Manager is going forward with the transfers. **Pass-Through Investors have until October 31, 2009 to provide their executed and signed transfer documents to the ML Manager at the address above. FOR THOSE OF YOU WHO WANT TO EXECUTE AND NOTARIZE YOUR DOCUMENTS AND GIVE THEM TO ML MANAGER, THE ML MANAGER OFFICE WILL BE OPEN FROM 8 AM UNTIL NOON ON SATURDAY OCTOBER 31.** If you have not signed any documents and want to obtain a set of your transfer documents so you can execute and turn them in, 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 ready for your signature.

As you may remember from the last newsletter, the Court entered a Memorandum Decision on October 21, 2009. Basically, the Court indicated that the non-opt-in Pass-Through Investors (that means those who decide not to transfer their fractional interests into a Loan LLC) will have to pay "their proportionate share of all the expenses, including but not limited to the Exit Financing." The Court citing the provision of the Confirmation Order went on to say that the amount must be "fair, equitable and proportional, but within those limitations the ML Manager can exercise his business judgment whether to obtain financing to cover exit costs and operational expenses, and when to make the charge backs." On the authority of the Agent, the Memorandum Decision also stated that "the ML Manager does have authority to deal with the loans and the collateral securing the loans to the extent provided by the governing documents including but not limited to the applicable subscription agreements and agency agreements." The Court also stated that "the ML Manager has no authority to sell or encumber the non-opt-in Pass-Through Investors' fractional interest in their notes." ML Manager filed an Emergency Motion to Amend the Memorandum Decision to delete the two words "sell or." On October 27, 2009, the Court granted the ML Manager Emergency Motion and deleted "sell or" from his Memorandum Decision thus stating that the ML Manager LLC as the agent does have authority to liquidate or sell the fractional interest of the non-opt-in Pass-Through Investor.

ML Manager LLC has trustee sales scheduled for November 4, 2009 for the deeds of trust held for the following 4 defaulted loans: VCB Properties, LLC (Loan No. 856805), Arizona Commercial Land Acquisitions I, LLC (Loan No.856206), Citrus 278, LLC (Loan No. 849306) and Northern 120, LLC (Loan No. 849206). ML Manager LLC will have the fractional interests being transferred in these 4 loans transferred into the Loan LLC and recorded with the title company before the trustee sales take place so that when the trustee's deed is issued, Pass-Through Investors who opt-in will not be in the chain of title. Additional trustee sales on other defaulted loans will be scheduled after that.

If you have already executed and delivered your transfer documents but have changed your mind and do not want to transfer your fractional interests in to the Loan LLC, then you will need to contact ML Manager in writing on or before October 31, 2009. An email to Erica Jacob at ejacob@mtg ltd.com or a fax to Erica at (623) 234-9575 would be sufficient. If ML Manager does not receive this written cancellation then ML Manager will assume you still want to transfer and will proceed accordingly. The transfer documents will be recorded in the beginning of November, 2009.

If you have any questions, do not hesitate to contact Karen Epstein at kme818@cox.net or (480) 948-6777. Thank you for your consideration.

The above does not constitute an offer (or solicitation of an offer) to buy or sell any securities. Pass-Through Loan Participations or Opportunity Funds investments contain risks which an investor must evaluate, understand and be willing to bear. Past performance is not indicative of future results. You are advised to consult with appropriate investment, legal, tax and accounting professionals when determining if specific products would be suitable for you.

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