

ML MANAGER LLC
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ML MANAGER LLC LOAN PORTFOLIO NEWSLETTER #15

Dear Investors:

The following is an update of significant events occurring since our last newsletter. As you will see, most of the news relates to ongoing sales transactions, which we expect to be the norm over the coming months.

K-1s

ML Manager LLC is working with an outside CPA firm on the preparation of K-1s for the 2010 tax year. Due to the activity in 2010 related to the various Trustee's Sales and sale of properties, the K-1s are more complicated to prepare this year. We are required to send out the K-1 tax returns to all MP Fund and Loan LLC members on or before April 18th and will do so as soon as they have been completed. At the time that the 2010 Schedule K-1s are complete, they will be distributed by regular mail only to the primary contact's mailing address that we have on file for you. Our limited staff will not be able to distribute copies of your tax documentation to you by either email or facsimile. Thank you for your understanding.

Centerpoint (Loans 857605 and 861905)

As you may have seen in the newspapers and/or on television, we successfully closed the sale of the Centerpoint towers on February 18th. The transaction was extremely complicated and challenging, involving many issues relating to mechanics liens, title insurance and other issues. The members of Centerpoint I Loan LLC and Centerpoint II Loan LLC voted to approve the sale. The bulk of the sales proceeds were used to pay down amounts owed to the Exit Finance group, closing costs and to deal with the numerous liens of subcontractors and suppliers. Given the structure of the transaction, no proceeds remained from the closing to be paid to the investors in Loan 857605. We believe, however, that we will ultimately be able to recover substantial amounts from Fidelity National Title Insurance Company under the four policies they previously issued and substantial amounts will be produced to be payable to the investors. We anticipate that Fidelity Title will resist paying under the policies and that it will be necessary to commence legal proceedings against Fidelity Title in order to collect amounts from them. A substantial reserve fund was established to provide sufficient funds to fully assert our rights to collect moneys from Fidelity Title. We will keep you apprised of the developments as we attempt to collect these amounts from Fidelity Title.

All State IX (Loan 861506)

As reported in the last newsletter, ML Manager LLC entered into a Sale Agreement for these lands in Pinal County. After completing its inspection of the properties, the buyer elected to terminate the Sale Agreement; subsequently, ML Manager LLC entered into another Sale Agreement with a different buyer for the same price per acre, but excluding an approximately 80 acre parcel that is not suitable for farming. The Bankruptcy Court has already approved the sale of the property for the agreed upon price. The sale is subject to the affirmative vote of the members of ASA IX Loan LLC. The total sales price is \$3,987,525 and the closing is anticipated to occur around April 8, 2011.

University & Ash (Loan 858905)

A Sale Agreement of this land in downtown Tempe is being finalized by ML Manager LLC for the sales price of \$3,240,000. Upon signing the Sale Agreement the buyer will deposit \$300,000 into escrow. The buyer will have two weeks to complete its investigation of the property and elect to proceed. The sale is subject to the affirmative vote of the members of U & A Loan LLC and Bankruptcy Court approval. The closing will occur approximately one week following the completion of the buyer's investigation of the property.

Portales (Loan 852606)

A Sale Agreement of this land in downtown Scottsdale is being finalized by ML Manager LLC for the sales price of \$14,500,000. Upon signing the Sale Agreement the buyer will deposit \$2,000,000 into escrow. The buyer has until approximately June 2, 2011 to complete its investigation of the property and elect to proceed. The sale is subject to the affirmative vote of the members of PPP Loan LLC and Bankruptcy Court approval. The closing is scheduled for June 14, 2011.

CS11 (Loan 832705)

This property was widely marketed for sale by Nathan and Associates and the ML Manager LLC has accepted an offer to purchase the property. A Sale Agreement of this land in Pinal County, Arizona is being finalized by ML Manager LLC for the sales price of \$2,923,935. The buyer will have until approximately May 4, 2011 to complete its analysis of the property. The sale is subject to the affirmative vote of the members of CS Loan LLC and Bankruptcy Court approval. This closing is scheduled for approximately May 18, 2011.

Rodeo Ranch (Loan 857906)

Sale Agreements for two houses within this subdivision in Casa Grande have been signed by the ML Manager LLC for the sales prices of \$294,500 and \$225,000 (the two houses are different sizes). The buyers have completed their inspection of the houses and a few repairs are necessary in order for the buyers to obtain the loans to acquire the houses. The repairs are being performed and appraisals by the buyers are being prepared. The sales are subject to the affirmative vote of the members of RRE 1 Loan LLC and Bankruptcy Court approval. The closings are scheduled for May, 2011.

Metropolitan Lofts, L.L.C. (Loan 860706)

This loan is subject to the Chapter 7 bankruptcy filed by the borrower and we have not been granted permission to complete our foreclosure. ML Manager LLC reached an agreement with the bankruptcy trustee to proceed to market the property. After marketing the property for the past few months, ML Manager LLC recommended that the bankruptcy trustee accept an offer to purchase the property for the price of \$3,315,000. The bankruptcy trustee accepted this recommendation and scheduled a hearing in the bankruptcy court for April 21, 2011 to approve the Sale Agreement. Once the Sale Agreement has been approved by the Bankruptcy Court, the buyer will have 30 days to conduct its inspection of the property. Assuming the buyer elects to proceed with the purchase, the sale would close approximately 30 days thereafter. The validity of the lien of this loan has been challenged by the bankruptcy trustee and it will be necessary to resolve this dispute before funds can be disbursed.

Roosevelt Gateway (Loans 856605 and 859205)

A Sale Agreement of these lands in downtown Phoenix has been signed by the ML Manager LLC for the sales price of \$3,085,138. The buyer has deposited \$200,000 into escrow. The

buyer is seeking two variances from the City of Phoenix relating to their proposed development and it is anticipated that the variances will be granted. It was necessary to extend the closing date in order to allow time to obtain the zoning variances and the closing date is now scheduled for April 22, 2011. The sale was overwhelmingly approved by the vote by members of RG I Loan LLC and RG II Loan LLC and was approved by the Bankruptcy Court.

PDG Los Arcos, LLC (Los Arcos Crossing) (Loan 859305)

A Sale Agreement for this property in Scottsdale has been signed by the ML Manager LLC for the sales price of \$6,400,000. The buyer has deposited \$250,000 into escrow and is obligated to deposit an additional \$150,000 into escrow on approximately April 15, 2011. Since the Sale Agreement was signed in January, the buyer has been working with the City of Scottsdale and other interested parties to agree upon an acceptable site plan for the property. It appears that a consensus has finally been reached, but it has delayed the time schedule contained in the Sale Agreement. The ML Manager LLC Board has agreed to allow the buyer additional time to complete the re-zoning process and the closing is currently scheduled for December, 2011, but is subject to further acceleration or extension depending upon the rezoning process. The sale is subject to the affirmative vote of the members of PDG LA Loan LLC and the approval of the Bankruptcy Court.

Central & Monroe, LLC (Hotel Monroe) (Loan 858606)

A Sale Agreement of this property in downtown Phoenix has been signed by the ML Manager LLC for the sales price of \$7,750,000. This property is encumbered by a significant number of construction liens and we are working to resolve the lien issues. We recently received a positive decision from the Bankruptcy Court regarding the elimination of the liens and we are optimistic that an acceptable resolution can be achieved. The sale is subject to the resolution of the lien issues and the affirmative vote of the members of C & M Loan LLC and the approval of the Bankruptcy Court. The closing is scheduled for mid-May 2011.

MK Custom (Loans 839506 and 845006)

In our last newsletter we reported that ML Manager LLC entered into a Sale Agreement for this property with a buyer. Unfortunately, the buyer terminated the Sale Agreement during its inspection period. We are continuing our efforts to market the property.

National Retail (Loan 860905)

ML Manager LLC entered into a Sale Agreement with a buyer in late January for this property. The buyer elected to terminate the Sale Agreement during its feasibility period. We continue our efforts to market this property for sale.

Wolfswinkel (Loans 850206, 857306, 857406, 858006, 859606, 861206)

We continue our efforts to finalize a settlement agreement with the borrowers and guarantors of these loans. The settlement agreement will be subject to the approval of the member of the Loan LLCs holding each of these loans. It is anticipated that the foreclosures of these properties will occur immediately after approval of the settlement agreement.

Recent Foreclosures

Rightpath Limited Development Group, LLC (Loans **858406** and **859806**, Robert Banovac and Danny Hendon are the principals) and Maryland Way Partners, LLC (Loan **858506**, Robert Banovac and Danny Hendon are the principals) were successfully foreclosed upon on February 8, 2011. No bidders appeared at the trustees sales to bid for the properties. We have met with the City of Glendale to discuss the future of these parcels. We are currently interviewing real estate brokers to represent us in marketing the properties for sale.

Town Lake Development Partners, L.L.C. (Loan **861305**, Tod Decker is the principal) was successfully foreclosed upon in late January. We are currently analyzing offers to purchase the property.

Borrower's Bankruptcies:

The borrowers, Northern 120, L.L.C. (Loan **849206**) and Citrus 278, L.L.C (Loan **849306**) (Steve Kohner is the principal of both borrowers) have stipulated to allow our foreclosures to occur as of May 1, 2011. We plan to begin marketing the properties for sale.

ML Manager LLC and Sheldon Sternberg have reached a settlement agreement with Foothills Plaza IV, L.L.C. (Loan **853106**, Doug Dragoo is the principal) in which we will be allowed to foreclose on the property. The guarantors of the loan have agreed to stipulate to a personal judgment in the amount of \$20,740,000. The Bankruptcy Court has scheduled a hearing on April 11, 2011 and it is anticipated that the settlement will be approved.

Riverfront Commons LLC/Cottonwood (Loan **853705**) and SOJAC I, L.L.C. (Loan **857106**) have previously filed for bankruptcy. Foreclosures cannot be completed until permitted by the Bankruptcy Courts. We continue to attempt to obtain permission from the bankruptcy court to complete the foreclosures, but the timing is uncertain at this time.

Zacher Maryland (Loan 857802)

This loan related to a subdivision located in north central Phoenix. We successfully foreclosed on the lots making up this subdivision last year. After marketing the property for sale it was discovered that issues existed regarding our lien on the common area tracts of the subdivision. We continue to attempt to resolve the issues relating to the common area tracts to establish that we own clear title to this property. Although we have received several attractive offers to purchase the property, we are not able to consummate a sale until we can deliver clear title to the common area tracts. It appears that the legal process to clear title to the common areas will take a few more months.

Numerous Ballots

As you can anticipate from the foregoing matters, a significant number of ballots have and will be sent out in the near future. Each ballot will refer to a separate transaction and you will only receive ballots if you are a member of a Loan LLC or one of the MP Funds having an interest in a property being sold. We hope the volume of ballots will not be confusing or burdensome, but we are in the midst of a significant amount of activity that will require the votes of the investors. We appreciate your participation in the voting process.

Status of Exit Loan

As a result of the recent sales the principal balance of the Exit Loan has been reduced to approximately \$12.3M. It is our hope that this principal balance can be reduced to zero by June, however, this result is contingent upon successful closing of many of the transactions described above.

Future Distributions

We recently made one distribution of proceeds from the sales of properties related to six of the loans. We don't know the exact date of the next distribution, as it will depend upon the number

and timing of sales of properties. We anticipate making the next distribution when sufficient funds are available to distribute that justify the cost and effort in making the distributions.

Potential Tax Deduction Due to Potential Theft Loss

As reported in prior newsletters, we have retained the international accounting firm of PricewaterhouseCoopers LLC ("PwC") to provide advice regarding potential tax strategies relating to fraudulent activities. They met with the IRS in September 2010 and again on February 16, 2011. PwC has requested a private letter ruling on behalf of an investor. The IRS has not yet made a decision and will not commit to issue its decision by any particular date. We have requested that PwC remain in regular contact with the IRS. We will inform you as soon as a decision has been made by the IRS.

Copies of Various Agreements and Previously Distributed Information

We continue to send you information which we feel is relevant to your interests and we realize that the information sometimes consists of a substantial amount of paperwork. We have attempted to make most of the documentation and information previously sent to you available for your convenience on our website at www.mtgltd.com. There is no username or password necessary to access the information. We encourage you to check the website for documents and information prior to requesting additional copies from our staff. Information contained on the webpage includes the Exit Loan Agreement, numerous court documents and the cost allocation model as it relates to the properties that have sold. Also, all past communication sent out by ML Servicing Co, Inc., the ML Liquidating Trust, and/or ML Manager LLC is available on our website for your reference.

VTL

Our office has received numerous inquiries from members of the Value to Loan fund. Please be aware that ML Manager LLC does not manage the VTL fund. All questions relating to the VTL fund should be directed to David Birdsell by phone at 480-644-1080 or by email at dab@azbktrustee.com

List of Loans in Each MP Fund

If you are a member of one of the MP Funds a copy of the operating agreement for your Fund and a list of the Loan LLCs held by your Fund was sent to you either by regular mail or email in February 2010. An additional copy of the Loan LLC list is available to each of the members in a Fund. An additional copy of the operating agreement is available with an associated fee for printing and postage.

If you have any questions, do not hesitate to contact Karen Epstein at 480-948-6777 or kme818@cox.net or Erica Jacob at ejacob@mtgltd.com or 623-234-9569 for further assistance. It is much more efficient for us to respond to written questions and we ask that if at all possible you send email messages to Karen and Erica instead of calling them. Thank you for your support of our efforts.

Best Regards,

Elliott Pollack
Chairman

ML Manager LLC Board