

RESOLUTION OF THE BOARD OF MANAGERS OF
ML MANAGER LLC

At a duly called meeting of the Board of Managers of ML Manager LLC ("Company") held on February 17, 2010, three of the Managers signing below, constituting a majority of the Managers, with Manager Bruce Buckley dissenting and with Manager William Hawkins recused from the decision, and after substantial and careful discussion and deliberation and after consulting with counsel, adopted the following Resolution:

Whereas, Mr. Hawkins continues to contact and talk with borrowers or their counsel on various matters concerning the loans of borrowers despite the agreement of the Managers that no Manager will engage in such conduct because it interferes with the normal negotiations and dealings of the Company and its professionals with borrowers or their counsel;

Whereas, Mr. Hawkins' email of January 25, 2010 concerning the requested transfers of Mr. Murphy's interests which was being handled by the staff of the Company, which told the other Rev Op Group members to bury the staff with requests was inappropriate conduct for a Board member and caused consternation and disruption with the staff and reflected his inability to separate his personal interests from the interests of the Company;

Whereas, in one of the discussions of settlement terms on the MK Custom loans, Mr. Hawkins during the Board meeting threatened to sue the other Board members if they did not approve the settlement that he wanted which was advantageous to him on the second position lien at the expense of the investors in the first position lien;

Whereas, the issues regarding the conflicts and conduct of Mr. Hawkins have dominated the business of the Board and require the Board to have additional deliberations and votes without Mr. Hawkins and otherwise interfere with and disrupt the Board's ability to conduct its normal business in an efficient manner and cause substantial dysfunction;

Whereas, Mr. Hawkins, for himself and/or for entities that he controls has filed, caused to be filed, or allowed to be filed on his behalf, several pleadings that have taken legal positions in public pleadings and copied third parties on correspondence which are fundamentally contrary to positions taken by the Company for the investors the Company represents and which are a fundamental act of disloyalty to the purposes for the formation of the Company and to its objectives, and which are detrimental to the other investors, including but not limited to, (1) having his counsel send a letter to the counsel for the Board threatening to sue the Board Managers for claiming the Company had authority to act on behalf of his entities as their agent while approving or acquiescing in the Board meetings to trustee sales and other collection actions and sending a copy of such letter to the Exit Financer; (2) filing a pleading on behalf of one of his entities in the MK Custom bankruptcy case opposing the stay relief motion filed by the Company on behalf of the investors and challenging the authority of the Company to act on his behalf even though as a Board member he did not object to the trustee sale pursued on the property; (3) notwithstanding that he voted in the Board meeting in favor of the sale and authorized Mark Winkleman to sign the purchase agreement, filing a pleading opposing the sale of the AZCL property, challenging the authority of the Company to sell his interest and disputing and delaying the distribution of the sale proceeds to all investors until his fair share of the costs and expenses to be deducted or charged back from his distribution was determined; and (4) filing the Motion to Clarify, the Motion to Reconsider and the appeal of the Court's decisions;

Whereas, Mr. Hawkins on behalf of his seven entities along with the other 11 Rev Op Group investors has filed an appeal from the Court's orders concerning the Motion to Clarify and

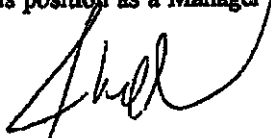
such appeal increases the costs, expenses and fees of the Company, and causes delays and concerns to title companies in issuing title insurance and trustee sale guarantee reports, and continues to be used by borrowers as an excuse to delay collections, foreclosures and proceedings, and delays closings of potential sales, all to the continued detriment of the investors for which the Company is responsible;

Whereas, because Mr. Hawkins holds an ownership interests in 33 of the 48 borrower loans managed by ML Manager on behalf of the Loan LLCs and other non-transferring pass-through investors, and because Mr. Hawkins has protested paying a fair share of the costs and expenses as required by the Confirmation Order, and because he has proven a lack of ability to act in a manner independent from his personal interest, the Board feels it will need to excuse him from the decisions on the 39 loans;

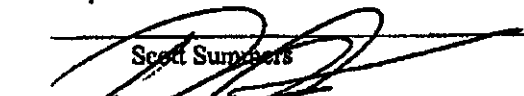
Whereas, Mr. Hawkins continues to share confidences, deliberations and discussions of the Board with counsel for the Rev Op Group (18 Rev Op investors of which Mr. Hawkins' entities make up 7 such investors) as reflected at a minimum in the February 9, 2010 letter from the Rev Op Group counsel (that was copied to the US Trustee and other investors counsel), notwithstanding the agreement of the Managers to maintain the confidential information of the Company; and

Whereas, based on all of the preceding events and conduct, the Managers have decided that Mr. Hawkins has demonstrated to the Board that he is not able to and has failed to reasonably serve in the position of a Manager of the Company as determined by the Managers;

Resolved that, pursuant to the authority granted to the Managers under Section 2.1(a) of the Operating Agreement of ML Manager LLC, William Hawkins be removed as a Manager of the Company effective immediately and that his position as a Manager be vacated immediately and a new Manager be selected to serve.



Elliott Pollack



Scott Summers



David Fieler

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