

ML MANAGER LLC

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July 24, 2013

ML MANAGER LLC NEWSLETTER #31

Dear Investors:

The following are the significant events that have occurred since our last newsletter.

Theft Losses

Our representatives continue to work with the IRS in attempting to answer their questions and provide them with requested information. The level of cooperation has been good and we believe we are making progress. We will update you further as more definitive information is available. Also, we have posted a Notice of Extension of Statute of Limitations on our web page, www.mtglltd.com, under the IRS Theft Loss Tax Information tab. This applies to the Loan LLCs. We continue to urge you to share all of the information that we have provided to you and posted on our web page with your tax advisors.

Next Distribution

We have had a few sales close since the cutoff for the last distribution and, as described below, we are anticipating several additional sales to close within the next several weeks. We do not yet know the exact timing, but do anticipate making another distribution before the end of 2013.

300 E. Camelback (Loans 794502 and 794402)

The sale of the two notes for \$1M was consummated on July 22, 2013. A compromise in allocating the sales proceeds between the two loans was reached and approved by the members of 300 EC Loan LLC and the Bankruptcy Court. The first loan was allocated \$850,000 of the gross sales proceeds and the second loan was allocated \$150,000 of the gross sales proceeds.

Bisontown (Loan 852806)

The sale of the remaining property outside of Show Low, Arizona was consummated on June 19, 2013 for a price of \$40,000

Rightpath Limited Development Group, LLC (Loan 858406)

The sale of the remaining approximately 5 acres of unimproved property on the south side of Glendale Avenue was approved by the members of RLD I Loan LLC and the

Bankruptcy Court for a price is \$508,882. The sale is ready to be consummated, however, it is necessary to resolve some lien issues prior to the closing.

ABCDW, LLC (Loan 861206)

The sale of this property consisting of approximately 4,000 acres located on the edge of Sierra Vista, Arizona, was approved by the members of ABCDW III Loan LLC and the Bankruptcy Court for a price of \$5.325M. This sale will be a short sale. The closing is now scheduled for August 6, 2013.

Town Lake (Loan 861305)

The sale of this property located in Tempe, Arizona near the Tempe Town Lake was approved by the members of TLDP Loan LLC and the Bankruptcy Court for a price of \$1.2M. The closing is scheduled for August 28, 2013. The settlement with one of the guarantors, Paul Winslow, was also approved by the members of TLDP Loan LLC and the Bankruptcy Court and Mr. Winslow has paid us the \$61,000.

Central & Monroe (Loan 858606)

We have entered into a sale agreement for this property located in downtown Phoenix for a price of \$7,850,000. The sale was approved by the members of C&M Loan LLC and the Bankruptcy Court. If the buyer proceeds with the sale, the closing is scheduled for September 23, 2013.

Rightpath II (Loan 859806)

We have entered into a sale agreement for the approximately 60 acre unimproved property in far west Phoenix, just north of the Dodgers/White Sox spring training facilities, for the price of \$3,835,000. The sale agreement received the affirmative vote of the members of RLD II Loan LLC and the approval of the Bankruptcy Court. If the buyer proceeds with the sale, the closing is scheduled for November 8, 2013.

Vistoso Partners, LLC (Loan 857406)

We have entered into a sale agreement for the remaining 26 acre parcel located in Oro Valley, Arizona, for a price of \$4,810,000. This would be a short sale. The sale was approved by the members of VP I Loan LLC and the Bankruptcy Court. If the buyer proceeds with the sale, the closing is scheduled for November 25, 2013.

Vanderbilt Farms, L.L.C (Loan No. 859606)

We are finalizing a sale agreement with a buyer for this property containing approximately 115 acres located in Queen Creek, Arizona. The sale would be subject to the affirmative vote of the members of VF I Loan LLC and the approval of the Bankruptcy Court.

PDG Los Arcos (Loan 859305) and National Retail (Loan 860905)

As reported in previous newsletters, a settlement was reached with the borrowers and Richard and Molly Sodja regarding their obligations under the guarantees. Under the terms of the settlement agreement they stipulated to a judgment in the amount of \$43,538,333, but are allowed three years to pay us \$15,000,000 to obtain a release from the judgment. We received a partial assignment of proceeds from a significant lawsuit that could provide the means to pay the \$15M. The borrowers and the Sodjas are paying \$2,500 each month until the judgment is released. The settlement agreement was approved by the Bankruptcy Court on June 12, 2013.

Centerpoint/Fidelity Litigation

As we have reported previously, we continue to pursue various claims against Fidelity National Title Insurance Company and some of their affiliates regarding the Centerpoint loans. The litigation is very complex and, like almost all litigation involving large insurance companies, is moving slowly. We believe that we have achieved some significant victories as the litigation has proceeded, but the final resolution remains quite a ways in the future.

Litigation Against Borrowers and Guarantors

We continue to pursue judgments against the following borrowers and guarantors:

Centerpoint (Loans 857605 and 861905): Ken Losch and David Dewar
Town Lake (Loan 861305): Scott Wilson, Tod Decker and Michael Earl

We have obtained judgments against the following borrowers and guarantors and are involved in collection efforts:

Sojac (Loan 857106): Dale Jensen and Joe Pinsonneault
Foothills Plaza (Loan 853106): Doug Dragoo
Zacher Maryland (Loan 857802), Zacher Missouri (Loan 857502) and Zacher Rio Salado (Loan 855102): Rich Zacher
Citrus/Northern (Loans 849306 and 849206) Stephen Kohner

A significant number of additional borrowers and guarantors have filed for bankruptcy.

Remaining Properties.

The following are the other properties that remain unsold:

Vistoso Partners, LLC (Loan 858006)

This unimproved property in Oro Valley, Arizona consists of several single family residential parcels. The land exchange involving this property described in the approved Settlement Agreement with the borrower and guarantors has been completed and Land Advisors Organization is marketing this property for sale.

HH20 (Loan 858305)

This property is approximately 13 acres located in Pinal County. This property is being marketed by Arizona Commercial Real Estate.

Rightpath II Loan 859806)

We are working to eliminate or amend a significant land use restriction that was recorded against the approximately 16.7 acre property many years ago. The property probably cannot be sold unless and until this land use restriction is eliminated or significantly modified.

Maximum Management (Loan 7465S6)

This is a loan that is currently performing. The loan matures in 2018.

Updating Account Information.

Many investors have changed their addresses, phone numbers, and e-mail addresses. Please make sure that our records reflect your current information. In order to update

your information it is necessary to complete an account change request form. These forms can be obtained by contacting us at mortgagesinfo@mtgld.com.

If you have any questions, you may contact our office at 623-234-9560 or via email at mortgagesinfo@mtgld.com. It is much more efficient for us to respond to written questions and we ask whenever possible, please communicate with us via email. Also, please also feel free to contact Karen Epstein at 480-948-6777.

Thank you for your support of our efforts.

Best Regards,

Elliott Pollack

Chairman