

ML MANAGER LLC
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Phoenix, AZ 85004

February 1, 2016

ML MANAGER LLC NEWSLETTER #41

Dear Investors:

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

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

The sale of this property containing approximately 120 acres located in Queen Creek to an affiliate of Communities Southwest Properties, LLC for a price of \$12,000,000 was consummated on January 19, 2016. Mortgages Ltd. 401(k) Plan owned a 64.08% interest in this property and received its percentage of the sales proceeds. VF I Loan LLC and individual investors owned the balance of the property and we will seek Court approval of the distribution of the net proceeds to these investors as described below.

Next Distribution

As reported in the last newsletter, we will not be permitted to make the 8th distribution until the 9th Circuit Court rules upon the stay motion filed by the Rev Op group. It is still not possible to know when the 9th Circuit will take up the Rev Op group motion, but it may be quite a while. Some investors have asked why we can't distribute their share of the distribution while the dispute with the Rev Ops is being resolved. Unfortunately a partial distribution is not permitted by the Court. Our lawyers have argued vigorously that the funds that make up the 8th Distribution belong to specific investors and cannot be claimed by the Rev Op group. Both the Bankruptcy Court and the Federal District Court have agreed with our position, but the Rev Ops were able to get the 9th Circuit to stay the distribution until their appeal can be heard. Unfortunately, we cannot distribute any portion of the 8th Distribution funds until we are permitted to do so by the Courts.

We will, however, be seeking Bankruptcy Court approval of a 9th distribution, which would involve only the proceeds from the sale of the Vanderbilt Farms property. No members of the Rev Op group are investors in this property. The distribution will be made when the Court approves the distribution.

Vistoso II (Loan 858006)

We previously entered into a sale agreement with Mattamy Homes to sell an approximately 100 acre portion of the property for a price of \$3,675,000. We refer to this portion of the property as phase II. Mattamy Homes elected to terminate the sale agreement and will not proceed to purchase the phase II property. Land Advisors Organization is marketing this property to other homebuilders that previously made offers on the phase II property or are otherwise active in the Tucson marketplace. LAO

is also continuing to market the third phase of the Vistoso II property to homebuilders as well.

Rightpath II (Loan 859806)

Zoning and entitlement issues remain unresolved for the 60 acre property adjacent to the Dodgers/White Sox baseball facility. Discussions between the cities of Glendale and Phoenix and other interested parties continue. We will not be able to sell this property until some of these issues are resolved.

Regarding the 16.7 acre property to the west of the stadium facilities, we continue to attempt to work with the City of Phoenix and the City of Glendale to address some of the issues surrounding the potential sale of this property.

HH20 (Loan 858305)

Arizona Commercial Real Estate continues to market this property for sale.

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@mtgltd.com.

If you have any questions, you may contact our office at 623-234-9560 or via email at mortgagesinfo@mtgltd.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