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BLACK EYE Capital LLC

AUGUST 27, 2010

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AUG 30 2010

Ms. CATHY REECE
ATTORNEY AT LAW
FENNEMORE CRAIG LAW FIRM
VIA FAX: 602-916-5543

UNITED STATES
BANKRUPTCY COURT
FOR THE DISTRICT OF ARIZONA

(#2:08-BK-07465-RJH)

MR. MARK WINKLEMAN
CEO
ML MANAGER, LLC
VIA FAX: 623-234-9575

DEAR Ms. REECE AND Mr. WINKLEMAN:

RE: FORBEARANCE AGREEMENT DATED JULY 15, 2010
ML MANAGER/LOAN LLC'S - UNIVERSAL-SCP 1, L.P.

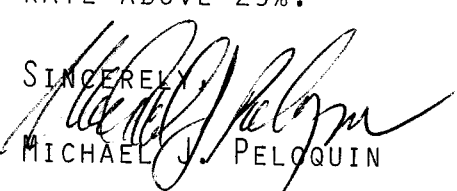
Ms. REECE YOUR BEHAVIOR HAS CAUSE THIS COMPANY TO GO BROKE -
SEE THE WRITTEN FORBEARANCE AGREEMENT DATED JULY 15, 2010 BETWEEN
ML AND THE EXIT LENDER. YOU HAVE ALSO HAD PAYMENTS REJECTED BY
THE EXIT LENDER DUE TO YOUR DEFAULTS.

I VERY MUCH LOOK FORWARD TO THE ORDERED FINANCIAL RECORDS TO BE
PRODUCED BY ML ON SEPTEMBER 1, 2010 AND JUDGE HAINES TO VIEW AND
APPROVE. MAKE SURE THIS FORBEARANCE AGREEMENT IS INCLUDED IN THE
FINANCIAL RECORDS REQUIRED SO ALL THE INVESTORS IN MORTGAGES, LTD.
CAN SEE HOW YOU HAVE RAN THIS COMPANY SOLELY FOR THE BENEFIT OF
YOUR LIVELIHOOD - MASSIVE LEGAL FEES AND ML SALARIES.

THIS COMPANY WILL HAVE TO FILE ANOTHER CHAPTER 11/7 SOON. I CAN'T
WAIT TO PUBLISH THE FINANCIAL RECORDS IN THE ARIZONA REPUBLIC FOR
ALL INVESTORS TO SEE HOW BOTH OF YOU HAVE CAUSED SUCH A TRAVESTY.

YOU BOTH DON'T WANT #363 SALES BECAUSE YOU NEED FUNDS FAST IN THE
COFFERS OF THIS COMPANY TO KEEP UNIVERSAL FROM CHARGING AN INTEREST
RATE ABOVE 29%.

SINCERELY,


MICHAEL J. PELOQUIN

MJP/MS

CC: JUDGE RANDOLPH J. HAINES

FORBEARANCE AGREEMENT

This Forbearance Agreement is entered into as of the 15th day of July, 2010 by and between Universal-SCP 1, L.P., an Arizona limited partnership ("Lender"), and the following persons and entities (collectively called the "Borrower"): Kevin O'Halloran, not individually but solely as trustee ("Liquidating Trustee") of the ML Liquidating Trust established under the ML Liquidating Trust Agreement dated June 11, 2009 ("Liquidating Trust Agreement"), ML Manager, LLC, an Arizona limited liability company ("ML Manager"), and each of the Loan LLCs ("Loan LLC's") listed on Exhibit A attached hereto and incorporated herein by reference, who have executed this Agreement below.

RECITALS

A. Borrower and Lender entered into that certain Loan Agreement ("Agreement") dated June 11, 2009 pursuant to which Lender has agreed to loan up to \$20,000,000 to Borrower ("Loan").

B. Any capitalized term not defined herein shall have the same meaning as in the Agreement.

C. Lender has alleged that Borrower is in default under the Agreement as a result of interest accruing above the Maximum Loan Balance for the statement periods ending May 15, 2010 and June 15, 2010, which accrued interest had not been paid; however, Borrower disputes such allegation.

D. Lender has further alleged that a Repayment Incentive Fee payment was due on June 16, 2010, and because of the other existing Events of Default, the amount due was five percent (5%) of the Maximum Loan Balance and such payment was not made when due. Borrower disagrees that a Repayment Incentive Fee payment was due on June 16, 2010 and believes that the payment was due on July 16, 2010.

E. Borrower made a wire transfer payment of \$993,442.08 to Lender on July 15, 2010 ("July 15th Payment"). Lender has rejected the payment and has elected to cure the alleged Events of Default by advancing monies to cure such defaults under Section 8.6 of the Agreement.

F. The Lender and Borrower wish to resolve their disagreements and resolve all Events of Default which exist or are currently alleged to exist.

Now, therefore, the Lender and Borrower agree as follows:

1. **July 15th Payment.** The parties agree that the Lender has the right to and has rejected the July 15th payment and shall return the same to the Borrower.

2. **Repayment Incentive Fee.** The parties agree that the date the first Repayment Incentive Fee was due was June 16, 2010, and future Repayment Incentive Fees shall be due on each December 16th and June 16th under the Agreement. As a compromise of their disagreement, the Repayment Incentive Fee due on June 16, 2010 shall be assessed at four percent (4%) of the

Maximum Loan Balance and such payment shall be deemed to have been made by a curative advance by the Lender to cure such Event of Default on June 16, 2010.

3. **Interest Rate and Advance.** The Lender has elected to cure the accrued but unpaid interest in excess of the Maximum Loan Balance due on May 15, 2010 and June 15, 2010 by a curative advance under Section 8.6 of the Agreement. The entire balance of the Loan, including the curative advances in excess of the Maximum Loan Balance, shall accrue interest from June 16, 2010 to July 15, 2010 at the Default Rate of Interest. Beginning on July 16, 2010 and for the balance of the Forbearance Period (defined below) the entire Outstanding Loan Balance, including the curative advances under Section 8.6, shall bear interest at the agreed rate of seventeen and one-half percent (17.5%) ("Agreed Rate").

4. **Future Accrued Interest.** To the extent that interest accruing and due on the 15th of August, September and October 2010 is not paid by Borrower, Lender will make a curative advance under Section 8.6 to cure such Event of Default, which will likewise bear interest at the Agreed Rate.

5. **Forbearance Period.** Borrower shall have until October 31, 2010 ("Forbearance Period") to pay down the Outstanding Loan Balance to less than \$20,000,000, and, during such Forbearance Period, Lender shall not elect to exercise any other remedies available to Lender under the Agreement and any documents executed in connection with the Agreement ("Loan Documents") as a result of the Borrower's failure to repay the curative advances under Section 8.6 made by Lender to pay the Repayment Incentive Fee or pay any accrued interest due on or after May 15, 2010 through the end of the Forbearance Period.

6. **Exercise of Remedies.** At the end of the Forbearance Period, if the amount of the Outstanding Loan Balance exceeds the Maximum Loan Balance, then Lender shall, without further or additional notice to Borrower, be entitled to all the rights and privileges contained in the Agreement and the Loan Documents, including without limitation, the right to immediately impose interest at the default rate of 29.5% on the Outstanding Loan Balance and, in its sole discretion, to enforce or exercise any remedies available to Lender under the Agreement or the Loan Documents.

7. **Greenberg Traurig Settlement.** During the Forbearance Period, the Lender waives any requirement that the Borrower make a required payment to Lender under the first sentence of Section 2.4 of the Agreement of Net Disposition Proceeds actually received by the Liquidating Trustee as a Recovery of the Liquidating Trustee's claim against Greenberg Traurig, LLP ("Greenberg Recovery"). Notwithstanding the foregoing, any Greenberg Recovery shall be included in the calculation of the Disposition Incentive Payments required to be paid pursuant to Section 2.4 of the Agreement regardless of the timing of the Greenberg Recovery.

8. **Consistent with the Plan.** Each of the persons or entities that constitute the Borrower, other than and excluding the Liquidating Trustee and the Liquidating Trust, represents and warrants that this Forbearance Agreement is intended to be, and shall be interpreted as, consistent with and permitted by the Plan and does not require approval by the Bankruptcy Court. Legal counsel to the ML Manager and the Loan LLCs shall deliver to the Lender a legal

opinion, in form and substance satisfactory to the Lender, to the effect that this Forbearance Agreement does not require approval by the Bankruptcy Court.

9. **No Defense, Claims, Offsets.** Borrower acknowledges and agrees that, as of the date of this Forbearance Agreement, (a) Borrower has no defense, counterclaim, right of offset, cross-complaint, claim or demand of any nature whatsoever which can be asserted as a basis to reduce or eliminate all or any part of its liability to repay the Loan or to seek affirmative relief or damages from Lender, (b) Borrower has no claim of any kind against Lender related to any aspect of how the Loan was made or has been administered.

10. **Confirmations and Reaffirmations. No Waiver.** Borrower confirms and agrees that Lender's liens and security interests in all of the collateral previously assigned, mortgaged or otherwise pledged to Lender pursuant to the Agreement or the Loan Documents shall continue to secure the payment and performance of all of the obligations to Lender. All terms, conditions and provisions of the Agreement and the Loan Documents are hereby reaffirmed, ratified and continue in full force and effect and shall remain unaffected and unchanged and this Forbearance Agreement in no way acts as a waiver of any default of Borrower or as a release or relinquishment of any of the liens, security interests, rights or remedies securing payment and performance of the obligations of Borrower under the Agreement or the Loan Documents except as expressly provided herein. Such liens, security interests, rights and remedies are hereby ratified and confirmed by Borrower in all respects.

11. **Complete Agreement.** Notwithstanding (i) anything to the contrary contained herein or in any other instrument executed by the parties, and (ii) any other action or conduct undertaken by the parties on or before the date of this Forbearance Agreement, the agreements and provisions contained in this Forbearance Agreement shall constitute the only evidence of Lender's agreement to forbear with respect to any default under the Agreement or the Loan Documents. Accordingly, no express or implied consent to any amendment or further forbearance shall be inferred or implied by Lender's execution of this Forbearance Agreement. This Forbearance Agreement constitutes the entire agreement and understanding among the parties relating to the subject matter hereof and supersedes all prior proposals, negotiations, agreements and understandings relating to such subject matter. In entering into this Forbearance Agreement, Borrower acknowledges that it is relying on no statement, representation, warranty, covenant or agreement of any kind made by Lender or any employee or agent of Lender, except for the agreements of Lender set forth herein.

12. **Future Forbearance Requirements Lender's Written Approval.** Lender's execution of this Forbearance Agreement shall not constitute a waiver (either express or implied) of the requirement that any further forbearance under, or any modification of, the Agreement or any Loan Document shall require the express written approval of Lender. Borrower acknowledges and agrees that no such approval (either express or implied) has been given as of the date of this Forbearance Agreement.

13. **Effect of Agreement.** This Forbearance Agreement is not intended and shall not be construed to amend or modify the Agreement or the Loan Documents, but only to reflect the terms on which the parties have agreed that Lender will forbear from enforcing those rights and remedies otherwise available to it under the Agreement and the Loan Documents. Except as

expressly provided herein, nothing contained in this Forbearance Agreement is intended to or shall be construed as relieving any person or entity, whether a party to this Forbearance Agreement or not, of any of such person's or entity's obligations to Lender.

14. **Facsimile and Counterpart Execution.** Any signature delivered by a party to this Forbearance Agreement by electronic or facsimile transmission shall be deemed an original signature, and this Forbearance Agreement may be executed in counterparts, which counterparts may be combined to physically form fully executed documents.

(Signature Pages Follow)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

Lender:
Universal-SCP 1, L.P., an Arizona
limited partnership

By: Universal-SCP Management, LLC, an
Arizona limited liability company,
Its Manager

By: Resh Capital III, LLC
Its: Member
By: [Signature]

Borrower:
Each of the Arizona limited liability companies
listed on Exhibit A attached hereto and incorporated
herein by reference

By: ML Manager, LLC, an Arizona
limited liability company, Its Manager

By: [Signature]
Its: Authorized Manager

ML Manager, LLC, an
Arizona limited liability company

By: [Signature]
Its: Authorized Manager

Kevin O'Halloran, not individually but solely as
Trustee of the ML Liquidating Trust under the
ML Liquidating Trust Agreement

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

Lender:
Universal-SCP 1, L.P., an Arizona
limited partnership

By: Universal-SCP Management, LLC, an
Arizona limited liability company,
Its Manager

By: _____
Its: _____

Borrower:
Each of the Arizona limited liability companies
listed on Exhibit A attached hereto and incorporated
herein by reference

By: ML Manager, LLC, an Arizona
limited liability company, Its Manager

By: _____
Its: Authorized Manager

ML Manager, LLC, an
Arizona limited liability company

By: _____
Its: Authorized Manager

[Signature]
Kevin O'Halloran, not individually but solely as
Trustee of the ML Liquidating Trust under the
ML Liquidating Trust Agreement

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8.6 Advances to Cure Default. Lender may make Advances under the Loan of any sums as may be necessary to cure any Default. All sums so advanced shall be deemed advances of principal under the Loan and the Note, and shall bear interest at the Default Rate set forth in the Note.

8.7 Remedies Exclusive. The remedies granted to Lender in this Agreement are intended to be the exclusive remedies available to Lender in the event of an Event of Default and while Lender can accelerate the Outstanding Loan Balance and accrue a higher Default Rate during the period that the Event of Default remains uncured, the Lender may not sell the Collateral except as provided herein.

8.8 Costs and Expenses. Borrower shall pay to Lender upon demand all reasonable costs, expenses and fees (including reasonable attorneys' fees based upon the Phoenix, Arizona legal market), whether suit be instituted or not, incurred by Lender in protecting or enforcing its rights upon the occurrence of an Event of Default under the Loan Documents, and all expenses of taking any permitted taking any action to dispose of the Collateral, whether the same shall be paid or incurred pursuant to provisions of this Section or otherwise, and all payments made or liabilities incurred by Lender under this Agreement upon the occurrence of an Event of Default of any kind whatsoever. All or any portion of such costs, fees and expenses, at Lender's election, and without notice, shall be payable on demand with interest at the Default Rate set forth in the Note, or may be added to the principal balance of the Loan, and shall bear interest at the rate then and thereafter applied to said balance.

SECTION 9. REPRESENTATION BY COUNSEL; ARMS-LENGTH AGREEMENT

9.1. The parties to this Agreement represent, acknowledge and agree that, with respect to this Agreement, each of the other Loan Documents, and all of the transactions contemplated herein:

(a) The parties are represented by qualified counsel and have been advised by and consulted with such counsel;

(b) The parties are aware of the risks and benefits associated with the Loan, the Loan Documents and the terms thereof, and such terms are in no sense grossly unfair, oppressive or unconscionable;

(c) The Loan (and each provision of the Loan Documents) is an arm's-length, bargained for transaction entered into by the parties freely, with full knowledge of all material facts and without duress or coercion of any form; and

(d) Each of the parties to this Agreement understands and is conversant with the respective rights and obligations of the parties under the Loan Documents.

SECTION 10. JURISDICTION; VENUE; SERVICE OF PROCESS