

2:08-7465

5

BLACKEYE Capital LLC

APRIL 1, 2010

RECEIVED

APR 21 2010

MR. ELLIOTT POLLACK VIA FAX: TO COME
MS. CATHY REECE VIA FAX: 916-5543/602
MR. SCOTT SUMMERS VIA FAX: 287-0722/602
MR. MARK WINKLEMAN VIA FAX: 234-9575/623
ALL ML BOARD MEMBERS REMAINING - THREE ONLY (3)
MR. KEITH HENDRICKS VIA FAX: 916-5630/602

U.S. BANKRUPTCY COURT
FOR THE DISTRICT OF ARIZONA

DEAR LADIES AND GENTLEMEN:

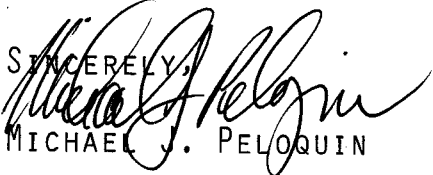
RE: BK COURT HEARING TODAY ON AGENCY AUTHORITY FROM ALL MORTGAGES, LTD. INVESTORS IN-OR-OUT OF THE PROPERTY LLC'S TO ML BOARD AND ITS APPROVED PROFESSIONALS - LAWYERS

PLEASE SEE THE ADDITIONAL FOUR (4) PAGES WHERE IT 100% STATES THE EXCULPATION PROVISION OF THE APPROVED PLAN OF REORGANIZATION OF MORTGAGES, LTD. IS DELETED IN ITS ENTIRETY. ALL OF YOU ABOVE AND ONE MORE ML BOARD MEMBER ARE ALL FULLY RESPONSIBLE FOR THIS FAILED PLAN OF REORGANIZATION FOR THE INVESTORS AND BORROWERS OF THE FORMER COMPANY - MORTGAGES, LTD.

THE INVESTORS IN MORTGAGES, LTD. HAVE RECEIVED NOT A DIME OF THEIR INVESTED DOLLARS IN ALMOST TWO (2) YEARS FROM MR. COLES DEATH ON JUNE 2, 2008. NOT ANYONE OF THE ABOVE WOULD "SIT DOWN" WITH ANY BORROWER - MICHAEL J. PELOQUIN - TO DISCUSS ANY WORKOUT PLAN OF REPAYMENT OF INVESTOR MONEY IN A PROPERTY LOAN.

FIVE TRUSTEE SALES HAVE TAKEN PLACE ON MY PROPERTIES; THE ML BOARD STILL FEELS IT HAS THE FULL LEGAL RIGHT TO MARKET AND SELL THESE PROPERTIES WITHOUT THE CONSENT OF THE FINANCIAL INVESTORS IN THESE PROPERTIES. I TRULY HOPE TODAY THE JUDGE DECIDES THE AUTHORITY OF TRUSTEE SALE PROPERTIES IS GIVEN TO THE FINANCIAL INVESTORS IN EACH FORECLOSED PROPERTY.

SINCERELY,


MICHAEL J. PELOQUIN

CC: JERRY COCHRAN VIA FAX: 952-7010/602
DENNIS WILENCHIK VIA FAX: 606-2811/602
BILL HAWKINS VIA FAX: 344-7201/480
DON GAFFNEY VIA FAX: 382-6070/602
HON. RANDOLPH J. HAINES VIA MAIL

P.O. Box 15195 • Phoenix, Arizona 85060 • 602-478-7700 • Fax: 602-667-0299

04/21/2010

First Amended plan of reorganization.

ARTICLE X

EFFECT OF CONFIRMATION AND INJUNCTION AND
MISCELLANEOUS PROVISIONS

10.1 **Injunction and Exculpation.** The Plan provides that, except as may be specifically provided otherwise in the Confirmation Order or in the Plan, the rights afforded under the Plan and the treatment of Claims and Interests under the Plan shall be in exchange for and in complete satisfaction and release of all Claims and termination of all Claims and Interests, including all principal and any interest accrued on Claims from the Order for Relief Date. No former or current officer, director or employee or agent, attorney, accountant, affiliate or Insider of Debtor is released from or indemnified for any liability for any actions or omissions prior to the Effective Date.

Confirmation of the Plan shall (a) impact and bind all claims or other debts, liabilities or obligations of every kind and nature that arose in whole or in part before the Effective Date, and all debts of the kind specified in Bankruptcy Code § 502(g), (h) or (i), whether or not a proof of Claim based on such debt is filed or deemed filed pursuant to Bankruptcy Code § 501, a Claim based on such debt is allowed pursuant to Bankruptcy Code § 502 of the Bankruptcy Code, or the holder of a Claim based on such debt has accepted the Plan; and (b) terminate all Interests and other rights of holders of Interests. The Confirmation Order shall permanently enjoin all persons from taking any actions against the Estate to enforce or collect any Claim or Interest unless provided for in the Plan.

In addition, pursuant to the Plan, the Plan Proponent, the Investors Committee and any of their respective officers, directors, employees, members, counsel, accountants, consultants, other approved professionals, or agents shall not have or incur any liability, except for liability based upon willful misconduct, to a holder of a Claim or Interest for any act or omission in connection with, or arising out of, the pursuit of confirmation of the

1 Plan, the consummation of the Plan, the administration of the Plan, the administration of
2 the Estate, the issuance of the membership interests in the Loan LLCs or the beneficial
3 interests in the Liquidating Trust, or the distribution of property under the Plan, and in all
4 respects shall be entitled to rely upon the advice of counsel with respect to their duties and
5 responsibilities under the Plan.

6 **10.2 Binding Effect of Plan.** The provisions of this Plan and the attached
7 Agreements shall bind the Debtor, the Reorganized Debtor, the Liquidating Trust, the
8 Committees, RBLLC, Borrowers, Creditors, and any Equity Holder, and shall bind any
9 Person asserting a Claim against the Debtor or an Equity Interest in the Debtor, whether or
10 not the Claim or interest arose before or after the Petition Date or the Effective Date,
11 whether or not the Claim or Interest Is impaired, and whether or not such Person has
12 accepted the Plan. Except as provided for in the Plan, the Non Loan Assets of the Debtor
13 vest in the Liquidating Trust and the Loan Assets of the Debtor vest in RBLLC free and
14 clear of liens, Claims and encumbrances and Equity Interests.

15 **10.3 Channeling of Claims.** The rights afforded under the Plan and the
16 treatment of all Claims and Interests (including post-Effective Date Claims) as provided
17 for in the Plan shall be the sole and exclusive remedy on account of all Claims and Equity
18 Interests (including post-Effective Date Claims) of any nature whatsoever against the
19 Debtor, the Reorganized Debtor, the Liquidating Trust, the ML Loans, and the Investors.
20 Any and all claims or causes of action asserted against such parties arising out of or
21 related to the Plan, the Reorganized Debtor, Investors, or the Liquidating Trust or the
22 Committees shall be commenced only in the Bankruptcy Court.

23 **10.4 Modification And Amendment of Exhibits, Schedules And Appendices.**
24 The Plan Proponent may modify or amend the terms of any document or agreement that is
25 an exhibit, schedule or appendix to the Plan without the need for re-solicitation of votes
26 with respect to the Plan; *provided, however,* that such modification or amendment does

Order of Plan approved by Judge

1 collected by the ML Manager and used in the operations of the Loan LLCs only to the
2 extent that the principal and non-default interest owing on the underlying loan is paid in
3 full.”

4 Y. The Exculpation provision on page 53, beginning at line 22 and continuing
5 to page 54, and ending at line 5, shall be deleted in its entirety.

6 Z. Pursuant to the agreement of the Plan Proponent and Tempe Land
7 Company, the Plan is modified to reflect the following agreement: “As for Borrower
8 Tempe Land Company (“TLC”), which is a debtor in its own chapter 11 bankruptcy
9 proceeding in Case No. 2:08-bk-17587 (the “TLC case”), either TLC or the Plan
10 Proponent may file motions in both the TLC case or the Debtor’s case to determine which
11 Bankruptcy Court will decide and resolve the matters involving the claims and causes of
12 action and other issues asserted or which may be asserted by the Debtor’s Estate or the
13 TLC estate against each other. Each party may make any and all arguments and take any
14 and all actions concerning such matters but the ultimate decision shall reside with the two
15 Bankruptcy Courts. Nothing in this Plan or Confirmation Order shall pre-determine what
16 forum in which the applicable disputes between the Debtor’s Estate or the TLC estate will
17 be litigated, and nothing in the Plan or Confirmation Order shall have any res judicata or
18 collateral estoppel effect upon the merits of any claim, claim objection, adversary matter
19 or other proceeding concerning TLC or Debtor. Further, on or after the Effective Date of
20 the Plan, nothing in the Plan or Confirmation Order shall act as an injunction or
21 channeling order as to the forum for litigation of such disputes involving TLC and
22 Debtor.”

23 AA. On the Effective Date the Equity Interests of Debtor shall be deemed
24 cancelled and extinguished without further act or action under any applicable agreement,
25 law, regulation, order or rule. The Debtor, through any officer or director, shall be
26 authorized to sign the Amended and Restated Articles of the Debtor, as approved by the
27 Plan Proponent.

28 BB. The modifications and changes to the Plan made in this Order and on the

3.

ASSIGNMENT, RESIGNATION AND TERMINATION.

a. Agent shall have the right to assign the collection account or resign as Agent at any time, provided that Agent notifies Beneficiary of such assignment or resignation in writing.

(1) In the event Agent assigns the collection account, Agent will deliver all Loan Documents, directions and account records to assignee, at which time Agent will have no further duties or liabilities hereunder.

(2) In the event Agent resigns, Beneficiary shall have the right to designate a new collection agent and Agent shall deliver to Beneficiary all Loan Documents, directions and account records to Beneficiary or the newly designated collection agent, at which time Agent will have no further duties or liabilities hereunder.

b. In the event that the ownership of the Trust Property becomes vested in the Beneficiary, either in whole or in part, by trustee sale, judicial foreclosure or otherwise, Agent may enter into a real estate broker's agreement on Beneficiary's behalf for the sale of the Trust Property, enter into a management and/or maintenance agreements for management or maintenance of the Trust Property, if applicable, may acquire insurance for the Trust Property,



© 2004 Mortgages Ltd.

AGENCY AGREEMENT - SO15
February 1, 2005

and may take such other actions and enter into such other agreements for the protection and sale of the Trust Property, all as Agent deems appropriate. Beneficiary may terminate this Agreement after it becomes the owner of the Trust Property by written notice to Agent and payment of the fees, costs and expenses incurred by Agent as provided herein.

c. Upon Agent's assignment or resignation, or termination of this Agreement, Beneficiary shall immediately reimburse Agent for any and all fees, costs and expenses incurred hereunder and pay Agent all compensation due. After such reimbursement and payment, Beneficiary shall have no further duties, except indemnification of Agent.