ML MANAGER LLC
14050 N.83rd Ave., Suite 180
Peoria, AZ 85381

November 11, 2010
ML MANAGER LOAN PORTFOLIO NEWSLETTER #13

Dear Investors:
There has been a great deal of activity since our last newsletter. Most of the activity is extremely positive. The exception to this positive news, however, relates to the Centerpoint loans. The following are the significant events since our last newsletter.

Centerpoint (Loans 857605 and 861905)
After a comprehensive and successful marketing effort, ML Manager LLC entered into a Sale Agreement for the Centerpoint towers with an affiliate of the Zaremba Company for the price of $30,000,000. As we were in the process of signing the documents and preparing for the closing, Fidelity National Title Insurance Company abruptly reversed its position of the past many months and informed us that they were unwilling to issue a title policy free of liens to our buyer. The issue is whether or not the subcontractors that were not paid for their work on the project have a priority lien on the Centerpoint property. This is not a new issue and Fidelity National Title has been defending our title to the property against the alleged liens for the past many months, which made Fidelity's change of position so surprising. With the help of the buyer we explored and exhausted every potential option that would allow the sale to proceed in a manner that would be in the best interests of the investors. Unfortunately, we were unsuccessful in negotiating a solution. We are in the process of pursuing all of our legal remedies, including claims against Fidelity National Title, and will continue the effort to defeat the alleged liens of the subcontractors. It is unlikely that the property can be sold in the near term.

Ten Wine Lofts Condominiums/Osborn III (Loan 851106)
We are pleased to inform you that the sale of this property was completed Monday, October 25, 2010 for the price of $19,500,000. A payment in the amount of $4,872,400 was made to reduce the balance of the Exit Financing Loan.

Distribution of Funds to Investors
Due to property sales and loan payoffs, funds are being held in separate accounts for the Chateaux, City Loft, Zacher-Missouri, Newman I, Newman II, and Osborn III loans and are available for distribution. It is necessary to deduct the appropriate share of costs from the proceeds prior to distribution. On September 21, 2010, the Bankruptcy Court approved the general structure of the cost allocation model, but told the objecting parties that if they had any specific factual disputes or objections that they could raise them when it came time to distribute money. The Bankruptcy Court directed ML Manager LLC to hold a "meet and confer" meeting with all of the investors or their representatives who had objected to the allocation model to determine if they needed additional information before asserting objections to the distributions. That meeting was held on November 5th. ML Manager LLC intends to file a notice with the Court on November 12th indicating its intent to make a distribution to the investors in those six loans. *If no objections are filed*, ML Manager LLC will make the distributions through our servicing agent, Canyon State Servicing Co., LLC. *If objections are filed*, ML Manager LLC will respond to such objections and abide by the Bankruptcy Court's decision on

how distributions are to be made. We are anxious to distribute the funds to the investors; however, we cannot do so until the approval process by the Bankruptcy Court is completed.

Roosevelt Gateway (Loans 856605 and 859205)
A Sale Agreement of these lands in downtown Phoenix has been signed by the ML Manager LLC Board for the sales price of $3,085,138. The buyer has deposited $100,000 into escrow. The feasibility period extends until approximately January 29, 2011 and the closing is scheduled for February 28, 2011. The sale is subject to the affirmative vote of the members of the two Loan LLCs and the approval of the Bankruptcy Court.

Zacher – Rio Salado (Loan 855102)
This property near Tempe Town Lake has been marketed for the past several weeks and the ML Manager LLC Board has just selected the highest and best bid from among a number of attractive offers from several qualified buyers. We are working on finalizing and signing the Sale Agreement and expect to open escrow shortly. The buyer needs to rezone the property with the City of Tempe which will take several months. The closing will occur as soon as the rezoning has been accomplished.

Arizona Commercial Land Acquisitions (Loan 856206)
A sale agreement for this property was signed and approved almost a year ago. Thus far, the buyer has paid us $250,000 in non-refundable money. The sale was scheduled to close on October 22nd; however, the buyer informed us that they were unsuccessful in obtaining the financing they had been pursuing. The buyer asked for additional time to attempt to arrange alternative financing. The ML Manager LLC Board considered this request and agreed to extend the escrow on a monthly basis provided that the buyer pays $50,000 in non-refundable money at the beginning of each monthly extension. We have already received the first $50,000 payment.

PDG Los Arcos, LLC (Los Arcos Crossing) (Loan 859305)
This property has been thoroughly marketed for the past several weeks. We received several attractive offers and have requested best and final offers from the prospective buyers this week. The ML Manager LLC Board expects to select the highest and best bid shortly and sign a Sale Agreement for this property.

Central & Monroe, LLC (Hotel Monroe) (Loan 858606)
This property has been heavily marketed for the past several weeks. We are calling for offers this week and anticipate receiving several offers.

Exit Financing Loan
As you know a $20,000,000 loan was obtained in order to allow Mortgages Ltd to emerge from bankruptcy. In accordance with the confirmed Plan of Reorganization the primary means of repaying this loan is from the proceeds of the sales of properties. As a result of the sales of the City Lofts, Zacher Missouri and Osborn III properties, the outstanding principal balance of the Exit Financing Loan has been reduced to approximately $16,200,000.

Valuation of Fractional Interests
ML Manager LLC has retained Henry & Horne, LLP, certified public accountants, to prepare tax valuation reports indicating their opinion of the membership interests in the

MP Funds, the Loan LLCs and of the Non-Transferring Pass-Through investor interests as of June 30, 2010. Please note that these valuations are not being provided by ML Manager LLC, but the distribution of them is merely being facilitated, as a courtesy, by ML Manager LLC. ML Manager LLC will not be changing it books to reflect new values of interest and will not be providing new values of interest to any outside financial entities. This information will only be helpful if you hold your interest in an Individual Retirement Account ("IRA") and need to value that interest for the following reasons

1. For tax purposes because of IRA valuation requirements *or*
2. You wish to convert such IRA interest into a Roth Individual Retirement Account ("Roth IRA") *or*
3. You wish to make a gift of such interest to charity or to transfer the interest to a irrevocable trust.

They should not be used for any other purpose. You will be receiving a separate communication within the next few days detailing how you can obtain access to this information and we ask you to please refrain from contacting our offices to request a copy of this information.

Foreclosures

University & Ash L.L.C. (Loan 858905, Charles LaMar is the principal) was successfully foreclosed upon on October 26, 2010.

Pending Foreclosures

We continue to work on a significant number of foreclosures. Foreclosures of the loans described below are scheduled as follows:

November 23, 2010
CS 11 Maricopa, LLC fka Panwebster Holdings, LLC (Loan **832705**, Chuck Sorensen is the principal)

January 18, 2011
ABCDW, LLC (Loans **850206** and **857306**, Conley Wolfswinkel is the principal)

January 20, 2011
ABCDW, LLC (Loan **861206**, Conley Wolfswinkel is the principal)

January 25, 2010

Vistoso Partners, LLC (Loans **857406** and **858006**, Conley Wolfswinkel is the principal)

February 8, 2010

Zacher – Maryland (Loan **857802**, Rich Zacher is the principal)
Rightpath Limited Development Group, LLC (Loans **858406** and **859806**, Robert Banovac and Danny Hendon are the principals)
Maryland Way Partners, LLC (Loan **858506**, Robert Banovac and Danny Hendon are the principals)

Foreclosures Delayed Due To Borrower's Bankruptcies:

The borrowers of the following loans have filed for bankruptcy and the foreclosures cannot be completed until permitted by the Bankruptcy Courts. We continue to attempt to obtain permission from the bankruptcy court to complete the foreclosures, but the timing is uncertain at this time.

Foothills Plaza IV, L.L.C. (Loan **853106**, Doug Dragoo is the principal)
Northern 120, L.L.C. (Loan **849206**, Steve Kohner is the principal
Citrus 278, L.L.C (Loan **849306**, Steve Kohner is the principal)
Metropolitan Lofts, L.L.C. (Loan **860706**, Michael Peloquin is the principal)
Riverfront Commons LLC/Cottonwood (Loan **853705**, Glen Morrison is the principal)
Town Lake Development Partners, L.L.C. (Loan **861305**, Tod Decker is the principal)
MK Custom Residential Construction, LLC (Loan **839506** and **845006**, Michael Peloquin is the principal)

Rev-Op Lawsuit

The Bankruptcy Court has now concluded the litigation with the Rev-Op Group granting a judgment in favor of ML Manager LLC and against the Rev-Op Group. At a hearing on September 28th, the Court awarded ML Manager LLC a judgment for attorneys' fees and costs in the amount of $89,364.26 as the prevailing party in the litigation against the Rev-Op Group to determine the effectiveness of the agency agreements. ML Manager LLC has filed a garnishment action in order to collect the judgment. Furthermore, it is ML Manager LLC's position that the agency agreements provide that fees and costs that are incurred because of the actions a small group of investors should be paid by the investors who cause those fees and costs to be incurred. ML Manager LLC does not believe that all investors should have to pay for the fees and costs that were incurred because of the unreasonable position of just a few investors; subsequently, ML Manager LLC has taken the position and will assert it's right, in addition to the judgment awarded in its favor, to "recoup" or "off-set" from the distributions of the Rev-Op investors, the amount of fees, costs and damages, totaling $210,000 through the end of September, that have been incurred because of the actions of the Rev-Op group of investors. Despite the mounting adverse ruling against them, the Rev-Op Group continues to challenge many or most of ML Manager LLC's actions. They have appealed all but two sale orders, and most every final ruling in the bankruptcy court. There are currently seven appeals pending, five brought by the Rev-Op Group. The Rev-Op Group sought an emergency motion for stay in the Federal District Court on October 6th. The Federal judge denied the Rev-Op motion and stated that she believed that the Rev-Op Group had little likelihood of success of winning its appeal.

Forbearance Agreement

Several weeks ago ML Manager LLC and the ML Liquidating Trust entered into a Forbearance Agreement with the Exit Financing Lender. A copy of the Forbearance Agreement has been available on our web page since it was signed. The Forbearance Agreement has been fully performed; however, we would like to provide you with the background of the agreement.

As the respective Boards of Directors ("Boards") have advised you in prior communications, ML Manager LLC and ML Liquidating Trust, (collectively, the "Entities") have been required to pay unanticipated amounts of professional fees because the Bankruptcy Court approved fees which were much higher than expected. As a result the payment of such fees and the difficultly in selling properties because of litigation, the availability of cash to fund the operations of the Entities has been diminishing over time, which has caused some interim financial difficulties for the Entities.

The Entities received a letter dated July 15, 2010 from the Exit Financing Lender declaring that the Loan was in default because

(i) the accrued interest had caused the Maximum Loan Balance of $20,000,000 to be exceed by approximately $57,535 on May 15, 2010 and by approximately $359,791 on June 15, 2010, and

(ii) (ii) the Boards had not paid a Repayment Incentive Fee which the lender alleged was due on June 16, 2010. The Lender also stated that it would charge a default rate of interest until the default was cured. The Lender rejected a substantial payment made by ML Manager LLC from the sale of a property since the amount was not sufficient to cure the default in the Lender's view and elected to cure the alleged default by advancing the necessary amount to itself and adding the same to the loan balance as it was permitted to due under the Loan Agreement.

ML Manager LLC disputed the fact that a fee was due on June 16, 2010, as it believed that the fee payment was not due until July 16, 2010. ML Manager LLC also disputed the fact that the Lender was entitled to charge default interest. Recognizing that it was in everyone's best interest to resolve these matters, representative of the Entities met with the Lender and negotiated a resolution which is contained in the Forbearance Agreement which is posted on the website for the Entities at www.mtgltd.com. The Boards of both Entities recommend and encourage you to review the Forbearance Agreement.

The Forbearance Agreement, among other things, provided for:

1) The settlement of disputes relating to the Exit Financing Loan, including, without limitation, the Exit Financing Lender's assertion of a default thereunder by reason of the fact that principal and accrued interest had exceeded the Maximum Loan Balance of Twenty Million Dollars and the dates for payment of the Repayment Incentive Fee;

2) The Entities had until October 31, 2010 to reduce the outstanding indebtedness owing under the Exit Financing Loan below the Maximum Loan Balance, and thereby avoid the Exit Financing Lenders' possible exercise of further default remedies prior to said date;

3) The determination of the amount of the initial Repayment Incentive Fee due on June 16, 2010 at the compromised rate of 4%;

(4) Curative advances by the Exit Financing Lender to cure certain claimed defaults under the Exit Financing Loan; and

5) Interest to be charged at the default rate for only a 30-day period and for interest to be charged at the normal contract rate of interest thereafter until October 31, 2010.

A specific benefit of the Forbearance Agreement was that ML Manager LLC was able to use the rejected payment to fund its operations. Without those funds, the ability to operate at desired levels would have been impaired.

The decision to enter into the Forbearance Agreement was based upon Mark Winkleman's and the respective Boards' belief that several properties would be sold on or before October 31, 2010. Although there was certainly no guarantee that sufficient property sales would close escrow by such date, it was the business judgment of the Boards that there was a reasonable likelihood that one or more closings would occur by October 31, 2010, thereby providing funds to pay down the Exit Financing Loan below the Maximum Loan Balance. Under the existing circumstances, the Boards concluded that the foregoing goals were reasonably achievable and that potential benefit of not having an ongoing dispute with the Exit Financing Lender would allow the Entities time to achieve certain objectives and eliminate any potential default. The Boards are pleased to confirm that three properties have been sold and the following payments made to the Exit Financing Lender from the sales:

City Lofts- $864,881.44
Zacher Missouri-$842,216.17, and
Ten Wine Lofts-$4,872,400.

The current outstanding principal balance of the Exit Loan is approximately $16,200,000. By reducing the outstanding principal balance below the Maximum Loan Balance prior to October 31, 2010 date the Boards have complied with the terms of the Forbearance Agreement.

If you have any questions, do not hesitate to contact Karen Epstein at 480-948-6777 or kme818@cox.net or Erica Jacob at ejacob@mtgltd.com or 623-234-9569 for further assistance. Thank you for your support of our efforts.

Best Regards,

Elliott Pollack
Chairman
ML Manager LLC Board