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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF ARIZONA

In re
MORTGAGES, LTD.,
Debtor.

Chapter 11
Case No. 2:08-bk-07465-RJH

**BALLOT FOR CLASS 9 VALUE-TO-
LOAN FUND INVESTORS FOR
ACCEPTING OR REJECTING THE
OFFICIAL COMMITTEE OF
INVESTORS' FIRST AMENDED PLAN
OF REORGANIZATION DATED
MARCH 12, 2009**

BALLOT FOR CLASS 9 VALUE-TO-LOAN FUND INVESTORS

The Voting Deadline is 5:00 p.m. Pacific Time, May 5, 2009. The Ballot must be received by that date and time by Mail or by Fax. If not timely received, the Ballot will not be counted, unless otherwise ordered by the Court.

Note: PASS-THROUGH INVESTORS (Class 10A), REVOLVING OPPORTUNITY INVESTORS (Class 10B), AND MP FUND INVESTORS (Class 8) —DO NOT USE THIS BALLOT FOR VOTING YOUR CLASS 10A, 10B OR 8 CLAIMS.

This Ballot (the "Ballot") is being sent to you as the holder of a claim or interest in the Mortgages Ltd. bankruptcy for the Class 9 Value-to-Loan Fund Investors, which has been set up under the Plan. The Official Committee of Investors (the "Committee") proposed a First Amended Plan of Reorganization dated March 12, 2009, including amendments, (the "Plan") under Chapter 11, of Title 11 of the United States Code, 11 U.S.C. § 101 *et seq.* (the "Bankruptcy Code"). The Plan can be confirmed by the United States Bankruptcy Court for the District of Arizona (the "Bankruptcy Court") and thereby made binding upon you if it is accepted by holders of at least two-thirds in amount and more than one-half in number of claims in a class voting on the Plan. To have your vote counted in the above stated Class, you must complete and return this Ballot.

The Plan, along with the Committee's Approved Amended Disclosure Statement in Support of the Official Committee of Investor's First Amended Plan of Reorganization Dated March 12, 2009 (the "Disclosure Statement"), are contained in the CD-ROM accompanying this Ballot. If you, as of June 24, 2008 (the "Order of Relief Date"), assert a claim against Mortgages Ltd., please use this Ballot to cast your vote to accept or reject

1 the Plan. The Bankruptcy Court has approved the Disclosure Statement, which provides
2 information to assist you in deciding how to vote on the Plan. Bankruptcy Court approval
3 of the Disclosure Statement does not indicate approval of the Plan by the Bankruptcy
4 Court. If you do not have a CD-ROM containing the Plan and Disclosure Statement, you
5 may obtain a CD-ROM or a hard copy of the documents by contacting Carol Levine at
6 clevine@fclaw.com.

7
8 **PLEASE READ AND FOLLOW THE ATTACHED INSTRUCTIONS
9 CAREFULLY. COMPLETE, SIGN AND DATE THIS BALLOT AND MAIL OR
10 FAX IT ON OR BEFORE MAY 5, 2009 BY 5:00 P.M., PACIFIC TIME. TO BE
11 COUNTED, YOUR BALLOT MUST BE RECEIVED BY THIS DATE AND TIME.
12 SEND IT TO:**

13
14 **Mailed to:
15 Edward McDonough
16 Alvarez & Marsal
17 2355 E. Camelback, Rd. Suite 805
18 Phoenix, AZ 85016**

19 **Or Faxed to Edward McDonough at :
20 (602) 459-7001**

21 **HOW TO VOTE (AS MORE FULLY SET FORTH IN THE ATTACHED
22 VOTING INSTRUCTIONS):**
23
24 COMPLETE ITEM 1, ITEM 2 AND ITEM 3.
25 REVIEW THE CERTIFICATIONS CONTAINED IN ITEM 4.
26 **SIGN THE BALLOT. UNSIGNED BALLOTS WILL NOT BE COUNTED.**
27
28 RETURN THE BALLOT IN THE PRE-ADDRESSED ENVELOPE (SO THAT IT IS
RECEIVED BEFORE THE VOTING DEADLINE) OR YOU MAY FAX IT TO
(602) 459-7001.

ANY EXECUTED BALLOT RECEIVED THAT (A) DOES NOT INDICATE
EITHER AN ACCEPTANCE OR REJECTION OF THE PLAN, OR (B) THAT
INDICATES BOTH AN ACCEPTANCE AND A REJECTION OF THE PLAN,
WILL NOT BE COUNTED.

29 **Item 1:** Aggregate Total of Value-to-Loan Fund Claim Voted. I certify that I have an
30 aggregate total Value-to-Loan Fund Claim in the following amount (insert dollar number
31 in the box below):

Amount of Value-to-Loan Fund Claim
\$

32 **Item 2:** I am casting my Ballot as a Class 9 Value-to-Loan Fund Investor under the
33 Committee's Plan.

1 **Item 3: Vote.** As a Class 9 Value-to-Loan Fund Investor, you have two choices for your
2 vote. You may choose to be treated in subsection (A) below and accept the Plan and the
3 modification of the Loan or in subsection (B) below and reject the Plan.

4 (A) Under choice A the repayment of the VTL Fund Loans will be modified by (1) a
5 reduction of the interest rate from 10% per annum to 0% per annum; (2) the debt and the
6 liens will be reallocated and spread pro rata across all MP Funds as originally
7 contemplated by the Debtor and the accompanying fractional interest in a Note will also
8 be reallocated to the MP Fund with the debt; (3) the principal on the VTL Loan will be
9 repaid from the collection of 10% of the principal of the MP Funds' interests in Notes as it
10 is received each year; (4) all payments received post petition (after June 24, 2008) for
11 2008 and 2009 shall be recharacterized and applied to principal only and no interest will
12 be due for the same period; (5) when the MP Fund's fractional interests in the Notes and
Deeds of Trust are transferred to the Loan LLCs in exchange for the issuance of the
membership interests in the Loan LLCs, such transfers shall be free and clear of the VTL
lien and such lien by the VTL Fund will attach to the membership interests of the MP
Funds in the Loan LLCs as a replacement lien. These terms if accepted by the VTL Fund
Investors will become its treatment.

13 (B) In the event the VTL Fund Investors do not choose to be treated as set forth in
14 Subsection (A) above, then the VTL Fund Claim will be disputed and an adversary
15 proceeding will likely be commenced by Plan Proponent or the ML Manager LLC in the
16 Bankruptcy Court or in another Court of competent jurisdiction to determine whether the
17 VTL Fund has any claim against any MP Fund, secured or otherwise. In the event such
18 Court determines that VTL Fund does not have a claim against a certain MP Fund then the
19 VTL Fund shall have a Class 11 General Unsecured Claim for the applicable amount as
against Mortgages Ltd. In the event such Court determines the VTL Fund has a valid
secured claim against a MP Fund then it shall retain its lien against that MP Fund and be
paid pursuant to the Court's determination.

20 The holder of the Claim identified in Item 1 and Item 2 votes as follows (check one box
21 only—if you do not check a box, or if you check both boxes, your vote will not be
counted): to ACCEPT the Plan OR to REJECT the Plan.

- 22 Accept Choice A above (for) the Plan and modify the VTL Loans
- 23 Reject (against) the Plan and choose Choice B above, which is likely to result in litigation of the validity of the VTL Loans

24 **Item 4. Certification.** By returning this Ballot, the holder, or an authorized signatory for
25 such holder, of the Claim identified in Item 1 and Item 2 certifies that: (a) this Ballot is the
26 only Ballot submitted for its Claim identified in Item 1 and Item 2; (b) it has full power
27 and authority to vote to accept or reject the Plan and to elect treatment with respect to the
28 Claim identified in Item 1 and Item 2; (c) it was the holder of the Claim identified in Item
1 and Item 2 as of June 24, 2008 and it has not transferred the Claim to another Person;
and (d) it has received a CD-ROM containing a copy of the Disclosure Statement
(including the exhibits thereto) and understands that the solicitation of votes for the Plan

1 and the choice of treatment under the Plan are subject to all the terms and conditions set
2 forth in the Disclosure Statement and Plan.

3 Name of Investor: _____
(Print or Type)

4 Social Security or Federal
5 Tax ID. No.: _____
(Optional)

6 Signature: _____

7 Print Name: _____

8 Title: _____
(If Appropriate)

9 Street Address: _____

10 City, State, Zip Code: _____

11 Telephone Number: () _____

12 Date Completed: _____

13
14 If you are completing the Ballot on behalf of another person or entity, indicate your
15 relationship with such person or entity and the capacity in which you are signing.

16 **IF YOU HAVE ANY QUESTIONS REGARDING THE BALLOT OR THE**
17 **VOTING PROCEDURES, OR IF YOU NEED ADDITIONAL COPIES OF THE**
18 **BALLOT, PLEASE CONTACT CAROL LEVINE AT clevine@fclaw.com.**

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