

1 FENNEMORE CRAIG, P.C.  
Cathy L. Reece (005932)  
2 Keith L. Hendricks (012750)  
3003 N. Central Ave., Suite 2600  
3 Phoenix, Arizona 85012  
Telephone: (602) 916-5343  
4 Facsimile: (602) 916-5543  
Email: creece@fclaw.com

5 Attorneys for Official Committee  
6 of Investors

7 IN THE UNITED STATES BANKRUPTCY COURT  
8 FOR THE DISTRICT OF ARIZONA

9 In re  
10 MORTGAGES LTD.,  
11 Debtor.

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

**NOTICE OF LODGING FORMS OF  
BALLOTS TO INVESTORS  
COMMITTEE'S FIRST AMENDED PLAN  
OF REORGANIZATION AND TO  
INVESTORS COMMITTEE'S AMENDED  
DISCLOSURE STATEMENT**

14 NOTICE IS GIVEN that the Investors Committee has lodge herewith and attached  
15 hereto its proposed form of Ballots for Voting on its First Amended Plan of  
16 Reorganization Dated March 12, 2009, and its Amended Disclosure Statement. Counsel  
17 for the Investors Committee circulated late on Tuesday, March 17, 2009, the form of  
18 Ballots and received some comments today, which have been included in the lodged  
19 Ballots.

20 DATED: March 18, 2009

FENNEMORE CRAIG, P.C.

22 By /s/ Cathy L. Reece  
23 Cathy L. Reece  
Attorneys for Official Committee of Investors

24 COPY of the foregoing emailed  
25 this 18th day of March 2009 to the parties  
on the attached Service List.

26 /s/ Susan Stanczak-Ingram

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

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

**GENERAL BALLOT FOR CLASS 4,  
CLASS 5, CLASS 7 AND CLASS 12 FOR  
ACCEPTING OR REJECTING THE  
OFFICIAL COMMITTEE OF  
INVESTORS' CHAPTER 11 PLAN OF  
REORGANIZATION**

**GENERAL BALLOT FOR CLASS 4, CLASS 5,  
CLASS 7 AND CLASS 12**

**The Voting Deadline is 5:00 p.m. Pacific Time, April 1, 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.

This Ballot (the "Ballot") is being sent to you as the holder of a claim or interest in the Mortgages Ltd. bankruptcy for the Artemis Secured Claim (Class 4), Arizona Bank Secured Claim (Class 5), Radical Bunny LLC (Class 7), and Borrower Claims (Class 12) which have 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 of creditors voting on the Plan. To have your vote counted in the above stated Classes, you must complete and return this Ballot.

The Plan, along with the Committee's 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

1 a claim against Mortgages Ltd., please use this Ballot to cast your vote to accept or reject  
2 the Plan. The Bankruptcy Court has approved the Disclosure Statement, which provides  
3 information to assist you in deciding how to vote on the Plan. Bankruptcy Court approval  
4 of the Disclosure Statement does not indicate approval of the Plan by the Bankruptcy  
Court. If you do not have a CD-ROM containing the Plan and Disclosure Statement, you  
may obtain a CD-ROM or a hard copy of the documents by contacting Carol Levine at  
clevine@fclaw.com.

5 **PLEASE READ AND FOLLOW THE ATTACHED INSTRUCTIONS**  
6 **CAREFULLY. COMPLETE, SIGN AND DATE THIS BALLOT ON OR BEFORE**  
7 **APRIL \_\_, 2009 BY 5:00 P.M., PACIFIC TIME. TO BE COUNTED, YOUR**  
8 **BALLOT MUST BE RECEIVED BY THIS DATE AND TIME. SEND IT TO:**

9 **Mailed to:**  
10 **Edward McDonough**  
11 **Alvarez & Marsal**  
12 **2355 E. Camelback, Rd. Suite 805**  
13 **Phoenix, AZ 85016**

14 **Or Faxed to Edward McDonough at:**  
15 **(602) 459-7001**

16 **HOW TO VOTE (AS MORE FULLY SET FORTH IN THE ATTACHED**  
17 **VOTING INSTRUCTIONS):**

18 COMPLETE ITEM 1, ITEM 2 AND ITEM 3.

19 REVIEW THE CERTIFICATIONS CONTAINED IN ITEM 4.

20 **SIGN THE BALLOT. UNSIGNED BALLOTS WILL NOT BE COUNTED.**

21 RETURN THE BALLOT IN THE PRE-ADDRESSED ENVELOPE (SO THAT IT IS  
22 RECEIVED BEFORE THE VOTING DEADLINE) OR YOU MAY FAX IT TO  
23 (602) 459-7001.

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

28 **Item 1:** Aggregate Total of Claim Voted. I certify that I have an aggregate total Claim in  
the following amount (insert dollar number in the box below):

Amount of Claim
\$

**Item 2:** The Class under which I am casting my Ballot is Class \_\_\_ under the  
Committee's Plan.

**Item 3:** Vote. The holder of the Claim identified in Item 1 and Item 2 votes as follows

1 (check one box only—if you do not check a box, or if you check both boxes, your vote  
2 will not be counted): to ACCEPT the Plan OR to REJECT the Plan.

3  Accept (for) the Plan  Reject (against) the Plan

4 **Item 4. Certification.** By returning this Ballot, the holder, or an authorized signatory for  
5 such holder, of the Claim identified in Item 1 and Item 2 certifies that: (a) this Ballot is the  
6 only Ballot submitted for its Claim identified in Item 1 and Item 2; (b) it has full power  
7 and authority to vote to accept or reject the Plan and to elect treatment with respect to the  
8 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 has not transferred its 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 and the  
election of convenience claim treatment under the Plan are subject to all the terms and  
conditions set forth in the Disclosure Statement and Plan.

9 Name of Creditor: \_\_\_\_\_  
(Print or Type)

10 Social Security or Federal  
11 Tax ID. No.: \_\_\_\_\_  
(Optional)

12 Signature: \_\_\_\_\_

13 Print Name: \_\_\_\_\_

14 Title: \_\_\_\_\_  
(If Appropriate)

15 Street Address: \_\_\_\_\_

16 City, State, Zip Code: \_\_\_\_\_

17 Telephone Number: ( ) \_\_\_\_\_

18 Date Completed: \_\_\_\_\_

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

21 **IF YOU HAVE ANY QUESTIONS REGARDING THE BALLOT OR THE**  
22 **VOTING PROCEDURES, OR IF YOU NEED ADDITIONAL COPIES OF THE**  
23 **BALLOT, PLEASE CONTACT CAROL LEVINE AT [clevine@fclaw.com](mailto:clevine@fclaw.com).**

24 10637.1

25  
26  
27  
28

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

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' CHAPTER 11 PLAN OF  
REORGANIZATION**

**BALLOT FOR CLASS 9 VALUE-TO-LOAN FUND INVESTORS**

**The Voting Deadline is 5:00 p.m. Pacific Time, April 1, 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 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 the Plan. The Bankruptcy Court has approved the Disclosure Statement, which provides

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

6 **PLEASE READ AND FOLLOW THE ATTACHED INSTRUCTIONS  
7 CAREFULLY. COMPLETE, SIGN AND DATE THIS BALLOT AND MAIL OR  
8 FAX IT ON OR BEFORE APRIL 15, 2009 BY 5:00 P.M., PACIFIC TIME. TO BE  
9 COUNTED, YOUR BALLOT MUST BE RECEIVED BY THIS DATE AND TIME.  
10 SEND IT TO:**

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

16 **Or Faxed to Edward McDonough at :  
17 (602) 459-7001**

18 **HOW TO VOTE (AS MORE FULLY SET FORTH IN THE ATTACHED  
19 VOTING INSTRUCTIONS):**

20 COMPLETE ITEM 1, ITEM 2 AND ITEM 3.

21 REVIEW THE CERTIFICATIONS CONTAINED IN ITEM 4.

22 **SIGN THE BALLOT. UNSIGNED BALLOTS WILL NOT BE COUNTED.**

23 RETURN THE BALLOT IN THE PRE-ADDRESSED ENVELOPE (SO THAT IT IS  
24 RECEIVED BEFORE THE VOTING DEADLINE) OR YOU MAY FAX IT TO  
25 (602) 459-7001.

26 ANY EXECUTED BALLOT RECEIVED THAT (A) DOES NOT INDICATE  
27 EITHER AN ACCEPTANCE OR REJECTION OF THE PLAN, OR (B) THAT  
28 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):

32 **Amount of Value-to-Loan Fund Claim**

33 \$

34 **Item 2:** I am casting my Ballot as a Class 9 Value-to-Loan Fund Investor under the  
35 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  
23 and modify the VTL Loans

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  
and authority to vote to accept or reject the Plan and to elect treatment with respect to the  
27 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;  
28 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](mailto:clevine@fclaw.com).**

19 10609.1

20  
21  
22  
23  
24  
25  
26  
27  
28

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

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

**INVESTOR BALLOT FOR CLASS 10A,  
CLASS 10B, AND CLASS 8 FOR  
ACCEPTING OR REJECTING THE  
OFFICIAL COMMITTEE OF  
INVESTORS' CHAPTER 11 PLAN OF  
REORGANIZATION**

**INVESTOR BALLOT FOR CLASS 10A (Non-Revolving  
Opportunity Pass-Through Investors), CLASS 10B (Revolving  
Opportunity Investors), and CLASS 8 (MP Fund Investors)**

**The Voting Deadline is 5:00 p.m. Pacific Time, April \_\_, 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: VTL FUND INVESTORS (Class 9)—DO NOT USE THIS BALLOT FOR VOTING YOUR CLASS 9 VTL FUND CLAIM.**

This Ballot (the "Ballot") is being sent to you as the holder of an investment as a Non-Revolving Opportunity Pass-Through Investor (Class 10A), a Revolving Opportunity Investor (Class 10B) and MP Fund investors (Class 8) which have been set up under the Plan in the Mortgages Ltd. bankruptcy. 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 Classes, you must complete and return this Ballot.

The Plan, along with the Committee's Amended Disclosure Statement in Support

1 of the Official Committee of Investor's First Amended Plan of Reorganization Dated  
2 March 12, 2009 (the "Disclosure Statement"), are contained in the CD-ROM  
3 accompanying this Ballot. If you, as of June 24, 2008 (the "Order of Relief Date"), assert  
4 a claim against Mortgages Ltd., please use this Ballot to cast your vote to accept or reject  
5 the Plan. The Bankruptcy Court has approved the Disclosure Statement, which provides  
6 information to assist you in deciding how to vote on the Plan. Bankruptcy Court approval  
7 of the Disclosure Statement does not indicate approval of the Plan by the Bankruptcy  
8 Court. If you do not have a CD-ROM containing the Plan and Disclosure Statement, you  
9 may obtain a CD-ROM or a hard copy of the documents by contacting Carol Levine at  
10 clevine@fclaw.com.

11 **PLEASE READ AND FOLLOW THE ATTACHED INSTRUCTIONS**  
12 **CAREFULLY. COMPLETE, SIGN AND DATE THIS BALLOT ON OR BEFORE**  
13 **APRIL \_\_, 2009 BY 5:00 P.M., PACIFIC TIME. TO BE COUNTED, YOUR**  
14 **BALLOT MUST BE RECEIVED BY THIS DATE AND TIME. SEND IT TO:**

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

20 **Or Faxed to Edward McDonough at:**  
21 **(602) 459-7001**

22 **HOW TO VOTE (AS MORE FULLY SET FORTH IN THE ATTACHED**  
23 **VOTING INSTRUCTIONS):**

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 RETURN THE BALLOT IN THE PRE-ADDRESSED ENVELOPE (SO THAT IT IS  
28 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 Claim Voted in each Class (excluding Class 9 VTL Fund  
30 Claims). I certify that I have an aggregate total Claim per Class in the following amount  
31 (insert dollar number on the line below):

32 Class 10A—Non-Revolving Opportunity Pass-Through Investor \$ \_\_\_\_\_

33 Class 10B—Revolving Opportunity Investor \$ \_\_\_\_\_

34 Class 8 MP Fund Investor—

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

MP122009 LLC (MP 9) \$ \_\_\_\_\_

MP062011 LLC (MP10) \$ \_\_\_\_\_

MP122030 LLC (MP 11) \$ \_\_\_\_\_

Mortgages Ltd. Opportunity Fund MP12 LLC \$ \_\_\_\_\_

Mortgages Ltd. Opportunity Fund MP13 LLC \$ \_\_\_\_\_

Mortgages Ltd. Opportunity Fund MP14 LLC \$ \_\_\_\_\_

Mortgages Ltd. Opportunity Fund MP15 LLC \$ \_\_\_\_\_

Mortgages Ltd. Opportunity Fund MP16 LLC \$ \_\_\_\_\_

Mortgages Ltd. Opportunity Fund MP17 LLC \$ \_\_\_\_\_

**Item 2:** The Class under which I am casting my Ballot is Class 10A \_\_\_\_, Class 10B \_\_\_\_, Class 8 \_\_\_\_ under the Committee's Plan. (You may check more than one Class if you have more than one type of investment.

**Item 3:** Vote. The holder of the Claim identified in Item 1 and Item 2 votes as follows (check one box 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.

Accept (for) the Plan                       Reject (against) the Plan

**Item 4. Certification.** By returning this Ballot, the holder, or an authorized signatory for such holder, of the Claim identified in Item 1 and Item 2 certifies that: (a) this Ballot is the only Ballot submitted for its Claim identified in Item 1 and Item 2; (b) it has full power and authority to vote to accept or reject the Plan and to elect treatment with respect to the 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 has not transferred its 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 and the election of convenience claim treatment under the Plan are subject to all the terms and conditions set forth in the Disclosure Statement and Plan.

Name of Investor: \_\_\_\_\_  
(Print or Type)

Social Security or Federal Tax ID. No.: \_\_\_\_\_  
(Optional)

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_  
(If Appropriate)

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

Street Address: \_\_\_\_\_  
City, State, Zip Code: \_\_\_\_\_  
Telephone Number: ( ) \_\_\_\_\_  
Date Completed: \_\_\_\_\_

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

**IF YOU HAVE ANY QUESTIONS REGARDING THE BALLOT OR THE VOTING PROCEDURES, OR IF YOU NEED ADDITIONAL COPIES OF THE BALLOT, PLEASE CONTACT CAROL LEVINE AT [clevine@fclaw.com](mailto:clevine@fclaw.com).**

10610.2

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

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 11 FOR  
ACCEPTING OR REJECTING THE  
OFFICIAL COMMITTEE OF  
INVESTORS' CHAPTER 11 PLAN OF  
REORGANIZATION**

**BALLOT FOR CLASS 11—General Unsecured Creditors**

**The Voting Deadline is 5:00 p.m. Pacific Time, April 2, 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.

This Ballot (the "Ballot") is being sent to you as the holder of a claim or interest in the Mortgages Ltd. bankruptcy for the General Unsecured Claims (Class 11) which have 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 of creditors voting on the Plan. To have your vote counted in the above stated Classes, you must complete and return this Ballot.

The Plan, along with the Committee's 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 the Plan. The Bankruptcy Court has approved the Disclosure Statement, which provides information to assist you in deciding how to vote on the Plan. Bankruptcy Court approval of the Disclosure Statement does not indicate approval of the Plan by the Bankruptcy Court. If you do not have a CD-ROM containing the Plan and Disclosure Statement, you

1 may obtain a CD-ROM or a hard copy of the documents by contacting Carol Levine at  
2 clevine@fclaw.com.

3 **PLEASE READ AND FOLLOW THE ATTACHED INSTRUCTIONS**  
4 **CAREFULLY. COMPLETE, SIGN AND DATE THIS BALLOT ON OR BEFORE**  
5 **APRIL 15, 2009 BY 5:00 P.M., PACIFIC TIME. TO BE COUNTED, YOUR**  
6 **BALLOT MUST BE RECEIVED BY THIS DATE AND TIME. SEND IT TO:**

7 **Mailed to:**  
8 **Edward McDonough**  
9 **Alvarez & Marsal**  
10 **2355 E. Camelback, Rd. Suite 805**  
11 **Phoenix, AZ 85016**

12 **Or Faxed to Edward McDonough at:**  
13 **(602) 459-7001**

14 **HOW TO VOTE (AS MORE FULLY SET FORTH IN THE ATTACHED**  
15 **VOTING INSTRUCTIONS):**

16 COMPLETE ITEM 1, ITEM 2 AND ITEM 3.

17 REVIEW THE CERTIFICATIONS CONTAINED IN ITEM 4.

18 **SIGN THE BALLOT. UNSIGNED BALLOTS WILL NOT BE COUNTED.**

19 RETURN THE BALLOT IN THE PRE-ADDRESSED ENVELOPE (SO THAT IT IS  
20 RECEIVED BEFORE THE VOTING DEADLINE) OR YOU MAY FAX IT TO  
21 (602) 459-7001.

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

26 **Item 1:** Aggregate Total of Claim Voted. I certify that I have an aggregate total Claim in  
27 the following amount (insert dollar number in the box below):

<b>Amount of Claim</b>
\$

28 **Item 2:** The Class under which I am casting my Ballot is Class 11 under the  
Committee's Plan.

**Item 3:** Vote. The holder of the Claim identified in Item 1 and Item 2 votes as follows  
(check one box 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.

Accept (for) the Plan

Reject (against) the Plan

1 **Item 4. Certification.** By returning this Ballot, the holder, or an authorized signatory for  
2 such holder, of the Claim identified in Item 1 and Item 2 certifies that: (a) this Ballot is the  
3 only Ballot submitted for its Claim identified in Item 1 and Item 2; (b) it has full power  
4 and authority to vote to accept or reject the Plan and to elect treatment with respect to the  
5 Claim identified in Item 1 and Item 2; (c) it was the holder of the Claim identified in Item  
6 1 and Item 2 as of June 24, 2008 and has not transferred its Claim to another Person; and  
7 (d) it has received a CD-ROM containing a copy of the Disclosure Statement (including  
8 the exhibits thereto) and understands that the solicitation of votes for the Plan and the  
9 election of convenience claim treatment under the Plan are subject to all the terms and  
10 conditions set forth in the Disclosure Statement and Plan.

11 Name of Creditor: \_\_\_\_\_  
12 (Print or Type)

13 Social Security or Federal  
14 Tax ID. No.: \_\_\_\_\_  
15 (Optional)

16 Signature: \_\_\_\_\_

17 Print Name: \_\_\_\_\_

18 Title: \_\_\_\_\_  
19 (If Appropriate)

20 Street Address: \_\_\_\_\_

21 City, State, Zip Code: \_\_\_\_\_

22 Telephone Number: ( ) \_\_\_\_\_

23 Date Completed: \_\_\_\_\_

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

26 **IF YOU HAVE ANY QUESTIONS REGARDING THE BALLOT OR THE**  
27 **VOTING PROCEDURES, OR IF YOU NEED ADDITIONAL COPIES OF THE**  
28 **BALLOT, PLEASE CONTACT CAROL LEVINE AT [clevine@fclaw.com](mailto:clevine@fclaw.com).**

10636.1