

ML Manager LLC –Rightpath II Loan (Loan #859806)

You are receiving this ballot because you are a member of one or more of the MP Funds or RLD II Loan LLC (Loan #859806) and are entitled to vote. The Sale Agreement was originally approved by you and the Court in the Fall of 2017 and amended in January of 2018. The Sale Agreement has been amended again. You are being asked to vote on the Amendment.

The borrower, Rightpath Limited Development Group, LLC (Loan #859806) defaulted on its loan. The unpaid principal balance of the loan is about \$37,408,881 and interest and fees also are due. ML Manager foreclosed on the property securing the loan. Pursuant to the Official Investors' Committee's First Plan of Reorganization confirmed by the Bankruptcy Court, RLD II Loan LLC was formed on the effective date and the fractional interests in the note and deed of trust by the MP Funds, Radical Bunny LLC and certain Pass-Through Investors were transferred into RLD II Loan LLC. As a result, 72.978% of the interests in the real property are owned by RLD II Loan LLC and the rest is owned by 19 Pass-Through Investors who did not transfer.

The real property and improvements to be sold consist of approximately 59 acres of real property and personal property located generally north of the northwest corner of 107th Avenue and Camelback Road in Phoenix, Arizona ("Camelback Ranch Property" or "Property"). In the Fall of 2017, ML Manager proposed to sell the Camelback Ranch Property to Mattamy Arizona, LLC (the "Purchaser"). The Sale was approved by both the Court and by you. Subsequently, the Purchaser and ML Manager negotiated an Amendment to the Sale Agreement. The Amendment reduced the Purchase Price from \$6,957,175 to \$6,257,175, subject to the adjustments in the Sale Agreement and Amendment. In no event was the amended Purchase Price to be less than \$5,657,175 as provided in the Amendment. The Amendment was approved by the Court and by you. Unfortunately, since approval of the Amendment, an additional issue has surfaced and the parties entered into another Amendment.

The Parties had previously anticipated that there would be two standard lot widths within the Property upon completion of the Approvals by the City. However, to satisfy the City in connection with the Approvals, Purchaser's current design will have to be changed to require several Oversized Lots with an approximate width of 175 feet ("Oversized Lots") as opposed to the originally anticipated width of 55 feet. With these changes from the City the economics of the Property and Purchase Price do not work for the Purchaser. The Parties have therefore agreed that, if the Purchaser's final design includes the Oversized Lots, then the Oversized Lots shall be treated as Lots with a width of 55 feet for purposes of calculating the total number of Front Feet and the Purchase Price shall not be based on the actual width of the Oversized Lots but on the width of 55 feet, except that in addition to the Purchase Price, Purchaser shall pay \$5,000 for each Oversized Lot. Since the City will require that a portion of the Property consist of either Oversized Lots or open space as a buffer for the benefit of adjacent neighbors, it will be mutually beneficial for the Purchaser and ML Manager if the affected area contains Oversized Lots that be purchased at a price that is consistent with Purchaser's planned housing products. As a result, the Parties believe the Amendment is appropriate and necessary. In addition, the Closing Date is changed to December 21, 2018, thus accelerating the Closing. Under the Amendment, the Purchase Price is \$6,257,175. but can be adjusted up or down based upon the number of lots that are ultimately approved. At this point, it appears that there will be an upward adjustment of the Purchase Price; however, in no event will the Purchase Price go below \$5,657,175.

The Amendment is contingent on the approval of the investors of the MP Funds and RLD II Loan LLC by a majority in dollar amount of those voting. With this ballot you, as an investor, are being asked to vote to approve the additional Amendment. It is also contingent on the Exit Financier waiving its right to compete to buy the property and on Bankruptcy Court approval. The Exit Financier has already waived its right to compete. The Motion to approve the Amendment has been filed with the Bankruptcy Court and the hearing is set for September 20, 2018 at 9:30 a.m.

Even though the sale price is not enough to pay the full principal and interest on the loan, ML Manager LLC believes the price reflects the current market price for the Property. If the investors do not agree to amend the sale of the Property, additional expenses including taxes, insurance, and other expenses will accrue and burden the Property. Unless the Property value increases significantly, the ongoing holding costs are not likely to be recoverable. The ML Manager Board, after considerable thought, unanimously recommends that the investors agree that the Camelback Ranch Property can be sold in accordance with the terms of the Amendment to Sale Agreement.

We apologize for the short time frame for voting this time. You have until **5 pm, Arizona time, September 18, 2018** to submit your vote. Once the results of the voting are tallied, we will inform you of the vote. We have not attached a link to the Amendment to the Sale Agreement with the ballot. If you would like to review the Amendment to the Sale Agreement, contact Cathy Reece via email at creece@fclaw.com and she will arrange to send a copy to you. Questions can be directed to Mark Winkleman at mwinkleman@mtgltd.com.

Regards,
Elliott Pollack, Chair

Do you agree to accept the amendment to the sale of the Camelback Ranch Property as described on the preceding pages?

- Agreed
- Disagreed

By: _____
Signature

Date: _____

Please Print Name