

**ML Manager LLC –VP II Loan LLC (Loan #858006)**

You are receiving this ballot because you are a member of one or more of the MP Funds or VP II Loan LLC (Loan # 858006) and are entitled to vote on this matter. ML Manager has approved an offer and negotiated the sale agreement of a part of the VP II property. This ballot is for the sale of approximately 190 acres known as parcel 5H and 5I to Terra West Communities LLC. You have already voted on and approved the sale of other parcels to other buyers.

The borrower Vistoso Partners, LLC, (Loan #858006), defaulted on the loan. The unpaid principal balance of the loan was about \$12.3 million plus interest and fees also are due. ML Manager foreclosed on the property securing the loan.

The property to be sold consists of approximately 190 acres of real property and improvements located in Oro Valley, Pima County, Arizona, known as Parcel 5H and 5I in Vistoso II. Only about 84.5 acres are developable. ML Manager listed the property for sale with Land Advisors Organization, a leading real estate brokerage firm that are familiar with this local area and the market, to widely market the property for sale. After completing substantial marketing efforts, the ML Manager Board determined that the offer of Terra West Communities LLC (“Purchaser”) of \$6.3 million (“Purchase Price”) was the best price for the property and entered into an Agreement of Sale and Purchase (“Sale Agreement”). The Purchaser has deposited \$100,000 into escrow and an escrow has been set up with Fidelity National Title Agency. An additional \$300,000 deposit will be deposited upon expiration of the feasibility period. The Purchase Price will be payable in cash at the close of escrow. Purchaser has no connection to the investors or ML Manager or the Exit Lender. We anticipate a quick close, closing the middle of October 2018. ML Manager reserves the right to sell to a different buyer for the same or a higher price without any further balloting.

Pursuant to the Official Investors’ Committee’s First Plan of Reorganization confirmed by the Bankruptcy Court, VP II Loan LLC was formed on the effective date and the fractional interests in the note and deed of trust by the MP Funds and certain Pass-Through Investors transferred their interests into VP II Loan LLC. As a result, 71.221% of the undivided fractional interests in the real property are owned by VP II Loan LLC. Certain Pass-Through Investors who did not transfer their interests hold a 28.779% undivided fractional interest in the property.

The sale is contingent on the approval of the investors of the MP Funds and VP II Loan LLC (by a majority in dollar amount of those voting). With this ballot you, as an investor, are being asked to vote. Also, another contingency is the waiver of the right to compete by the Exit Lender which has already been waived. Bankruptcy Court approval is also being sought. The motion has been filed and the hearing is set for October 4, 2018 at 10:00 a.m.

Even though the sale price is not enough to pay the full amount of principal, interest and fees on the loan, it does pay a significant portion of the principal on the loan. Plus there are additional acres already under contract which have been approved by the Court and the investors for sale that is still in escrow. ML Manager believes this offer reflects the current market price for the property and it is unlikely to increase substantially in the foreseeable future. Under the Sale Agreement, the property is being sold “as is”, “where is” and “with all faults”. The ML Manager Board after considerable thought unanimously recommends that the investors agree that the property can be sold in accordance with the terms of the Sale Agreement or to another buyer for the same or better offer.

**You have until 5 p.m., Arizona time, Tuesday October 2, 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 Sale Agreement with the ballot. If you would like to review the Sale Agreement, contact Gidget at 602-916-5110 or via email at [gkbacon@fclaw.com](mailto:gkbacon@fclaw.com) and she will arrange to send a copy to you. Questions can be directed to Mark Winkleman at [mwinkleman@mtgld.com](mailto:mwinkleman@mtgld.com).

Regards,  
Elliott Pollack, Chair

**Do you agree to accept the recommendation of ML Manager to sell the VP II property to a buyer as described on the preceding pages?**

- Agreed
- Disagreed

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

Date: \_\_\_\_\_

\_\_\_\_\_  
Please Print Name