

**\$24,227,719 (principal balance 10/31/06) Note and Deed of Trust
PALM HARBOR ONE, LLC LOAN**

According to the Fourth Amendment to Mortgage ("the Fourth Amendment"), you are a Direct Lender, owning a fractional interest, in a Mortgage, Security Agreement and Assignment of Rents secured by real property in Palm Harbor, FL whose Borrower is Palm Harbor One, LLC *et al* ("the Loan"). The Fourth Amendment was recorded in the Official Records of Pinellas, Florida. We are offering to purchase your *pro rata* fractional interest in the Loan, subject to final review and acceptance, for:

**35% (Thirty-Five Percent) of the Principal Amount outstanding
pro rata to your Fractional Interest**

The Servicer and Agent for the loan, USA Commercial Mortgage Company, *et al* ("USACM"), filed for Bankruptcy on April 13th, 2006. The loan is in "Non Performing and in "Interest and Maturity Default" (see below). The loan is currently serviced by Compass Financial Partners, LLC ("Compass") who purchased the servicing rights from USACM at auction during the USACM bankruptcy proceedings.

Sierra Liquidity Fund, LLC ("SLF") is in the business of purchasing high-risk, ill-liquid investment interests at a discount. SLF and its affiliates have purchased over \$100,000,000 in distressed real estate, defaulted loans, trade claims and high yield securities from over 5,000 investors. **SLF has also purchased, closed, and made prompt payment to over 70 Direct Lenders who have sold their interests in 11 different loans originated by USA Commercial Mortgage Company.** This has made our firm a reliable and experienced source for liquidity. The following are several reasons why you may want to sell:

- **THE LOAN IS "NON-PERFORMING", IN "INTEREST AND MATURITY DEFAULT", AND THE BORROWER IS IN BANKRUPTCY:** According to compassloans.net, as of April 8th, 2007, the Borrower had been served with Notices of Default for failure to pay the interest required by the Loan Agreement and for failure to repay the loan in full as of the effective Maturity Date. A Chapter 11 Petition of Bankruptcy was filed on August 16th, 2007 by the Borrower, Palm Harbor One, LLC. This resulted in an automatic stay against any foreclosure proceedings against the Direct Lenders collateral which is comprised of 356 condominiums and apartments at Cypress Falls at Palm Harbor. However and whenever the Chapter 11 restructuring is resolved, there is a possibility that Compass and the Direct Lenders may have to share in whatever proceeds are able to be paid to satisfy the Loan per the outcome and direction given by both the United States Bankruptcy Court District of Massachusetts, and by Judge Robert C. Jones in the current litigation pending before the United States District Court For the District of Nevada regarding the removal of the USACM bankruptcy to the district court – 423 Bankruptcy Withdrawal. We estimate that as of October 1st, 2007 approximately \$1.1 million of Default Interest has accrued on the Loan along with a Late Fee of approximately \$1.3 million, although SLF cannot guarantee the accuracy of these calculations.
- **FLORIDA REAL ESTATE MARKET IS EXPERIENCING A SIGNIFICANT SLOWDOWN:** The 358 condominiums/apartment units are located in Palm Harbor, Pinellas County, Florida, just outside of Tampa Bay and Clearwater. The value of the units is ultimately tied to the regional sales market for new and existing residential property. Nationally, sales activity of new homes has declined in excess of 20% year-over-year and home builders are offering significant price reductions and sales incentives in order to promote sales. National home builders have also incurred consistent write-downs of land and home inventory each of the last 3 quarters along with either drastically reducing or eliminating the purchase of new inventory. Most real experts consensually agree that conditions in Florida are more depressed than any other regional market as speculation and supply reached bloated levels in the Florida market during the peak of the real estate boom. These depressing national and regional industry conditions could have an adverse effect on the value of the collateral, however SLF cannot fully represent to you the ultimate value of the collateral.
- **IMMEDIATE LIQUIDITY & POTENTIAL TAX LOSS:** A sale will result in the immediate conversion of your fractional interest in a "Defaulted" note into cash. You may wish to consult with your tax preparer to see if a sale would result in a tax loss for your tax return.

If you wish to accept our offer, we will overnight or email to you a Loan Sale Agreement. Sierra Liquidity Fund, LLC will not be obligated to purchase your fractional interest in the Loan until it executes and returns to you a counterpart copy of the Loan Sale Agreement, whereupon the Loan Sale Agreement will become a binding contract of purchase and sale between the parties and you will be obligated to execute, in recordable form, an Assignment of Beneficial Interest in Loan and Loan Documents, which Sierra Liquidity Fund, LLC shall thereafter be free to record to evidence the transfer of your beneficial ownership interest in the Loan.

**To accept our Offer
Call 949-660-1144 ext. 17 or ext. 16**