

**THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF
THE 1031 TAX GROUP, LLC., et al.**

August 14, 2009

To: All Class 3 Unsecured Creditors

Re: The Chapter 11 Trustee's Second Amended Joint Plan of
Reorganization (the "Plan") and The Enclosed Plan Voting Materials

Dear Creditor:

The undersigned are the co-chairpersons of The Official Committee of Unsecured Creditors (the "Committee") of The 1031 Tax Group, LLC, *et al.* (the "Debtors"). The Committee was appointed by the Office of the United States Trustee shortly after these cases were filed by the Debtors, and currently is comprised of the following ten unsecured creditors holding claims aggregating in excess of \$30,000,000:

James V. and Diane S. Bordoni
Capital Aggregates, Ltd.
LJ Ambassador, Ltd.
Ward Enterprises, LLC
Nona M. Garson
100 Garfield, LLC
Loulourges Properties, Ltd.
222 Central Avenue Corp.
Elizabeth Callanan
Grande Investments, LLC

The role of the Committee is to represent the interests of all unsecured creditors in these cases, with its principal objective being to maximize the recovery for all unsecured creditors of the Debtors. In addition, the Committee's duties include participating in the formulation of a plan and advising unsecured creditors of the Committee's determination with respect to the plan. Indeed, the Committee, through its members and with the advice of its professionals, has been actively involved in all aspects of these cases over the past 27 months. The Committee has submitted numerous rounds of comments to the Chapter 11 Trustee with respect to the Plan. Many, but not all, of the Committee's comments have been approved by the Chapter 11 Trustee and incorporated into the Plan. On balance, and after careful review of the Plan with the Committee's counsel, the Committee believes the Plan now presented for your review and approval should be **ACCEPTED**.

The materials that you are receiving in this package include the Plan and the accompanying disclosure statement (the "Disclosure Statement") as well as a ballot for voting to accept or reject the Plan. The Plan is the document that will control how you will be paid on

your claim from the liquidation of the assets of the Debtors, assuming it is approved by the Bankruptcy Court at the confirmation hearing on October 7, 2009. The Disclosure Statement is designed to describe the Plan and to provide creditors with sufficient information from which to make an informed decision as to whether to vote to accept or reject the Plan. The Plan and the Disclosure Statement are the product of negotiations among many parties, including the Committee, over a period of several months.

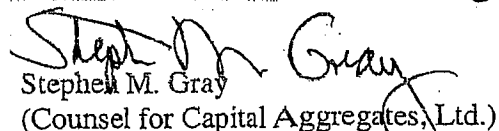
It is not our intention through this letter to describe or summarize the Plan, because any attempt to do so in a letter would necessarily omit important provisions of the Plan. Rather, we urge you to read the Plan and the Disclosure Statement in their entirety and consult with your legal, financial and tax advisors before making any decision as to whether to vote to accept or reject the Plan.

Our purpose in writing this letter to you is to inform you of the Committee's role in these cases; that the Committee has taken its charge very seriously and has been actively involved in all aspects of these cases from the beginning, including in the formulation of the Plan; that the Committee has considered all reasonable alternatives for generating a recovery for creditors from the assets of these Debtors; and that it is the Committee's view that the Plan presents the best opportunity to maximize the recovery for unsecured creditors under the facts and circumstances of these cases. On this final point, the most likely alternative to the Plan if it is not approved by the creditors and the Court would be conversion of these cases to a Chapter 7 liquidation. After careful review of this issue by the Committee with its counsel, it is the Committee's considered view that conversion to Chapter 7 would (i) result in considerable delay in any distribution to creditors and increased costs of administration (further eroding any recovery to unsecured creditors), and (ii) place in jeopardy many, if not all, of the favorable settlements negotiated by the Chapter 11 Trustee and class action representatives.

In sum, it is the Committee's determination that unsecured creditors should vote to ACCEPT the Plan. Should you have any questions or concerns with respect to the Plan, you should feel free to contact the Committee's counsel, Mark Felger at Cozen O'Connor at MFelger@Cozen.com.

Very truly yours,


John Benitez
(Manager, 100 Garfield, LLC)


Stephen M. Gray
(Counsel for Capital Aggregates, Ltd.)

Co-Chairpersons of the Official Committee
Committee of Unsecured Creditors

Enclosures