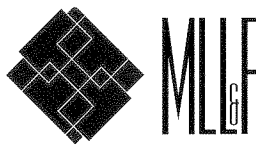


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September 5, 2007

VIA MESSENGER

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Re: McLean, et al., plaintiffs, vs. First Horizon Home Loan Corporation (formerly known as McGuire Mortgage Company), defendants. Case No. 00CV-228530.

CONDITIONAL NOTICE OF SETTLEMENT CHALLENGE PURSUANT TO SETTLEMENT AGREEMENT

Dear Class Counsel:

The persons on Exhibit A to this Notice filed a Claim Form to apply for benefits pursuant to the settlement terms of the above-referenced class action. Defendant was informed by the Settlement Administrator on September 4, 2007 that, pursuant to paragraphs 2.33 and 2.34 of the Settlement Agreement, it has determined that the Claim Forms submitted by these individuals are not Valid Claim Forms and so it has not set up these Claims for payment of any benefits. Based on the Settlement Administrator's actions, Defendant has no duty to object to those Claims or Claim Forms and they are denied unless an objection to the denial is timely presented.

In the event Defendant nevertheless is considered to have a duty to object to Claims the Settlement Administrator has not set up for payment of any benefit, or a duty to object to Claim Forms that the Settlement Administrator has determined are not a Valid Claim Form, you are hereby notified under the terms of the Settlement Agreement that Defendant challenges each of the Claims and Claim Forms submitted by the persons listed on Exhibit A.

Specifically, the Claims and Claim Forms submitted by the persons on the attached Exhibit A are conditionally challenged on two bases:

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First, they are challenged for the reasons provided by the Settlement Administrator in the Comment columns (columns AG and AH) of the Excel chart that it provided to Class Counsel and Defense Counsel on September 4, 2007.

Second, they are also challenged for the reasons provided on the attached challenge forms for those Claims. Documentation supporting those settlement challenges is attached to the relevant forms. Submission of those challenge forms is without prejudice or waiver of the fact that Defendant has no duty to challenge those Claims or Claim Forms, because they have been denied by the Settlement Administrator.

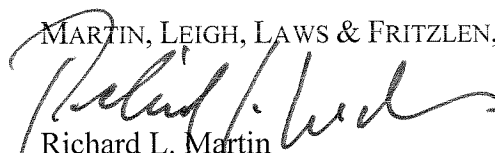
* * * * *

We also note that the Settlement Administrator determined that, on account of bankruptcy filings, certain debtors are to be paid a Settlement Benefit of \$250. If, upon timely challenge, it is determined that such debtors are entitled to a Settlement Benefit in excess of that amount (because, for example, they have the legal capacity and standing to receive a greater amount), then Defendant challenges the amount to be paid to such Class Members.

As a matter of law, when a borrower files for Chapter 7 bankruptcy and the filing results in a discharge, the borrower has no legal obligation to make any further payments on that Loan. Any amounts in fact paid by such borrowers after they filed for bankruptcy (or any amounts estimated on the Damage Claim Listings to have been paid by such debtors) are not "Loan Interest" as defined in paragraph 1.26 of the Settlement Agreement, because there was no "legal obligation to pay [such] sums." If those borrowers are determined to be entitled to the entire Calculated Sum Benefit for the Loans at issue, the borrowers nonetheless are not entitled to any amounts for payments made after the date of their bankruptcy filing.

Very truly yours,

MARTIN, LEIGH, LAWS & FRITZLEN, P.C.



Richard L. Martin
Desarae G. Harrah