

# **EXHIBIT**

# **B**

## **Modification**

## MODIFICATION TO LOAN DOCUMENTS

This Modification to Loan Documents ("Loan Modification") is entered into as of June 12, 2009 between the Value-to-Loan Opportunity Fund I L.L.C., an Arizona limited liability company ("Lender"), and each of the MP Funds ("MP Funds") listed in Exhibit A attached hereto.

### RECITALS

A. On or about February 7, 2008, Lender entered into a Multiple Advance Revolving Credit Notes, Pledge Agreements and ancillary related documents ("Loan Documents") with each of the MP Funds pursuant to which the Lender lent various sums of money to each of the MP Funds ("VTL Loans"). The Pledge Agreement executed by each MP Fund granted Lender a security interest in all assets of the MP Fund, including the Borrower Loan Portfolio as defined in the Loan Documents. The Borrower Loan Portfolio consists of fractional interests ("Fractional Interests") in promissory notes and deeds of trust from borrowers ("ML Loans") of Mortgages Ltd., ("Debtor") which were sold to each of the MP Funds and other investors ("Investors").

B. Debtor was placed into a Chapter 11 proceeding ("Chapter 11 Proceedings") by the Bankruptcy Court in a case entitled In re: Mortgages Ltd., Debtor, Case No. 2:08-bk-07465-RJH ("Bankruptcy Court") and pursuant to the Official Committee of Investors First Amended Plan of Reorganization dated March 12, 2009, in the Chapter 11 Proceedings, which was confirmed by the Bankruptcy Court on May 20, 2009 ("Plan"), the Plan is expected to become effective on or about June 12, 2009 ("Effective Date").

C. Because of certain possible disputes with respect to the payments due and made to the Lender under the Loan Documents and certain defenses raised by the MP Funds and certain possible disputes with respect to the objections by the Lender to certain provisions of the Plan as originally proposed, MP Funds, the Lender and Official Committee of Investors ("Committee") entered into a settlement ("Settlement") term sheet, referred to as Exhibit A in Paragraph R of the Order Confirming Investors Committee's First Amended Plan of Reorganization Dated March 12, 2009, entered on May 20, 2009 ("Term Sheet"). This Loan Modification is intended to fully and more formally incorporate the issues contained in the Term Sheet into the Loan Documents and supersedes the Term Sheet.

D. As a part of the Plan, each of the MP Funds will assign its Fractional Interests in the ML Loans to a Loan LLC ("Loan LLC") formed to hold Fractional Interests in each ML Loan and such assignment shall be subject to the security interest of Lender in the ML Loans which are part of each Borrower's Loan Portfolio. The Loan LLCs will in turn each grant a security interest in the ML Loans owned by it to a lender ("Exit Financing Lender") providing the exit financing loan ("Exit Financing Loan") to the Loan LLCs and others to implement the Plan.

E. This Loan Modification is entered into to effect the Settlement in accordance with the Plan.

Now, therefore, the Lender and the MP Funds agree as follows:

1. Agreed Amount of Debt. The present total of the debt owned by the MP Funds to VTL as of January 1, 2009 is approximately \$7,700,000. The debt will not bear any interest and the actual debt shall be reduced only by payments or credits and increased by premiums to be added to the debt under Section 5 hereof. The debt may be increased only by any payments made by the Lender to protect the collateral for the VTL Loan and for any enforcement costs incurred by the Lender. No additional advances or reborrowings may be made under the Multiple Advance Revolving Credit Notes.

2. Spreading of MP Fund Debt. The Lender understands that for book purposes the MP Funds may reallocate the VTL Loans among themselves to equalize such loan amounts as shown on Part 2 of Exhibit B. Such adjustment shall be reflected on the books and records of each of the MP Funds but shall not affect or modify the actual debt owing by each MP Fund to the Lender.

3. Affirmation of Security Interest. The MP Funds confirm that the VTL Loans and the Loan Documents are true and accurate, and represent valid and lawful obligations of the MP Funds and each of them to the Lender. The security interest of the Lender is and shall remain a first priority security interest in the collateral for the VTL Loans and the MP Funds will execute any documents reasonably necessary to confirm or create such first priority security interest. The MP Funds also confirm that each of the MP Funds has no defenses, counterclaims or offsets to the VTL Loans or the Loan Documents, and that the amount of each VTL Loan as set forth on Part 2 of Exhibit B is true and accurate and owed to the Lender by the particular MP Fund described therein as of the date thereof.

4. Assignment Subject to Security Interest. The assignment by each MP Fund of the ML Loans to a Loan LLC shall be subject to the lien and security interest of Lender and the assignment shall specifically state, in language approved by Lender, that the assignment is made subject to the prior security interest of the Lender in the ML Loans. Each MP Fund and Lender agree to prepare and record corrective assignments of each MP Fund's interest in an ML Loan as soon as feasible reflecting: (i) the amount of the debt as described in Section 1, (ii) correcting the name of the Exit Financing Lender, and (iii) the recorder's document number of the sequential assignments of the Fractional Interests representing the Lender's interest in the ML Loans. The Exit Financing Lender shall agree in the Exit Financing Loan that the Exit Financing Lender is taking its security interest in the ML Loans subject to the prior security interest of the Lender under the VTL Loans.

5. Graduated Payments. Any payments made by the MP Funds on the VTL Loans shall be credited against the obligations as follows: (i) during 2009, the VTL Loans shall be reduced by \$1.00 for each \$.90 payment made: (ii) from January 1, 2010

through June 30, 2010, the VTL Loans shall be reduced \$1.00 for each \$.95 payment made; (iii) from July 1, 2010 through December 31, 2010, the VTL Loans shall be reduced by the amount of the payment on the VTL Loans; (iv) from January 1, 2011 through June 30, 2011, the VTL Loans shall be reduced \$1.00 for each \$1.05 payment made; (v) from July 1, 2011 through December 31, 2011, the VTL Loans shall be reduced \$1.00 for each \$1.10 payment made; and (vi) thereafter commencing on January 1, 2012, the amount of payment to be made to obtain a \$1.00 reduction in the VTL Loans shall increase \$.05 on January 1<sup>st</sup> and July 1<sup>st</sup> of each year.

6. Consent to Exit Financing Loan. Lender hereby consents to the Exit Financing Loan and agrees that the Exit Financing Lender and the Loan LLCs shall control and may make all decisions with respect to all matters pertaining to the ML Loans, including, without limitation, payoffs, discounts, extensions and foreclosures. The Lender shall be paid 36% of any payments that an MP Fund may receive to be applied on such MP Fund's loan balance. In the event of failure to remit any required payments or a failure to pay the VTL Loans at maturity, the Lender, subject to any cure rights contained in the Loan Documents, shall be entitled to exercise its remedies under the Loan Documents to collect the amounts owing. Lender specifically agrees to provide Exit Financing Lender written notice of any payment default and the right to cure such default within the longer of (i) the cure period provided to MP Funds in the Loan Documents, or (ii) ten (10) days, except for a payment default upon maturity in which event Exit Financing Lender shall have a right to cure such default within the longer of (i) the cure period provided to MP Funds in the Loan Documents, or (ii) thirty (30) days. In the event of a default under the Exit Financing Loan, if the Exit Financing Lender requires sales of its collateral under the terms of the Exit Financing Loan, then the ML manager, on behalf of the MP Funds, will require that sufficient assets be sold to make the payments required to Exit Financing Lender, and to Lender in an amount equal to 10.8% of the net disposition proceeds from the sales.

7. Maturity Date. The VTL Loans shall mature on the earlier of five years from the date hereof or upon the final payoff of the Exit Financing Loan.

8. Replacement Lien. To the extent that the MP Funds, through intercreditor or other agreements, are required to pay monies which would otherwise be payable to Lender on the VTL Loans on behalf of other parties, Lender shall have a replacement lien on any rights of such MP Funds to receive a repayment of such monies.

9. This Agreement Part of Loan Documents. The Loan Documents shall be deemed to incorporate this Loan Modification. In the event of a conflict between any of the provisions of this Loan Modification and any provision of any of the other Loan Documents, the provisions of this Loan Modification shall control. Any occurrence of an event of default under any term or condition of this Loan Modification shall constitute an event of default under all other Loan Documents.

10. No Other Parties to Benefit. The Loan Documents are made for the sole benefit of the MP Funds and Lender, and their heirs, personal representatives, successors

and assigns, and no other person or entity is intended to or shall have any rights or benefits hereunder, whether as a third-party beneficiary or otherwise, except that the Exit Financing Lender shall be entitled to rely on and enforce this Loan Modification, including without limitation the cure rights described in Section 6.

11. Notice. Any notices or other communications which any party may be required, or may desire, to give, unless otherwise specified, shall be in writing and shall be (i) hand-delivered, effective upon receipt, (ii) sent by United States Express Mail or by private overnight courier, effective upon receipt, or (iii) served by certified mail, postage prepaid, return receipt requested, and addressed to such party at the address set forth below, or to such other address(es) or addressee(s) as the party to be served with notice may have furnished in writing to the other party, effective two (2) days after mailing.

If to Lender:

c/o Schian Walker, PLC  
3550 North Central Avenue  
Suite 1700  
Phoenix, Arizona 85012  
Attn: Dale Schian

If to MP Funds:

c/o Fennemore Craig  
3003 North Central Avenue  
Suite 2600  
Phoenix, Arizona 85012  
Attn: Robert Robinson

If to Exit Financing Lender:

Universal-SCP 1, L.P.  
80 East Rio Salado Parkway  
Suite 703  
Tempe, Arizona 85251

With a copy to:

J. Lawrence McCormley  
Tiffany & Bosco, P.A.  
Third Floor Camelback Esplanade II  
2525 East Camelback Road  
Phoenix, Arizona 85016

12. Counterparts. This Loan Modification may be executed in any number of counterparts, each of which, when executed and delivered, shall be an original, but all of which shall together constitute one and the same instrument.

13. Exhibits. All exhibits attached to this Loan Modification are fully incorporated herein and are made part of the covenants of this Loan Modification whether or not the exhibits are executed by any or all of the parties.

14. Incorporation of Recitals. The prefatory language and recitals made and stated hereinabove are hereby incorporated by reference hereto, and made a part of, this Loan Modification.

15. No Further Amendment. Except as modified by this Loan Modification, the Loan Documents shall remain in full force and effect and, hereafter, Loan Documents shall mean the Loan Documents as modified by the Loan Modification.

16. Disputes. Any disputes between the parties shall be litigated in the Bankruptcy Court if it has retained jurisdiction; otherwise, any disputes shall be litigated in the Maricopa County Superior Court.

In witness whereof, the parties have executed this Loan Modification.

VTL Value-to-Loan Opportunity Fund I L.L.C., an  
Arizona limited liability company

By: Mortgages Ltd., Its Manager

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

Its: CHRISTINE ZAHEDI, COO

Each of the MP Funds listed on Exhibit A  
attached hereto and incorporated herein by  
reference

By: Mortgages Ltd, their sole Manager

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

Its: CHRISTINE ZAHEDI, COO

**EXHIBIT A**  
**List of MP Funds**

MP122009 L.L.C., an Arizona limited liability company

MP062011 L.L.C., an Arizona limited liability company

Mortgages Ltd. Opportunity Fund MP 11, L.L.C. (formerly known as MP122030 L.L.C.),  
an Arizona limited liability company

Mortgages, Ltd. Opportunity Fund MP12, L.L.C., an Arizona limited liability company

Mortgages Ltd. Opportunity Fund MP13, L.L.C., an Arizona limited liability company

Mortgages Ltd. Opportunity Fund MP14, L.L.C., an Arizona limited liability company

Mortgages Ltd. Opportunity Fund MP15, L.L.C., an Arizona limited liability company

Mortgages Ltd. Opportunity Fund MP16, L.L.C., an Arizona limited liability company

Mortgages Ltd. Opportunity Fund MP17, L.L.C., an Arizona limited liability company

**EXHIBIT B**

ADJUSTMENT OF VTL INVESTMENT BY FUND

1	2	3			4	5	6			7	8
		ORIGINAL					ADJUSTED				
MP Fund	Investment of VTL Funds			VTL % Interest	MP Fund	Investment of VTL Funds			MP Fund	Adjusted VTL % Interest	
	Amount Invested (1)	Fractional Interest	Interest			Adjusted Amount Invested (1)	Fractional Interest	Interest			
MP09	137,688	42,685,446	0.32	MP09	782,297	42,685,446	1.83	MP09	782,297	42,685,446	1.83
MP10	135,863	43,453,689	0.31	MP10	796,377	43,453,689	1.83	MP10	796,377	43,453,689	1.83
MP11	2,855,733	89,888,145	3.18	MP11	1,647,382	89,888,145	1.83	MP11	1,647,382	89,888,145	1.83
MP12	49,202	16,313,590	0.3	MP12	298,979	16,313,590	1.83	MP12	298,979	16,313,590	1.83
MP13	10,983	3,475,633	0.32	MP13	63,698	3,475,633	1.83	MP13	63,698	3,475,633	1.83
MP14	34,792	11,604,166	0.3	MP14	212,670	11,604,166	1.83	MP14	212,670	11,604,166	1.83
MP15	430,348	140,022,655	0.31	MP15	2,566,198	140,022,655	1.83	MP15	2,566,198	140,022,655	1.83
MP16	95,468	6,464,839	1.48	MP16	118,481	6,464,839	1.83	MP16	118,481	6,464,839	1.83
MP17	3,952,206	66,361,133	5.96	MP17	1,216,202	66,361,133	1.83	MP17	1,216,202	66,361,133	1.83
	\$7,702,283	\$420,269,296	1.83%		\$7,702,284	\$420,269,296	1.83%		\$7,702,284	\$420,269,296	1.83%

(1) Figures as of July 8, 2008.

(1) Figures adjusted to equal 1.83% of Total Fund Balance