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Return to:
WACO Modifications
Attn: Crystal Zihala
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Little Rock, AR 72205
File #: 0903006-968

Space Above This Line For Recording Data

Loan No.: [REDACTED]
MERS No.: [REDACTED]

Investor Loan No.: [REDACTED]
MERS Phone: 1-888-679-6377

THE LAW OFFICE OF
LOAN MODIFICATION AGREEMENT
(Providing for Step Interest Rate)

MICHAEL GADDIS

This Loan Modification Agreement ("Agreement"), made this 28th day of September, 2009, between [REDACTED] a single man ("Borrower") and Mortgage Electronic Registration Systems, Inc. as nominee for the lender ("Lender"), amends and supplements (1) the Mortgage, Deed of Trust or Security Deed (the "Security Instrument"), and Timely Payment Rewards Rider, if any, in the amount of \$444,000.00, dated January 19, 2006 and recorded in Document Number: [REDACTED] of the San Diego Records of San Diego County, California, and (2) the Note bearing the same date as, and secured by, the Security Instrument, which covers the real and personal property described in the Security Instrument and defined therein as the "Property", located at

[REDACTED] Ramona, CA 92065,
(Property Address)

the real property described being set forth as follows:

EXHIBIT A attached hereto and made a part hereof

1-4 Family Rider (Assignment of Rents) attached hereto and made a part hereof.

"MERS" is Mortgage Electronic Registration Systems, Inc. MERS is a separate corporation that is acting solely as a nominee for lender and lender's successors and assigns. MERS is the mortgagee under the Mortgage. MERS is organized and existing under the laws of Delaware, and has an address and telephone number of P.O. Box 2026, Flint, MI 48501-2026, (888) 679-MERS.

In consideration of the mutual promises and agreements exchanged, the parties hereto agree as follows (notwithstanding anything to the contrary contained in the Note or Security Instrument):

1. As of October 1, 2009, the amount payable under the Note and the Security Instrument (the "Unpaid Principal Balance") is U.S. \$486,101.87 consisting of the unpaid amount(s) loaned to Borrower by Lender plus any interest and other amounts capitalized.

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2. Borrower promises to pay the Unpaid Principal Balance, plus interest, to the order of Lender. Interest will be charged on the Unpaid Principal Balance for the first, second and third years at the yearly rate of 2.5% from October 1, 2009, and Borrower promises to pay monthly payments of accrued interest in the amount of \$1,012.71 beginning on the 1st day of November, 2009. During the fourth year, interest will be charged at the yearly rate of 3.5% from October 1, 2012, and Borrower shall pay monthly payments of accrued interest in the amount of \$1,417.80 beginning on the 1st day of November, 2012. During the fifth year, interest will be charged at the yearly rate of 2.0%, from October 1, 2013, and Borrower shall pay monthly payments of principal and interest in the amount of \$2,250.44 beginning on the 1st day of November, 2013. During the sixth year and continuing thereafter until the Maturity Date (as hereinafter defined), interest will be charged at the yearly rate of 5.25%, from October 1, 2014, and Borrower shall pay monthly payments of principal and interest in the amount of \$3,046.99 beginning on the 1st day of November, 2014 and shall continue the monthly payments thereafter on the same day of each succeeding month until principal and interest are paid in full. If on February 1, 2036, (the "Maturity Date"), Borrower still owes amounts under the Note and Security Instrument, as amended by this Agreement, Borrower will pay these amounts in full on the Maturity Date.

3. If all or any part of the Property or any interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by the Security Instrument.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by the Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by the Security Instrument without further notice or demand on Borrower.

4. Borrower also will comply with all other covenants, agreements, and requirements of the Security Instrument, including without limitation, Borrower's covenants and agreements to make all payments of taxes, insurance premiums, assessments, escrow items, impounds, and all other payments that Borrower is obligated to make under the Security Instrument; however, the following terms and provisions are forever canceled, null and void, as of the date specified in paragraph No. 1 above:

- (a) all terms and provisions of the Note and Security Instrument (if any) providing for, implementing, or relating to, any change or adjustment in the rate of interest payable under the Note, including, where applicable, the Timely Payment Rewards rate reduction, as described in paragraph 1 of the Timely Payment Rewards Addendum to Note and paragraph A.1. of the Timely Payment Rewards Rider. By executing this Agreement, Borrower waives any Timely Payment Rewards rate reduction to which Borrower may have otherwise been entitled; and
- (b) all terms and provisions of any adjustable rate rider or Timely Payment Rewards Rider, where applicable, or other instrument or document that is affixed to, wholly or partially incorporated into, or is part of, the Note or Security Instrument and that contains any such terms and provisions as those referred to in (a) above.

5. Borrower understands and agrees that:

- (a) All the rights and remedies, stipulations, and conditions contained in the Security Instrument relating to default in the making of payments under the Security Instrument shall also apply to default in the making of the modified payments hereunder.
- (b) All covenants, agreements, stipulations, and conditions in the Note and Security Instrument shall be and remain in full force and effect, except as herein modified, and none of the Borrower's obligations or liabilities under the Note and Security Instrument shall be diminished or released by any provisions hereof, nor shall this Agreement in any way impair, diminish, or affect any of Lender's rights under or remedies on the Note and Security Instrument, whether such rights or remedies arise thereunder or by operation of law. Also, all rights of recourse to which Lender is presently entitled

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against any property or any other persons in any way obligated for, or liable on, the Note and Security Instrument are expressly reserved by Lender.

- (c) Borrower has no right of set-off or counterclaim, or any defense to the obligations of the Note or Security Instrument.
- (d) Nothing in this Agreement shall be understood or construed to be a satisfaction or release in whole or in part of the Note and Security Instrument.
- (e) All costs and expenses incurred by Lender in connection with this Agreement, including recording fees, title examination, and attorney's fees, shall be paid by the Borrower and shall be secured by the Security Instrument, unless stipulated otherwise by Lender.
- (f) Borrower agrees to make and execute such other documents or papers as may be necessary or required to effectuate the terms and conditions of this Agreement which, if approved and accepted by Lender, shall bind and inure to the heirs, executors, administrators, and assigns of the Borrower.



[REDACTED]
Space Below This Line For Acknowledgments

MICHAEL GADDIS