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LOAN MODIFICATION AGREEMENT (Providing for Step Interest Rate)

This Loan Modification Agreement ("Agreement"), made this 13th day of February, 2009, between [REDACTED], A MARRIED MAN AS HIS SOLE AND SEPARATE ("Borrower") and Mortgage Electronic Registration Systems, Inc., ("Lender"), amends and supplements (1) the Mortgage, Deed of Trust or Security Deed (the "Security Instrument"), and Timely Payment Rewards Rider, if any dated July 06, 2005 and recorded on July 15, 2005 as Doc # [REDACTED] Riverside 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] RIVERSIDE, CALIFORNIA 92503.

SEE EXHIBIT "A"

THE LAW OFFICES OF

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 February 01, 2009, the amount payable under the Note and the Security Instrument (the "Unpaid Principal Balance") is U.S. \$ 618,787.69 consisting of the unpaid amount(s) loaned to Borrower by Lender plus any interest and other amounts capitalized.
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 year at the yearly rate of 3.000% from February 01, 2009, and Borrower promises to pay monthly payments of principal and interest in the amount of \$ 2,823.09 beginning on the 1st day of March, 2009. During the third and fourth year, interest will be charged at the yearly rate of 4.000% from February 01, 2011, and Borrower promises to pay monthly payments of principal and interest in the amount of \$ 3,129.47 beginning on the 1st day of March, 2011. During the fifth year and continuing thereafter until the Maturity Date (as hereinafter defined), interest will be charged at the yearly rate of 5.000%, from February 01, 2013, and Borrower shall pay monthly payments of principal and interest in the amount of 3,429.82 beginning on the 1st day of March, 2013 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 August 01, 2035 (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

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 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.



EverHome Mortgage Company (Seal)
Lender

THE LAW OFFICES OF
MICHAEL GADDIS

(Seal)

-Borrower

By: _____
Vice President

_____ [Space Below This Line For Acknowledgments] _____

State of _____

County of _____

On _____ before me, _____

Personally appeared _____ A MARRIED MAN AS HIS SOLE AND SEPARATE ...
_____ personally known to me - OR - _____ proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.