

MODIFICATION AGREEMENT

Loan No: [REDACTED]
 Property: [REDACTED] SPRING VALLEY, CA, 91977

This Modification Agreement (Modification) is made and entered into as of June 1, 2009 (Modification Date) by and between [REDACTED] and [REDACTED] (jointly and severally, "Borrower" or "I") and U.S. BANK NATIONAL ASSOCIATION, SUCCESSOR IN INTEREST TO THE FEDERAL DEPOSIT INSURANCE CORPORATION AS RECEIVER FOR DOWNEY SAVINGS AND LOAN ASSOCIATION, F.A. (Lender).

Borrower, except any Borrower described below as a non-applicant or non-applicant spouse, is the maker of a promissory note in favor of Lender dated December 4, 2006, including any Addendum and Rider thereto and any previous amendment, modification and/or supplement thereof (Note). The Note is secured by a deed of trust or mortgage of the same date, together with any Rider thereto and any previous amendment, modification and/or supplement thereof (Security Instrument) executed by Borrower and recorded on December 11, 2006 as Instrument No. 2006-0876795, in Book or Liber __, Page(s) __, in the Official Records of San Diego County, CA. The Security Instrument secures performance of the obligations of Borrower under the Note and encumbers the Property.

Borrower and Lender agree as follows:

1. Effect and Contingent Nature of this Modification.

a. The terms and conditions of the Note and the Security Instrument that are modified, amended and supplemented by this Modification are set forth in Exhibit "A" attached to and incorporated herein as part of this Modification. The terms used in Exhibit "A" shall have the same meanings as the same or substantially equivalent terms used in the Note and the Security Instrument, whether or not the terms used in Exhibit "A", or in the Note or the Security Instrument, are capitalized. If there is any inconsistency between the provisions of this Modification and the provisions of the Note or the Security Instrument, the provisions of this Modification shall prevail over and supersede the inconsistent provisions of the Note or the Security Instrument. Except as modified, amended or supplemented by this Modification, the terms and provisions of the Note and Security Instrument are hereby ratified and confirmed by Borrower and are and shall remain in full force and effect. This Modification will be legally binding upon and effective as to the parties hereto only when signed by each Borrower and by Lender.

b. Lender's agreement to enter into this Modification with Borrower is conditioned on Lender verifying that Borrower's income qualifies Borrower for this Modification. If Borrower has not already done so, Borrower agrees to and will promptly provide Lender with acceptable information to permit verification of Borrower's income, and further agrees to and will make the initial monthly payment shown under PAYMENTS on Exhibit "A" while Lender verifies Borrower's information. If Borrower qualifies, Lender will sign and return this Modification to Borrower, and it will be effective on the date it is signed by Lender. If Borrower does not (i) provide Lender with income information required by Lender within the time period required by Lender or at all, or (ii) make all monthly payments when due while Lender verifies that Borrower qualifies or (iii) qualify, the Note and Security Instrument will not be modified, and this Modification will have no force or effect. Lender will apply any payments made by Borrower to the amount owed by Borrower.

[REDACTED]
 [REDACTED]

2. **Entire Agreement; Amendment.** The Note and the Security Instrument, as modified, amended and supplemented by this Modification, constitute the entire agreement and understanding between each of the parties hereto and shall supersede all prior communications, representations, understandings and/or agreements, if any, whether oral or written, concerning the subject matter contained in the Note and the Security Instrument, as so modified, and no provision of the Note and the Security Instrument, as so modified, may be further modified or amended, or waived or discharged, in whole or in part, except by a written instrument executed by each of the parties hereto.

Borrower requests that a copy of any Notice of Default and of any Notice of Sale under the Security Instrument be mailed to the first Borrower named below at the Property address indicated herein.

U.S. BANK NATIONAL ASSOCIATION,
SUCCESSOR IN INTEREST TO THE FEDERAL DEPOSIT INSURANCE CORPORATION
AS RECEIVER FOR DOWNEY SAVINGS AND LOAN ASSOCIATION, F.A.

By: _____ Date: _____

Name: _____

Title: _____

By signing below, each Borrower accepts and agrees to the terms of the Note and of the Security Instrument as modified, amended and supplemented by this Modification.

BORROWER:

 Date: 6/3/09

 Date: 6/3/09



THE LAW OFFICES OF
MICHAEL GADDIS

EXHIBIT "A"**ATTACHMENT TO MODIFICATION AGREEMENT
(FDIC Modification [rate reduction, modified to cap])****MODIFIED, AMENDED AND SUPPLEMENTED TERMS AND CONDITIONS OF
NOTE AND SECURITY INSTRUMENT**

The terms and conditions of the Note and Security Instrument are modified, amended and supplemented as follows:

Title of Note and Adjustable Rate Disclosure: The title of the Note is amended and restated to read as follows, and the adjustable rate disclosure appearing under the title of the Note is deleted in its entirety:

FIXED RATE NOTE

Adjustable Rate Rider: Any adjustable rate rider to the Security Instrument is deleted in its entirety.

Principal Balance: The unpaid principal balance of the Note immediately preceding this Modification is U.S.\$ 452,592.96. Section 1 (BORROWER'S PROMISE TO PAY) of the Note is amended and revised to reflect the Note's unpaid principal balance as of the Modification Date as U.S.\$ 464,549.33, which includes all arrearages on the Note, including past due interest in the amount of U.S.\$ 9,916.31, and past due impounds, tax advances and other charges, if any ("Principal"). All unpaid late charges are waived.

Interest: Section 2 (INTEREST) of the Note is amended and restated in its entirety to read as follows:

2. INTEREST**(A) Interest Rate**

Interest will be charged on unpaid Principal until the full amount of Principal has been paid. Commencing May 1, 2009 and continuing for a period of sixty (60) months, I will pay interest at a yearly rate of 3.642%. The interest rate I will pay will change.

The interest rate required by this Section 2 is the rate I will pay both before and after any default described in the Note.

(B) Interest Change Dates

The interest rate I will pay will increase on the first day of May, 2014, and may increase on that day every twelfth (12th) month thereafter ("Interest Change Date"). The new rate of interest will become effective on each Interest Change Date.

(C) Interest Rate Limit

My interest rate will never be greater than 4.820%, which is the Freddie Mac Weekly Mortgage Market Survey Rate in effect as of May 27, 2009.

(D) Calculation of Interest Rate Changes

Before each Interest Change Date, the Note Holder will calculate my new interest rate by adding one percentage point (1.000) to the interest rate then in effect. Subject to the limit stated in Section 2(C) above, the result of this addition will be my new interest rate until the next Interest Change Date.

Payments: Section 3 (PAYMENTS) of the Note is amended and restated in its entirety to read as follows:

3. PAYMENTS

(A) Time and Place of Payments

I will pay Principal and interest by making a payment every month.

I will make my monthly payments on the first day of each month beginning on the Modification Date. I will make these payments every month until I have paid all the Principal and interest and any other charges that I may owe under the Note. My monthly payments will be applied to interest before Principal. If on January 1, 2047, I still owe amounts under the Note, I will pay these amounts in full on that date, which is called the Maturity Date.

I will make each monthly payment at P.O. Box 25090, Santa Ana, CA 92799-5090, or at a different place if required by the Note Holder.

(B) Amount of my Initial Monthly Payments

Each of my initial monthly payments will be U.S.\$ 1,890.39. This amount will change.

(C) Monthly Payment Changes

My monthly payment will change as required by Section 3(D) below beginning on the first day of June, 2014, and may change on that day every twelfth (12th) month thereafter ("Payment Change Date").

I will pay the amount of my new monthly payment each month beginning on each Payment Change Date.

(D) Calculation of Monthly Payment Changes

Before each Payment Change Date, the Note Holder will calculate the amount of the monthly payment that would be sufficient to repay the Principal in full on the Maturity Date in substantially equal installments at the interest rate in effect during the month preceding the Payment Change Date.

(E) Payments Exclude Taxes and Insurance

My monthly payments do not include required payments for taxes and insurance, which may be substantial. My monthly requirements for taxes and insurance will change periodically during the term of the Loan.

Notice of Changes: Section 4 of the Note and any other similar provision of the Note providing for adjustable interest rate and monthly payment changes are amended and restated in their entirety to read as follows:

4. NOTICE OF CHANGES

The Note Holder will deliver or mail to me a notice of any changes in the amount of my monthly payment before the effective date of any change. The notice will include information required by law to be given to me and also the title and telephone number of a person who will answer any questions I may have regarding the notice.



THE LAW OFFICES OF
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Uniform Secured Note: Section 11 (UNIFORM SECURED NOTE) and any other Uniform Secured Note provision of the Note are amended and restated in their entirety to read as follows:

This Note is a uniform instrument with limited variations in some jurisdictions. In addition to the protections given to the Note Holder under this Note, a Mortgage, Deed of Trust or Security Deed (the "Security Instrument"), dated the same date as this Note, protects the Note Holder from possible losses that might result if I do not keep the promises that I make in this Note. That Security Instrument describes how and under what conditions I may be required to make immediate payment in full of all amounts I owe under this Note. Some of these conditions are described as follows:

Transfer of the Property or a Beneficial Interest in Borrower. As used in Section 18 of the Security Instrument, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

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 this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. This notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

Rider to Note and/or Security Instrument: If any Rider to the Note and/or Security Instrument has a provision providing for a prepayment charge under certain circumstances, and the period during which a prepayment charge will be imposed has not expired prior to the Modification Date, the prepayment charge provision is deleted in its entirety.