

MODIFICATION AGREEMENT
(Mortgage Assistance Plan ("MAP") Modification—Step Rate)

This Modification Agreement ("Agreement") is made as of the Date of this Agreement set forth in the Modification Terms ("Terms") contained herein by and between the undersigned ("Borrower"), as obligor(s) on the Loan described below or as title holder(s) to the Property, as the context may require, and Wachovia Mortgage, FSB, its successors and/or assigns ("Lender").

The capitalized terms in this Agreement take the meaning provided in the Note and Security Instrument, except as more specifically defined in the Terms set forth in this Agreement.

Recitals

A. Lender previously made a loan, known as Loan Number, to Borrower evidenced by that certain Promissory Note ("Note") executed by Borrower on Note Date, and any riders or modifications thereto (the "Loan").

B. Borrower's obligations under the Note are secured by a properly recorded deed of trust, mortgage or security deed, dated the same date as the Note, and any riders or modifications thereto (the "Security Instrument"), encumbering the Property, identified as Property Address in the Terms.

C. As of the Date of this Agreement, the outstanding principal balance of the Loan is the Existing Principal Balance referenced under the Terms.

D. If the Loan is currently escrowed, please see the Terms for the existing Escrow Payment, as calculated on a monthly basis. The Escrow Payment must be made in addition to the Payment Amount referenced in this Agreement.

E. Borrower desires to modify the Loan as provided below by (1) converting the Loan's interest rate to a fixed interest rate (2) accepting as a condition of the conversion to a fixed interest rate that the payment of the Loan be due in full immediately upon the sale or transfer of the Property, and (3) further modifying the Note and Security Instrument as described below.

Agreement

In consideration of the mutual promises and covenants set forth in this Agreement, Borrower and Lender agree as follows:

Acknowledgment by Borrower.

Borrower acknowledges and agrees that each recital above is true and correct. Borrower further agrees that amounts that have come due under the Note and Security Instrument are due and owing without any setoff, deduction, or defense of any kind. Borrower understands and agrees that, except as expressly modified in this Agreement, the Note and the Security Instrument

remain in full force and effect and are valid and binding obligations upon Borrower, except as discharged in Bankruptcy, and are properly secured by the Property.

Borrower agrees a default under this Agreement constitutes a default under the Note and Security Instrument, and upon such default, or any other default under the Note or Security Instrument, Lender may exercise all of its rights and remedies under the Note and the Security Instrument, including, without limitation, its rights to accelerate the Loan and to proceed to foreclosure.

Lender's Agreement.

If Loan is currently in default for nonpayment, this modification cures that event of default. Borrower understands and agrees, however, that Lender has not agreed to waive or defer future non-compliance with this Agreement, the Note, or the Security Instrument.

Effective Date and Conditions of Agreement.

This Agreement shall be conditioned and become effective upon Lender timely receiving this Agreement properly signed by Borrower without alteration by Modification Return Date. This Agreement will only be deemed received when actually received by Lender at:



Wachovia Mortgage
Loan Modifications, TX1351
P. O. Box 659558
San Antonio, Texas 78265-9558

THE LAW OFFICES OF
MICHAEL GADDIS

Unless this Agreement is executed without alteration and returned by Modification Return Date, this Agreement will be of no force or effect and the Loan will remain subject to all existing terms and conditions provided in the Note and Security Instrument. Borrower bears all risk of non-delivery, mis-delivery, loss or destruction.

Amounts to be Waived and Forgiven.

Lender agrees to waive and forgive certain amounts that may be owing under the Loan. Specifically, if applicable, Lender agrees to waive all outstanding Late Charge and Return Check Fees on the Loan. In addition, if applicable, Lender agrees to forgive accrued, outstanding, and not capitalized interest through the date referenced under Accrued Interest Forgiven in the Terms.

Amounts to be Capitalized to Existing Principal Balance.

Borrower and Lender agree to capitalize certain amounts to the Existing Principal Balance.

For the purposes of this Agreement, "Escrow, Amounts Advanced" is defined as the amounts advanced by Lender for the payment of taxes and insurance.

For the purposes of this Agreement, "Foreclosure Fees" is defined as the amounts incurred by Lender for foreclosure related services, including trustee services.

For the purposes of this Agreement, "Attorney's Fees" is defined as the amounts incurred by Lender for legal services related to the Loan, such as foreclosure and bankruptcy related legal services.

For the purposes of this Agreement, "Property Inspection Fees" is defined as the amounts incurred by Lender for the periodic inspection of the Property.

If outstanding and owed under the Loan as of the Date of this Agreement, amounts owed for "Escrow Amounts Advanced," "Foreclosure Fees," "Attorney's Fees," and "Property Inspection Fees" will be capitalized to the Loan upon receipt of this executed Agreement.

MAP Principal Balance.

As of the Date of this Agreement, the principal balance of the Loan is estimated to be the MAP Principal Balance referenced in the Terms, which assumes timely receipt of this executed Agreement, Loan maintenance as required by "Amounts to be Waived and Forgiven" and "Amounts to be Capitalized to Existing Principal Balance," and no further advances, no additional fees, and no returned items on the Loan through the time when the Loan maintenance is performed upon return of this Agreement. Borrower and Lender agree that Lender will not provide an updated MAP Principal Balance should the MAP Principal Balance be different upon maintenance of the Loan from the amount referenced in the Terms.

Principal Balance Reduction.

Lender agrees to reduce the MAP Principal Balance by such amount as will result in the new principal balance referenced as the Principal Balance after Reduction in the Terms. The Principal Balance after Reduction will begin to accrue interest on the Year 1 Interest Rate Effective Date.

Conversion from Biweekly to Monthly Loan.

****This Section applies only if the Loan referenced in this Agreement is a loan with biweekly payments.****

On the Year 1 Interest Rate Effective Date, the loan will convert to a loan with monthly payments and references to "biweekly" or "every two weeks" in the Note and the Security Instrument shall be read as "monthly," except as it relates to the Modified Maturity Date. In addition, payments will be due on a monthly basis on the same day of every month as the Payment Effective Date under this Agreement, and the phrase "every other Monday" as used in the context of payments in the Note and Security Instrument shall be read as "monthly."

Interest will be charged on unpaid principal until the full amount of principal has been paid. Interest will be charged on the basis of a 360-day year, divided into twelve (12) segments. Interest charged at all other times will be computed by multiplying the unpaid principal by the

interest rate then in effect, dividing the result by 365, and then multiplying that daily interest amount by the actual number of days for which interest is then due.

As part of the conversion from biweekly to monthly payments, any automatic withdrawal of payments (auto drafting) in effect with Lender for the Loan are cancelled through this Agreement. To reinstate automatic withdrawals of payments, please contact Wachovia to complete a new authorization form.

Step Interest Rate Periods; Payments; Payment Change Dates.

Refer to the Modification Terms for items in **Bold**.

(a). Effective on the **Year 1 Interest Rate Effective Date**, the loan accrues interest at a fixed interest rate of **Year 1 Interest Rate**. Payments will begin on **Year 1 Payment Effective Date**. Subsequent monthly payments will be due on the same day of each following month. The payment amount will be **Year 1 Payment Amount** plus any amounts necessary for escrow. The **Year 1 Payment Amount** is an amount sufficient to pay the interest only on the Principal Balance After Reduction at the Year 1 Interest Rate.

(b). Effective on the **Year 4 Interest Rate Effective Date** the loan accrues interest at a fixed interest rate of **Year 4 Interest Rate**. Payments will begin on the **Year 4 Payment Effective Date**. Subsequent monthly payments will be due on the same day of each following month. The payment amount will be **Year 4 Payment Amount** plus any amounts necessary for escrow. The **Year 4 Payment Amount** is an amount sufficient to pay the interest only on the estimated principal balance as of the **Year 4 Payment Effective Date** at the **Year 4 Interest Rate**, assuming all payments have been made on time and in full. If payments have not been made on time and/or in full or additional amounts have be capitalized to the balance of the Loan, then the **Year 4 Payment Amount** may not be sufficient to pay all of the interest that accrues and deferred interest may result. If additional payments and/or payments to principal have been made, then the **Year 4 Payment Amount** may be sufficient to pay interest plus some principal.

(c). Effective on the **Year 5 Interest Rate Effective Date** the loan accrues interest at a fixed interest rate of **Year 5 Interest Rate**. Payments will begin on the **Year 5 Payment Effective Date**. Subsequent monthly payments will be due on the same day of each following month. The payment amount will be **Year 5 Payment Amount** plus any amounts necessary for escrow. The **Year 5 Payment Amount** is an amount sufficient to pay the interest only on the estimated principal balance as of the **Year 5 Payment Effective Date** at the **Year 5 Interest Rate**, assuming all payments have been made on time and in full. If payments have not been made on time and/or in full or additional amounts have be capitalized to the balance of the Loan, then the **Year 5 Payment Amount** may not be sufficient to pay all of the interest that accrues and deferred interest may result. If additional payments and/or payments to principal have been made, then the **Year 5 Payment Amount** may be sufficient to pay interest plus some principal.

(d). Effective on the **Year 6 Interest Rate Effective Date** the loan accrues interest at a fixed interest rate of **Year 6 Interest Rate**. Payments will begin on the **Year 6 Payment Effective Date**. Subsequent monthly payments will be due on the same day of each following month. The

payment amount will be **Year 6 Payment Amount** plus any amounts necessary for escrow. The Year 6 Payment Amount is an amount sufficient to pay the interest only on the estimated principal balance as of the Year 6 Payment Effective Date at the Year 6 Interest Rate, assuming all payments have been made on time and in full. If payments have not been made on time and/or in full or additional amounts have be capitalized to the balance of the Loan, then the Year 6 Payment Amount may not be sufficient to pay all of the interest that accrues and deferred interest may result. If additional payments and/or payments to principal have been made, then the Year 6 Payment Amount may be sufficient to pay interest plus some principal.

(e). Effective on the **Year 7 Interest Rate Effective Date** the loan accrues interest at a fixed interest rate of **Year 7 Interest Rate**. Payments will begin on the **Year 7 Payment Effective Date**. Subsequent monthly payments will be due on the same day of each following month. The payment amount will be **Year 7 Payment Amount** plus any amounts necessary for escrow. The Year 7 Payment Amount is an amount sufficient to pay the interest only on the estimated principal balance as of the Year 7 Payment Effective Date at the Year 7 Interest Rate, assuming all payments have been made on time and in full. If payments have not been made on time and/or in full or additional amounts have be capitalized to the balance of the Loan, then the Year 7 Payment Amount may not be sufficient to pay all of the interest that accrues and deferred interest may result. If additional payments and/or payments to principal have been made, then the Year 7 Payment Amount may be sufficient to pay interest plus some principal.

(f). Effective on the **Year 8 Interest Rate Effective Date** the loan accrues interest at a fixed interest rate of **Year 8 Interest Rate**. Payments will begin on the **Year 8 Payment Effective Date**. Subsequent monthly payments will be due on the same day of each following month. The payment amount will be **Year 8 Payment Amount** plus any amounts necessary for escrow. The Year 8 Payment Amount is an amount sufficient to pay the interest only on the estimated principal balance as of the Year 8 Payment Effective Date at the Year 8 Interest Rate, assuming all payments have been made on time and in full. If payments have not been made on time and/or in full or additional amounts have be capitalized to the balance of the Loan, then the Year 8 Payment Amount may not be sufficient to pay all of the interest that accrues and deferred interest may result. If additional payments and/or payments to principal have been made, then the Year 8 Payment Amount may be sufficient to pay interest plus some principal.

(g). Effective on the **Year 9 Interest Rate Effective Date** the loan accrues interest at a fixed interest rate of **Year 9 Interest Rate**. The Year 9 Interest Rate will be in effect until the full amount of principal has been paid. Payments will begin on the **Year 9 Payment Effective Date**. Subsequent monthly payments will be due on the same day of each following month until the maturity of the Loan. The payment amount will be **Year 9 Payment Amount** plus any amounts necessary for escrow. The Year 9 Payment Amount is calculated as a fully amortized principal and interest payment based on the remainder of the term and on the estimated principal balance as of the Year 9 Interest Rate Effective Date at the Year 9 Interest Rate, assuming all payments have been made on time and in full. If payments have not been made on time and/or in full or additional amounts have be capitalized to the balance of the Loan, then the Year 9 Payment Amount may not be a fully amortized principal and interest payment based on the remainder of the term, which would result in an amount being due at maturity. If additional payments and/or

payments to principal have been made, then the Year 9 Payment Amount may be in excess of a fully amortized principal and interest payment based on the remainder of the term.

(h). All references to Interest Change Dates, Index, Calculation of Interest Rate Changes, Payment Change Dates, Calculation of Payment Changes, and Payment Cap Limitation in the Note no longer apply to the Loan upon the Year 1 Interest Rate Effective Date.

Maturity Date.

As of the Year 1 Interest Rate Effective Date, the Maturity Date of the Loan is the Maturity Date referenced in the Terms. If Borrower still owes amounts under the Note on Maturity Date, Borrower will pay those amounts in full on that date, except as discharged in bankruptcy.

Due on Sale or Transfer.

The Loan may not be assumed by any other person or entity once this Agreement becomes effective. If Borrower sells or transfers all or part of the Property, then Lender may, at any time, require Borrower to pay immediately and in full all sums secured by the Security Instrument.

Interpretation and Modification of this Agreement.

This Agreement supersedes and replaces any prior negotiations, agreements or understandings, whether written, oral, or implied, between Borrower and Lender concerning the subject matter of this Agreement. Except as specifically modified by this Agreement, the Note and the Security Instrument remain unchanged and in full force and effect, except to the extent discharged by a bankruptcy proceeding, in which case execution by a discharged debtor is solely as an owner of the Property that secures the loan and does not establish any personal liability for such debtor, and this Agreement shall not be deemed, interpreted, or construed as a novation, replacement, or substitution of the Note or the Security Instrument. To the extent of any inconsistency between this Agreement and the Note and the Security Instrument, the provisions of this Agreement shall prevail. Any capitalized term not defined in this Agreement shall have the meaning given the term in the Note, alternatively in the Security Instrument. This Agreement can only be changed, amended, or modified in a writing signed by Lender and Borrower.

Severability.

In the event that any of the terms or provisions of this Agreement are interpreted by a court of competent jurisdiction to be void, invalid or unenforceable, such decision shall affect only those provisions so interpreted and shall not affect the remaining provisions of this Agreement.

Borrower's Understanding of this Agreement.

Borrower acknowledges and agrees that (a) Borrower has read this Agreement in its entirety and has had the opportunity to obtain copies of this Agreement, the Note, and the Security Instrument; (b) Borrower has consulted with an attorney of Borrower's choosing regarding this Agreement, or has had ample opportunity to consult with an attorney of Borrower's choosing but

has elected not to do so; and (c) Borrower has voluntarily entered into this Agreement. Borrower agrees that no ambiguity in this Agreement shall be construed against Lender as the draftsman.

Acknowledgment of Bankruptcy.

****This section applies only if one or more of the undersigned have filed for bankruptcy or have received a discharge in a bankruptcy proceeding which discharged such individual's personal liability under the Note.****

Lender acknowledges that one or more of the undersigned have filed for bankruptcy or have received a discharge in a bankruptcy proceeding which discharged such individual's personal liability under the Note. Said individual(s) acknowledge and agree that this Agreement is not a reaffirmation agreement as defined in 11 U.S.C. §524, that any references in this Agreement that imply liability under the Note obligation instead refer to the amounts secured by the property and is not meant to impart personal liability on such individual(s), and that this Agreement and communications related to this Agreement are not attempts to collect, assess or recover a claim against the individual(s) that arose before the commencement of the bankruptcy or that has been discharged.

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THE LAW OFFICES OF
MICHAEL GADDIS