

WHEN RECORDED MAIL TO:
FIRST AMERICAN TITLE
P.O. BOX 27670
SANTA ANA, CA 92799-7670
ATTN: LMTS

PREPARED BY:
MYRON HALL
WASHINGTON MUTUAL BANK
19850 PLUMMER STREET
CHATSWORTH, CALIFORNIA 91311
01522
ATTN: LMTS

Tax Parcel No.: [REDACTED]

Loan No. [REDACTED]

SPACE ABOVE THIS LINE FOR RECORDER'S USE

LOAN MODIFICATION AGREEMENT
PROVIDING FOR STEP INTEREST RATE

This Loan Modification Agreement ("Agreement") is effective this 1ST day of AUGUST, 2008, ("Effective Date") between [REDACTED], A MARRIED MAN AS HIS SOLE AND SEPARATE PROPERTY (hereinafter, "the Borrower"), and Washington Mutual Bank ("WaMu"), lender or servicer. Together, the Borrower and WaMu are referred to herein as "the Parties".

MICHAEL GADDIS

RECITALS

The Parties enter into this Agreement with reference to the following stipulated facts:

A. On 06/20/2007, Borrower purchased, re-financed or otherwise obtained an interest in a certain real property in SAN DIEGO County, CALIFORNIA. In connection with the acquisition of the real property the Borrower delivered a certain promissory note dated 06/20/2007, in the original principal amount of \$ 378,300.00 ("Note").

B. The Note was and is secured by a deed of trust, mortgage, applicable riders, addenda or other security instrument ("Security Instrument"), dated 06/20/2007, and recorded 06/26/2007 as Instrument Number [REDACTED] in the official records of SAN DIEGO County as a lien against the real property described in the Security Instrument, and located at [REDACTED] CALIFORNIA 92028 (the "Subject Property"), and is more particularly described as:



SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF;

TAX ID #: [REDACTED]

C. Borrower is the current owner of record of the Subject Property. No other persons or business entities have ownership, management or control of the Subject Property. Borrower has not assigned, transferred, mortgaged or hypothecated the Subject Property, or any fee estate therein, nor the rents, income and profits of the Subject Property as may be described in the Security Instrument, except as set forth in these recitals.

D. Borrower has failed to make one or more payments on the Note before expiration of the applicable grace period. Borrower has requested that the terms of the Note and Security Instrument be modified. The Parties have agreed to do so pursuant to the terms and conditions stated in this Agreement.

MICHAEL GADDIS

AGREEMENT

NOW, THEREFORE, In consideration of the mutual promises and agreements exchanged, the Parties hereto agree as follows:

1. **Incorporation of Recitals.** The Recitals are an integral part of this Agreement and are incorporated by reference herein.
2. **Unpaid Principal Balance.** The Parties agree that the unpaid principal balance of the Note and Security Instrument immediately prior to signing this Agreement is \$ 378,206.23 . ("Unpaid Principal Balance.")
3. **Capitalization.** The Borrower acknowledges that interest on the Unpaid Principal Balance has accrued but has not been paid and the Trust has incurred, paid or otherwise advanced taxes, insurance premiums and other expenses necessary to protect the interest of the Note holder or mortgagee and that such accrued and unpaid interest, costs and expenses in the total amount of \$ 8,497.48 (the "Capitalized Amount") has been added to the indebtedness under the terms of the Note and Security Instrument, as of 08/01/2008 .
4. **Modified Principal Balance.** When payments resume on 09/01/2008 , the new balance due on the loan will be \$ 386,703.71 ("Modified Principal Balance"), which consists of \$ 378,206.23 plus \$ 8,497.48 .
5. **Reamortization.** The Modified Principal Balance will be reamortized over 347 months.

6. **Interest; Monthly Payments.** Interest will be charged on the Modified Principal Balance for the first year at the yearly rate of 3.599000 % beginning with the payment due on 09/01/2008 . During this first year the Borrower promises to pay monthly payments of principal and interest in the amount of \$ 1,794.66 . During the second year interest will be charged at the yearly rate of 5.133000 % beginning with the payment due on 09/01/2009. During this second year the Borrower promises to pay monthly payments of principal and interest in the amount of \$ 2,131.01 . During the third year interest will be charged at the yearly rate of 6.666000 % beginning with the payment due on 09/01/2010 . During this third year the Borrower promises to pay monthly payments of principal and interest in the amount of \$ 2,485.59 . During the fourth year interest will be charged at the yearly rate of 8.200000 % beginning with the payment due on 09/01/2011 . During this fourth year the Borrower promises to pay monthly payments of principal and interest in the amount of \$ 2,855.02 and shall continue thereafter on the same day of each succeeding month until the Modified Principal Balance, interest and any other amounts due under the Note, Security Instrument or this Agreement are paid in full.

7. **Maturity Date.** The maturity date under the Note and Security Instrument remain unchanged. Borrower acknowledges and understands that, as a result of this Agreement which may defer payment of an arrearage, or extend the loan amortization period, or both, a lump sum payment may be due on the Maturity Date. All amounts due and owing under the Note, Security Instrument and this Agreement are due in full on the Maturity Date.

8. **Payments; Delivery of Payments.** The Borrower promises to pay the Modified Principal Balance, plus interest, to the order of Washington Mutual Bank. Borrower(s) shall make the Monthly Payments described herein as follows, or at such other place that Washington Mutual may designate:

Washington Mutual Bank
7301 Baymeadows Way
Jacksonville, FL 32256

9. **Acceleration Upon Unauthorized Transfer.** If all or any part of the Subject Property or any interest is sold or transferred (or if a beneficial interest in the Borrower is sold or transferred and the Borrower is not a natural person) without the Note holder and mortgagee's prior written consent, the Note holder may, at its option require immediate payment in full of all sums due under the Note, Security Instrument and this Agreement. If the Note holder exercises this option, the Note holder shall give the Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is mailed within which the Borrower must pay all sums due under the Note, Security Instrument and this Agreement. If the Borrower fails to pay these sums prior to the expiration of the 30 day period, the Note holder may invoke any remedies permitted by the Note, Security Instrument and applicable law.

10. **Effect of this Agreement.** Except to the extent that they are modified by this Agreement, the Borrower(s) hereby reaffirm all of the covenants, agreements and requirements of the Note and Security Instrument, including without limitation, the Borrower's covenants and agreements to make all payments of taxes, insurance premiums, assessments, escrow items, impounds, and all other payments that the Borrower is obliged to make under the Security Instrument. Borrower(s) further agree to be bound by the terms and provisions of the Note and Security Instrument, as modified hereby.

11. **No Release.** Nothing in this Agreement shall be understood or construed to be a satisfaction or release in whole or in part of the Note and/or Security Instrument. Except as expressly provided in this Agreement, all of the terms, covenants, agreements and the Note and Security Instrument will remain unchanged and the Parties will be bound by, and comply with, all of the terms and provisions of the instruments, as amended by this Agreement.

12. **Warranties.** Borrower does hereby state and warrant that the above described Note is valid and enforceable in all respects and is not subject to any claims, defenses or right of offset or credit except as herein specifically provided. Borrower does further hereby extend all liens and security interests on all of the Subject Property and any other rights and interests which now or hereafter secure said Note until said Note as modified hereby has been fully paid, and agree that this modification and extension will in no manner impair the Note or any of the liens and security interests securing the same and that all of the liens, equities, rights, remedies and security interests securing said Note shall remain in full force and effect and shall not in any manner be waived. Borrower further agrees that all of the terms, covenants, warranties and provisions contained in the original Note and Security Instrument are now and shall be and remain in full force and effect as therein written, except as otherwise expressly provided herein, until the Note is paid in full and all other obligations under the Security Instrument and this Agreement are fulfilled.

13. **Further Assurances.** Borrower does further state and warrant that all of the recitals, statements and agreements contained herein are true and correct and that Borrower is the sole owner of the fee simple title to all of the Subject Property securing the Note.

14. **Acknowledgement by Borrower.** As part of the consideration for this Agreement, Borrower agrees to release and waive all claims Borrower might assert against the Trust and or its agents, and arising from any act or omission to act on the part of the Trust or its agents, officers, directors, attorneys, employees and any predecessor-in-interest to the Note and Security Instrument, and which Borrower contends caused Borrower damage or injury, or which Borrower contends renders the Note or the Security Instrument void, voidable, or unenforceable. This release extends to any claims arising from any judicial foreclosure proceedings or power of sale proceedings if any, conducted prior to the date of this Agreement. Borrowers have and claim no defenses, counterclaims or rights of offset of any kind against the Trust, Washington Mutual or against collection of the Loan.

[REDACTED]

15. **Bankruptcy Considerations.** Notwithstanding anything to the contrary contained in this Agreement, the Parties hereto acknowledge the effect of a discharge in bankruptcy that may have been granted to the Borrower prior to the execution hereof and that the Note holder may not pursue the Borrower for personal liability. However, the Parties acknowledge that the mortgagee/beneficiary retains certain rights, including but not limited to the right to foreclose its lien against the Subject Property under appropriate circumstances. Nothing herein shall be construed to be an attempt to collect against the Borrower personally or an attempt to revive personal liability, if the Borrower has obtained a discharge of that liability from a United States Bankruptcy Court.

[signature pages follow]



THE LAW OFFICES OF
MICHAEL GADDIS