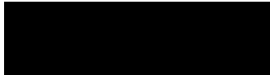




Date: June 24, 2008

To:



From:



Phone Number: (214) 360-1688

Fax Number: (214) 360-2859

Number of Pages 9 (INCLUDING THIS COVER SHEET)

**SUBJECT / SPECIAL INSTRUCTIONS:**

Here is a copy of the Modification agreement and the letter sent regarding the Modification for your files. I have underlined the section regarding the interest only payment.

If you have any problems in receiving this fax, please contact me at (214) 360-1688.

**IMPORTANT/CONFIDENTIAL:** This facsimile transmission is confidential and for the sole use of the intended recipient(s) identified above. This facsimile may contain information that is privileged, confidential or otherwise protected from disclosure under applicable law. If the receiver of this information is not the intended recipient, or the employee, or agent responsible for delivering the information to the intended recipient, you are hereby notified that any use, reading, dissemination, distribution, copying or storage of this information is strictly prohibited. If you have received this information in error, please notify the sender immediately by calling 1-214-360-1688 and destroy all pages of the transmission.

6508964

**COPY**

Recorded In Official Records, Orange County

24.00

**RECORDING REQUESTED BY:**  
GUARANTY BANK

212 211 M15 7  
0.00 0.00 0.00 0.00 18.00 0.00 0.00 0.00

**AFTER RECORDING RETURN TO:**  
GUARANTY BANK

**ATTN:** [Redacted]  
AUSTIN, TEXAS 78746

Prepared By [Redacted]

[Space Above This Line For Recording Data]

**LOAN NO.** [Redacted]

K  
HP

**LOAN MODIFICATION AGREEMENT**  
(Providing for Adjustable Interest Rate)

MIN: [Redacted] MERS Phone: 1-888-379-6377

This Loan Modification Agreement ("Agreement"), made this 01<sup>st</sup> day of April 1, 2008, between [Redacted], ("Borrower") and GUARANTY BANK ("Lender"), and Mortgage Electronic Registration Systems, Inc. ("Mortgagee") amends and supplements (1) the Deed of Trust to Secure Debt (as modified by an Adjustable Rate Rider of the same date) (the "Security Instrument"), dated **DECEMBER 12, 2005** and granted or assigned to Mortgage Electronic Registration Systems, Inc, as mortgagee of record (solely as nominee for Lender and Lender's successors and assigns, P.O. Box 2026, Flint Michigan 48501-2026) and recorded on **DECEMBER 20, 2005** as Document No. [Redacted] in the Official Records of **ORANGE COUNTY, CALIFORNIA,** and (2) the Note bearing the same date as **DECEMBER 12, 2005**, 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]

the real property described being set forth as follows:

All that tract or parcel of land as shown on Schedule "A" attached hereto which is incorporated herein and made a part hereof.

Parcel # [Redacted]

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 April 1, 2008, the amount payable under the Note and the Security Instrument (the "Unpaid Principal Balance") in U.S. \$451,346.38, consisting of the amount(s) loaned to the Borrower by the Lender and any interest capitalized to date.
2. The Borrower agrees to pay interest at a yearly rate of 6.875%. The interest rate will change in accordance with the below noted sections. The Borrower will make a payment every month on the 1<sup>st</sup> day of May 1, 2008 and continuing thereafter on the same day of each succeeding month until principal and interest are paid in full. The amount of the monthly payment of principal and interest may change if the interest rate that Borrower must pay changes. If on January 1, 2046 (the "Maturity Date"), the Borrower still owes amounts under the Note and the Security Instrument, as amended by this Agreement, the Borrower will pay these amounts in full on the Maturity Date.

Before the first fully amortizing principal and interest payment due date stated in the below noted sections (the "First P&I Payment Due Date"), the Borrower's monthly payment will be only for interest due on the Unpaid Principal Balance. Each of the Borrower's initial monthly payments will be in the amount of U.S. \$2,585.84. This amount may change in accordance with the sections below.

The first P&I Payment Due Date is the first day of May, 2013. Prior to the First P&I Payment Due Date, the monthly payment may change to reflect changes in the interest rate paid on the unpaid principal of the loan. Beginning with the First P&I Payment Due Date, the monthly payment will change to an amount sufficient to repay principal and interest at the rate described above. Before the effective date of any change in monthly payments, the Lender will deliver or mail a notice of the change.

The Borrower understands and agrees that the initial rate of interest may change on the first day of April 2013 and on that day every 6 month(s) thereafter on the "change date".

Beginning with the first Change Date, the adjustable interest rate will be based on an Index. The "Index" is the average of interbank offered rates for six-month U.S. Dollar-denominated deposits in the London market ("LIBOR"), as Published in The Wall Street Journal. The most recent Index figure available as of the date 45 days before each Change Date is called the "Current Index." If the Index is no longer available, the Note Holder will choose a new index that is based upon comparable information. The Note Holder will give the Borrower notice of this choice.

Before each Change Date, the Note Holder will calculate the new interest rate by adding TWO AND 250/1000 percentage points (2.250%) to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0.125%). Subject to the limits stated below, this rounded amount will be the new interest rate until the next Change Date. The Note Holder will then determine the amount of the monthly payment. For payment adjustments occurring on or after the First P&I Payment Due Date, the monthly payment will be an amount sufficient to repay the unpaid principal that is expected to be owed at the Change Date in full on the Maturity Date at the new interest rate in substantially equal payments.

The Borrower will make such payment at P.O. Box 10334, Van Nuys, CA 91410-033, or at such other place as the Lender may require.

The Borrower understands that (i) the interest rate that they are required to pay at the first Change Date will not be greater than 11.875% or less than 7.250%, and (ii) thereafter, the interest rate will never be increased or decreased on any single Change Date by more than ONE percentage points (1.000%) from the rate of interest for the preceding 6 months, and (iii) their interest rate will never be greater than 11.875%. The Borrower's new interest rate will become effective on each Change Date. I will pay the amount of my new monthly payment beginning on the first monthly payment date after the Change Date until the amount of my monthly payment changes again.

- 3. The Borrower also will comply with all other covenants, agreements, and requirements of the 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 obligated to make under the Security Instrument, including:
  - (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; and
  - (b) All terms and provisions of any adjustable rate rider 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.
- 4. 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. Except as otherwise specifically provided in this Agreement, the Note and Security Instrument will remain unchanged, and the Borrower and Lender will be bound by, and comply with, all of the terms and provisions thereof, as amended by this Agreement.
- 5. The Security Instrument as hereby modified is hereby ratified and confirmed by Borrower and Lender and every provision, covenant, warranty, representation, condition, obligation, right and power contained in and under the Security Instrument and the Note, as amended, shall continue in full force and effect, affected by this Agreement only to the extent of the amendments and modification set forth above.

Lender



Kari K. MacEwan  
Sr. Vice President

Mortgagee

Mortgage Electronic Registration Systems, Inc.

Kari K. MacEwan  
Assistant Secretary

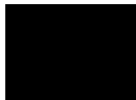


Borrower

Borrower

[Space Below This Line For Acknowledgments]

STATE OF  
COUNTY OF

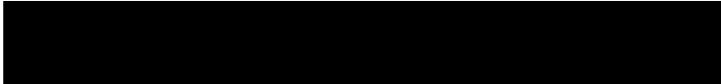


)  
) ss:

On April 15, 2008 before me, the undersigned, a Notary Public in and for the said County and State, personally appeared

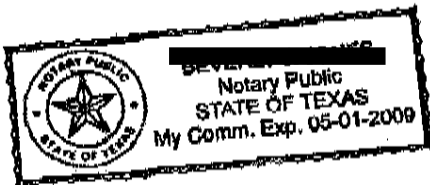


To me personally known (or producing N/A as identification), who, being duly sworn by me, did say that he/she/they is/are the **Sr. Vice President for Guaranty Bank and Assistant Secretary for Mortgage Electronic Registration Systems, Inc.** of the corporation named herein which executed the within instrument, that the seal affixed to said instrument is the corporate seal of said corporation; that said instrument was signed and sealed on behalf of said corporation pursuant to its by-laws or a resolution of its Board of Directors and that he/she acknowledges said instrument to be the free act and deed of said corporation.



Notary Public for the state of TEXAS

(Official Seal)



STATE OF CALIFORNIA )


COUNTY OF Orange ) ss:

On April 15<sup>th</sup> 2008 before me, Conner Sofka, Notary Public  
(insert name and title of officer)

personally appeared [redacted] who proved to me on the basis of satisfactory evidence to the person(s) whose name(s) are subscribed to be 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

  
Notary Public for the state of CALIFORNIA

My commission expires: Feb 16<sup>th</sup> 2011

(Official Seal)



Schedule "A"  
DESCRIPTION

## PARCEL 1:

## PARCEL 2:

AN UNDIVIDED 1/34TH INTEREST IN AND TO THAT PORTION OF THE COMMON AREA (AS SHOWN ON THE CONDOMINIUM PLAN REFERRED TO IN PARCEL 1 ABOVE, AND AS DEFINED IN THE DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, RECORDED AUGUST 15, 1984 AS INSTRUMENT NO. 84-341197 OF OFFICIAL RECORDS OF ORANGE COUNTY, CALIFORNIA), WHICH IS LOCATED WITHIN LOTS 1 AND 2 OF TRACT NO. 11903, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP RECORDED IN BOOK 545, PAGES 23 AND 24 OF MISCELLANEOUS MAPS, RECORDS OF SAID ORANGE COUNTY, TOGETHER WITH ALL THE IMPROVEMENTS LOCATED ON SAID COMMON AREA.

EXCEPTING THEREFROM THAT PORTION OF SAID LOT 1, AS SHOWN ON THAT CERTAIN "LOT LINE ADJUSTMENT LL 86-15", RECORDED MAY 9, 1986 AS INSTRUMENT NO. 86-199825 OF SAID OFFICIAL RECORDS, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEASTERLY TERMINUS OF THAT CERTAIN COURSE IN THE GENERAL SOUTHERLY BOUNDARY OF SAID LOT 1 SHOWN AS "NORTH 35° 00' 00" EAST 33.81 FEET"; THENCE NORTH 35° 00' 00" EAST 1.00 FOOT ALONG THE NORTHEASTERLY PROLONGATION OF SAID COURSE; THENCE SOUTH 50° 54' 17" EAST 148.37 FEET TO A POINT OF INTERSECTION WITH THE NORTHEASTERLY PROLONGATION OF THE CERTAIN COURSE IN SAID GENERAL SOUTHERLY BOUNDARY SHOWN AS "NORTH 39° 05' 43" EAST 16.13 FEET"; THENCE SOUTH 39° 05' 43" WEST 1.00 FOOT ALONG LAST SAID PROLONGATION TO THE NORTHEASTERLY TERMINUS OF LAST SAID COURSE; THENCE NORTH 50° 54' 17" WEST 148.50 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM ALL OIL, GAS, MINERALS, AND OTHER HYDROCARBONS LYING BELOW A DEPTH OF 500 FEET, WITHOUT THE RIGHT OF SURFACE ENTRY, AS RESERVED IN DEEDS OF RECORD.

## PARCEL 3:

AN EXCLUSIVE EASEMENT APURTENANT TO THE UNITS FOR THE USE AND OCCUPANCY OF THE RESTRICTED COMMON AREA RESERVED TO THE UNITS ON THE CONDOMINIUM PLAN REFERRED TO IN PARCEL 1 ABOVE AS A YARD ELEMENT OR PATIO ELEMENT, BUT SUBJECT TO A CERTAIN BLANKET EASEMENT FOR INGRESS, EGRESS, DRAINAGE, MAINTENANCE AND REPAIR IN FAVOR OF THE GRANDVIEW/CREST HOMEOWNERS ASSOCIATION AS GRANTED IN ARTICLE 5.3 OF THE DECLARATION REFERRED TO IN PARCEL 2 ABOVE.

## PARCEL 4:

A NON-EXCLUSIVE EASEMENT FOR USE AND ENJOYMENT, INGRESS AND EGRESS, SUPPORT, REPAIR, MAINTENANCE AND ENCROACHMENT OVER THE COMMON AREA OF THE ANNEXATION PROPERTY DESCRIBED ON EXHIBIT C TO THE DECLARATION REFERRED TO IN PARCEL 2 ABOVE, SAID EASEMENT TO BE OVER ALL OF THE COMMON AREA THEREOF WHICH IS NOT PART OF A CONDOMINIUM BUILDING AND SAID EASEMENT TO BECOME EFFECTIVE UPON RECORDING OF A DECLARATION OF ANNEXATION ON DECLARING SAID

Schedule A - Legal

**DESCRIPTION**

ANNEXATION PROPERTY OR ANY PORTIONS TO BE SUBJECT TO SAID DECLARATION.

**COPY**

February 18, 2008

[REDACTED]  
LAKE FOREST, CA 92630-6525

Dear Valued Customer(s):

Thank you for banking with us.

Based upon the terms of your mortgage, the principal amount of your loan is estimated to or already has reached its negative amortization cap. At that time, your monthly payment will increase to a fully amortizing payment. Furthermore, the interest rate and payment of your loan would continue to vary according to the payment schedule detailed in your note until the loan is fully repaid according to its original maturity date.

To help alleviate much of the uncertainty surrounding your future payment and interest rate, we are offering certain clients an opportunity to have their loan modified to allow for a five (5) year fixed rate period. For the term of this five (5) year fixed rate period, you have the option to choose whether you would like to make payments that include principal and interest or payments that would only include interest. After the five (5) year fixed rate period, your loan would require principal and interest payments that could adjust every six months until the maturity date of your loan.

Modifying your current mortgage loan has several advantages.

- A fixed rate mortgage loan for five years
- No application is necessary
- No approval necessary if you act before March 31, 2008
- One time modification fee of only \$150.00

If you would like to modify your loan, please call (877) 422-2657. We can provide a current quote over the phone and lock that rate immediately for 15 days.

Thank you for your continued business and we look forward to being your bank for years to come.

Sincerely,

Deborah Catley  
Executive Vice President  
Financial Sales and Services