

September 17, 2008

Loan Number: [REDACTED]

WACHOVIA

[REDACTED]

Re: Modification Agreement

Dear [REDACTED]:

This letter confirms that Wachovia Mortgage will agree to modify your loan on the terms and conditions set forth in the enclosed Modification Agreement. To become effective, the Modification Agreement and all the other enclosed documents requiring signatures must be: 1) signed, without any alterations, changes or deletions, by all borrowers; 2) accompanied by a non-refundable payment in the amount of \$6,298.02 to be paid by certified or cashier's check to the order of 'Wachovia Mortgage's; and 3) received by Wachovia Mortgage at 4101 Wiseman Boulevard, San Antonio, Texas 78251-4201 no later than September 25, 2008.

If the Modification Agreement and other documents are not signed as requested, our offer to work-out and modify your loan will be withdrawn.

Thank you for your modification request. You are a valued customer and we appreciate you allowing Wachovia Mortgage to be your home lender. Should you have any questions, please contact us at 800-642-0257, ext. 35878. We will be happy to assist you Monday through Friday, 9:00 a.m. to 6:00 p.m., Eastern Time.

For your convenience, you may obtain home loan information at wachovia.com.

Loan Modifications
Loan Service Department

Enclosure(s)
[REDACTED]

NOTICE REQUIRED BY FEDERAL LAW:

*Please be advised that Wachovia Mortgage may be attempting to collect a debt. If you are currently in bankruptcy or your debt has been discharged in bankruptcy, Wachovia Mortgage is only exercising its rights against the property and is not attempting to hold you personally liable on the Note.

Loan No.: [REDACTED]
Property Address: [REDACTED]

MODIFICATION AGREEMENT
(Loan Work-out)

THIS MODIFICATION AGREEMENT (the "Agreement") is made as of **September 17, 2008**, by and between [REDACTED] ("Borrower"), as obligor(s) on the Loan described below or as title holder(s) to the Property, as the context may require, and **World Savings Bank, FSB, A Federal Savings Bank, nka Wachovia Mortgage, FSB**, its successors and/or assigns ("Lender").

Recitals

- A. Lender previously made a loan to Borrower evidenced by that certain Promissory Note executed by Borrower dated **August 24, 2006**, in the original principal amount of **\$502,500.00**, (the "Note") 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 referenced above (the "Property").
- C. As of the date of this Agreement, the outstanding principal balance of the Loan is **\$530,637.11**. The loan is currently in default.

Agreement

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

Acknowledgment of Default and Borrower's Obligations.

Borrower acknowledges and agrees that each recital above is true and correct and that a valid and material default(s) exists under the loan. Borrower further agrees that the 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 and are properly secured by the Property.

Lender's Agreement to Forbear.

In exchange for (a) Borrower's payment described below and (b) Borrower's complete performance of each and every obligation under this Agreement, Lender agrees to not accelerate the Loan or take further action to have the Property sold based on the referenced default.

[REDACTED]

Borrower understands and agrees, however, that Lender's agreement is subject to the terms and conditions set forth in this Agreement and that Lender has not agreed to waive or defer any future non-compliance with this Agreement, the Note, or the Security Instrument. Borrower agrees that a default under this Agreement constitutes a default under the Note and the Security Instrument, and that 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 sell the Property.

Effective Date and Conditions of Agreement.

This agreement shall be conditioned upon:

- (a). The receipt of \$75.00 for the title search fee;
- (b). The receipt of the **September 15, 2008** payment(s) in the amount of **\$1,996.64**, and escrow payment in the amount of **\$226.38** for a total payment of **\$2,223.02**, in addition to any other amounts that come due under the Loan prior to the Effective Date;
- (c). A payment to reduce the Loan in the amount of **\$4,000.00** will be made to Lender by **September 25, 2008**, and will be applied to the Loan; and
- (d). Lender receiving this Agreement properly signed by Borrower without alteration.

This Agreement will only become effective upon satisfactory completion of the items above and provided that the items are received no later than **September 25, 2008**. The Effective Date of this Agreement will be the date on which all the conditions above have been met ("Effective Date"). This Agreement will only be deemed received when actually received by Lender at:

Wachovia Mortgage
Loan Resolution Center, TX1616
P. O. Box 659558
San Antonio, Texas 78265-9558

Unless the conditions set forth in this Agreement have been met, 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.

Capitalization Itemization.

(a). Lender agrees to add the itemized amounts below to the current principal balance as of the **August 15, 2008**:

Interest Payments:

Delinquent Interest: 12/15/07 - 08/14/08	\$ 27,425.11
Late Charge Fees:	\$ 798.64
Escrow Amounts Advanced:	\$ 1,131.84
Amount to bring Escrow Account Current:	\$ 1,358.25
Est. Foreclosure Fees:	\$ 2,607.09
Attorney's Fees:	\$ 2,518.54
Est. Prop. Insp. Fees:	\$ 50.00
TOTAL ARREARAGE:	\$ 35,889.47
Less: Payment Described in Conditions Above:	<u>(\$4,000.00)</u>
TOTAL ARREARAGE TO BE CAPITALIZED	\$ 31,889.47

(b). The Total Arrearage to be Capitalized shall be added to the current principal balance of **\$530,637.11** for a new principal balance of **\$562,526.58**.

Payment Amount; Deferred Interest.

Once the conditions of this modification have been met, the next payment due under the Loan is the **October 15, 2008** payment. The monthly payment amount will be **\$2,146.38**, plus any amounts necessary for escrow, and this payment amount will be in effect through and including the payment due **September 15, 2009**.

In the event the Payment Amount is insufficient to pay the total amount of interest that accrues and becomes due under the Note (as may be modified by this Agreement), Lender will add any such unpaid interest, called "Deferred Interest," to the outstanding principal balance of the loan. Interest will be charged on Deferred Interest at the same rate as interest on principal.

Payment Change Date.

A new **monthly** payment amount of principal and interest will be due on **October 15, 2009**. Lender will calculate this new amount by estimating the unpaid principal that will be owing on that date, assuming Borrower will pay on time and in full all payment(s) due under this Agreement prior to that time. Borrower agrees that the new payment amount will be calculated in accordance with the Note. The principal and interest payment amount will change on **October 15, 2010** and each payment change date thereafter as provided in the Note.

[REDACTED]

Maturity Date

The Loan is due in full on the Maturity Date stated in the Note. The Maturity Date will not change as a result of this Agreement. If Borrower still owes any amount under the Note on the Maturity Date, Borrower will pay those amounts in full on that date. Borrower is liable for said amounts except to the extent discharged in bankruptcy, in which instance payment is solely for the satisfaction of the lien secured by the property.

Release of Claims.

Borrower, on behalf of Borrower and Borrower's legal representatives, successors and assigns, hereby releases, waives, acquits and discharges Lender and Lender's legal representatives, parent and affiliated entities, successors-in-interest, agents, attorneys, assigns, employees, shareholders, officers and directors, from any and all liabilities, claims, demands, defenses, actions, and rights of whatsoever kind and nature (collectively, "Claims"), known or unknown, foreseen or unforeseen, which Borrower may now or hereafter have, which in any way, directly or indirectly, relate to, result from or arise out of the loan or any transactions related thereto, including without limitation, any Claims relating to, resulting from or arising out of the negotiation, making, funding, or collection of the loan, this modification, and any purported agreements or understandings concerning the Note, the Security Instrument and/or any amendments, modifications or forbearances of the Note and/or Security Instrument.

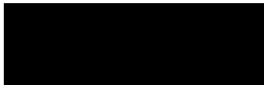
In connection with the foregoing release, Borrower waives any and all rights which exist or may exist under Section 1542 of the California Civil Code and any similar provision of law of any other jurisdiction. Section 1542 provides:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR."

Borrower understands and agrees that release set forth above is a full and final release that extinguishes all claims whether known, unknown, foreseen or unforeseen.

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. This Agreement modifies the Note and the Security Instrument only as expressly provided herein,



and shall not be deemed, interpreted, or construed as a novation, replacement, or substitution of the Note or the Security Instrument, which remain in full force and effect. 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 or, if not defined in the Note, in the Security Instrument. This Agreement can only be changed, amended, or modified in a writing signed by Lender.

Termination of this Agreement.

In the event Borrower does not make a payment required by this Agreement in full and by the date on which it is due, or Borrower commits any additional default under the Note or the Security Instrument, Lender may, in its sole discretion, terminate this Agreement and may declare all amounts owing to Lender to be immediately due and payable in accordance with the Note and the Security Instrument.

Changes or Extensions of this Agreement.

This Agreement may be extended or reinstated only by a written agreement signed by Lender.

Severability.

In the event that any of the terms or provisions of this Agreement are interpreted or construed by a court of competent jurisdiction to be void, invalid or unenforceable, such decision shall affect only those provisions so construed or 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/or 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, therefore, that no ambiguity in this Agreement shall be construed against Lender as the draftsman.

[REDACTED]

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first written above.

BORROWER(S):

LENDER:
Wachovia Mortgage, FSB

Randall L. Denton
Assistant Vice President

[REDACTED]