





**Recitals:** The above recitals are true and correct and incorporated herein by reference.

**Contractual Due Date:** Borrowers are in default in making their monthly payments under the Loan Documents and the contractual due date of the Loan as of the date of this Agreement is 11/01/2007 (that is, the last installment paid by Borrowers was the one which came due on 10/01/2007)

**Arrearage:** As of the date of this Agreement, the total sum necessary to bring the Loan current, including, but not limited to, principal, accrued interest, accrued late charges, Lender advances, escrow arrearages and foreclosure fees and costs, is \$ 5,500.88 (hereinafter referred to as the "Arrearage"). The Arrearage is itemized in Exhibit A, attached hereto and made a part hereof. It is anticipated that payment of the full amount of the Arrearage by Borrowers to Lender pursuant to the terms of this Agreement will fully satisfy the terms of this Agreement and bring the Loan current, at which time regular monthly payments will resume pursuant to the terms of the original Loan Documents. Borrowers understand that the Arrearage set out in Exhibit A is the lump sum necessary to bring the loan current in one payment good through the date thereon, but that paying the Arrearage over time, as contemplated in this Agreement, may increase the overall sum paid. This increase may, for example, be due to monthly charges, such as late charges, which continue to accrue pursuant to the Loan Documents during the pendency of this Agreement because the Loan is delinquent. Other possible reasons for a higher total when paying over time are an increase in the monthly amount due because of interest rate changes (on adjustable rate mortgages), and interest on secured advances. Should Borrowers bring the loan current more quickly than contemplated under the Agreement, the overall cost may be lower due to the accrual of fewer charges such as late charges and interest on secured advances.

4. **Increased Monthly Payment:** Borrowers must make all Loan payments pursuant to the following terms and conditions:
- As a prerequisite to the validity of this Agreement, a down payment in the amount of \$ 3,000, must be received by Lender no later than 5:00 P.M. Pacific Standard Time, 02/13/2008 either: (i) via overnight mail sent to the attention of Option One Mortgage Corporation, DA-BAT PMT, 8501 Irvine Center Drive, Irvine, CA 92618, in the form of guaranteed funds (certified check, cashier's check or money order) made payable to Option One Mortgage Corporation or (ii) via Western Union "Quick Collect" to Code City: OPTION, Code State: CA.
  - During the term of this Agreement, Borrowers shall make increased monthly payments in the amount of \$ 1,183.56, which includes the full regular monthly payment under the Loan Documents plus a pro rata portion of the Arrearage (both amounts together hereinafter referred to as the "Plan Payment"), which must be received by Lender no later than 5:00 P.M. Pacific Standard Time, commencing on 02/15/2008 and continuing on the same date of each and every month through and including 01/15/2009. The Plan Payment is itemized in Exhibit B, attached hereto and made a part hereof. Borrowers must send the Plan Payment either (i) in the form of guaranteed funds (certified check, cashier's check or money order) made payable to Option One Mortgage Corporation, and mailed or delivered to Lender at Option One Mortgage Corporation, DA-BAT PMT, 8501 Irvine Center Drive, Irvine, CA 92618 or (ii) via Western Union Quick Collect to Code City: OPTION, Code State: CA.
  - All payments on the Loan made pursuant to this Agreement shall be clearly marked with the above-referenced Loan number and may be applied to any amounts outstanding on the Loan, including fees and costs, in the order and proportion deemed appropriate by Lender.

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- d. As to each and every payment made under this Agreement, *time shall be strictly of the essence and there shall be no grace period.*
6. **Collection Efforts to Continue:** *This Agreement shall be of absolutely no force or effect, and no action will be taken by Lender to cease collection activities and/or postpone the foreclosure or sale of the Property (if applicable), unless and until Lender has received both this Agreement, fully executed by the Borrowers, and any required down payment in the form and in the manner as outlined in subparagraph 4a above no later than 02/15/2008.* This Agreement is not considered "received" by Lender unless and until it has been internally date stamped by Lender and delivered to the Borrowers Assistance Team, Mailstop: DA-BAT, 6501 Irvine Ctr Dr, Irvine, CA 92618, or successfully faxed to (866) 435-8113. Faxed copy of the Agreement may be used for any purposes as if it were the original.
5. **Late Charges and Additional Fees and Costs; Increase in Plan Payment:**
- a. Unless prohibited by state law, late charges, as set forth in the Note, shall continue to accrue during the term of this Agreement until such time as the Loan is brought current. Borrowers understand that any such late charges may be in addition to (and not subsumed within) the Plan Payments, but must also be paid to satisfy the terms and conditions of this Agreement and bring the Loan current. This is because a late charge for an installment may not be accrued unless that installment remains outstanding past the late charge accrual date.
  - b. Additional fees, expenses and charges relating to the Loan that have not yet been billed to or incurred by Lender or debited to the Loan account, including but not limited to appraisal and broker price opinion fees, property inspection fees, Lender advances for payment of Borrowers' taxes and/or insurance, attorney fees and expenses, and collection fees (hereinafter, together with late charges, collectively referred to as "Additional Costs"), are not included in the Plan Payment and must be paid by Borrowers in order to fully satisfy the terms and conditions of this Agreement and bring the Loan current.
  - c. In order to ensure payment by Borrowers of such Additional Costs, and in Lender's sole and absolute discretion, the Plan Payment amount may be subject to increase, upon written notice by Lender to Borrowers, to an amount necessary to bring the Loan current by the final Plan Payment due date under this Agreement.
7. **Adjustable Rate Note; Increase in Plan Payment:** If the Note is an adjustable rate instrument, the Plan Payment may be subject to increase pursuant to interest rate adjustments as dictated by the terms of the Note. If the Plan Payment is not increased despite an interest rate increase pursuant to the Note, the sums accrued but unpaid due to the interest rate increase ("Additional Sums Due Per Rate Change") must also be paid to satisfy the terms and conditions of this Agreement and bring the Loan current. If the interest rate is adjusted downward under the terms of the Note, the Plan Payment will not decrease, but any surplus will be applied to the Arrearage. In order to ensure payment by Borrowers of such Additional Sums Due Per Rate Change, and in Lender's sole and absolute discretion, the Plan Payment amount may be subject to increase, upon written notice by Lender to Borrowers, to an amount necessary to bring the Loan current by the final Plan Payment due date under this Agreement.
8. **Taxes and Hazard Insurance; Increase in Plan Payment:** Should Lender require Borrowers, pursuant to the terms of the Loan Documents, to establish an impound account with Lender for payment of taxes and insurance, or should the monthly contribution to any existing impound account increase pursuant to a periodic escrow analysis, the Plan

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- e. Incorrect or fraudulent information was submitted by Borrowers to induce Lender to enter into this Agreement.
14. **Effect of Termination:** If this Agreement is terminated due to material breach as set forth above, the Lender shall be entitled to pursue its remedies pursuant to the terms and conditions of the Loan Documents as if this Agreement had never existed. If, upon termination of this Agreement, the Borrowers remain in default under the Loan Documents, Lender shall be entitled to commence or resume foreclosure without the necessity of re-providing the Borrowers with any legally required notices that were duly provided by Lender to Borrowers prior to execution or during the term of this Agreement. Lender's waiver of a breach by Borrower shall not be construed as a waiver of any subsequent breach or failure of the same term or condition or a waiver of any other term or condition in this Agreement, nor shall it establish or evidence any course of dealing between the parties.
14. **No Defenses; Release:** By their execution and delivery to Lender of this Agreement, the Borrowers acknowledge that the Arrearage is the Borrowers' full responsibility and was produced solely by the actions or inactions of the Borrowers. Furthermore, Borrowers agree that they have no defense, setoff or counterclaim related to the Loan or the Property, or to Lender's activities relating to the Loan or the Property, and Borrowers hereby voluntarily release, discharge and agree not to sue Lender for any and all claims, demands, controversies, damages, actions, causes of action, liabilities, rights, costs (including attorney fees and court and litigation costs and expenses), indemnities, obligations or losses of any kind or nature whatsoever, whether at this time known or unknown, for or by reason of any act, omission, event, transaction, matter or cause, arising from or relating to the Loan, the origination of the Loan or the servicing of the Loan, or any dispute arising from or relating to the Loan, the origination of the Loan or the servicing of the Loan, or any of the facts upon which any such dispute is based.
15. **Advice of Attorney:** The Borrowers warrant and represent that in executing this Settlement Agreement they have relied upon legal advice from the attorney of their choice; that this Agreement has been read by the Borrowers and such attorney, and its consequences (including risks, complications, and costs) have been completely explained to Borrowers by that attorney; and Borrowers fully understand the terms of this Agreement.
16. **Loan Documents:** All of Borrowers' rights and responsibilities under, and all of the terms and conditions of the Note and Security Instrument, shall remain in full force and effect except as expressly modified by this Agreement. Nothing contained in this Agreement shall be construed to impair the Security Instrument or effect or impair Lender's rights or powers under the Loan Documents to recover any sum due under the terms of the Note, including any Arrearage and Additional Costs.
17. **Severability:** To the extent that any word, phrase, clause, or sentence of this Agreement shall be found to be illegal or unenforceable for any reason, such word, phrase, clause, or sentence shall be modified or deleted in such a manner so as to make the Agreement, as so modified, legal and enforceable under applicable law, provided that should such modification or deletion materially diminish the benefit of this Agreement to either Lender, in its sole discretion and election, or Borrowers, in their sole discretion and election, the Agreement shall, only after written notice given by the electing party to the other party, be of no force or effect and the relationship of Lender and Borrowers shall be entirely governed by the provisions of the Loan Documents.

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IN WITNESS WHEREOF, the undersigned has/have caused this Agreement to be executed as of the date first above written

Lender:

Borrower:

[Redacted signature area]

Executed:

2-12-08

Dated:

2/12/08

PLEASE SIGN AND RETURN ALL PAGES

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[Redacted]

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EXHIBIT A

Borrower Name: Matthew [REDACTED]  
Reinstatement Quote for Loan [REDACTED]  
Good Through Date: 02/09/2008

	Property Valuations:	\$ 85
	Foreclosure Fees And Costs:	\$ 1,531
	NSF Check Fees:	\$ 25
	Accrued Late Charges:	\$ 79.28
4	Payments @ \$ 945.15	\$ 3,780.60
	<b>Total Servicer Reinstatement Amount:</b>	<b>\$ 5,500.88</b>

WITNESS WHEREOF, the undersigned has/have caused this Agreement to be executed as of the date first above written.

Borrower: [Signature] [REDACTED]  
Borrower: [Signature] [REDACTED]

Dated: 2-12-08

Dated: 2/12/08

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EXHIBIT B

Repayment Plan Details for Loan: [REDACTED]

	DUE DATE	PAYMENT AMOUNT
Deposit	02/13/08	\$ 3,000.00
1	03/15/08	\$ 1,163.55
2	04/15/08	\$ 1,163.55
3	05/15/08	\$ 1,163.55
4	06/15/08	\$ 1,163.55
5	07/15/08	\$ 1,163.55
6	08/15/08	\$ 1,163.55
7	09/15/08	\$ 1,163.55
8	10/15/08	\$ 1,163.55
9	11/15/08	\$ 1,163.55
10	12/15/08	\$ 1,163.55
11	01/15/09	\$ 1,163.55
	<b>Total :</b>	<b>\$ 15,789.05</b>

	Reinstatement Amount	Term	
			\$ 5,500.88
Payment	\$ 891.28	11	\$ 9,804.08
Late Charge	\$ 25.32	11	\$ 288.62
Prop Insp	\$ 0.60	11	\$ 105.80
		<b>Total :</b>	<b>\$ 15,789.08</b>
		Less Deposit :	\$ 3,000.00
		<b>Total Plan Installments :</b>	<b>\$ 12,789.08</b>

Borrower:

Borrower:

[REDACTED SIGNATURE]

Dated: 2-12-08

Dated: 2/12/08

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TOTAL P. 010



Please be advised that the total listed on this Exhibit B is necessarily based on several assumptions. First, it presumes that each installment listed hereon will be made timely, according to this schedule. Should reinstatement be made early, certain of the anticipated but not yet accrued charges (such as, for example, the late charges and property inspection fees listed in the right hand column that has not yet come due at the time of reinstatement), will not be included in the amount necessary to reinstate. Thus, should you desire to reinstate early, please call (888)-275-2648 to get an up-to-date reinstatement figure.

Second, any increase in the total amount due pursuant to a change caused by additional fees and costs (see Paragraph 6 of the Agreement), an interest rate increase (see Paragraph 7 of the Agreement), or an increase in the escrow (tax or insurance) component of your payment (see Paragraph 8 of the Agreement) must be paid before the Loan is considered fully reinstated pursuant to the Agreement. As such, the final Plan Payment - or an early reinstatement - may differ significantly from the amount set forth in Exhibit B.

The component sums (i.e. Arrearage, Payment, Late charge, etc.), which together comprise the "Total" on this Exhibit B, rather than being equally distributed in the plan payments are applied as permitted by Paragraph 4c of the Agreement in an order designated by Lender, such as, for example, payment of accrued fees and costs prior to application to other sums due.

IN WITNESS WHEREOF, the undersigned has/have caused this Agreement to be executed as of the date first above written

Borrower:

Borrower:



Dated:

2-12-08

Dated:

2/12/08

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