

July 24, 2008

WaMu was the Jr. Lien-Holder on this property. Negotiations were begun and concluded with the Jr. Lien-Holder simultaneously while short sale negotiations began and concluded with the Sr. Lien-Holder. Initially, multiple offers were negotiated.



An AAR Multiple Counter Offer form was used however, ONLY the winning offer was submitted to both Lien-Holders. The winning buyer was an ALL CASH purchaser. The process began with an offer accepted and submitted to both Lien-Holder's on April 27th 2008. Although both lien holder's agreed to the short sale in about 90 days, the closing was delayed as additional negotiations had to be re-considered due to unexpected HOA fines and unpaid dues.

RE: Borrower/Loan # Aurora, the Sr. Lien-Holder agreed to reconsider the amount accepted as well as agreed to pay the Jr. Lien-Holder \$5,000. The transaction closed August 28th 2008 122 days after we had begun negotiations with both Lien-Holders. WaMu agreed to a complete DISCHARGE and RELEASE OF LIEN of the debt
Property Address: (Terms and Escrow Instructions)

Dear Borrower:

This letter is to confirm that Washington Mutual Bank has agreed to accept less than full payoff to release its lien interest for the referenced loan. The sales price is \$281,000.00 and the net proceeds to Washington Mutual Bank must be no less than \$ 5,000.00 with a closing date of 09/15/2008. If this amount is not received within five (5) days of the scheduled close date, this offer shall become null and void and all amounts owed under the terms of the loan shall be due. The reduced payoff amount is subject to the following conditions and stipulations.

- * No other liens, judgements, repairs, or buyer's costs shall be paid through escrow without prior written permission from Washington Mutual Bank.
- * Please execute and return the "Waiver of Funds" document, including the seller's mailing address; prior to the close of escrow.
- * This transaction is between the Seller and Buyer as indicated on the certified HUD1. Any unauthorized title transfer or change of Buyer(s) will be a violation of this demand, making it immediately null and void.
- * Any overages must increase the net proceeds and any escrow/impound balances, which also include any insurance and property tax refunds. These will be applied to reduce the total debt of the loan.
- * The seller shall not receive any proceeds from the sale of the property.
- * Please fax the preliminary HUD-1 Settlement Statement to my attention for final review and approval 24 hours before closing to 0 .
- * A certified, fully executed copy of the final HUD-1 Settlement Statement must be included with the certified payoff check.
- * The Seller's contribution amount shall be no less than \$ - towards the closing of this transaction, inclusive of the payoff demand referenced above.
- * A per-diem in the amount of \$22.94 will be charged starting the day after the scheduled close date until five (5) days of the scheduled close date unless prior written approval has been issued extending close of escrow.
- * Washington Mutual Bank reserves the right to pursue collection of the remaining balance due on the promissory note for the loan.

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Loan: N/A

The Escrow Agent is required to disburse escrow proceeds as follows:

Real Estate Commission:	\$16,860.00
All other costs:	\$259,140.00
Total Closing Costs:	\$276,000.00

Any additional closing costs not indicated above will need to be paid by a party other than Washington Mutual Bank, and must be approved in advance by Washington Mutual Bank.

Please note that the payoff demand is inclusive of appropriate re-conveyance fee charged by Washington Mutual Bank. Washington Mutual Bank will instruct the Trustee, if applicable, to record a full reconveyance unless Washington Mutual Bank receives contrary written instructions. Additionally, hazard insurance placed by Washington Mutual Bank, if applicable, will be cancelled upon payoff of the loan.

The terms of this agreement may constitute a forgiveness of debt for the referenced Seller. Washington Mutual Bank, will report any forgiveness of debt in accordance with Internal Revenue Service requirements. A tax accountant or attorney should be consulted to determine any tax reporting consequences.

The terms and conditions of this agreement shall be null and void if bankruptcy is filed by the Seller prior to the close of escrow and the sale is set aside by a bankruptcy court.

Washington Mutual Bank or the Insurer have no obligation to any party concerning the sale, including but not limited to the buyer, sellers, brokers, contractors, escrow or title companies.

If you have any questions, please contact or fax me at the numbers listed on the cover letter.

Sincerely,

Senior Settlement Representative
Loss Mitigation Department

CC: Escrow Agent

VERY IMPORTANT!!!!

Please direct all payoff checks, HUD-1 Settlement Statements or additional funds in accordance with payoff demands to:

**Washington Mutual Bank
ATTN:
Loss Mitigation Department
7255 Baymeadows Way
Jacksonville, FL 32256**

***** Failure of the Escrow Agent to comply with these requirements may result in the breach of demand conditions/stipulations, thus making Washington Mutual's approval of this discounted payoff null and void.*****

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Loan: N/A

WAIVER OF FUNDS

Washington Mutual Bank
Loss Mitigation Department
7255 Baymeadows Way
Jacksonville, FL 32256

RE:
Property:

Dear Loss Mitigation:

This letter will confirm that we relinquish all rights to receive any of the following monies in connection with the approved short payoff of the above referenced loan.

- * **ESCROW BALANCE**
- * **BUYDOWN FUNDS BALANCE**
- * **LOSS DRAFT PROCEEDS**
- * **PROPERTY TAX REFUNDS**
- * **HAZARD INSURANCE REFUNDS**

	Date
N/A	Date
N/A	Date

Seller's forwarding address:
