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April 3, 2003

Via UPS

Ms. Janet Kendall
Freddie Mac
8200 Jones Branch Drive
McLean, VA 22102

RE: Retention Agreement

Dear Janet:

Pursuant to your instructions, I have enclosed herein a copy of the Retention Agreement together with the original executed Exhibit A. Should you require additional information, please do not hesitate to contact the undersigned.

Sincerely,


David J. Stern

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**FEDERAL HOME LOAN MORTGAGE CORPORATION
RETENTION AGREEMENT, BILLING POLICY AND FEE AGREEMENT
FLORIDA DESIGNATED COUNSEL PROGRAM**

This Agreement confirms the retention of The Law Offices of David J. Stern, P.A. (referred to herein as 'Designated Counsel', 'you', or 'your firm'), to participate in the Florida Designated Counsel Program ('Program') of the Federal Home Loan Mortgage Corporation ('Freddie Mac'). This Agreement supersedes all prior Agreements.

1. General Provisions

As a participant in the Program, you will be required to provide legal representation on foreclosures, deeds-in-lieu of foreclosure, bankruptcies, receiverships, and evictions for Freddie Mac's 1-4 unit loans. You will also handle closings of real estate owned ("REO") properties as referred to you under the Program. You agree to provide all such services throughout the State of Florida.

Such retention shall be in accordance with the Billing Policy, Procedures, and Fee Agreement incorporated in this Agreement. Your signature to this Agreement will serve as acceptance of the Billing Policy, Procedures, and Fee Agreement.

It shall also constitute a Master Agreement for your retention on all foreclosures, bankruptcies, receiverships, deeds-in-lieu, evictions and REO closings referred to you under the Program. The Agreement is divided into two sections: (a) Retention Policies, and (b) Billing Policy, Procedures, and Fee Agreement. ~~The Program does not include loans that were sold to Freddie Mac under recourse agreements, although Servicers may contract with you independently to handle foreclosures and bankruptcies on such loans.~~

Freddie Mac has retained you with the expectation that you will produce high quality work successfully to meet Freddie Mac's foreclosure, bankruptcy, eviction and REO closing timelines. Services rendered shall always be in the best interests of Freddie Mac. **Although you will be working with our Servicers, your primary obligation is to Freddie Mac.**

2. Duration

This Agreement may be terminated at any time by Freddie Mac, in which event, Freddie Mac's obligation to you will be limited to compensating you according to the fees in this Agreement for the work, or parts thereof, which you have completed. Additionally, in the event your firm does not perform according to Freddie Mac's expectations, Freddie Mac has the right in its sole discretion to take whatever actions are necessary to protect Freddie Mac's interests, including without limitation, permanently or temporarily suspending your firm's participation in the Program, restricting the referral of new cases to your firm under the Program, or transferring Freddie Mac's cases to other counsel.

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3. **Freddie Mac / Servicer / Attorney Client / Designated Counsel Relationship**

One of the objectives of the Program is to reduce foreclosure, bankruptcy, and eviction timelines on our 1-4 unit loan portfolio. We also desire to reduce the cost of our foreclosures, bankruptcies, deeds-in-lieu of foreclosure, receiverships, evictions and REO closings whenever possible.

Your principal contact at Freddie Mac will be with our Legal Division. We will closely monitor your timeline performance on our portfolio of cases and provide you with feedback on your performance. We will also provide strategy and policy direction on how we want our cases handled generally. We will also be available to assist you on occasional problems, which might otherwise adversely affect your timeline performance, including contacting Servicers who have not provided you with documentation or information necessary to initiate actions in a timely fashion.

An attorney-client relationship exists between Designated Counsel, Freddie Mac and its Servicers.

4. **Litigated Matters**

Freddie Mac's Legal Division will provide direction to you on non-routine litigated matters. For example, you should immediately contact the Legal Division when (i) a Servicer's directive directly conflicts with Freddie Mac's policies or is not in Freddie Mac's best interests; (ii) a time-sensitive decision cannot be obtained from a Servicer; (iii) there is a title defect (e.g., Freddie Mac's first mortgage is defective) such that Freddie Mac will have to determine whether to pursue a loan repurchase or file a title claim; (iv) you need Freddie Mac's approval of a litigation budget; (v) non-routine claims or litigation asserted or filed in a foreclosure, bankruptcy, eviction or REO closing (e.g., wrongful foreclosure, violation of consumer protection statutes, bankruptcy cramdown); or (vi) a case presents an important legal issue of precedential value to Freddie Mac. You should immediately contact the Freddie Mac Legal Division should any of these circumstances occur.

5. **Contacts**

Our Servicers will be your contact as the business decision-makers on individual foreclosures or bankruptcies, except in contested litigation. We expect you to provide a high level of client service to our Servicers. Servicers are required by Freddie Mac to provide you with necessary documentation and information within five (5) business days of your request. You should inform us when a Servicer is chronically late in providing documentation or information or when, in an individual case, the Servicer's delay is likely to delay the resolution of the case. A critical part of your responsibility under the Program is to work with Servicers to obtain the necessary documentation and information in a timely fashion so that cases are not delayed.

In addition, Freddie Mac's "HomeSteps", or its designee (property management company or other real estate management company), will be your principal business contact on evictions and REO closings. You are expected to provide a high level of client service and aggressively pursue Freddie Mac's interests on all eviction matters and REO closings.

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6. Referral of Reinstatement or Workout Proposals

When you receive a workout, short sale, deed-in-lieu, payoff or reinstatement proposal on a Freddie Mac Program loan, you should promptly refer any such proposal to Freddie Mac. We will give you a contact in our Single-Family Division who will review all reinstatement and payment plan proposals. The same contact will forward workout and short sale proposals to the appropriate workout area. Freddie Mac wants to pursue actively reinstatements and payoffs, or, alternatively, deeds-in-lieu, workouts or other relief options. Consequently, you should contact the Single-Family Division if there has been a substantial delay in responding to a reinstatement or other relief offer that you would recommend Freddie Mac accept.

7. Reporting Requirements

Designated Counsel is required to acquire the LenStar system and to obtain and maintain e-mail capability at its own expense. You agree to keep the loan level data in the LenStar system up-to-date so that all data are current within twenty-four (24) hours of the event. All new referrals under the Program, which are not otherwise referred to you via the LenStar system, should be entered into LenStar on the same day you receive the referral, but in no event later than the beginning of the next business day. Freddie Mac may also require you to provide additional reports regarding any other matters you handle.

We find that Designated Counsel with the best performance are those firms that monitor their performance data on a regular basis. We recommend that you generate the LenStar management reports on at least a weekly basis to assist you in monitoring your timeline performance in all Program files.

Where applicable, you will be required to electronically transmit data and/or provide reports as requested on evictions and/or REO closings to HomeSteps. You also agree to provide Servicers with any reports or case updates reasonably requested by them, preferably through LenStar or other similarly automated system.

8. Timelines

Designated Counsel is expected to conduct Freddie Mac cases in accordance with Freddie Mac's timelines. We have provided you with our internal "exception" timelines (see Timelines chart, incorporated as part of this Agreement). You agree to set up your processes and procedures with the objective of completing each phase of the case as quickly as possible without exceeding the timelines. In many circumstances, we recognize that you will be able to complete cases faster than our timelines. We will assess your performance under the Program periodically, in part, by the number of exceptions, the number of exceptions resolved during the month, and the percentage of your Freddie Mac portfolio those exceptions represent. We will also monitor your average times to complete various stages of each case type that your firm handles in the Program.

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9. Freddie Mac Strategies and Litigation Policies

We require you to abide by certain Freddie Mac policies in order that our cases are completed within our timelines at minimal expense:

>>> Do Not Place Foreclosures on "Hold" Without Express Freddie Mac Authority

You may not put a foreclosure on "hold" unless you have written authorization from Freddie Mac, or its loss mitigation contractors who have been authorized by Freddie Mac, to do so. You may contact the Single-Family Division to verify the status of Freddie Mac-approved holds.

>>> Obtain Powers of Attorney from Servicers

Try to obtain Powers of Attorney from Servicers to execute foreclosure documents.

>>> Encourage Reinstatements, Payoffs and Workouts

Encourage reinstatements and payoffs or, in the alternative, deeds-in-lieu, workouts and short-sale proposals. If the Borrower has received a Chapter 7 discharge of our debt, we are willing to accept a deed-in-lieu of foreclosure if this will result in clear title. Forward all such requests from the Borrower to the Single-Family Division by e-mail.

>>> Correct Title Defects During Foreclosure

Immediately upon receiving a foreclosure referral, identify and begin to resolve any title defects or clouds on title (e.g., prior liens, ingress/egress problems, missing assignments or releases). File title claims promptly, and provide a copy of the title claim to your Legal Division contact.

>>> Foreclose in Servicer's Name; Title in Freddie Mac's

Prosecute all foreclosures in the name of the Servicer, but bid and take title in the name of Freddie Mac.

>>> Title Search to Cover Borrower's Grantor

The foreclosure title search should at a minimum cover the deed to the Borrower's grantor (i.e., the grantor to the grantor to the Borrower).

>>> File Complaints Within Six (6) Days

We want you to file foreclosure complaints within six (6) days of foreclosure referral. If necessary, file amended complaints. In addition, obtain a copy of the original note in sufficient time so as not to delay the foreclosure.

>>> Reserve Right to Seek Personal Judgment on 1 Unit Loans

On 1 unit properties, do not include a count for a personal judgment in the foreclosure complaint. Ask the court to reserve jurisdiction for possible future deficiency actions to be brought on a case-by-case basis, as directed by Freddie Mac, after the sale.

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>>> **Include Count for Personal Judgment on 2-4 Unit Loans**

Include a count for a personal judgment against borrowers in the foreclosure complaint where the collateral is a 2-4 unit property; however, postpone prosecution of personal judgments until after the foreclosure sale. Freddie Mac will authorize further action on the deficiency counts on a case-by-case basis.

>>> **Use Skip Trace to Find Parties**

If you or your vendor needs to order a skip trace on the Borrower(s) or on any other defendant, you may use Players National Locator ("PNL"), with whom Freddie Mac has negotiated a discounted fee to perform the skip traces. You may use a skip trace company other than PNL if that skip trace company charges the same or less than PNL's discounted fee, performs timely, and provides quality skip traces. It is your responsibility to keep advised of the current discounted skip trace fee offered by PNL, and to manage the cost of skip traces. Freddie Mac will not reimburse you for skip trace fees in excess of the fees that would have been charged by PNL.

>>> **You Order the Valuation and Prepare Bidding Instructions**

On all Program foreclosures and bankruptcies, you order the valuation directly from Freddie Mac's valuation web site. You must also prepare and execute the bidding instructions in accordance with the instructions Freddie Mac provided you for this purpose on all foreclosures.

>>> **Document Settlements to Allow Resumption of Foreclosure**

Document partial reinstatements and modifications so that the foreclosure may be resumed where it was suspended if the Borrower defaults. Include language waiving the right to another pre-acceleration breach notice.

>>> **Make Receiver Recommendations, Where Appropriate**

On 3-4 unit properties only, send a copy of the 1-4 Unit Property Inspection Report (Form 1013) and a copy of the broker's price opinion ("BPO"), if available, to the Single-Family Division by facsimile. Include any other information that would assist the Single-Family Division in determining the need to seek the appointment of a receiver.

>>> **Wait Fifteen (15) Days Before Recording Deed to Freddie Mac**

Unless instructed otherwise in writing by Freddie Mac, we want you to wait for a period of fifteen (15) days following the date of the foreclosure sale, before recording the deed to Freddie Mac. This fifteen (15) day period is intended to be used to vacate a sale, assuming that a third-party is not the successful bidder, should it be necessary due to a default being cured. *We are a single deed state. Cert. of Title delivered to clerk @ time of sale and is issued by clerk no sooner than 11 days after sale.*

Deficiency Recommendations
If you recommend that we pursue a deficiency on a particular 1-unit property, please send a memorandum with your recommendation to the Legal Division. Otherwise, do not pursue personal judgments on 1-unit properties. However, Freddie Mac policy requires that you file the necessary papers to preserve our deficiency rights in the following Program states – FL, MD, MA, OH, TX, VA, and, if applicable in the following Non-Program states – AL, CO, DE, DC, IN, MI, NH, NM, NC, RI, TN, WY. If the mortgage has mortgage insurance, you must follow the mortgage insurer's instructions for pursuing deficiency judgments.

>>> **Do Not Enforce Rent Assignments Unless Instructed**

Do not enforce the assignment of rents in court unless instructed to do so by Freddie Mac.

>>> **You Will Handle the Foreclosure, Bankruptcy, Eviction and REO Closing**

You will handle the bankruptcies, evictions and REO closing, if any, on all foreclosures referred to you under the Program. You will also handle the foreclosure, if any, on all bankruptcies referred to you under the Program. In addition, you may be referred evictions and REO closings on foreclosures that were handled outside the Program.

>>> **Resume Foreclosure Immediately Upon Stay Relief**

On the same date stay relief is obtained, you should immediately resume the foreclosure (unless the loan has fully reinstated), even if the Servicer tells you to wait for further instructions from them.

>>> **Do Not Handle Bankruptcy Cases on Contractually Current Loans**

We will not pay you to handle, nor do we want you to handle, bankruptcies on loans that are not delinquent. If you receive a referral of such a bankruptcy, return the referral or close the LenStar record, as applicable, and advise the Servicer to refer the bankruptcy case only if the loan becomes delinquent.

>>> **Set Up Expedited Relief Process**

Set up a process on the foreclosure sale date to handle ex parte motions to deal with last minute bankruptcy filings so that you can obtain relief to provisionally conduct the foreclosure sale.

>>> **Do Not Pursue Reaffirmation Agreements**

We do not want you to obtain Reaffirmation Agreements nor will we pay you for such services. We have determined that the risk of Reaffirmation Agreements outweighs their benefits. If Servicers obtain Reaffirmation Agreements through their own counsel and at their own expense, they must indemnify Freddie Mac for any claims or suits relating to those Agreements.

>>> **Run Lists of Loans in Foreclosure and Eviction Through BANKO or Similar Service**

You agree to run your Freddie Mac foreclosures and evictions through BANKO, or a similar service, to obtain notice of bankruptcy filings and key bankruptcy events related to the borrowers, property, occupants, or property address. You also agree to automate this process with your back office system, to the extent possible, so that new foreclosures and evictions are downloaded daily and you receive notice of bankruptcy events electronically. *We use PACER.DTS*

>>> **Verify Bankruptcy Filings**

If you receive verbal notification that the Borrower has filed a bankruptcy petition, you should obtain written verification by copy of the bankruptcy petition or verify the filing in PACER. If such verification is not obtained prior to the date and time of the foreclosure sale, then you should proceed with the sale with verbal notice of the possible bankruptcy petition to the potential bidders. You are expected to exercise judgment in postponing sales in general, since postponements add time and expense to the foreclosure.

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>>> **File Lift Stay Promptly**

Immediately upon receiving notice of a bankruptcy on a Freddie Mac foreclosure or eviction you are handling, you should take appropriate action, based on stated Program objectives, including filing a motion for relief from stay, even if the Servicer has not requested that you take such action or handle the bankruptcy. You will handle the bankruptcies on all foreclosures referred to you under the Program.

>>> **File Stay Relief Motions in Any Delinquent Chapter 7 with No Equity**

In Chapter 7 bankruptcies, on any delinquent loan in which there is little or no equity, we want you to file a motion for relief from stay on the same date, but in no event later than five (5) calendar days after you learn of the bankruptcy filing, so that relief is obtained within 30-45 days after the date the bankruptcy case is filed. This rule applies even if the Servicer tells you to wait for further instructions from them.

>>> **File Stay Relief Motions in Any Chapter 13 When Delinquent 2 Payments**

In Chapter 13 bankruptcies, we want you to file a motion for relief from stay on the same date, but in no event later than five (5) calendar days after the 15-day late period expires on the second missed post-petition payment, and pursue, when possible, a stipulation or order providing for a prompt cure of all post-petition payments with automatic "drop dead" stay relief. You may also try filing motions for relief from stay or sending letters to debtor's counsel after the first missed payment providing that you keep data to monitor the effectiveness of such strategies.

>>> **Do Not Waive Right to Hearing Within 30 Days**

You should generally insist upon a hearing on motions for stay relief within the 30 days prescribed by law and not agree voluntarily to continue such hearings.

>>> **Get Pre-Confirmation Release of Ch. 13 Payments to Trustee**

In any district where there is a delay in confirmation of a Chapter 13 plan and the Chapter 13 trustee collects the pre-confirmation regular monthly payments along with the payments under the proposed reorganization plan, we want you to file a motion for adequate protection seeking, at minimum, that the regular monthly payments be distributed pre-confirmation.

>>> **Object to Confirmation of Chapter 13 Plan If Debtor Is Not Current Post-Petition**

You agree to file objections to confirmation whenever the debtor is not current post-petition, including being current on the payment of post-petition taxes and insurance. You are also expected to file an objection if the plan does not properly address outstanding arrears, tax/insurance escrow issues, and loan maturity issues.

>>> **Get Wage Order as Alternative Relief in Bankruptcy**

In appropriate reorganization cases, seek the entry of a wage order as an alternative (or additional) remedy to obtaining stay relief as a means of collecting plan payments from a debtor in bankruptcy.

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>>> **Review Proofs of Claim**

You are responsible for reviewing and filing proofs of claim on all delinquent loans. You may not allow the Servicer to charge you or take a credit against your fee if the Servicer prepared the proof of claim. Send a copy of the proof of claim to the debtor's attorney to ensure that the bankruptcy reorganization plan is accurate, thereby avoiding subsequent disagreements. Among other things, ensure that the plan accurately sets forth the proper amount of the Servicer's claim or immediately object to the proposed plan.

>>> **Check Monthly With Trustees Regarding Payments Made During Chapter 13**

In Chapter 13 cases, each month after the case is filed, you are responsible for verifying with the Trustee, whether the payment was received that month, and after no more than two post-petition payments have been missed, promptly file a motion for stay relief.

>>> **Expedite Evictions**

Upon receipt of an eviction referral, proceed in the manner that will result in the most expeditious eviction:

- (a) Encourage "cash for keys". We will give you authority to pay cash for keys up to a certain dollar limit and we expect you to vigorously utilize that authority to obtain early vacates of the property; and
- (b) Upon notification that an occupant has filed bankruptcy, file a motion for relief on the same day, but in no event later than five (5) calendar days after you learn of the bankruptcy filing, so that relief is obtained within 30-45 days after the date the bankruptcy case is filed.

>>> **Correct Title Defects Pre-Closing**

Begin resolving any title defects or title clouds (e.g., unpaid utility liens or real estate taxes) immediately upon referral of an REO closing.

>>> **Attorney Presence at Closings**

You are responsible for ensuring the timeliness and accuracy of the closing process and addressing any closing issues, including last-minute issues, at every REO closing. You are expected to wire proceeds and fax a copy of the HUD-1 so that they are received within twenty-four (24) hours of the closing.

>>> **Use Overnight Delivery**

Where use of overnight delivery will speed completion of Program foreclosures, bankruptcies, or evictions, we authorize you to utilize overnight delivery where the time savings (at \$30 per day) exceeds the cost.

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10. Malpractice Insurance Coverage

Designated Counsel must maintain malpractice insurance and E&O coverage in the minimum amount of \$1 million. Freddie Mac may further require Designated Counsel to maintain additional insurance coverages based on the degree of responsibility delegated to the firm by Freddie Mac.

11. Government Sponsored Enterprise

Freddie Mac is a government sponsored enterprise established by the United States Congress in 1970 by the Emergency Home Finance Act of 1970, Pub. L. No. 91-351, 12 U.S.C. 1451-1459, as amended by the Financial Institutions Recovery, Reform and Enforcement Act ("FIRREA"), Pub. L. No. 101-73, 731, 103 Stat. 183 (1989). Freddie Mac was created to provide liquidity for the secondary mortgage market for the purchase and sale of conventional mortgages for residential property. Freddie Mac's statute provides authority to remove cases to, and file cases in, Federal Court. Freddie Mac's status may also allow it to take certain unique legal positions, assert certain unique defenses in certain matters, or enjoy certain benefits or exemptions from certain burdens. **To ensure that Freddie Mac adopts a consistent approach to matters which have implications for, or are affected by, Freddie Mac's status, you must confer with Freddie Mac's Legal Division before removing a case to Federal Court, claiming any exemptions or privileges based on, researching issues arising from, or asserting any position associated with Freddie Mac's status in any letter, motion, responsive pleadings, negotiations, or other document or communication.**

12. Conflicts of Interest

Freddie Mac expects you to be free of conflicting interests and of the appearance of conflict in your representation. You should review all referrals to determine that no conflict or potential conflict exists prior to initiating work on a case. You are obligated to ensure that you are in a position fully to represent Freddie Mac in connection with each and every referral, including any related matters that are likely to, or foreseeably may, arise as a result of work performed on a Freddie Mac Designated Counsel referral.

If, at any time during the course of your representation of Freddie Mac, you become aware of a potential conflict, or circumstances which may lead to a conflict, you must immediately notify Freddie Mac's Legal Division. Freddie Mac also discourages you from engaging in practice areas that could lead to situational conflicts. For example, a situational conflict may occur if your firm represents both Freddie Mac and debtors in bankruptcies involving home mortgages.

Once a conflict or potential conflict is identified, you shall not be entitled to retain or receive any further fees in the absence of a written waiver from Freddie Mac's Legal Division. If work or representation commences before a conflict or potential conflict is identified, and the conflict or potential conflict is not identified due to your negligence or failure to follow this Policy, you may be required to return all fees incurred on or after the time the conflict or potential conflict should have been identified.

13. Prohibition on Payment of Outsource, Referral or Packaging Fee, or Provision of Employees to Servicers

Freddie Mac is interested in ensuring that you receive the fees that we have established in this Agreement because, among several reasons for this provision, we believe that your timeline performance and financial ability to meet the demands of the Program will be compromised if you pay referral or outsourcing fees or are required to provide free employees to Servicers. You may, however, request from Freddie Mac, a waiver of this prohibition on Freddie Mac non-Program referrals in your state from certain Servicers as provided in this Agreement.

- (a) Freddie Mac prohibits you from paying any referral or other "outsourcing" or "packaging" fee in connection with any Freddie Mac case referred to your firm in the state for which you are designated, without regard to whether you are treating the referral as in the Program or outside the Program, or whether the Servicer is volunteering for the Program.
- (b) If you provide employees to a Servicer to assist with the default process, including assisting the Servicer with foreclosures or bankruptcies, your firm may not receive a referral of any Freddie Mac case in the state for which you are Designated Counsel from such Servicer, without regard to whether you are treating the referral as in the Program or outside the Program, or whether the Servicer is volunteering for the Program.

14. Disclosure

You must provide a written disclosure to Freddie Mac at the time this Agreement is signed, in the format set forth as Exhibit A to this Agreement, regarding any business relationships with Servicers where you handle any Freddie Mac cases for that Servicer and in which you pay outsource, referral or packaging fees on any Freddie Mac case or provide employees to that Servicer. You have a continuing obligation to update your disclosures should there be any changes.

15. Procedure to Request Waiver from Prohibition for Non-Program Loans

You may request a waiver from Freddie Mac from the above-referenced provision entitled "Prohibition on Payment of Outsource, Referral or Packaging Fee, or Provision of Employees to Servicers", for a specified Servicer where the Servicer is not mandated for the Designated Counsel Program in your state. You must request such a waiver in writing and obtain the permission of the affected Servicer to allow us to provide to you information regarding whether the Servicer is mandated for the Program in your state. Freddie Mac may grant such a waiver in its sole discretion, and only if the referenced Servicer is not mandated to participate in the Program in your state. In any event, such waiver, if granted, applies solely to non-Program loans in your state for that Servicer, and all prohibitions in this Agreement continue to apply to any Freddie Mac loan that such Servicer elects to refer into the Program.

It is your responsibility to ensure that if a waiver is granted:

- (a) You do not permit such loans to be included in LenStar as a Designated Counsel Program loan;
- (b) You charge only the fees and costs that Freddie Mac allows in your state for loans outside of the Program as set forth in Exhibit 57 of the Servicer Guide; and
- (c) You adhere to all of Freddie Mac's rules and requirements for handling loans outside the Program.

This waiver is inapplicable to any 1-4 unit properties in New Jersey, any 1-4 unit properties in New York City (Bronx, Brooklyn, Manhattan, Queens and Staten Island), or the counties of Nassau, Rockland, Suffolk and Westchester, any cash-out refinance loan in Texas, or to any 2-4 unit properties in any state in which there is a Designated Counsel/Trustee Program.

16. Prohibition of Vendors Specified By Servicers

Freddie Mac is interested in ensuring that you use the most efficient and fastest vendors to assist you in prosecuting your cases (e.g., title company, service of process vendors, invoicing vendors) without regard to arrangements that could provide a financial benefit directly to Servicers. You are prohibited from using or paying for the services of any vendor the use or payment of which is mandated by the Servicer or some other third party as a condition of receiving a referral of their business.

17. Equal Employment Opportunity

Freddie Mac is fully committed to the spirit and letter of applicable federal and state laws and regulations and executive orders regarding equal employment opportunity and affirmative action. Freddie Mac fully expects you and your firm to share this commitment. Freddie Mac also expects that you will, to the maximum extent possible, make opportunities to work on Freddie Mac matters available to minorities and women.

18. Privilege

As you know, a corporation and its inside and outside counsel must take particular care not to waive the attorney-client privilege and the protections provided by the attorney work product doctrine. Confidentiality is of the utmost importance. You should take all necessary precautions to protect the attorney-client privilege and the protections provided by the attorney work product doctrine.

19. Insider Trading

It is possible that, during the course of your representation of Freddie Mac, we may disclose confidential and proprietary information and trade secrets pertaining to Freddie Mac's past, present and future activities. That information and those trade secrets may contain "material inside information" relating to Freddie Mac or its securities within the meaning of the federal securities laws. We expect that you will treat any and all information gained by you during the course or as a result of your representation of Freddie Mac as strictly confidential. We further expect that neither you nor any member or employee of your firm will use that information in a manner that violates the federal securities law.

20. Settlements

We encourage the early resolution of any matters including foreclosures and litigated or disputed cases. All terms of any resulting settlements or early resolutions are strictly confidential. You may disclose that a matter is settled, but all terms are to be kept confidential and disclosed only on a "need to know" basis to attorneys or other staff in the firm. Disclosure to anyone outside the firm shall only be made after consultation with and approval by the Legal Division.

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21. Media or Congressional Inquiries

You should not respond to any inquiries from the news media or from Congress regarding a Freddie Mac case. All such inquiries must be immediately referred to the Legal Division.

22. Program Referrals

You should consider any Freddie Mac foreclosure or bankruptcy case (whichever is applicable) referred to you after the effective date of the Program as being referred under the Designated Counsel Program unless specifically denominated as a non-Program referral by the Servicer. All Program loans must be included in LenStar via an electronic referral by the Servicer or by entry into the LenStar system by you after receiving a written referral. You agree to keep the loan level data in the LenStar system up-to-date so that all data are current within twenty-four (24) hours of the event. All new referrals under the Program, which are not otherwise referred to you via the LenStar system, should be entered into LenStar on the same day you receive the referral, but in no event later than the beginning of the next business day. If the loan is not entered in LenStar, it will not be treated as part of the Program and you will not be paid for the work you performed on that loan.

We may permit you to re-designate loans as in or out of the Program following the referral, but you must first gain approval from the Legal or Single-Family Division.

As an advisory note, Freddie Mac does not reimburse Servicers for any attorney fees or costs where the Servicer was required by Freddie Mac to use the Program and did not. (Freddie Mac Single-Family Seller/Servicer Guide Sec. 66.15.1.) Moreover, Freddie Mac may assess against the Servicer an additional \$500 per loan penalty for such failure to use the Program. Consequently, before re-designating a loan as out of the Program, be sure that the Servicer is not required to use Designated Counsel.

23. Title Policies

Upon request, you agree to secure a title policy ("Owner's Policy"), or arrange for the issuance of an Owner's Policy, for the Purchaser of a Freddie Mac REO if your firm handled the foreclosure under the Program. Where applicable, if the Owner's Policy is purchased from you in such circumstances, you agree to give Freddie Mac a credit for the title work conducted during the foreclosure phase. Nothing herein shall obligate Freddie Mac or an REO Purchaser to purchase any title insurance policies from you or a specific title company.

24. Referrals of Evictions and REO Closings By HomeSteps

You may receive referrals of evictions and REO closings from Homesteps on loans that were foreclosed outside the program. Should you receive such referrals, your fees and expenses for such matters shall be as set forth in this Agreement. You also agree that your incurrence of legal fees in excess of approved fee caps will result in the fee being denied unless a written waiver of legal fee cap has been approved in advance by Freddie Mac's Legal Division.

25. Meetings

You agree to attend meetings required by Freddie Mac, including at least one annual meeting. We will require that you, and members of your staff primarily involved in the Program, attend any annual meetings. In addition, we may request that you attend a limited number of other meetings. You will receive no compensation for attending these meetings.

26. Financial Interests in Vendors

You agree that you will not allow your financial interest in any vendor of associated services (e.g., title companies, process servers) to compromise your handling of Freddie Mac's cases. Specifically, you agree to find a replacement vendor for those services if the company in which you hold an interest is unable to meet Freddie Mac's timelines or provide the service within the cost limitations set by Freddie Mac. You agree to disclose to Freddie Mac, upon request, all vendors in which you hold a financial interest.

27. Changes in Ownership, Control or Management

We have selected you as Designated Counsel in part because of our positive assessment of your ownership, control and management abilities. Consequently, we require you to inform us in advance of any changes which are planned to occur in your ownership, control or management during the period of this Agreement, other than the routine promotion of attorneys to partners or of staff employees to management.

28. Performance Expectations

We expect that each part of your office or affiliated offices will perform to the highest Program standards. If performance falls below a level we consider acceptable, Freddie Mac will terminate its relationship with you and, if applicable, any affiliated entities. Freddie Mac may further remove any matters to another firm at its sole discretion.

29. Firms Having Multiple Offices or Approved Affiliations

Designated Counsel must at all times maintain a reliable means of exchanging case information electronically between each office used to handle Freddie Mac cases. This paragraph includes offices for which Freddie Mac has approved a special affiliation. Designated Counsel may not bill for overnight delivery of inter-office packages between their affiliated offices. Moreover, Designated Counsel may not charge any travel expenses associated with travel between such offices, or the cost for any system for electronic transfer of files or data. Each office must have access to common case data and ensure transfer and delivery of updated case information within the same business day.

BILLING POLICY, PROCEDURES, AND FEE AGREEMENT

You are required to maintain current and accurate billing records for each Freddie Mac foreclosure, bankruptcy, eviction and REO closing the firm handles. These files shall be available to Freddie Mac or its representatives for audit purposes at any time.

Legal fees for foreclosures, bankruptcies, evictions and REO closings shall be billed in accordance with the Fee Agreement incorporated in this Agreement. It is understood that you may occasionally lose money on a case. However, it is anticipated that the volume of cases referred under the Program will compensate you for those occasional losses, if any. Freddie Mac reserves the right in its sole discretion to adjust fees upward or downward in this Fee Agreement if warranted, for example, where a judicial or internal firm process change merits such a review.

Your legal fees on foreclosures and bankruptcies will be billed to and paid by the Servicers. You must make arrangements with each Servicer as to the timing and manner of payment. You must submit a properly completed Form 104DC to the Servicer within the required time period following the foreclosure sale or bankruptcy relief. We require our Servicers to pay you the amounts which you itemize on the Form 104DC. You must arrange with Servicers for the payment of any necessary cost advances. Freddie Mac requires its Servicers to make satisfactory arrangements with you to pay advances; however, Freddie Mac does not require its Servicers to advance the entire cost at the referral of the case.

Legal fees and costs on loans that reinstate or pay off must be paid by the Borrower unless prohibited by law. The Borrower may not be charged a reinstatement or relief fee, or any other fee, as a condition to accepting a reinstatement or other relief option. Legal fees and costs charged to the Borrower may not exceed the foreclosure or bankruptcy fee that would be paid under this Fee Agreement and must be pro-rated to reflect the amount and type of work actually performed by you. You may not seek to recover fees or costs from the Borrower, which are not recoverable under this Fee Agreement.

Legal fees and costs on evictions will be billed to and paid by HomeSteps. Freddie Mac will provide you with specific instructions as to the party to send your bills.

Legal fees and costs on REO closings must appear on the HUD-1 settlement statement and taken at closing. You must wire sale proceeds and send a copy of the final signed HUD-1 by facsimile to Freddie Mac to be received within twenty-four (24) hours of each closing.

Application For Waiver of Legal Fee Cap

On an exception basis, we will consider an application to exceed the fees in the Fee Agreement. Legal fees in excess of the agreed-upon fee caps for foreclosures, bankruptcies, evictions and REO closings must be pre-approved in writing by the Freddie Mac Legal Division. An "Application for Waiver of Legal Fee Cap" form must be submitted to Freddie Mac. Upon approval, Freddie Mac will return the completed form to you and forward instructions to our accounting department allowing the additional fees. You should keep the approved fee cap waiver in your files. Incurrence of legal fees in excess of approved fee caps will result in the fee being denied unless a waiver of fee cap has been approved in advance.

Stern 00195

Uncontested Foreclosure (Strict or By Sale)

\$025 Maximum legal fee for uncontested foreclosures, including foreclosures resolved by motions. This fee includes court appearances, as necessary. We do not anticipate that depositions will be taken or approved for cases at this stage.

This fee applies to foreclosures referred between May 1, 1998 and September 30, 2000.

\$1,075 Maximum legal fee for uncontested foreclosures, including foreclosures resolved by motions. This fee includes court appearances, as necessary. We do not anticipate that depositions will be taken or approved for cases at this stage.

This fee applies to foreclosures referred on or after October 1, 2000.

Contested Foreclosure

\$1,275 Maximum legal fee for foreclosure in which the borrower files an answer requiring the filing of a summary judgment motion. This fee includes court appearances, as necessary, and all written discovery (*i.e.*, interrogatories, requests for admission and document requests). We do not anticipate that depositions will be taken or approved for cases at this stage.

This fee applies to foreclosures referred between May 1, 1998 and September 30, 2000.

\$1,325 Maximum legal fee for foreclosure in which a defendant files an answer requiring the filing of a summary judgment motion. This fee includes court appearances, as necessary, and all written discovery (*i.e.*, interrogatories, requests for admission and document requests). We do not anticipate that depositions will be taken or approved for cases at this stage.

This fee applies to foreclosures referred on or after October 1, 2000.

Contested Foreclosure Resolved By a Trial

For contested foreclosures not resolved by motions, counsel will submit a litigation plan and budget prior to any action to your Legal Department Representative who will approve an increased fee cap on a case-by-case basis.

Foreclosure Resolved By a Reinstatement, Stipulation, or Workout

\$150 When a foreclosure is resolved by a reinstatement or workout, you are entitled to a fee for the work you performed on the foreclosure equal to the pro-rated portion of the allowed fee for the type of foreclosure (*e.g.*, non-judicial, uncontested, contested resolved by motion) based on the amount of work you actually performed plus your actual costs as permitted by this Fee Agreement, which should normally be collected from the Borrower. In addition, if you drafted and finalized the reinstatement stipulation or workout agreement, you are entitled to collect a fee of up to \$150 for preparing the stipulation or workout agreement, which should normally be collected from the Borrower. You may not collect any other fees, such as administrative fees or reinstatement fees, in such circumstances.

Deed-in-Lieu

\$150 Maximum legal fee for preparation of deed-in-lieu documents, in addition to the pro-rated portion of the fee earned to date in accordance with the agreed-upon fee caps. The fee includes preparation and subsequent recordation of a release of the mortgage. You should determine, but not purchase, whether it is in Freddie Mac's best interest to obtain a title policy in connection with the deed-in-lieu.

Chapter 7 Bankruptcy Fee

Maximum legal fee for all correspondence and papers, including preparing and filing proofs of claim, telephone conferences, negotiations, motions for stay relief, stipulations/orders, two court appearances, and consensual sale of the property.

This fee applies to bankruptcies referred prior to October 1, 2000.

\$425

Maximum legal fee for all correspondence and papers, including preparing and filing proofs of claim, telephone conferences, negotiations, motions for stay relief, stipulations/orders, two court appearances, and consensual sale of the property.

This fee applies to bankruptcies referred on or after October 1, 2000.

Chapter 7 – add'l. court appearance

\$100

Maximum legal fee for each additional court appearance.

Chapter 11 Bankruptcy Fee

\$550

Maximum legal fee for all correspondence and papers, including preparing and filing proofs of claim, negotiations, cash collateral motions and stipulations, motions for stay relief and adequate protection, sale of property, objections to confirmation, attending 341 hearing (if necessary), telephone conferences, and two court appearances.

This fee applies to bankruptcies referred prior to October 1, 2000.

Maximum legal fee for all correspondence and papers, including preparing and filing proofs of claim, negotiations, cash collateral motions and stipulations, motions for stay relief and adequate protection, sale of property, objections to confirmation, attending 341 hearing (if necessary), telephone conferences, and two court appearances.

This fee applies to bankruptcies referred on or after October 1, 2000.

Chapter 11 - add'l. court appearance

\$100

Maximum legal fee for each additional court appearance.

Chapter 13 Bankruptcy Fee

\$550

Maximum legal fee for all correspondence and papers, including preparing and filing proofs of claim, negotiations, cash collateral motions and stipulations, motions for stay relief and adequate protection, sale of property, objections to confirmation, attending 341 hearing (if necessary), telephone conferences, and two court appearances.

This fee applies to bankruptcies referred prior to October 1, 2000.

\$575

Maximum legal fee for all correspondence and papers, including preparing and filing proofs of claim, negotiations, cash collateral motions and stipulations, motions for stay relief and adequate protection, sale of property, objections to confirmation, attending 341 hearing (if necessary), telephone conferences, and two court appearances.

This fee applies to bankruptcies referred on or after October 1, 2000.

Stern 00197

Chapter 13 - add'l. court appearance

Maximum legal fee for each additional court appearance.

Chapter 13 - post conf. default

\$350 Maximum legal fee for all post-confirmation motions for relief from the automatic stay, including all court appearances.

Mortgagor or Tenant Evictions

\$350 Maximum legal fee for eviction of a mortgagor or tenant. This includes making necessary arrangements with Sheriff or Marshall and moving company to effectuate eviction. Any property which is a multi-unit property requiring more than one eviction action will be billed separately at \$350 per eviction action.

Mortgagor or Tenant Evictions – Add'l.

\$150 Additional legal fee if a motion and order is required to issue the writ of possession, including attendance at all court hearings.

Tenant Bankruptcy

\$300 Maximum legal fee for motion for relief from stay, including court appearances.

Cash For Keys

Legal fee if cash for keys offer is successful. In addition, you will receive an additional \$100 if you were required to document the cash for keys agreement or obtain a written waiver of the redemption period (if appropriate). You will also be reimbursed for the cash for keys amount you advanced. The legal fee for cash for keys is in addition to any pro-rata portion of the fees you earned for foreclosure, bankruptcy or eviction litigation or preparation of a deed-in-lieu.

REO Closing on Properties Foreclosed by Your Firm

\$200 Maximum legal fee if you conducted the foreclosure. Includes all closing services, including title review, closing fee, re-certification fee, negotiations, preparation of all closing documents, and attendance at closing. This fee does not include the cost to obtain a title update.

REO Closing on Properties Not Foreclosed by Your Firm

\$300 Maximum legal fee if you did not conduct the foreclosure. Includes all closing services, including title review, closing fee, negotiations, foreclosure review, preparation of all closing documents, and attendance at closing. This fee does not include the cost to obtain a full title search.

Closing Cancellation Fee

\$200 If you have begun significant post-foreclosure work to close the REO sale, a cancellation fee of \$200, plus out-of-pocket expenses, will be paid in those instances that Freddie Mac deems the property unmarketable and does not intend to sell. No cancellation fee will be paid when a sale does not close due to Purchaser's inability to close. In those cases, your firm will close title if and when a new Purchaser is found.

Stern 00198

Scope of Work - REO Closings

1. (a) If your firm conducted the foreclosure: Order title bring down immediately upon receipt of matter referral, and provide copies of the title bring down to the Freddie Mac REO Specialist.

(b) If another law firm conducted the foreclosure: Order a full title report immediately upon receipt of the matter referral, and provide copies of the title report to the Freddie Mac REO Specialist.
2. Review and examine the title report to ascertain proper and clear title vesting in Freddie Mac and prepare any documents necessary to vest title. Immediately alert the Freddie Mac REO Specialist of any title problems that need attention. Recommend best option to correct title problem (*i.e.*, litigate, pay off liens, strict foreclosure, claim against original title policy) and assist in resolving title defects normally expected of closing agent services. Provide expertise on local law and practice. In the event a title problem is of a more serious nature and requires court action or additional work above and beyond normal closing services, immediately notify the Freddie Mac REO Specialist prior to incurring additional expense with an estimate of time and cost to cure.
3. Review Contract of Sale and Freddie Mac Addendum incorporating terms provided by the Freddie Mac REO Specialist. Discuss any concerns you have with the Freddie Mac Broker or the Freddie Mac REO Specialist. You do not have authority to negotiate contract terms with Purchaser's attorney. Observe and follow-up on contract review timelines and enforce contract terms within the parameters outlined in the Instructions and Guidelines to Closing Agents.
4. (a) Schedule closing date. Maintain frequent contact with Purchaser's closing attorney and/or lender's attorney, brokers and the Freddie Mac REO Specialist to assure that closing takes place as scheduled or as required by the terms of the contract.

(b) Prepare deed of conveyance, affidavit of title, corporate resolution authorizing sale, Affidavit of Consideration & Exemption, HUD-1, and/or any additional documentation required to convey title.
5. You, or your designee, must attend closing and transmit closing documents and proceeds to Freddie Mac within twenty-four (24) hours as more specifically outlined in Instructions and Guidelines to Closing Agents.
6. Provide written and oral status reports as requested.

Lesser of Allowable or Actual Cost

Unless otherwise denominated, the maximum allowable cost for any reimbursable expense shall be the lesser of (i) the actual cost, or (ii) the reimbursable cost limit set forth in Freddie Mac's Single-Family Seller/Service Guide ("Guide"). We request that you negotiate volume discount rates on foreclosure or bankruptcy services, such as service of process and guardian ad litem fees. Any extraordinary expenses (*e.g.*, re-publication fees) must be pre-approved by Freddie Mac's Legal Division.

Stern 00199

Reimbursable Expenses

- Title searches or updates (equal to the lesser of the maximum allowed by law or the Guide)
- Municipal or departmental search fees
- Approved investigative or inspection fees
- DMV, Post Office, Voter Registration, Telephone Record, and Deed Registry searches
- Service of process fees
- Skip trace searches (limited to what PNL would have charged)
- Guardian Ad Litem fees
- Recording fees
- Filing fees and court costs
- Court file copy service
- Publication (legal notice) fees (less any rebate received)
- Courier service, certified mail or express delivery charges
- Moving and storage costs
- Advertising fees
- Referee/Auctioneer/Sheriff fees
- Appraisal and BPO fees
- Cash for Keys reimbursement

Non-Reimbursable Expenses (to be included as part of attorney fee)

- Regular postage
- Photocopies
- Facsimile costs
- Local or long distance telephone charges
- Travel time or mileage
- Document preparation time
- Word processing time
- Staff overtime
- Notary fees
- Preparation of status reports
- Electronic transmission charges
- Co-counsel fees
- Attendance at foreclosure sales
- Attendance at REO closings

**TIMELINE ADDENDUM TO
RETENTION AGREEMENT, BILLING POLICY AND FEE AGREEMENT
DESIGNATED COUNSEL / TRUSTEE PROGRAM**

Expected timeline performance in the Freddie Mac Florida Designated Counsel Program ('Program').

FL	File Received By Attorney	0
FL	Complaint Filed	6
FL	Service Complete	36
FL	Judgment Date	101
FL	Foreclosure Sale Held	131
FL	Scheduled Sale Date	131
FL	Deed Recorded	146
Total Allowed Days:		146

07	File Received by Attorney	0
07	Motion Requested	0
07	Motion Filed	5
07	Bankruptcy / Stay Relief Granted	35
Total Allowed Days:		35

13	Motion Requested	0
13	File Received by Attorney	0
13	Motion Filed	5
13	Bankruptcy / Stay Relief Granted	35
Total Allowed Days:		35

07	File Received by Attorney	0
07	Completed Proof of Claim Filed	20
07	Discharge	60
07	Ch. 7 Trustee Report Filed	60
07	Trustee Report of No Assets	75
Total Allowed Days:		75

13	File Received by Attorney	0	0
13	Plan Filed Date	15	15
13	Completed Proof of Claim Filed	20	5
13	Confirmation Hearing	30	10
13	Plan Confirmation Date	90	60
Total Allowed Days:		90	

FI.	Eviction Referral Received	0	0	Borrower
FI.	Writ Requested	3	3	Borrower
FI.	Writ Posted by Sheriff	21	18	Borrower
FI.	Property Vacated and Eviction Resolved	30	9	Borrower
FI.	Scheduled Eviction Date	30	0	Borrower
Total Allowed Days:		30		

FI.	Eviction Referral Received	0	0	Occupant
FI.	Writ Requested	3	3	Occupant
FI.	Writ Posted by Sheriff	21	18	Occupant
FI.	Property Vacated and Eviction Resolved	30	9	Occupant
FI.	Scheduled Eviction Date	30	0	Occupant
Total Allowed Days:		30		

FI.	Executed Contract Received	0	0
FI.	REO Closing Referral	0	0
FI.	Scheduled Closing Date	30	0
FI.	Actual Closing Date	30	30
FI.	Closing Funds Wired	31	1
Total Allowed Days:		31	

Stern 00202

***Exhibit A to Designated Counsel/Trustee Retention Agreement
Disclosure of Certain Business Relationships***

The revised Designated Counsel/Trustee Retention Agreement requires each firm to provide a written disclosure to Freddie Mac

- ☐ regarding any business relationships with Servicers where you handle any Freddie Mac cases for that Servicer and in which you pay outsource, referral or packaging fees on any Freddie Mac case and/or
- ☒ regarding any business relationships with Servicers where you handle any Freddie Mac cases for that Servicer and in which you provide employees to that Servicer

Each Designated Counsel / Trustee has a continuing obligation to update its disclosures should there be any changes.

Disclosures:

The following is a list of all business relationships with Servicers where the undersigned Designated Counsel / Trustee handles any Freddie Mac cases for that Servicer and in which Designated Counsel / Trustee pays outsource, referral or packaging fees on any Freddie Mac case.

- 1.
- 2.
- 3.
- 4.

NONE

(attach additional pages if necessary)

The following is a list of all business relationships with Servicers where the undersigned Designated Counsel / Trustee handles any Freddie Mac cases for that Servicer and in which Designated Counsel / Trustee provides employees to that Servicer.

1. ABN AMRO MORTGAGE
2. Bank of America Mortgage
3. Wells Fargo Home Mortgage
- 4.

(attach additional pages if necessary)

Certifications (signature required in both blocks below):

David Stern 9542338000 11/11/03 4-3-03
Preparer's name, telephone, signature, and date

I affirm that the Disclosures made in this document are complete and accurate to the best of my knowledge. I further certify that I am a principal or owner of the entity making the Disclosure and assume responsibility for the completeness and accuracy of the Disclosure.

11/11/03 4-3-03

Stern 00203

The Law Offices of David J. Stern, P.A.

Seen and Agreed:

By: 

Print Name: David J. Stern

Date: 4-3-03

Stern 00204