

Law Offices of
TIMOTHY G. MCFARLIN
4 PARK PLAZA
SUITE 1025
IRVINE, CALIFORNIA 92614
TEL (949) 206-0400; FAX (949) 206-0404

Re: Short Sale Counseling and Negotiation

Dear Client,

This is the written fee agreement ("Agreement") that California law requires attorneys to have with their clients. The Law Offices of Timothy G. McFarlin, (hereafter "Attorney" and/or the "Firm") will provide legal services to _____ ("Client") on the terms set forth below.

This Agreement will not take effect, and Attorney will have no obligations to provide legal services, until Client returns a signed copy of this Agreement.

Client retains Attorney to represent Client in connection with facilitating short sales of residential property.

Attorney will represent Client until in a Counseling and negotiation capacity only. No litigation or litigation related activities are contemplated at this time, and this Agreement does not encompass such matters.

Attorney will provide those legal services reasonably required to represent Client in the matters described above and will take reasonable steps to keep Client informed of significant developments, and to respond promptly to Client's inquiries and communications. Client agrees to be truthful with Attorney, to keep Attorney informed of any information and developments which come to Client's attention, to abide by this Agreement, to pay Attorney's costs on time and to keep Attorney advised of Client's address, telephone number(s) and whereabouts. Client agrees to appear at all legal proceedings Attorney deems necessary and to cooperate fully with Attorney on all matters related to the investigation, preparation and presentation of Client's claims.

Attorney will be compensated for legal services rendered by Client in the total amount of \$1,500.00. Attorney will use his best efforts to negotiate and counsel Client in Real Estate matters related to a short sale of residential real property. Should Client request Attorney to negotiate a deed in lieu of foreclosure as an alternative to a short sale, an additional fee of \$2,000.00 shall be required by Attorney for such negotiation and counseling.

Other than the fee structure discussed in the preceding paragraph, no out-of-pocket monies will be due from Client to Attorney for legal services.

The fees set forth above are not set by law, but are negotiated between attorney and client.

Client acknowledges that The Law Offices of Timothy G. McFarlin, PLC does not carry errors and omissions or malpractice insurance.

Attorney will incur various costs and expenses in performing legal services under this Agreement. Attorney agrees to pay for all costs and expenses. Costs and expenses commonly include photocopying and reproduction costs, notary fees, long distance telephone charges, messenger and other delivery fees, postage, travel costs including parking, travel and lodging expenses, investigation expenses, and other similar items.

This Agreement does not cover other related claims that may arise and may require legal services. (For example: workers' comp claims, disputes with Client's insurance company regarding coverage or amount of loss or reimbursement for benefits paid, disputes with Health Care Providers regarding amounts owed or reimbursement of benefits provided.)

If additional services are necessary in connection with Client's claims and Client requests Attorney to perform such services, an additional fee arrangement must be made between Attorney and Client in writing. Such additional services may be required, for example, in defense of a lawsuit, cross-complaint or other cross demand filed against Client in connection with the above-referenced matter.

Attorney will not make any settlement or compromise of Client's claims without Client's prior approval. Client retains the right to accept or reject any opposing party settlement offer. Client agrees not to make any settlement or compromise of Client's claims without prior notice to Attorney.

Client may discharge Attorney at any time, upon written notice to Attorney. Attorney may withdraw from representation of Client (a) with Client's consent, (b) upon court approval, or (c) if no court action is filed, for good cause upon reasonable notice to Client. Good cause includes Client's breach of this Agreement, Client's refusal to cooperate with Attorney or to follow Attorney's advice on a material matter, or any other fact or circumstance that would render Attorney's continuing representation unlawful or unethical. If a court action, arbitration or other judicial proceeding has been filed on behalf of Client, Client shall promptly deliver to Attorney a signed substitution of counsel form at Attorney's request.

Client hereby grants Attorney a lien on any and all claims or causes of action that are the subject of Attorney's representation under this Agreement. Attorney's lien will be for any sums owing to Attorney for any unpaid costs or fees at the conclusion of Attorney's services. The lien will attach to any recovery Client may obtain, whether by arbitration award, judgment, settlement or otherwise.

Nothing in the Agreement and nothing in agreement and nothing in Attorney's statements to Client maybe construed as a promise or guarantee about the outcome of this matter. Attorney makes no such promises or guarantees. There can be no assurance that Client will recover any sum or sums in this matter, and in fact, Client may be liable for deficiency judgment resulting from foreclosure sales, or required to sign a promissory note by mortgage lenders. Attorney's

comments about the outcome of this matter are expressions of opinion only. Client acknowledges that Attorney has made no promise or guarantee about the outcome of this matter. Specifically, Client acknowledges Attorney has not promised or guaranteed to stop any foreclosure sale of Client's property, but rather has agreed to use his best efforts to stop such a sale from going forward.

This Agreement contains the entire agreement of the parties. No other agreement, statement or promise made on or before the effective date of this Agreement will be binding on the parties. This Agreement may be modified by subsequent agreement of the parties only by an instrument in writing signed by both of them. This Agreement will govern all legal services performed by Attorney on behalf of Client commencing with the date Attorney first performed services.

THE PARTIES HAVE READ AND UNDERSTAND THE FOREGOING TERMS AND AGREE TO THEM AS OF THE DATE ATTORNEY FIRST PROVIDED SERVICES. THE CLIENT(S) SHALL RECEIVE A FULLY EXECUTED DUPLICATE OF THIS AGREEMENT.

TIMOTHY G. MCFARLIN

CLIENT

CLIENT
