

### FORBEARANCE AGREEMENT

**Loan Number:** [REDACTED]

THIS FORBEARANCE AGREEMENT (the "Agreement") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2008 by and among Litton Loan Servicing, LP, (the "Lender") and Erica [REDACTED] (the "Borrower(s)")

#### RECITALS

Whereas the Lender is the holder of that certain promissory note dated 03/31/2006 in the original principal amount of \$78,300.00 (hereinafter the "Note"); and

Whereas the Borrower(s) is the owner of the property located at [REDACTED] Louisville, KY 40211 (hereinafter the "Property") upon which Litton Loan Servicing, LP is holder of a Mortgage securing the Note; and

Whereas Lender has acquired all right, title and interest in and to the Note and is the beneficiary of the interest created by the Mortgage, and

Whereas the Note is delinquent and judicial foreclosure has been commenced pursuant to that certain Notice of Intention to foreclose; and

Whereas Borrower(s) has requested that Lender forbear from pursuing the foreclosure proceedings described immediately above, except that Lender may enter Final Judgment in said proceedings, and that the Note may be modified as set forth below; and

Whereas Borrower(s) and Lender are willing to modify the Note as set forth below in order to permit Borrower(s) to continue to own and to use the Property.

Now therefore the premises considered, for good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, Borrower(s) and Lender agree as follows:

1. **Status of Loan.** As of 02/08/2008 the status of the loan evidenced by the Note and Mortgage (hereinafter the "Loan") is as follows:

	Total monthly delinquent	\$4,755.28
	NSF fees:	\$0.00

Initial: [REDACTED]

Legal fees:	\$4,371.82
Recoverable Corp:	\$494.00
Suspense balance:	\$0.00
Amount necessary to reinstate as of 02/08/2008 is \$9,858.86	

2. **Forbearance.** From and after the date of execution of this Agreement, during the term hereof, so long as Borrower(s) does not default in any performance required by this Agreement and does not default in any performance required by the Note (except as modified by this Agreement), Mortgage lender agrees to forbear from scheduling a sheriff's sale, and to forbear from proceeding with the filing of a Foreclosure.
3. **Duties of Borrower(s).** Borrower(s) shall make the following payments at the following times:
- a. On or before the earlier of 02/08/2008 or the date of execution of this agreement, Borrower(s) shall pay \$1,500.00 to Lender. Payment shall be in the form of a certified instrument (cashier's check, certified check, or money order) made payable to Litton Loan Servicing, LP and returned to Litton Loan Servicing along with this agreement.
  - b. Thereafter Borrower(s) shall make monthly payments to Lender in the amount of \$522.42 for arrearage plus the regular payment, currently 594.41, for the months of 03/08/2008 through and including 02/08/2010 provided that payments shall be received by Lender no later than the 8th day of each of these months. Each payment under this plan must be tendered in the form of certified funds (Cashier's check, certified check, or money order) and there IS NO GRACE PERIOD for payments under this plan.

This loan is an adjustable rate note, with the first rate adjustment possible on 04/01/2008, and again every six (6) months thereafter. It is unknown at the time of this agreement whether the interest rate will indeed change. If the interest rate changes, the regular payment amount will also change. Payments under this plan will always be calculated as the regular payment plus \$522.42, which is the amount of arrearage divided by the term of this agreement, sixteen (16) months.

**THIS TERM MAY NOT REINSTATE THE DEFAULT.** If the repayment agreement does not reinstate the loan, it is the Borrower's responsibility to contact Litton Loan Servicing, LP prior to the expiration to renew the agreement or foreclosure proceedings will continue without further notice upon receipt of the last payment of the plan. Litton Loan Servicing, LP retains the sole discretion to extend the repayment period or to approve

**another workout option if the loan is not reinstated at the end of the term.**

- c. Borrower(s) shall pay all delinquent taxes prior to \_\_\_\_\_ and provide proof of such payment to Lender or present Lender an agreement by and between Borrower(s) and the property taxing authority for the County of Jefferson, setting forth a plan pursuant to which the taxes will be paid. Should such an agreement be created, Borrower(s) represents and warrants that each and every payment required by such agreement shall be made and any default under this Agreement and under the Note and Mortgage.
- d. Borrower(s) shall provide proof of insurance coverage in form and substance satisfactory to Lender no later than \_\_\_\_\_.
4. **Effect of Default.** Should Borrower(s) fail to make any payment required by this Agreement, or to perform any other act required by this Agreement, or should any representation or warranty given by Borrower(s) be untrue or shall be breached, Lender shall have the right to pursue all remedies available to it under the Note, Mortgage and/or Final Judgment. In executing this agreement, Borrower(s) specifically acknowledges that the Notice of Default shall not be rescinded and shall be an instrument of record until withdrawn by Lender.
5. **Borrower(s)'s Representations and Warranties.** To induce Lender to forbear from enforcing its rights under the terms of the Note, Mortgage and/or Final Judgment, Borrower(s) makes the following representations, warranties and covenants:
- a. The amounts set forth in Section 1 hereof are accurate and Borrower(s) acknowledges that he is in default under the terms of the Note and Mortgage and in executing this Agreement is seeking to preserve his rights as owner of the Property; and
- b. Borrower(s) has no claim, offset, counterclaim or other basis for disputing the amounts due and owing described in Section 1 of this Agreement; and
- c. Borrower(s) has no other claim, cause of action or other basis for asserting any charge against Lender whether arising out of the Loan or any other relationship between Borrower(s) and Lender; and
- d. Borrower(s) hereby confirms that this Agreement, the Note (except as modified by this Agreement), the Mortgage and any other documents or instruments evidencing the Loan are fully enforceable in accordance with their terms; and
- e. Borrower(s) has full authority to execute and deliver this Agreement; and
- f. Prior to execution of this Agreement, Borrower(s) has received it, has sought the

advice of such attorneys or other experts as Borrower(s) deems appropriate, and Borrower(s) is aware of the requirements contained in this Agreement and understands the performance required of Borrower(s) by this Agreement; and

- g. The execution and delivery of this Agreement shall not constitute a waiver or release of Borrower(s) with respect to any promise, covenant or representation contained in this Agreement, the Note (except as modified by this Agreement) or the Mortgage; and
  - h. Borrower(s) has not been coerced, threatened or otherwise induced to execute this Agreement except by the consideration furnished by the Lender as set forth herein; and
  - i. Borrower(s) acknowledges that the Lender is entering into this Agreement in reliance upon the representations, covenants and warranties made by Borrower(s).
6. **Release by Borrower(s).** Borrower(s) hereby waives, releases, disclaims, denounces and acquits any claim, charge, counterclaim, chose in action or other basis for asserting any defense, offset or requirements of this Agreement, the Note or the Mortgage which Borrower(s) may have against Lender whether at law or in equity and covenants hereby that Borrower(s) shall not initiate any action or assert any defense seeking to defeat Lender or offset any amount required to be paid by the Borrower(s) pursuant to this Agreement or the Note. Furthermore, Borrower releases, discharges and covenants not to sue Lender, any owners of the loan, and any of their predecessors, successors, and assigns, affiliates, officers, directors, employees, subsidiaries, and parent corporations from any and all claims, causes of action, and defenses, whether known or unknown. Which Borrower had, now has, or may hereinafter acquire, which relate to, or are in any way connected with, the Loan or the acts or omissions of any of the related parties. Notwithstanding any other paragraph in this Agreement, this provision shall remain in full force and effect upon execution by Borrower and shall survive the agreement.
7. **Effect of Release by Borrower(s).** Borrower(s) acknowledges that if any facts concerning the claims released by this Agreement should be found hereinafter to be other than or different from the facts now believed to be true, Borrower(s) expressly accepts and assumes the risk of such possible difference in facts and agrees that the releases in this Agreement will remain effective as long as Lender is not otherwise in breach hereof.
8. **Effect of Agreement.** Except as specifically modified by this Agreement, all other terms of the Note shall remain unchanged from the original terms and no part of the Mortgage is modified by this Agreement.
9. **Further Assurances.** Borrower(s) shall take such actions and execute and deliver such other instruments in form and substance satisfactory to Lender as Lender may reasonably require to protect and preserve Lender's rights under this Agreement, the Note or the

Mortgage.

- 10. **Indemnification.** Borrower(s) agrees to indemnify Lender and its directors, officers, employees, agents, consultants and advisors from and against any liability, claim, cost or expense (including attorney fees, court costs and other expenses) arising out of or in connection with the execution of this Agreement or the performance of any act required by this Agreement, any default by Borrower(s) under this Agreement or any misrepresentation or breach of covenant or warranty by Borrower(s), whether pursuant to this Agreement or the Note or Mortgage.
  
- 11. **General.** This Agreement shall be constructed in accordance with the laws of the State of Kentucky. This Agreement may be signed in one or more counterparts, each of which, when taken together with all other counterparts, shall constitute one single, binding and integrated agreement. Except as described herein there are no other agreements by and between Borrower(s) and Lender with respect to the subject matter hereof. For the purposes of this Agreement, section headings are for convenience only and are not to be used in construing this Agreement. When context so requires, reference to any specific gender shall include all other genders and the singular verb tense.

LENDER: Litton Loan Servicing, LP

By: \_\_\_\_\_  
Loss Mitigation supervisor

BORROWER(S): Erica L. Sheffield

\_\_\_\_\_  
Erica \_\_\_\_\_

\_\_\_\_\_  
Date 2-8-08

SUBSCRIBED AND SWORN to before me by \_\_\_\_\_  
this 8 day of February, 2008.

\_\_\_\_\_  
Notary Public  
My commission expires: 1/29/2010

Initial: \_\_\_\_\_