

RETAINER AGREEMENT

THIS AGREEMENT, dated as of January 1, _____, between _____ whose address is _____ hereinafter referred to as ("Credit Union"), and Edwards & Edwards, Attorneys at Law, P.O. Box 372, Jersey City, NJ 07303, hereinafter referred to as ("E&E"), covers the creation of a client-attorney relationship between the parties.

1. Term: The term of this agreement shall be from January 1, _____ to December 31, _____.

2. Amount of Retainer: Credit Union shall pay to E&E a retainer of \$1,900.00.

3. Retainer Services: E&E will furnish up to a total of 10 hours of legal services that may be used by the Credit Union for any purpose. Services in excess of 10 hours will be billed at the rate of \$210.00 per hour. These hours may be used for any legal services the credit union desires, except for litigation or collection accounts, which are billed as set forth below.

4. Seminars at Credit Union:

Credit Union may request that E&E provide seminars to its staff. Seminars will be for a morning or afternoon session and will use \$500.00 of the retainer amount. Topics will be agreed upon between the parties, which may include an open forum format.

5. Collection Accounts: Letters to members with delinquent accounts will be sent at no additional charge. E&E will handle delinquent loan accounts of New York and New Jersey residents on a contingent fee basis. You may choose to pay either a 25% or 30% fee. If you choose the 25% option, you must send a non-refundable fee of \$150.00 with the account. If you choose the 30% option, no fee is required. You may decide which option to choose on a case-by-case basis. Costs will be billed on a monthly basis. If no recovery is effectuated, E&E will receive no further amounts. The amount of the claim includes principal, interest, other fees and the collection charge provided in your note, at the time the loan is charged off.

E&E will remit monies collected on a monthly basis. A status report of all active matters will be sent with each remittance.

Claims against out-of-state members will be forwarded to attorneys located in the area where the debtor resides by E&E, who will act as your agent. In addition to the contingent fee charged by the out-of-state attorney, E&E will charge the Credit Union a contingent fee of 10% of all money collected by the out-of-state attorney plus our actual out-of-pocket disbursements. E&E cannot guarantee the acceptance by the out-of-state attorney of a claim on the same basis as set forth above. Contingent collection fees, suit fees, and court costs vary from state to state. However, out-of-state attorneys will generally accept a matter on a 25% contingent fee basis plus costs. In some states with high filing fees, we may ask you to pay those fees up front instead of disbursing them on your behalf and then billing you for them.

6. Collection Account Litigation: If a delinquent member files an answer to a Credit Union collection matter and such defense requires an appearance in court, E&E will charge a fee of \$600.00 per half day spent in Court. Court appearance fees are in addition to the fees set forth in Paragraph 5.

If the defendant files a counter claim demanding a judgment against the Credit Union, and your bonding company refuses to defend on your behalf, E&E will defend against the counter claim. Such services will be billed at \$210.00 per hour, plus costs.

7. Litigation Against Credit Union: If a member or other person institutes a suit against the Credit Union and your bonding company or liability insurance company refuses to defend the action, E&E will represent the Credit Union on a time basis of \$210.00 per hour, plus costs.

8. Termination of Representation: Credit Union may terminate this agreement, and E&E's representation, at any time. If Credit Union terminates representation before E&E performs 10 hours of legal services in a year, it will receive the lesser of 1) a pro-rated refund of the retainer fee based on the date of termination, or 2) the retainer fee less fees due for disbursements and legal work performed, billed at \$190/hour.

Drew M. Edwards

Stephen J. Edwards

DATED: _____
