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BY _____ DEPUTY

Cause No. 2010-553,991 (Consolidated)

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| ENHANCE MORTGAGE CORP., TEMPLETON MORTGAGE CORP., Plaintiffs, | § | IN THE DISTRICT COURT OF |
| v. | § | LUBBOCK COUNTY, TEXAS |
| GREG ABBOTT, in his official capacity, Defendant, | § | |
| And | § | |
| STATE OF TEXAS, Counter-Plaintiff, | § | 72nd JUDICIAL DISTRICT |
| v. | § | |
| ENHANCE MORTGAGE CORP., and MARK BROWN, individually, Counter-Defendants | § | |

## AGREED FINAL JUDGMENT AND PERMANENT INJUNCTION

The State of Texas, Greg Abbott (in his official capacity), Enhance Mortgage Corporation, Templeton Mortgage Corporation, and Mark Brown have consented to the entry of this Agreed Final Judgment and Permanent Injunction and jointly move that the Court enter this Agreed Final Judgment and Permanent Injunction.

The Court, after considering the agreement of the parties and the pleadings, is of the opinion that the said Agreed Final Judgment and Permanent Injunction should be and hereby in all things approved and accordingly, should be and is hereby entered.

### 1. STIPULATIONS

1.1 Enhance Mortgage Corporation waives the issuance and service of a writ of injunction and acknowledges by the signature below that it has received notice and receipt of this injunction.

1.2 This settlement is the compromise of disputed claims, the liability for which and the amount of damages for which, if any, are uncertain and speculative. This Agreed Final Judgment and Permanent Injunction is being entered into solely for the purpose of avoiding the expense, annoyance, and uncertainty of litigation, and to buy peace. Nothing contained in this Agreed Final Judgment and Permanent Injunction shall be construed as an admission of liability by or on behalf of any party, all liability being expressly denied, and neither this judgment nor anything contained in it shall be admissible into evidence at any administrative or judicial hearing of any kind, except in a proceeding to enforce the terms or regarding a breach of this judgment.

1.3 The Office of the Attorney General has not referred this matter to any other federal, state, or local governmental or quasi-governmental agency.

1.4 The State of Texas agrees to nonsuit with prejudice any and all claims against Mark Brown.

1.5 Enhance Mortgage Corporation and Templeton Mortgage Corporation agree to nonsuit with prejudice any and all claims against the State of Texas and Greg Abbott, in his official capacity.

1.6 The parties stipulate that this Agreed Final Judgment and Permanent Injunction does not necessarily constitute an approval or disapproval by the State of Texas of Enhance Mortgage Corporation's business practices.

1.7 The parties stipulate that this Agreed Final Judgment and Permanent Injunction is final and the parties waive their right to appeal.

## 2. INJUNCTIVE RELIEF

2.1 IT IS THEREFORE ORDERED that Enhance Mortgage Corporation and its officers, agents, servants, employees, and all persons in active concert or participation with them who receive notice of this judgment by service or otherwise, shall be permanently enjoined from the following acts or practices:

A. Making false or misleading statements of fact concerning the reasons for any reductions in the purchase price offer of any real estate note sought to be purchased by or brokered by Enhance Mortgage Corporation.

B. Representing that the Sales and Purchase Agreement between Enhance Mortgage Corporation and the note-holder confers or involves rights, remedies, or obligations which it does not have or involve, or which are prohibited by law by representing that note-holders are obligated to sell the notes to Enhance Mortgage Corporation for a reduced price regardless of the reason for the price reduction.

C. Filing a lis pendens notice on the sole basis or the Sale and Purchase Agreement, Earnest Money Contract, or similar document. Pursuant to Tex. Prop. Code Ann. § 12.007, a lis pendens may be filed with the county clerk to provide notice of an action involving the title of, an interest in, or an encumbrance upon real property.

D. Failing to inform a note-holder that a third-party other than Enhance Mortgage Corporation will be the actual buyer of the note if Enhance Mortgage Corporation does not intend to purchase the note.

E. Failing to reform the Sales and Purchase Agreement to provide:

(1) As paragraph 3(b):

> If the Brokers Price Opinion or Appraisal (BPOA) does not meet or exceed the sum of $_____ (the sales price of the real estate) then Seller shall have the right to void this contract and will pay for the actual cost of the BPOA. Seller shall have the right to order a new BPOA under the

same procedure as the Buyer. If Seller orders a new BPOA then Seller will pay for both BPOA. Thereafter, if a new contract price can be agreed upon between the parties, a new contract shall be executed by the parties. In the event Seller voids the contract pursuant to this provision and pays for the BPOA, this will not be considered a default.

(2) As paragraph 3(c):

The factual representations made by Seller on the attached Exhibit A are all true and correct as to the (i) original terms of the note and any subsequent changes; (ii) payment history and status; (iii) any encumbrances on the note or property; (iv) physical location of the real property; (v) taxes owed; and (vi) any bankruptcy filings by Seller or payor. The opinions made by the Seller on the attached Exhibit A are best estimates as to (i) the credit worthiness of the payor; (ii) the current market value of the real property; (iii) marketable title to the real property; and (iv) the condition of the real property.

(3) As to paragraph 6:

In the event of any dispute, Buyer and Seller agree to first attempt to resolve their differences by mediation in Lubbock County, Texas before any suit can be filed. If mediation fails, the following remedies apply. In the event of default by Seller or Buyer, either party may sue for damages or enforce the contract by specific performance. In the event that Seller furnishes incorrect factual information on Exhibit A and Buyer incurs expenses in attempting to perform, and if Buyer and Seller fail to sign a new contract based upon correct factual information, Seller shall pay Buyer for all expenses incurred, all reasonable and necessary attorneys fees, costs of court and any damages. Seller understands that Buyer must expend a large amount of money before this sale and purchase can be completed.

F. Failing to pay the monetary judgment obligations herein. Failing to pay the monetary judgment obligations is limited to Enhance Mortgage Corporation as primary obligor on all financial responsibility herein; and in the event of payment default and notice by The State of Texas of same, then and only then will Mark Brown, individually, will assume financial responsibility limited to only amounts left unpaid on judgments described herein that is not to include any penalty or interest associated with this judgment.

## 3. MONETARY RELIEF

3.1 IT IS FURTHER ORDERED that the State of Texas shall have judgment against Enhance Mortgage Corporation in the amount of TWENTY THOUSAND DOLLARS AND NO

CENTS ($20,000.00) to be distributed to the judicial fund for programs approved by the supreme court that provide basic civil legal services to the indigent, pursuant to Tex. Gov't Code Ann. § 402.007.

3.2 IT IS FURTHER ORDERED THAT the State of Texas shall have judgment against Enhance Mortgage Corporation in the amount of THIRTY FIVE THOUSAND DOLLARS AND NO CENTS ($35,000.00) as reasonable and necessary attorneys fees.

3.3 IT IS FURTHER ORDERED that Enhance Mortgage Corporation shall make payments pursuant to this judgment via cashier's check or money order made payable to the Texas Attorney General and delivered to the Consumer Protection & Public Health Division, 1412 Main St., Ste. 810, Dallas, Texas 75202, referencing AG#093160273. It is further ordered that Enhance Mortgage Corporation shall pay the total amount awarded in this judgment by paying $20,000.00 within twenty days from the date of entry of this judgment and by paying the remaining balance in a series of seven (7) monthly installments of $5,000.00 each, due on January 1, 2012, March 1, 2012, May 1, 2012, July 1, 2012, September 1, 2012, November 1, 2012, and January 1, 2013. In the event that payment is not made in accordance with this judgment, the State shall notify Enhance Mortgage Corporation in writing at the address listed with the signature on this judgment. If payment is not remitted within seven days after such notice, it shall be considered a default. In the event of default, the entire remaining balance shall be due and accrue post-judgment interest at a rate of 5% annually, which shall begin to run from the date of default and continue until the full remaining balance is paid.

**4. RELEASES**

4.1 The parties agree that as of the effective date of the judgment, this Agreed Final Judgment and Permanent Injunction fully disposes of and resolves any disputes between the

parties and their employees, agents, and representatives, including current and former counsel, regarding the State's investigation and legal action alleging DTPA violations by Enhance Mortgage Corporation, Templeton Mortgage Corporation, Mark Brown and Amy Brown. The parties agree that any claims by Enhance Mortgage Corporation, Templeton Mortgage Corporation, Mark Brown, and Amy Brown that have been or could have been brought against the State, its employees, agents, and representatives, including former and current counsel, relating to said investigation and legal action are hereby released.

4.2 In connection with this Agreed Final Judgment and Permanent Injunction, the State of Texas and Amy Brown have entered into a seperate, mutual, full and complete release of any and all claims related to the subject matter of this suit.

4.3 It is further ordered that as Enhance Mortgage Corporation and Templeton Mortgage Corporation have given Notice of Nonsuit with Prejudice as to Greg Abbott (in his official capacity) and the State of Texas, including any declaratory actions and counterclaims, any and all said claims are hereby dismissed with prejudice. It is further ordered that as the State of Texas has given Notice of Nonsuit with Prejudice as to Mark Brown, any and all said claims are hereby dismissed with prejudice.

## 5. OTHER PROVISIONS

5.1 As evidenced by the signature below, Enhance Mortgage Corporation has received actual notice of this permanent injunction.

5.2 It is further ordered that the Clerk of this Court shall, upon request of the State of Texas, issue a writ of permanent injunction in conformity with the law and terms of this order to Enhance Mortgage Corporation.

5.3 This judgment shall in no way affect the rights of individual citizens.

5.4 This Court retains jurisdiction to enforce this judgment and permanent injunction.

5.5 All costs of court are to be paid by the party incurring the same.

5.6 All relief not granted herein is denied.

5.7 This judgment is final as to all parties and matters in this cause.

Signed on this 2 day of October 2011.

JUDGE PRESIDING

AGREED:

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