

Thank you for your interest in becoming an approved correspondent client with Silvergate Bank. In order to make the application process as customer-friendly as possible, we have outlined the documents and information we will need to have executed and returned to our Client Eligibility Group. If you have any questions or require assistance in completing this package, please don't hesitate to contact us at the number referenced below. Thank you for considering Silvergate Bank's Correspondent Services Group as your business partner.

Contents of the Application Package

- ☐ Correspondent Client Application
- ☐ Credit and Background Check Authorization for all owners >25% (page 6)
- ☐ Resolution of Board of Directors (Page 7)
- ☐ Compliance Controls Questionnaire (Page 8)
- ☐ W-9 Form (fill-out instructions found at <https://www.irs.gov/pub/irs-pdf/fw9.pdf>) (Page 11)
- ☐ LoanNEX User Agreement (Page 12)

Additional Documents to Provide

Please provide the following Client-specific information as described in the Correspondent Client Application:

- ☐ Articles of Incorporation or other applicable business documents
- ☐ Copies of agency approval letters
- ☐ Recent performance Scorecards from investors
- ☐ Most recent quarterly financial statement and last 2 full years of audited financial statements
- ☐ Copies of Errors and Omissions & Fidelity Bond Policies
(note: minimum of \$300,000 in coverage)
- ☐ Copy of Quality Control Policies and Procedures with most recent 3 months' audit results with management responses
- ☐ Copy of all compliance policies and procedures
- ☐ Resumes of Principals, Key Management Team, and Underwriters
- ☐ Listing of all loan repurchases with explanations, make whole demands and indemnification requests received in preceding 2 years
- ☐ AML/SAR Program Policy
- ☐ Volume projections for next 12 months (Page 6)
- ☐ Organizational Chart
- ☐ Corporate resume or narrative of company history and scope of operations

INSTRUCTIONS FOR SUBMISSION

Please forward all information to the address below, or via email to csg@silvergatebank.com

Silvergate Bank – Correspondent Services
Group 4250 Executive Square, Suite 100
La Jolla, CA 92037
Phone: 858-362-6300

PROGRAM APPROVALS REQUESTED:
☐ FORWARD MORTGAGES ☐ MANDATORY DELIVERIES ☐ DELEGATED UNDERWRITING

PRODUCT APPROVALS: ☐ FHA ☐ VA ☐ CONFORMING ☐ JUMBO ☐ NON- QM

COMPANY NAME: _____ (herein "Client") DBA'S: _____

PARENT COMPANY: _____ **CORPORATE WEB ADDRESS:** _____

CORPORATE ADDRESS: _____ **CITY, STATE, ZIP:** _____

DATE ESTABLISHED: _____ **DATE OF FORMATION: / INCORPORATION:** _____ **STATE OF FORMATION:** _____

FEDERAL TAX ID: _____ **CORPORATE NMLS NUMBER:** _____

☐ C CORP ☐ S CORP ☐ INDIVIDUAL PROPRIETORSHIP ☐ PARTNERSHIP ☐ LLC ☐ OTHER: _____

☐ STATE OR FEDERALLY CHARTERED INSTITUTION ☐ STATE: _____ ☐ FEDERAL UNDER ☐ FDIC ☐ OCC ☐ FRB ☐ NCUSIF

☐ PERMISSION TO COMMUNICATE VIA PHONE AND EMAIL

PRIMARY CONTACT: _____ **PHONE NO:** _____

MAILING ADDRESS: _____ **CITY, STATE, ZIP:** _____ **EMAIL:** _____

OWNERSHIP INFORMATION: (Please attach supplemental pages if more space is needed. Applicants with Net Worth less than \$1MM or Client ownership >25% are subject to credit background and personal guarantee requirements.)

FISCAL YEAR END:	NAME OF PARENT COMPANY:	
NAME:	EMAIL:	ADDRESS:
TITLE:	PHONE NO:	OWNERSHIP INTEREST: %
NAME:	EMAIL:	ADDRESS:
TITLE:	PHONE NO:	OWNERSHIP INTEREST: %
NAME:	EMAIL:	ADDRESS:
TITLE:	PHONE NO:	OWNERSHIP INTEREST: %

MANAGEMENT TEAM CONTACT INFORMATION (Please provide manager names, email and telephone numbers.)

CHIEF EXECUTIVE OFFICER:	EMAIL ADDRESS:	PHONE NO.:
CHIEF FINANCIAL OFFICER/CONTROLLER:	EMAIL ADDRESS:	PHONE NO.:
OPERATIONS MANAGER:	EMAIL ADDRESS:	PHONE NO.:
SECONDARY MARKETING:	EMAIL ADDRESS:	PHONE NO.:
UNDERWRITING:	EMAIL ADDRESS:	PHONE NO.:
COMPLIANCE:	EMAIL ADDRESS:	PHONE NO.:
QUALITY CONTROL:	EMAIL ADDRESS:	PHONE NO.:

INVESTOR APPROVALS (Indicate by Checking Box)	YES	NO	MORTGAGEE APPROVAL NUMBER	APPROVAL DATE
HUD Mortgagee				
VA				
Ginnie Mae				
Fannie Mae				
Freddie Mac				
Other:				
Other:				
APPROVAL LETTERS: Please provide copies of the following, where applicable: <input type="checkbox"/> HUD Mortgagee Approval Letter <input type="checkbox"/> VA Approval Letter <input type="checkbox"/> Ginnie Mae Approval Letter <input type="checkbox"/> Fannie Mae and/or Freddie Mac Approval Letter(s)				
INSURANCE:				
ERRORS AND OMISSIONS: \$ _____	INSURER: _____		DEDUCTIBLE: _____	POLICY EXPIRATION DATE: _____
FIDELITY BOND: \$ _____	INSURER: _____		DEDUCTIBLE: _____	POLICY EXPIRATION DATE: _____
QUALITY CONTROL				
DOES CLIENT OUTSOURCE ITS QC? <input type="checkbox"/> YES <input type="checkbox"/> NO	VENDOR(S) USED FOR OUTSOURCED QC: _____		PLEASE INDICATE PERCENTAGE OUTSOURCED: _____ %	
DOES CLIENT UTILIZE 3RD PARTY SERVICE PROVIDERS TO CONDUCT INDEPENDENT QUALITY AND/OR COMPLIANCE AUDITS? <input type="checkbox"/> YES <input type="checkbox"/> NO				
IF SO, PLEASE INDICATE FIRMS USED, SCOPE OF AUDITS, AND FREQUENCY OF TESTING: _____				
DOES CLIENT OWN AN INTEREST IN THE QUALITY CONTROL OUTSOURCING COMPANY? <input type="checkbox"/> YES <input type="checkbox"/> NO				
VENDORS AND VENDOR MANAGEMENT PLEASE PROVIDE THE FOLLOWING VENDOR / SYSTEMS INFORMATION:				
LOAN ORIGINATIONS SYSTEM(S) USED: _____				
DOCUMENT PREPARATION PROVIDER(S): _____				
PRICING ENGINE ESTABLISHING INVESTOR PRICING AND/OR RATE LOCKING: _____				
NON-QM INVESTOR INFORMATION: IF APPLICABLE, PLEASE PROVIDE YOUR CURRENT NON-QM INVESTOR INFORMATION:				
DOES CLIENT CURRENTLY ENGAGE IN NON-QM BUSINESS WITH OTHER INVESTORS? <input type="checkbox"/> YES <input type="checkbox"/> NO				
IF YES, PLEASE LIST CLIENT'S NON-QM INVESTORS: _____				
PLEASE LIST TOTAL MONTHLY NON-QM VOLUME: \$ _____				

INVESTORS: Please list 3 existing Correspondent or Investor relationships and complete the fields below. Please indicate for each investor if you have been approved for Delegated Underwriting.

INVESTOR NAME: _____ CONTACT: _____ NUMBER: _____

EMAIL ADDRESS: _____ YEARS ACTIVE: _____ ANNUAL VOLUME(\$): _____
Products Sold: ☐ FHA ☐ VA ☐ Conforming Conventional ☐ Jumbo ☐ 2nds/HELOCs ☐ Non-QM DELEGATED UW? YES ☐ NO ☐

INVESTOR NAME: _____ CONTACT: _____ NUMBER: _____

EMAIL ADDRESS: _____ YEARS ACTIVE: _____ ANNUAL VOLUME(\$): _____
Products Sold: ☐ FHA ☐ VA ☐ Conforming Conventional ☐ Jumbo ☐ 2nds/HELOCs ☐ Non-QM DELEGATED UW? YES ☐ NO ☐

INVESTOR NAME: _____ CONTACT: _____ NUMBER: _____

EMAIL ADDRESS: _____ YEARS ACTIVE: _____ ANNUAL VOLUME(\$): _____
Products Sold: ☐ FHA ☐ VA ☐ Conforming Conventional ☐ Jumbo ☐ 2nds/HELOCs ☐ Non-QM DELEGATED UW? YES ☐ NO ☐

WAREHOUSE LINES OF CREDIT AND FUNDING SOURCES: Please list existing warehouse facility relationships and complete the fields below.

FINANCIAL INSTITUTION: _____ CONTACT: _____

EMAIL ADDRESS: _____ INITIAL APPROVAL DATE: _____ RENEWAL DATE: _____

TELEPHONE NO.: _____ AMOUNT \$ _____
Facility Type: ☐ Warehouse Line ☐ Early Purchase Facility ☐ Self Fund ☐ Repurchase Line ☐ Other Non-QM Approved? YES ☐ NO ☐

FINANCIAL INSTITUTION: _____ CONTACT: _____

EMAIL ADDRESS: _____ INITIAL APPROVAL DATE: _____ RENEWAL DATE: _____

TELEPHONE NO.: _____ AMOUNT \$ _____
Facility Type: ☐ Warehouse Line ☐ Early Purchase Facility ☐ Self Fund ☐ Repurchase Line ☐ Other Non-QM Approved? YES ☐ NO ☐

FINANCIAL INSTITUTION: _____ CONTACT: _____

EMAIL ADDRESS: _____ INITIAL APPROVAL DATE: _____ RENEWAL DATE: _____

TELEPHONE NO.: _____ AMOUNT \$ _____
Facility Type: ☐ Warehouse Line ☐ Early Purchase Facility ☐ Self Fund ☐ Repurchase Line ☐ Other Non-QM Approved? YES ☐ NO ☐

PERCENTAGE OF CLOSINGS YEAR-TO-DATE THAT ARE WHOLESALE VS. RETAIL: _____% WHOLESALE _____% RETAIL

PERCENTAGE OF VARIOUS METHODS FOR DELIVERY OF LOAN PRODUCTION: _____% BEST EFFORTS _____% MANDATORY _____% BULK

DELEGATED UNDERWRITING AUTHORITY:

DOES THE COMPANY HAVE DELEGATED UNDERWRITING AUTHORITY WITH ANY INVESTORS? YES ☐ NO ☐

PLEASE PROVIDE RESUMES OF UNDERWRITERS.

STATEMENTS AND REPRESENTATIONS

(Completed by Corporate Officer)

My name is _____, and I am an officer for the Company. I acknowledge that this statement shall become a part of said application and shall be attached thereto. I hereby certify that the responses to the following are true and correct.

Please answer the following questions. If answers are "yes" (other than obtaining criminal background checks and Insured Closing Letters), please provide explanations in area provided on following page, or as a separate attachment.

1. Has any officer or employee of Client been convicted of a crime other than a misdemeanor (e.g. traffic violation)? Yes ☐ No ☐
2. Has any officer or employee pleaded guilty, pleaded no contest, or entered into a deferred adjudication agreement regarding criminal charges? Yes ☐ No ☐
3. Has any principal of Client ever been a party to a bankruptcy? ☐ Yes ☐ No
4. Does Client obtain criminal background checks on Company employees prior to employment? Yes ☐ No ☐
5. Does Client obtain Insured Closing Letters on each mortgage transaction? Yes ☐ No ☐
6. Does any officer, shareholder, employee or agent of our organization (hereinafter "principal") or any member of principal's immediate family or any business controlled or with a substantial interest held by any principal have a financial interest in a settlement, closing or escrow company? Yes ☐ No ☐

If so, please provide the following information: Name of Company: _____ Address: _____

Agent for (Title Underwriter): _____ Date _____

Founded: _____ Contact: _____

Email: _____ Telephone: _____ Employee with ownership in this company: _____

7. Does your organization share employees, managers or officers with the above settlement, closing or escrow companies? Yes ☐ No ☐
(If yes, please indicate which employees and job functions as well as how conflict of interest is avoided in section below.)

8. Has the VA or HUD performed any investigation or addressed any adverse finding with the Company? ☐ Yes ☐ No
9. Has Client's approval with GNMA, FNMA, FHLMC, HUD or VA been suspended or withdrawn in the past five years? ☐ Yes ☐ No
10. Has Client's good standing record or approval with private investor; private mortgage insurance company or federally insured financial institution been suspended or withdrawn in the past five years? ☐ Yes ☐ No
11. Has Client been shown to be out of compliance from any exam or audit with any agency or regulator within the past five years? Yes ☐ No ☐
12. Has Client shown any adverse changes to its financial position during the past year? ☐ Yes ☐ No
13. Has Client or any of its officers been the subject to any fine, investigation, administrative action or license revocation by any federal regulatory, state or municipal agency? ☐ Yes ☐ No
14. Has Client or any of its officers been involved in any lawsuit or arbitration relating to the origination, sale or servicing of mortgage loans? Yes ☐ No ☐
15. Do Fidelity Bond or Errors and Omissions insurance coverage policies exclude any officers or employees? ☐ Yes ☐ No
16. Has your organization been required to indemnify, make whole or repurchase any loans within the past 2 years? (If so, please provide a letter of explanation as an attachment to this application.) ☐ Yes ☐ No
17. Please attach a schedule to this application containing all unresolved or unsatisfied indemnifications, make whole demands or repurchase demands with investor name, date of demand, product, and cause for demand and amount of potential liability (as illustrated below).

Investor	Demand Date	Product Type	Demand Amount	Cause Cited for Demand	Potential Liability
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By: _____

Date: _____

Name: _____

Title: _____

LOAN PRODUCTION				
PRODUCT TYPE	FISCAL YEAR ENDING:	FISCAL YEAR ENDING:	YEAR TO DATE AS OF:	12-MONTH PROJECTED PRODUCTION:
	UNITS / \$ VOLUME	UNITS / \$ VOLUME	UNITS / \$ VOLUME	UNITS / \$ VOLUME
FHA / VA	_____	_____	_____	_____
CONVENTIONAL	_____	_____	_____	_____
JUMBO	_____	_____	_____	_____
HELOCS/ SECONDS	_____	_____	_____	_____
PORTFOLIO	_____	_____	_____	_____
NON-QM	_____	_____	_____	_____
TOTALS	_____	_____	_____	_____

FORM OF INDIVIDUAL CREDIT REPORT AUTHORIZATION AND BACKGROUND REPORT

I, _____, as an individual owner or officer of a company applying to become an approved correspondent lender client of Silvergate Bank (the "Bank"), hereby grant continuing authorization to the following activities being conducted by employees or agents of Bank: (a) request and receive my loan, depository and credit information from anyone including creditors and credit reporting agencies; (b) request and receive loan depository and credit information regarding any affiliates and or any business ventures in which I am now or previously associated, from anyone, including creditors and credit reporting agencies; and, (c) request and receive background information from my previous employers; law enforcement agencies; state and or federal agencies; educational institutions; and private information bureaus or repositories. I hereby authorize Bank to (1) use a copy of this authorization for the purpose of obtaining any of the items described above, and (2) share copies of any of the items described above that it obtains with its owners, credit providers, and regulatory authorities, as applicable.

Signature of Individual

Date: _____

DOB: _____

Company Name _____

SS # _____

Home Street Address _____

Home City, State, Zip _____

Home Telephone No. _____

**RESOLUTION OF BOARD OF DIRECTORS
OF**

[Name of Client]

RESOLVED THAT,

_____, the _____, and
(Name) (Title) (Signature)

_____, the _____, and
(Name) (Title) (Signature)

_____, the _____, and
(Name) (Title) (Signature)

_____, the _____, and
(Name) (Title) (Signature)

of this corporation, or any one or more of them or their duly election or appointed successors in office, be and each of them is, authorized and empowered in the name of and on behalf of this corporation and under its corporate seal, from time to time while this resolution is in effect, to originate and sell mortgage loans to Silvergate Bank and to execute all agreements, documents, and to furnish any information required or deemed necessary or proper by Silvergate Bank in connection with the foregoing.

Certification

I HEREBY CERTIFY that the foregoing is a true and correct copy of a resolution that was adopted by the Board of Directors of _____, a _____ corporation on _____, 20____, and that such resolution is duly recorded in the minute book of this corporation; that the officers named in said resolution have been duly elected or appointed to, and are present incumbents of the respective offices set forth after their respective names, and that such resolution remains in full force and effect as of the date hereof.

IN WITNESS HEREOF, I set my hand and affix the seal of said corporation on _____, 20____.

[Corporate Seal]

Secretary

NOTE: Companies not organized as corporations should modify the form above to be consistent with their structure (limited liability company, limited partnership, general partnership, etc.) and its relevant governing documents (articles of organization, operating agreement, partnership agreement, etc.), and have the certification completed by an appropriate authorized person (managing member, general partner, etc.) For further guidance on this please consult your company legal counsel.

NEW LENDER APPLICATION COMPLIANCE CONTROLS QUESTIONNAIRE

***If "Internal Policies and Procedures" is selected, please provide a copy for our review.**

FAIR LENDING

What controls does the company have in place to ensure compliance with existing, new or amended mortgage lending laws and regulations, including but not limited to, high cost home loan/anti-predatory lending laws? (Check all that apply)

- ☐ Training
- ☐ Systems / Technology
- ☐ Internal Policies and Procedures (e.g. QC Plan, Operating Policy and Procedures)*
- ☐ Onsite Reference Copies of Current Published Laws, Regulations & Guidelines
- ☐ Internal or external compliance specialist, management and/or legal counsel
- ☐ Other (please explain) _____

What controls does the company have in place to ensure lending activities, including but not limited to, marketing, advertising, pricing, and underwriting, comply with fair lending laws and regulations? (Check all that apply)

- ☐ Training
- ☐ Systems / Technology
- ☐ Internal Policies and Procedures (e.g. QC Plan, Operating Policy and Procedures)*
- ☐ Onsite Reference Copies of Current Published Laws, Regulations & Guidelines
- ☐ Internal or external compliance specialist, management and/or legal counsel
- ☐ Other (please explain) _____

What controls does the company have in place to ensure lending activities, including but not limited to, loan term, product disclosures and borrower's 'ability to repay' comply with responsible lending regulatory guidance and principles? (Check all that apply)

- ☐ Training
- ☐ Systems / Technology
- ☐ Internal Policies and Procedures (e.g. QC Plan, Operating Policy and Procedures)*
- ☐ Onsite Reference Copies of Current Published Laws, Regulations & Guidelines
- ☐ Internal or external compliance specialist, management and/or legal counsel
- ☐ Other (please explain) _____

What controls does the company have in place to ensure loans are priced in compliance with fair and responsible lending principles such as federal/state/municipal high cost home loan/predatory lending laws, ordinances and regulations? (Check all that apply)

- ☐ Training
- ☐ Systems / Technology
- ☐ Internal Policies and Procedures (e.g. QC Plan, Operating Policy and Procedures)*
- ☐ Onsite Reference Copies of Current Published Laws, Regulations & Guidelines
- ☐ Internal or external compliance specialist, management and/or legal counsel
- ☐ Other (please explain) _____

CONSUMER PRIVACY

What controls does the company have in place to ensure confidential and personal consumer information is safeguarded? (Check all that apply)

- ☐ Training
- ☐ Systems / Technology
- ☐ Internal Policies and Procedures (e.g. QC Plan, Operating Policy and Procedures)*
- ☐ Onsite Reference Copies of Current Published Laws, Regulations & Guidelines
- ☐ Internal or external compliance specialist, management and/or legal counsel
- ☐ Other (please explain) _____

SAFE ACT

What controls does the company have in place to ensure compliance with the Safe Act? (Check all that apply)

- ☐ Training
- ☐ System / Technology (e.g. NMLS)
- ☐ Internal Policies and Procedures (e.g. QC Plan, Operating Policy and Procedures)*
- ☐ Onsite Reference Copies of Current Published Laws, Regulations & Guidelines
- ☐ Internal or external compliance specialist, management and/or legal counsel
- ☐ Other (please explain) _____

APPRAISALS

What controls does the company have in place to ensure appraisal activities, including but not limited to appraiser selection, independence, fee compensation and appraisal availability are in compliance with Regulations B and Z? (Check all that apply)

- ☐ Training
- ☐ System/Technology
- ☐ Internal Policies and or Procedures (e.g. QC Plan, Operating Policy and Procedures)*
- ☐ Appraisal Management Company
- ☐ Other (please explain) _____

MLO COMPENSATION

What controls does the company have in place to ensure compliance with the loan originator compensation rules set forth in Regulation Z and the Truth in Lending Act? (Check all that apply)

- ☐ Training
- ☐ System/Technology
- ☐ Internal Policies and or Procedures (e.g. QC Plan, Operating Policy and Procedures)*
- ☐ Onsite Reference Copies of Current Published Laws, Regulations & Guidelines
- ☐ Other (please explain) _____

THIRD-PARTY SERVICE PROVIDERS & ORIGINATORS

What controls does the company have in place to ensure third party service providers conduct business in compliance with fair lending laws? (Check all that apply)

- ☐ Training
- ☐ Initial & Ongoing Due Diligence & Monitoring
- ☐ Systems / Technology
- ☐ Third-party compliance attestation
- ☐ Other (Please explain) _____

What controls does the company have in place to ensure third party originators comply with MLO compensation rules? (Check all that apply)

- ☐ Training
- ☐ Loan level review
- ☐ QC testing and monitoring
- ☐ Review of Third Party Originator Policy & Procedure Reviews
- ☐ Third Party Originator compliance attestation
- ☐ Contractual Representations and Warrants
- ☐ Other (Please explain) _____

What controls does the company have in place to ensure approved third party originators remain in compliance with the SAFE Act? (Check all that apply)

- ☐ Training
- ☐ Internal Policies and or Procedures (e.g. QC Plan, Operating Policy and Procedures) *
- ☐ System/Technology
- ☐ Loan level reviews
- ☐ Third Party Originator compliance attestation

☐ Other (please explain) _____

CONSUMER COMPLAINTS

What controls does the company have in place to ensure consumer complaints are logged and tracked and handled promptly, fairly, and ethically in compliance with consumer protection laws and regulations? (Check all that apply)

- ☐ Training
- ☐ System / Technology
- ☐ Internal Policies and Procedures (e.g. QC Plan, Operating Policy and Procedures)*
- ☐ Onsite Reference Copies of Current Published Laws, Regulations & Guidelines
- ☐ Internal or external compliance specialist, management and/or legal counsel
- ☐ Other (please explain) _____

ADVERTISING / MARKETING

What controls does the company have in place to ensure advertising and marketing, including but not limited, Internet, mailings, TV and print, are not, false, misleading or deceptive and comply with TILA, state, and other consumer protection regulations? (Check all that apply)

- ☐ Training
- ☐ Internal Policies and Procedures (e.g. QC Plan, Operating Policy and Procedures)*
- ☐ Onsite Reference Copies of Current Published Laws, Regulations & Guidelines
- ☐ Internal or external compliance specialist, management and/or legal counsel
- ☐ Other (please explain) _____

QUALITY CONTROL

What controls does the company have in place to ensure errors are detected, reported, and corrected in compliance with regulatory and investor requirements? (Check all that apply)

- ☐ Training
- ☐ Systems / Technology
- ☐ Internal Policies and Procedures (e.g. QC Plan, Operating Policy and Procedures)*
- ☐ Onsite Reference Copies of Current Published Laws, Regulations & Guidelines
- ☐ Internal or external compliance specialist, management and/or legal counsel
- ☐ Other (please explain) _____

ANTI MONEY LAUNDERING & SUSPICIOUS ACTIVITY REPORT

Does the company have in place a written anti-money laundering program approved by senior management that complies with the final rule published by the U.S. Department of the Treasury's Financial Crimes Enforcement Network requiring non-bank residential lenders to establish an anti-money laundering program and to file suspicious activity reports (SARs) on transaction of \$5,000 or more that the company determines to be suspicious under the Bank Secrecy Act?

☐ Yes ☐ No (Please explain) _____

CROSS-SELLING

Does the company have controls, firewalls, or other safeguards in place regarding the sale of other products or services to a HECM borrower that comply with the prohibitions and exceptions set forth in the Housing and Economic Recovery Act?

☐ Yes ☐ No (Please explain) _____

THE UNDERSIGNED CERTIFIES THAT ALL INFORMATION PROVIDED IS TRUE, CORRECT AND COMPLETE.

COMPANY NAME: _____

DATE: _____

BY: _____

PRINTED NAME: _____

TITLE: _____

Request for Taxpayer Identification Number and Certification

Give Form to the
requester. Do not
send to the IRS.

► Go to www.irs.gov/FormW9 for instructions and the latest information.

Print or type. See Specific Instructions on page 3.	1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.	
	2 Business name/disregarded entity name, if different from above	
	3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes. <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ► _____ Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner. <input type="checkbox"/> Other (see instructions) ► _____	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <i>(Applies to accounts maintained outside the U.S.)</i>
	5 Address (number, street, and apt. or suite no.) See instructions.	Requester's name and address (optional)
	6 City, state, and ZIP code	
	7 List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number									
				-				-	
or									
Employer identification number									
				-					

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here	Signature of U.S. person ►	Date ►
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.



LoanNEX Qualifier™ Sell Side User Agreement

Company Information

Client Legal Name: _____ Corporate NMLS: _____

Address: _____

Form of Legal Entity: _____ State of Legal Formation: _____ # of MLO's _____

Description of Services

The LoanNEX Qualifier is a pricing and eligibility service provided by LoanNEX ("LoanNEX" or the "System") connecting buyers and sellers of whole loan mortgage requests ("Service"). Access to Basic LoanNEX Qualifier Services are free to the Client and their employees ("Users" or "MLOs"). Basic LoanNEX Qualifier Services includes 1) the ability for a user to test loan-level borrower and property details against credit requirements and pricing from approved buy-side counterparties, 2) select a product and price, 3) submit loans for internal review and 4) enables specified users to submit loans externally and/or request and record rate locks with approved buy-side counterparties.

Client and its registered users may input, scenario test and lock an unlimited number of loans and prospective loans on the LoanNEX System. Client agrees that it is the Client's responsibility to manage all aspects of the Client's account and content, including accuracy and completeness of the credit details of each individual borrower and/or loan that is input into the System for pricing and eligibility, and including but not limited to buy-side program access, pricing margins, lender compensation, and user access and authorizations.

Summary of Terms

This Sell-Side User Agreement describes the relationship between Mortgage NEKS, LLC d/b/a LoanNEX ("LoanNEX") and the client identified above, and all related companies with the same Corporate NMLS number, (collectively the "Client") for the Client's use of the products and services identified herein by its employees ("User(s)"). LoanNEX hereby agrees to offer to Client the LoanNEX Qualifier services described herein. Other LoanNEX services requested by Client and not described herein are not covered by this Agreement and will require a separate agreement among the parties. All LoanNEX services are subject to Client agreement and acceptance of the LoanNEX Terms of Use Agreement which is made available on the LoanNEX website: <https://web.loannex.com/terms>.

Client's loan submissions on the System will return pricing only from Client's approved buy-side counterparties that are clients of LoanNEX ("Counterparties"). Client is responsible for identifying their approved Counterparties to LoanNEX. In order to support the process of adding Client Counterparties to the LoanNEX Qualifier, Client authorizes LoanNEX to use the Client's name as a reference in contacting Client Counterparties for consideration of becoming a LoanNEX Qualifier user. Client understands and agrees that its name will be disclosed to approved Counterparties as part of the Service. LoanNEX is not a party to the Counterparty relationships by and between the Client and its Counterparties.

Client Onboarding and User Management

Client Requirements for account set up	<ul style="list-style-type: none"> • Completion of User Setup Documents • Registration by each user including the review and acceptance to the Terms of Use as provided on the LoanNEX website www.loannex.com, ("Registered Users").
Account Management	<ul style="list-style-type: none"> • Client is required to appoint Administrator(s) for managing specific functions and authorizations as required based on specific LoanNEX services being utilized. One or more Administrators will be named as the responsible party for the following functions: <ul style="list-style-type: none"> • Buy-side counterparty management • Account set-up and User-Interface settings • User access and authorizations, including Workflow group assignment and management • User margin adjustments to pricing (lender compensation) • Client is responsible for managing its Registered Users access and settings for the LoanNEX Qualifier Services including communicating all changes to Registered User access. Communication of changes, additions or deletions should be provided by the relevant Administrator via email to support@loannex.com or in writing to Client Support at 16 N. Central Ave, St Louis, MO 63105.
User Registration	<ul style="list-style-type: none"> • User registration is available through the LoanNEX website and can be requested directly by Client employees once the Client account has been established. • Access for each User requires confirmation from the relevant Client Administrator(s) prior to becoming a Registered User and given access to the LoanNEX Qualifier as a User of the Client.
Approved Counterparty Management	<ul style="list-style-type: none"> • Client is responsible for identifying their approved investor Counterparties and updating such information as it may change from time to time. Client acknowledges that it is solely responsible for the management of all Counterparty relationships and the corresponding business processes.

Disclaimers

USE OF THE SERVICES, SYSTEM OR SYSTEM CONTENT IS AT CLIENT'S SOLE RISK. TO THE MAXIMUM EXTENT ALLOWED UNDER APPLICABLE LAW. THE SERVICES, SYSTEM AND ALL CONTENT GENERATED BY OR OTHERWISE ACCESSIBLE FROM THE SYSTEM ("SYSTEM CONTENT") ARE PROVIDED AS-IS AND ON AN AS AVAILABLE BASIS, AND LOANNEX MAKES NO WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE SERVICES, SYSTEM OR SYSTEM CONTENT, OR AS TO ANY USE OF THE SERVICES, SYSTEM OR SYSTEM CONTENT, AND ALL OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED, ARE HEREBY DISCLAIMED, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT OF THIRD PARTY RIGHTS.

Client is responsible for the accuracy of all loan level data and information entered or downloaded into the System ("Loan Data"). LoanNEX does not guarantee the accuracy of any Loan Data, including but not limited to pricing and credit results resulting from the input Loan Data. Accuracy of Loan Data is the sole responsibility of the User that input the data or requested LoanNEX input the data on user's behalf. Although we provide rules for User conduct and postings, we do not control and are not responsible for what Users post on the System and are not responsible for any offensive, inappropriate, obscene, unlawful or otherwise objectionable content you may encounter on the System. LoanNEX is not responsible for the conduct, whether online or offline, of any User. LoanNEX does not guarantee and does not promise any specific results with respect to any Subject Loan or otherwise from the use of the System to sell or buy a loan.

Indemnification

Client agrees to release, hold, harmless and indemnify LoanNEX, and its members, managers, employees, agents and affiliates, from and against any losses, liabilities, costs (including reasonable attorneys' fees) or damages resulting from, arising out of or in connection with (i) Client's use of a Service, the System or System Content, (ii) Client's Loan Data or other content Client posts or shares on or through the System, (iii) Client's reliance on or use of another user's Loan Data, including, without limitation, pricing, and credit requirements and guidelines as provided for on the System, (iv) Client's conduct in connection with the System or with other users of the System, including, without limitation, any transaction involving a Subject Loan, regardless of whether or not such information was input by the User or by LoanNEX; (v) Client's Counterparty relationships and Client agrees LoanNEX is not a party to any agreement between Client and its Counterparties.

Notwithstanding anything to the contrary contained herein or in Terms of Use, LoanNEX acknowledges that it may be furnished with nonpublic personal information and other confidential information ("Information"). LoanNEX agrees that it will not use or disclose such Information other than in the ordinary course of business to carry out the purpose of this Agreement and in any manner prohibited by the Gramm-Leach Bliley Act. In addition, LoanNEX will maintain the security and privacy of the Information in a manner that is consistent with industry standards and no less secure than LoanNEX maintains its own Information.

Current Approved Non-Agency Investors

Investor	Channel	Monthly Volume (approximate)	AE Contact
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	
		\$	

Client Administrator(s) Authorization

Admin Rights – rights to all administrator roles (Enterprise View, User Management and Margin Adjustment) and permissions to add, change or delete Client Administrators from the Client Account

Enterprise View – access to all Account views and activity

User Management – permissions to approve LoanNEX credential request for new User accounts and authorize deactivation of User accounts

Margin Management – rights to communicate margin adjustments to LoanNEX for implementation

Name	Title	Email Address	Telephone	Admin	Ent View	User Mgmt	Margin Mgmt

LoanNEX Qualifier Sell-Side User Agreement Acceptance

Signature below constitutes acceptance for the LoanNEX products and services identified in Description of Services, subject to the terms of this Sell-Side User Agreement.

IN WITNESS THEREOF, the Parties have executed this agreement by and through their duly authorized representatives, as of this ____ day of _____, 202__ (“Effective Date”).

Client: _____

Signature: _____

Print: _____

Title: _____

Date: _____

MortgageNEKS, LLC* d/b/a LoanNEX

Signature: _____

Print: _____

Title: _____

Date: _____

* MortgageNEKS, LLC (“MortgageNEKS”), a Missouri limited liability company, does business as “LoanNEX” and owns the LoanNEX platform and associated services, systems/functionality. MortgageNEKS also asserts its trademark on its proprietary term “LoanNEX™.”

Please remit signed agreement via facsimile to LoanNEX Sales: sales@loannex.com or mail the signed original agreement to:

MortgageNEKS, LLC
16 North Central Avenue,
St. Louis, MO 63105

This Correspondent Loan Purchase Agreement (the “Agreement”) is made by and between
 (“Client”), with its principal place of business located at:

, and Silvergate Bank (“Purchaser”), a California chartered
 commercial bank, with its principal place of business at 4250 Executive Square, Suite 100, La Jolla, CA 92037.

Statement of Purpose

Client is in the business of originating Loans, as defined below, and Client desires to sell and assign, and Purchaser desires to purchase, eligible Loans in accordance with the terms of this Agreement. Accordingly, Client and Purchaser, intending to be legally bound, agree as follows:

Article I – Definitions

Section 1.1 Definitions

As used in this Agreement, the following terms shall have the meanings specified below:

“Accepted Servicing Practices” means those procedures, including prudent collection and loan administration procedures, and the same standard of care employed by prudent mortgage servicers that service mortgage loans of the same type as the Loans in the jurisdictions to which the related Mortgaged Properties are located. Such standard of care shall not be lower than that Client or its designee customarily employs and exercises in servicing and administering similar mortgage loans for its own account and shall be in compliance with Applicable Requirements.

“Adjustable Rate Loan” means a Loan that provides for the adjustment of the Mortgage Interest Rate payable in connection with such Loan.

“Affiliate” with respect to any Person shall mean any other Person directly or indirectly controlling, controlled by or under common control with such Person.

“Agreement” means this Correspondent Loan Purchase Agreement and all exhibits and schedules to this Agreement, as the same may from time to time be amended or supplemented by one or more instruments executed by the Parties.

“Applicable Requirements” shall mean and include with respect to the Loans: (a) all contractual obligations of a Party, including those contractual obligations contained in this Agreement, in any agreement with any Insurer or Investor of which Client was aware or in the Loan Documents for which Client was or is responsible; (b) all applicable federal, state and local legal and regulatory requirements (including statutes, rules, regulations, common law doctrines and ordinances and all applicable provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act and all rules and regulations adopted or implemented thereunder) binding upon a Party, including the federal Real Estate Settlement Procedures Act, the Truth-in-Lending Act and Equal Credit Opportunity Act, in each case as the same may be amended or revised from time to time; (c) all other applicable requirements and guidelines of each governmental agency, board, commission, instrumentality and other governmental body or office having jurisdiction over a Party, including those of any Insurer; and (d) all other applicable final judicial and administrative judgments, orders, stipulations, awards, writs and injunctions applicable to a Party.

“Appraisal Requirements” means the: (a) Appraisal and Valuation Guidelines issued by the Federal Financial Institutions Examination Council, (b) appraisal requirements required by the United States Department of Housing and Urban Development with respect to FHA loans, (c) Appraiser Independence Requirements issued by Fannie Mae, (d) Subtitle F of Title XIV of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 and any rules, regulations, or other requirements issued by the Federal Reserve Board, the Bureau of Consumer Financial Protection, or any other appropriate regulatory authority having jurisdiction over matters relating to appraisals, to implement the provisions thereto, including requirements with respect to whether

appraisal or appraisal management fees are customary and reasonable for purposes of these requirements, (e) Uniform Appraisal Dataset requirements, and (f) any other applicable federal, state and local legal and regulatory requirements and guidance relating to the issuance of appraisal process, as may be amended from time to time.

“Approved Insurer” means an insurance company duly authorized, licensed and/or qualified as such under the laws of the state in which it transacts the applicable insurance business and to underwrite the insurance provided, and (a) with respect to title, hazard, and flood insurance meets Fannie Mae’s minimum insurance carrier rating requirements, or (b) with respect to private mortgage insurance is a Fannie Mae approved mortgage insurer.

“Assignment” means, with respect to a Loan, an individual unrecorded assignment of the Mortgage, notice of transfer or equivalent instrument in recordable form, sufficient under the laws of the jurisdiction wherein the related Mortgaged Property is located to give record notice of the sale of the Mortgage to Purchaser, all in accordance with Applicable Requirements.

“Borrower” means the Person or Persons who are obligated for the repayment of any Loan, whether as a person executing a Mortgage Note, or by guarantee or similar document, and includes all Persons who have pledged any collateral as security for the repayment of such Loan.

“Business Day” means any day other than a Saturday, Sunday, or other day on which banking institutions in the states in which the Parties executive offices are located are required or authorized by law or by executive order to be closed.

“Commission” means The United States Securities and Exchange Commission.

“Confidential Information” means with respect to a Party: (a) information, whether reduced to writing or not, disclosed by such Party or such Party’s or agents, contractors, representatives and/or Affiliates relating to such Party’s product development strategy and activity, corporate assessments and strategic plans, Customer lists, financial and statistical information (past, current and future), accounting information, hardware, firmware, software (including object code and source code), systems, processes, formulae, inventions, product specifications, data, know-how, graphs, samples, research and development (past, current and future), distribution methods (past, current and future), Customer requirements (current and future), price lists, market studies, business plans, marketing plans, marketing methods, discoveries, policies, guidelines, procedures, practices, disputes or litigation; (b) other confidential, proprietary or trade secret information of such Party that is identified in writing (including electronically) as such at the time of its disclosure; all other confidential, proprietary or trade secret information of such Party, which a reasonable person employed in the mortgage industry would recognize as such or is recognized as such under Applicable Requirements; (c) Customer Information; (d) compilations, notes or summaries that contain or reflect Confidential Information; and (e) this Agreement. For purposes herein, the Guide is the Confidential Information of Purchaser. Except with respect to Customer Information, the term Confidential Information shall not include information that (1) is or becomes generally available to the public other than as a result of a disclosure by the receiving Party in breach of this Section; (2) was available or becomes available to a receiving Party on a non-confidential basis prior to or after its disclosure by the disclosing Party or (3) was independently developed by the receiving Party without use of the disclosing Party’s Confidential Information.

“Contracts” means a life of loan, transferable: (a) real estate tax service contract with a tax service contract provider approved by Purchaser on each Loan and such contract is assignable to Purchaser without cost; and (b) flood certification contract for each Loan with an Approved Insurer and such contract is assignable to Purchaser or Purchaser’s designee without cost.

“Customer” means any customer of a Party, including any person who: (a) applies to a Party or an Affiliate thereof, either directly or indirectly, for a financial product or service, including a loan applicant; (b) has obtained any financial product or service from a Party or an Affiliate thereof; and/or (c) has a Loan serviced or subserved by a Party or an Affiliate thereof.

“Customer Information” means any personally identifiable information or records in any form (written, electronic, or otherwise) relating to a Customer, including, but not limited to: (a) a Customer’s name, address, telephone number, loan number, loan payment history, delinquency status, insurance carrier or payment information, tax amount or payment information; (b) the fact that a Customer has a relationship with a Party; and (c) any other personally identifiable information; provided, however, that “Customer Information” shall not mean any such information that a Party has obtained independently and not in connection with this Agreement.

“Damages” means any direct or indirect demand, claim, payment, obligation, action or cause of action, assessment, loss, liability, cost, damage, deficiency or expense, including penalties, interest on any amount payable to a third Person as a result of the foregoing, and any legal or other expense reasonably incurred by Purchaser in connection with investigating, defending, or responding to same, including reasonable attorneys’ fees, accountants’ fees, expert witness fees and related fees and costs.

“Effective Date” means the later of the dates this Agreement is executed by the Client and the Purchaser, as indicated on the signature page of the Agreement.

“Fannie Mae” means the Federal National Mortgage Association, or any successor thereto.

“FHA” means the United States Department of Housing and Urban Development (“HUD”) acting through the Federal Housing Administration.

“FHA Loan” means a Loan that is insured, or is eligible and intended to be insured, by the FHA.

“Freddie Mac” means the Federal Home Loan Mortgage Corporation, or any successor thereto.

“Guide” means Purchaser’s eligibility criteria, policies, procedures and requirements for the purchase of Loans, including its Underwriting Guidelines, which are incorporated into this Agreement by reference and as the same may be amended from time to time in accordance with Section 2.1(b).

“Information Security Program” shall mean Client’s program or programs to: (i) ensure the security and confidentiality of Customer Information; (ii) protect against any anticipated threats or hazards to the security or integrity of the Customer Information; and (iii) protect against unauthorized access to or use of the Customer Information that could result in substantial harm or inconvenience to any Customer.

“Insurance Documents” means insurance policies and related documents, including endorsements affecting the coverage thereof.

“Insurer” means FHA, VA or any other mortgage insurer that insures or guarantees any of the Loans.

“Interagency Guidelines” shall mean the Interagency Guidelines Establishing Standards for Safeguarding Customer Information published on February 1, 2001, as the same may be amended from time to time.

“Investor” means any investor to which or with which Purchaser sells or securitizes Loans. For purposes of this Agreement, an Investor may include Fannie Mae or Freddie Mac.

“Loan Documents” means, with respect to each Loan, the Mortgage, Mortgage Notes, Mortgage Files and Assignments, as well as any other documents required by Purchaser or the Guide.

“Loan” means an individual mortgage loan that is sold pursuant and subject to this Agreement. The term Loan includes, but is not limited to, Adjustable Rate Loans, FHA Loans, and VA Loans.

“Loan Originator” means a person (including an individual or entity, an employee or employer) who, for compensation or other monetary gain, or in expectation of compensation or other monetary gain, arranges, negotiates, or otherwise obtains an applicable extension of credit for another person. This definition includes mortgage brokers, employees of mortgage brokers, employees of lenders, and creditors in table-funded transactions.

“LTV” means the loan-to-value ratio of a Loan.

"MERS" means Mortgage Electronic Registration System, Inc., or its successors and assigns.

"MERS Investor" means the Person named on the MERS® System as the investor pursuant to the MERS Procedures Manual.

"MERS Procedure Manual" means the MERS Procedures Manual, as it may be amended, supplemented or otherwise modified from time to time.

"MERS® System" means the MERS mortgage electronic registry system, as more particularly described in the MERS Procedures Manual.

"Monthly Payment" means the scheduled monthly payment on a Loan due on any due date allocable to principal and/or interest on such Loan pursuant to the terms of the related Mortgage Note.

"Mortgage" means with respect to each Loan, the mortgage, deed of trust or other instrument securing a Mortgage Note, which creates a first lien on an unsubordinated estate in fee simple in real property securing the Mortgage Note, together with any related security agreement or financing statement; except that with respect to real property located in jurisdictions in which the use of leasehold estates for residential properties is a widely-accepted practice, the mortgage, deed of trust or other instrument securing the Mortgage Note may secure and create a first lien upon a leasehold estate of the Mortgagor (subject to the other requirements set forth herein and in the Guide).

"Mortgage File" means the file containing the Loan Documents with respect to a Loan, as well as the credit and closing packages and all required disclosures, custodial documents, servicing documents, escrow documents, mortgage documents and all other files, records and documents necessary to establish the eligibility of the Loans for purchase by Purchaser, insurance by an Insurer or purchase or pooling by an Investor.

"Mortgage Interest Rate" means the annual rate of interest borne on a Mortgage Note in accordance with the provisions of the Mortgage Note, as adjusted from time to time with respect to Adjustable Rate Loans.

"Mortgage Note" means the mortgage note, deed of trust note, security deed note or other form of promissory note executed by a Mortgagor and secured by a Mortgage evidencing the indebtedness of the Mortgagor under a Loan.

"Mortgaged Property" means the one-to-four family residential real estate securing the Mortgage Note, which shall be (a) a fee simple estate in the real property, or (b) a leasehold estate in the real property meeting the Purchaser's underwriting requirements herein and in the Guide, and located in any state of the United States (including all buildings, improvements and fixtures thereon and all accessions thereto including installations of mechanical, electrical, plumbing, heating and air conditioning systems located in or affixed to such buildings and all additions, alterations and replacements made at any time with respect to the foregoing).

"Mortgagor" means any obligor under a Mortgage Note and Mortgage.

"Parties" means Client and Purchaser and "Party" means either Client or Purchaser, as the case may be.

"Person" means an individual, corporation, limited liability company, partnership, commercial banking institution, savings association, other depository institution, joint venture, trust or unincorporated organization or a federal, state, city, municipal or foreign government or an agency or political subdivision thereof.

"Privacy Requirements" means the obligations imposed by: (a) Title V of the Gramm-Leach-Bliley Act, 15 U.S.C. §§ 6801 et seq.; (b) the applicable federal regulations implementing such act and codified at 12 CFR Parts 40, 216, 332, and/or 573; (c) the Interagency Guidelines; and (d) other applicable federal, state and local laws, rules, regulations, and orders relating to the privacy and security of Customer Information, including without limitation the federal Fair Credit Reporting Act, 15 U.S.C. §§ 1681 et seq., and similar state laws.

“Purchase Advice” means the confirmation executed by Client in connection with each Loan purchased by Purchaser from Client hereunder containing certain information relating to each such Loan, including the Purchase Price, said Purchase Advice being either in the form attached hereto as Exhibit A or in such other written or electronic form(s) as the Parties may agree upon.

“Purchase Price” means the amount to be paid by Purchaser to Client in return for the Loan, including the Servicing Rights.

“Recourse” means any arrangement under which Client bears the credit risk relating to a default under or foreclosure of a Loan not owned by Client. Client acknowledges and agrees that its repurchase and indemnification obligations related to breaches of representations, warranties and covenants and to early payment defaults, as well as premium recapture obligations for early payoffs, shall not constitute “recourse” for the purposes of this definition.

“Repurchase Price” shall have the meaning set forth in Section 7.3.

“Sale Date” means the date on which any Loan is sold by Client to Purchaser hereunder.

“Securitization Transaction” means any transaction involving either: (a) a sale or other transfer of some or all of the Loans directly or indirectly to an issuing entity in connection with an issuance of publicly offered or privately placed, rated or unrated mortgage-backed securities; or (b) an issuance of publicly offered or privately placed, rated or unrated securities, the payments on which are determined primarily by reference to one or more portfolios of residential mortgage loans consisting, in whole or in part, of some or all of the Loans.

“Servicing Rights” means the rights and the obligations to administer, collect the payments for the reduction of principal and application of interest, pay taxes and insurance, remit collected payments, provide foreclosure services, provide full escrow administration and any other obligations required by any owner of the Loans, together with the right to receive the servicing fee income and any ancillary income arising from or connected to the Loans. Servicing Rights shall include the related escrow or impound accounts created and maintained by Client with respect to the Loans for the deposit and retention of interest and principal, taxes, assessments or ground rents, hazard, flood and mortgage insurance and other related escrow or custodial items.

“TILA” means the Truth-In-Lending Act, as amended from time to time.

“VA” means the United States Department of Veterans Affairs.

“VA Loan” means a Loan that is guaranteed, or is eligible and intended to be guaranteed, by the VA.

“Whole Loan Transfer” means the sale or transfer by Purchaser of some or all of the Loans in a whole loan format.

Section 1.2 Interpretive Principles

For purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires: (a) all Section, Article, Appendix, Exhibit and Schedule references used herein refer to Sections, Articles, Schedules and Exhibits of this Agreement; (b) the Appendix, Schedules and Exhibits are part of this Agreement; (c) all Section, Article, Exhibit and Schedule headings used herein are for reference purposes only and shall not be deemed to have any substantive effect; (d) any singular term in this Agreement shall be deemed to include the plural, and any plural term the singular; (e) whenever the words “include,” “includes,” or “including” are used in this Agreement, they shall be deemed followed by the words “but not limited to;” (f) all pronouns and variations of pronouns shall be deemed to refer to the feminine, masculine or neuter, singular or plural, as the identity of the Person referred to may require; (g) whenever the words “herein” or “hereunder” are used in this Agreement, they shall be deemed to refer to this Agreement as a whole and not to any specific Section; (h) whenever a dollar figure (\$) is used in this Agreement, it will mean United States dollars unless otherwise specified.; and (i) accounting terms not otherwise defined herein shall have the meanings assigned to them in accordance with United States generally accepted accounting principles.

Article II – Purchase And Sale Of Loans**Section 2.1 Purchase and Sale of Loans**

- (a) Sale of Loans. From time to time during the term of this Agreement, Client may offer to sell, and Purchaser may purchase, all right, title, and interest in and to eligible Loans and the related Servicing Rights in accordance with the terms set forth in this Agreement. Nothing in this Agreement shall be construed as obligating Purchaser to purchase or accept the Assignment of any Loan, including any Loan for which Purchaser has given approval. Purchaser, in its sole discretion, reserves the right to reject any Loan for any reason.
- (b) Eligibility Criteria and Registration Procedures.
 - (i) From time to time during the term of this Agreement, Purchaser shall determine and make known to Client in writing its eligibility criteria and registration procedures for the purchase, acceptance of the Assignment, and making of Loans based on factors such as type of loan, loan limits, LTV, interest rates, points and fees, payment features, documentation requirements, and credit standards. Each such Loan shall conform in all respects to all terms, conditions, representations, warranties and covenants in this Agreement, including the Guide.
 - (ii) For each Loan that Client proposes to sell to Purchaser hereunder, Client shall submit the related Mortgage File to Purchaser. Upon receipt of the Mortgage File, Purchaser will evaluate, in its sole and absolute discretion, whether the Loan meets the Purchaser's eligibility criteria, and will advise Client of its decision. Purchaser's evaluation of whether a Loan meets its eligibility criteria does not constitute re-underwriting such Loan. In agreeing to purchase any Loan the Purchaser will be relying on the representations and warranties of the Client regarding the Loan, and Client acknowledges and agrees that Purchaser would not have entered into this Agreement absent Client's representations and warranties set forth herein, including those relating to Loans.
 - (iii) Purchaser reserves the right to amend the Guide from time to time in its sole and absolute discretion. All updates, amendments and supplements to the Guide and the prospective effective date of such updates, amendments and supplements shall be sent to the Client by written notification or by means of an In Focus Bulletin and/or Flash Update, which will also be posted on the Purchaser's website, provided that the effective date of any update, amendment, or supplement associated with changes in federal, state, or local legal and regulatory requirements may be retroactive if so mandated by such requirements. In the event of any conflict between the provisions of this Agreement and the Guide, the provisions of the Guide shall control.
- (c) Closing. All Loans submitted by Client for purchase consideration will be on forms acceptable to Purchaser and closed, if applicable, in accordance with the terms and conditions set forth herein by settlement agents that maintain errors and omissions insurance policies reasonably acceptable to Client and sufficient to indemnify Client against losses due to the settlement agent's negligence, misconduct and/or failure to follow written closing instructions.
- (d) Client Shall Fund. At the settlement for each Loan, Client shall fund the Loan from a warehouse line, including any warehouse line that may be provided by Purchaser.
- (e) Delivery Requirements. Client shall be obligated to deliver each Loan to Purchaser that Client locks with Purchaser if: (i) Client actually closes the Loan or causes the Loan to be closed with a third Person; and (ii) Purchaser has not rejected such Loan for purchase.
- (f) Client to Close, Etc. Client shall be solely responsible for handling the closing and funding of each Loan.
- (g) Contracts. At the settlement of each Loan on the Sale Date, Client shall assign the Contracts to Purchaser or Purchaser's designee. If Client elects not to order the Contracts on any Loan, Purchaser shall order such contracts on behalf of Purchaser and the related costs associated therewith shall be deducted from the Purchase Price of such Loan. Any such amounts deducted from the Purchase Price shall result in forgiveness of certain debt due from Client to Purchaser and therefore constitute valuable consideration

paid to Client in the amount of such deduction. Such forgiveness, together with the remainder of the purchase proceeds, constitutes payment to Client of the Purchase Price. Any such deduction and forgiveness of debt by Purchaser shall not in any way waive or forgive any other indebtedness due Purchaser by Client and shall not waive any other rights due or remedies available to Purchaser under such applicable agreement or under this Agreement.

Section 2.2 Purchase Price

- (a) **Determination of Purchase Price.** The Purchase Price for the sale, transfer, conveyance and assignment of each Loan shall be determined in the manner set forth in the Purchase Advice.
- (b) **Payment of Purchase Price.** Purchaser shall pay to Client (or to Client's warehouse lender pursuant to a bailee letter in form and substance acceptable to Purchaser in its sole discretion) the Purchase Price relating to each Loan sold by Client to Purchaser under the terms of this Agreement on the applicable Sale Date by wire transfer in immediately available funds. On each such Sale Date, Client does hereby sell, transfer, assign and set over unto Purchaser all of its rights, title and interest in and to the Loans set forth on the related Purchase Advice.
- (c) **Corrections.** If, within sixty (60) day after the applicable Sale Date, Client: (i) determines that the principal balance of any Loan used in computing the amount of the Purchase Price is incorrect; or (ii) discovers any item that has a material effect upon the Purchase Price, the Parties shall work together to adjust the Purchase Price promptly, and adjustments shall be made to the appropriate Party.

Article III – General Representations, Warranties and Covenants of Client

As an inducement to Purchaser to enter into this Agreement and to consummate each sale hereunder, Client represents and warrants to Purchaser, and covenants with Purchaser, as follows (it being acknowledged that each such representation and warranty is made to Purchaser as of both the Effective Date and each Sale Date and the covenants shall be complied with at all times):

Section 3.1 Due Organization and Good Standing

Client is and shall continue to be duly organized, validly existing and in good standing under the laws of its state of organization during the time of its activities with respect to the making and selling of the Loans. Client has and shall continue to maintain in full force and effect all licenses, registrations and certifications in all appropriate jurisdictions to conduct all activities performed with respect to the making and selling of the Loans. Client is approved by and in good standing with each Insurer and is a member of MERS in good standing. Client meets any and all of the eligibility criteria specified in writing by Purchaser to Client.

Section 3.2 Authority and Capacity

Client has all requisite power, authority and capacity to enter into this Agreement and to perform its obligations hereunder. The execution and delivery of this Agreement, and any related agreements or instruments and the consummation of the transactions contemplated hereby and thereby, each has been duly and validly authorized by all necessary corporate action. This Agreement and any related agreements or instruments each constitutes a valid and legally binding agreement of Client enforceable in accordance with its terms, subject to bankruptcy, insolvency and similar laws affecting generally the enforcement of creditor's rights and the discretion of a court to grant specific performance of contracts.

Section 3.3 Effective Agreement

The execution, delivery and performance of this Agreement, and any related agreements or instruments, by Client, its compliance with the terms hereof and thereof, and consummation of the transactions contemplated hereby and thereby, do not and will not violate, conflict with, result in a breach of, constitute a default under, be prohibited by, or require any additional approval under its articles of incorporation, bylaws, or other governing documents, or any instrument or agreement to which it is a party or by which it is bound or which

affects the purchase, pooling or servicing of the Loans, or any Applicable Requirement relating thereto or to the origination, making, pooling or servicing of the Loans.

Section 3.4 Compliance with Contracts and Regulations

Client and each of its officers, employees, contractors and agents has complied with all Applicable Requirements with respect to the conduct of its business.

Section 3.5 Litigation

There is no litigation, proceeding, claim, demand or governmental investigation pending or, to the knowledge of Client, threatened, nor is there any order, injunction or decree outstanding against or relating to Client, which could have a material adverse effect upon any of the Loans, result in liability to Purchaser or materially impair the ability of Client to perform its obligations hereunder, nor does Client know of any basis for any such litigation, proceeding, claim or demand or governmental investigation. Client is not in default with respect to any order of any court, governmental authority or arbitration board or tribunal to which Client is a party or is subject, and Client is not in violation of any laws, ordinances, governmental rules or regulations to which it is subject.

Section 3.6 Statement Made

No representation, warranty or written statement made by Client in connection with this Agreement or in any schedule, exhibit, report, Mortgage File, written statement or certificate furnished to Purchaser in connection with the transactions contemplated hereby by Client, contains, or will contain, any untrue statement of a material fact or omits, or will omit, to state a material fact necessary to make the statements contained herein or therein not misleading. The information contained in the application of Client to Purchaser for approval to sell Loans continues to be true, accurate and complete in all material respects, except as otherwise disclosed in writing to Purchaser.

Section 3.7 Solvency

Client does not believe, nor does it have any reason or cause to believe, that it cannot perform each and every covenant contained in this Agreement. Client is solvent and the sale of the Loans will not cause Client to become insolvent. The sale of the Loans is not undertaken with the intent to hinder, delay or defraud any of Client's creditors.

Section 3.8 Selection Process

The Loans were selected from among the outstanding mortgage loans in Client's portfolio being offered for sale as to which the representations and warranties set forth in Article IV could be made and such selection was not made in a manner so as to adversely affect the interests of Purchaser.

Section 3.9 Sale Treatment

The disposition of the Loans pursuant to this Agreement will be treated by Client for financial accounting and reporting purposes and for tax purposes as a sale of assets.

Section 3.10 Fair Consideration

The consideration to be received by Client upon the sale of the Loans under this Agreement constitutes fair consideration and reasonably equivalent value therefore.

Section 3.11 No Consent Required

No consent, approval, authorization or order, or registration or filing with, or notice to any court or governmental agency or body is required for the execution, delivery and performance by Client of or compliance by Client with this Agreement or the Loans, the delivery of any portion of the Mortgage Files to Purchaser or the sale of the Loans or the consummation of the transactions contemplated by this Agreement, or if required, such consent, approval, authorization or order has been obtained prior to the related Sale Date.

Article IV – Specific Representations and Warranties as to the Loans

As further inducement to Purchaser to enter into this Agreement and to consummate the purchases of Loans hereunder, Client represents and warrants to Purchaser as follows (it being acknowledged that each such representation and warranty is made to Purchaser as of each Sale Date):

Section 4.1 Loan Requirements

Each Loan conforms to the specifications set forth by this Agreement and by the Guide, Purchaser and Insurer regulations, rules, guides and handbooks for loans eligible for sale to, insurance by or pooling to back securities issued or guaranteed by, Purchaser or Insurer. Client has approved each Loan under its own specifications and underwriting requirements, which at a minimum comply with the foregoing requirements.

Section 4.2 Enforceability of Loan

The Loan is not subject to any right of rescission, set off, counterclaim or defense, including the defense of usury, nor will the operation of any of the terms of the Mortgage Note or the Mortgage, or the exercise of any right thereunder, render either the Mortgage Note or the Mortgage unenforceable, in whole or in part, or subject to any right of rescission, set-off, counterclaim or defense, including the defense of usury, as a result of any act, error or omission of Client or of any other Person.

Section 4.3 Payments and Advances

Client has not advanced funds, or induced, solicited or knowingly received any advance of funds by a Person other than the Mortgagor, excluding payment by the Client for an appraisal of the Mortgaged Property, directly or indirectly, for the payment of any amount required under or to obtain the Loan. The Mortgagor has made any down payment required in connection with the Loan in accordance with all Applicable Requirements, and has received no concession from Client, the Client of the Mortgaged Property or any other third Person, except as clearly disclosed in writing to Purchaser.

Section 4.4 Regulatory Compliance

Any and all Applicable Requirements relating to the Loan have been satisfied, and Client shall maintain in its possession, available for Purchaser's inspection, and shall deliver to Purchaser upon reasonable demand, evidence of compliance with all such Applicable Requirements.

Section 4.5 Mortgage Insurance

There are no defenses, counterclaims, or rights of setoff, or other facts or circumstances affecting the eligibility of the Loans for insurance by an Insurer, or affecting the validity or enforceability of any mortgage insurance or mortgage guaranty with respect to the Loan as a result of any act, error or omission of Client or of any other Person (excluding Purchaser).

Section 4.6 Damage; Condemnation

There is no proceeding pending for the total or partial condemnation of the Mortgaged Property and such Mortgaged Property is undamaged by waste, fire, earthquake or earth movement, windstorm, flood, tornado or other casualty, so as to affect adversely the value of the Mortgaged Property as security for the Loan, the use for which the premises were intended or the eligibility of the Loan for full payment of insurance benefits, and there are no pending or threatened proceedings for total or partial condemnation of the Mortgaged Property.

Section 4.7 Type of Mortgaged Property

The Mortgaged Property consists of a single parcel of real property with a detached single-family residence erected thereon, or a two to-four family dwelling, a townhouse, or an individual condominium unit in a condominium, or an individual unit in a planned unit development; provided, however, that any condominium unit or planned unit development conforms with Insurer requirements with respect to such dwellings, and that no residence or dwelling is a manufactured or mobile home.

Section 4.8 Good Title

Subject only to liens of Client's warehouse lenders, the Loan is not assigned or pledged, and Client has good and marketable title thereto, without any basis for forfeiture thereof, and Client is the sole owner and holder of the Loan free and clear of any and all liens, pledges, charges of security interests of any nature and has full right and authority, subject to no interest or participation of, agreement with, or approval of, any other Person, to sell, assign and transfer the same pursuant to this Agreement.

Section 4.9 Mortgage File

The Mortgage File contains each of the Loan Documents and each of the documents and instruments required by this Agreement, the Guide, Applicable Requirements or Insurer requirements, in each case duly executed and in due and proper form and each such document or instrument is genuine and in form acceptable to Purchaser, and Insurers and the information contained therein is true, accurate and complete.

Section 4.10 Occupancy

With respect to any Mortgage Loan originated with an "owner-occupied" Mortgaged Property, the Mortgagor represented at the time of origination of the Mortgage Loan that the Mortgagor would occupy the Mortgaged Property as the Mortgagor's primary residence.

Section 4.11 No Outstanding Charges

There are no defaults in complying with the terms of the Loan, and all taxes, governmental assessments, insurance premiums, water, sewer and municipal charges, leasehold payments or ground rents which previously became due and owing have been paid, or an escrow of funds or a tax and insurance set-aside has been established in an amount sufficient to pay for every such item which remains unpaid and which has been assessed but is not yet due and payable.

Section 4.12 Original Terms Unmodified

The terms of the Mortgage Note and Mortgage have not been impaired, waived, altered or modified in any respect, except by a written instrument that has: (a) been recorded, if necessary to protect the interests of Purchaser; and (b) been delivered to the Purchaser. The substance of any such waiver, alteration or modification has been approved by the issuer of any related mortgage insurance and the title insurer, to the extent required by the policy, and its terms are reflected on Fannie Mae Submission Schedule (form 928), as applicable.

Section 4.13 No Satisfaction of Mortgage

The Mortgage has not been satisfied, canceled, subordinated or rescinded, in whole or in part, and the Mortgaged Property has not been released from the lien of the Mortgage, in whole or in part, nor has any instrument been executed that would effect any such release, cancellation, subordination or rescission. Client has not waived the performance by the Mortgagor of any action, if the Mortgagor's failure to perform such action would cause the Loan to be in default, nor has Client waived any default resulting from any action or inaction by the Mortgagor.

Section 4.14 Valid Lien

With respect to a Loan that Client purports to be a first lien Loan, the Mortgage creates a valid, subsisting enforceable and perfected first lien on the Mortgaged Property including all buildings on the Mortgaged Property and all installations and mechanical, electrical, plumbing, heating and air conditioning systems located in or annexed to such buildings, and all additions, alterations and replacements made at any time with respect to the foregoing. The lien of the Mortgage is subject only to:

- (a) the lien of current real property taxes and assessments not yet due and payable;
- (b) covenants, conditions and restrictions, rights of way, easements and other matters of the public record as of the date of recording acceptable to mortgage lending institutions generally and specifically referred to

in the lender's title insurance policy delivered to the Originator of the Loan and (i) referred to or otherwise considered in the appraisal relating to the Loan; or (ii) that do not adversely affect the Appraised Value of the Mortgaged Property set forth in such appraisal; and

- (c) other matters to which like properties are commonly subject which do not materially interfere with the benefits of the security intended to be provided by the Mortgage or the use, enjoyment, value or marketability of the related Mortgaged Property.

Section 4.15 Documents Genuine; No Fraud

The Mortgage Note and the Mortgage are genuine, and each is the legal, valid and binding obligation of the maker thereof enforceable in accordance with its terms. All parties to the Mortgage Note and the Mortgage and any other related agreement had legal capacity to enter into the Loan and to execute and deliver the Mortgage Note and the Mortgage and any other related agreement, and the Mortgage Note and the Mortgage have been duly and properly executed by such Persons. The documents, instruments and agreements submitted for loan underwriting were not falsified and contain no untrue statement of material fact or omit to state a material fact required to be stated therein or necessary to make the information and statements therein not misleading. No error, omission, negligence, misrepresentation, fraud, identity theft, or similar occurrence has taken place on the part of Client, the Mortgagor, any Loan Originator of such Loan, or any other Person (excluding Purchaser), including without limitation, any appraiser, any builder or developer, or any other party involved in the origination of the Loan or in the application for any insurance in relation to such Loan.

Section 4.16 Full Disbursement of Proceeds

The proceeds of the Loan have been fully disbursed and there is no requirement for future advances thereunder, and any and all requirements as to completion of any on-site or off-site improvement and as to disbursements of any escrow funds therefor have been complied with. All costs, fees and expenses incurred in making or closing the Loan and the recording of the Mortgage were paid, and the Mortgagor is not entitled to any refund of any amounts paid or due under the Mortgage Note or Mortgage.

Section 4.17 Title Insurance

Each Loan is covered by an ALTA lender's title insurance policy, issued by an Approved Insurer, insuring Client, its successors and assigns, as to the first priority lien of the Mortgage with respect to a Loan purported by Client to be a first lien Loan, in the original principal amount of the Loan, and against any loss by reason of the invalidity or unenforceability of the lien resulting from the provisions of the Mortgage providing for adjustment in the Mortgage Interest Rate and Monthly Payment with respect to each Adjustable Rate Loan, subject only to the exceptions contained in clauses (a) and (b) of Section 4.14. Where required by state law or regulation applicable to Client, the Mortgagor has been given the opportunity to choose the carrier of the required mortgage title insurance. Additionally, such lender's title insurance policy affirmatively insures ingress and egress, and against encroachments by or upon the Mortgaged Property or any interest therein. Client is the sole insured of such lender's title insurance policy, and such lender's title insurance policy is in full force and effect and will be in force and effect upon the consummation of the transactions contemplated by this Agreement. No claims have been made under such lender's title insurance policy, and no prior holder of the Mortgage, including Client, has done, by act or omission, anything that would impair the coverage of such lender's title insurance policy.

Section 4.18 Hazard Insurance

For each Loan, pursuant to the terms of the Mortgage, all buildings or other improvements upon the Mortgaged Property are insured by an Approved Insurer against loss by fire, hazards or extended coverage and such other hazards as are customary in the area where the Mortgaged Property is located. Borrower must obtain coverage in an amount which is equal to the full insurable value of the improvements on the Mortgaged Property. The policy must either include provisions for inflation adjustments or guaranteed replacement cost coverage of the Mortgaged Property. In the case of flood insurance, Borrower must obtain

the maximum amount of insurance coverage, based on the property value, that is required under The National Flood Insurance Act of 1968 and The Flood Disaster Protection Act of 1973, and any amendments to either Act. If, upon origination of the Loan, the Mortgaged Property was in an area identified in the Federal Register by the Federal Emergency Management Agency as having special flood hazards (and such flood insurance has been made available), a flood insurance policy meeting the requirements of the current guidelines of the Federal Insurance and Mitigation Administration is in effect, which policy conforms to all Applicable Requirements. All individual insurance policies contain a standard mortgagee clause naming Client and its successors and assigns as mortgagee, and all premiums thereon have been paid. The Mortgage obligates the Mortgagor thereunder to maintain the hazard insurance policy at the Mortgagor's cost and expense, and on the Mortgagor's failure to do so, authorizes the holder of the Mortgage to obtain and maintain such insurance at such Mortgagor's cost and expense, and to seek reimbursement therefore from the Mortgagor. Where required by state law or regulation applicable to Client, the Mortgagor has been given an opportunity to choose the carrier of the required hazard insurance, provided the policy is not a "master" or "blanket" hazard insurance policy covering the common facilities of a planned unit development. The hazard insurance policy is the valid and binding obligation of the issuing insurer, is in full force and effect, and will be in full force and effect and inure to the benefit of Purchaser upon the consummation of the transactions contemplated by this Agreement. Client has not engaged in, and has no knowledge of the Mortgagor's having engaged in, any act or omission which would impair the coverage of any such policy, the benefits of the endorsement provided for herein, or the validity and binding effect of either.

Section 4.19 No Default

There is no default, breach, violation or event of acceleration existing under the Mortgage or the Mortgage Note and no event that, with the passage of time or with notice and the expiration of any grace or cure period, would constitute a default, breach, violation or event of acceleration, and neither Client nor its predecessors have waived any default, breach, violation or event of acceleration.

Section 4.20 No Mechanics' Liens

There are no mechanics' or similar liens or claims that have been filed for work, labor or material (and no rights are outstanding that under the law could give rise to such liens) affecting the related Mortgaged Property that are or will be equal in rank or superior to the lien of the Mortgage.

Section 4.21 Location of Improvements; No Encroachments

All improvements that were considered in determining the appraised value of the Mortgaged Property lay wholly within the boundaries and building restriction lines of the Mortgaged Property and no improvements on adjoining properties encroach upon the Mortgaged Property. No improvement located on or constituting a part of the Mortgaged Property is in violation of any applicable zoning law or regulation.

Section 4.22 Customary Provisions

The Mortgage contains customary and enforceable provisions such as to render the rights and remedies of the holder thereof adequate for the realization against the Mortgaged Property of the benefits of the security provided thereby, including: (a) in the case of a Mortgage designated as a deed of trust, by trustee's sale; and (b) otherwise by judicial foreclosure. Upon default by a Mortgagor on a Loan and foreclosure on, or trustee's sale of, the Mortgaged Property pursuant to the proper procedures, the holder of the Loan will be able to deliver good and merchantable title to the Mortgaged Property. There is no homestead or other exemption available to a Mortgagor that would interfere with the right to sell the Mortgaged Property at a trustee's sale or the right to foreclose the Mortgage, subject in each case to applicable federal and state laws and judicial precedents with respect to bankruptcy and rights of redemption.

Section 4.23 No Additional Collateral

The Mortgage Note is not and has not been secured by any collateral except the lien of the corresponding Mortgage and the security interest of any applicable security agreement or chattel mortgage.

Section 4.24 Deeds of Trust

In the event the Mortgage constitutes a deed of trust, a trustee, duly qualified under Applicable Requirements to serve as such, has been properly designated and currently so serves and is named in the Mortgage, and no fees or expenses are or will become payable by Purchaser to the trustee under the deed of trust, except in connection with a trustee's sale after default by the Mortgagor.

Section 4.25 Acceptable Investment

Except as noted in writing by Client to Purchaser, Client does not know of any circumstances or conditions with respect to the Mortgage, the Mortgaged Property, the Borrower, the Mortgagor or the Borrower's or Mortgagor's credit standing that could be reasonably expected to cause: (a) an Investor to regard the Loan as an unacceptable investment; or (b) the Loan to become delinquent or adversely affect the value or marketability of the Loan.

Section 4.26 Due on Sale

The Mortgage contains an enforceable provision for the acceleration of the payment of the unpaid principal balance of the Loan in the event that the Mortgaged Property is sold or transferred without the prior written consent of the Mortgagee thereunder.

Section 4.27 No Buydown Provisions; No Graduated Payments or Contingent Interests

The Loan does not contain provisions pursuant to which monthly payments are paid or partially paid with funds deposited in any separate account established by Client, the Mortgagor or any other Person on behalf of the Mortgagor, or paid by any source other than the Mortgagor nor does it contain any other similar provisions currently in effect which may constitute a buydown. The Loan is not a graduated payment mortgage loan and the Loan does not have a shared appreciation or other contingent interest feature.

Section 4.28 Origination and Collection Practices

The origination, servicing and collection practices used with respect to the Loan have been in accordance with Accepted Servicing Practices and the terms of the Loan Documents, this Agreement, the Guide and all Applicable Requirements, and have been in all respects legal, proper and prudent in the mortgage origination and servicing business. All applicable disclosures have been provided to the Mortgagor in accordance with Applicable Requirements. All Mortgage Interest Rate adjustments have been made in compliance with Applicable Requirements and the terms of the related Mortgage and Mortgage Note on the related adjustment date. Client executed and delivered any and all notices required under Applicable Requirements and the terms of the related Mortgage Note and Mortgage regarding the Mortgage Interest Rate and any payment adjustments. The terms of the Loan do not require the owner of the Loan to make escrow payments on behalf of the Mortgagor. All escrow deposits and escrow payments, if any, are in the possession of, or under the control of, Client and have been collected and handled in full compliance with RESPA and other Applicable Requirements. No escrow deposits or escrow payments or other charges or payments due Client have been capitalized under the Mortgage Note.

Section 4.29 Appraisal; Loan-to-Value Ratio

For each Loan, the Mortgage File submitted to Purchaser for approval contains an appraisal of the related Mortgage Property by a qualified appraiser, duly appointed by Client, who had no interest, direct or indirect in the Mortgaged Property or in any loan made on the security thereof; and whose compensation is not affected by the approval or disapproval of the Loan, and the actions of Client in the mortgage appraisal process, the appraisal and the appraiser satisfy the Appraisal Requirements, and all other Applicable Requirements, all as in effect on the date the Loan was originated. The Appraised Value provides an accurate estimate of bona fide market value of the Mortgaged Property and was prepared by a qualified appraiser with no direct or indirect interest in the Mortgaged Property. Client has no knowledge of any circumstances or condition which might indicate that the appraisal is incomplete or inaccurate. The appraisal was obtained in a manner consistent with and otherwise complies with Applicable Requirements and the Appraisal Requirements, and the appraisal

and appraiser both satisfy the Appraisal Requirements in all respects. The actual LTV of each Loan will not exceed the maximum amount permitted under this Agreement, by the Guide or by Insurers for such Loan.

Section 4.30 Environmental Matters

The Mortgaged Property is free from any and all toxic or hazardous substances and there exists no violation of any local, state or federal environmental law, rule or regulation.

Section 4.31 Conversion to Fixed Interest Rate

With respect to each Adjustable Rate Loan, the Mortgage Note does not contain a provision permitting or requiring conversion to a fixed interest rate Loan.

Section 4.32 Recourse

Except as expressly indicated in writing by Client to Purchaser in connection with a specific Loan to be sold by Client to Purchaser under this Agreement, no Loan shall be sold hereunder with Recourse.

Section 4.33 Tax Service Contract

Unless Purchaser has agreed otherwise, Client has obtained a life of loan, transferable real estate tax service contract with a tax service contract provider approved by Purchaser on each Loan and such contract is assignable to Purchaser without cost.

Section 4.34 Flood Certification Contract

Unless Purchaser has agreed otherwise, Client has obtained a life of loan, transferable flood certification contract for each Loan with an Approved Insurer and such contract is assignable to Purchaser or Purchaser's designee without cost.

Section 4.35 Origination/Doing Business

All Persons (excluding Purchaser) that have had any interest in the Loan, whether as mortgagee, assignee, pledgee or otherwise, are (or, during the period in which they held and disposed of such interest, were): (a) in compliance with any and all applicable licensing requirements of the laws of the state wherein the Mortgaged Property is located; (b) in compliance with any qualification requirements, including those requirements imposed by the FHA or VA, as applicable; and (c) either: (i) organized under the laws of such state wherein the Mortgaged Property is located; (ii) qualified to do business in such state; (iii) federal savings and loan associations or national banks having principal offices in such state; or (iv) not doing business in such state.

Section 4.36 Transfer of Loans

In connection with the Assignment of each Loan, (a) Client has designated MERS as, and has taken or will take such action as is necessary to cause MERS to be, the mortgagee of record, as nominee for Purchaser, in accordance with MERS Procedure Manual; and (b) Client has designated or will designate Purchaser as the MERS Investor on the MERS® System.

Section 4.37 Loan Closing and Funding

The Loan was closed and funded in Client's name at least three (3) days prior to the related Sale Date. If the Loan is reportable under the federal Home Mortgage Disclosure Act, Client will include such Loan in its Loan Application Register under such act.

Section 4.38 Servicemembers Civil Relief Act

The Mortgagor has not notified Client, and Client has no knowledge, of any relief requested or allowed to the Mortgagor under the Servicemembers Civil Relief Act of 2003.

Section 4.39 Texas Refinance Mortgage Loans

Each Loan originated in the state of Texas pursuant to Article XVI, Section 50(a)(6) of the Texas Constitution has been originated in accordance with the provisions of Article XVI, Section 50(a)(6) of the Texas Constitution, Texas Civil Statutes and the Texas Finance Code, and any amendments thereto.

Section 4.40 No Denial of Insurance

No action, inaction, or event has occurred and no state of fact exists or has existed that has resulted or will result in the exclusion from, denial of, or defense to coverage under any applicable pool insurance policy, special hazard insurance policy, private mortgage insurance, or any other mortgage insurance policy, or bankruptcy bond, irrespective of the cause of such failure of coverage.

Article V – General Representations and Warranties of Purchaser

As an inducement to Client to enter into this Agreement, Purchaser represents and warrants to Client as follows (it being acknowledged that each such representation and warranty is made to Client as of both the date of execution hereof and each Sale Date):

Section 5.1 Due Incorporation and Good Standing

Purchaser is a commercial banking corporation duly organized, validly existing and in good standing under the laws of the state of California. Purchaser is qualified to transact business in each jurisdiction in which such qualification is necessary.

Section 5.2 Authority and Capacity

Purchaser has all requisite corporate power, authority and capacity to enter into this Agreement and to perform the obligations required of it hereunder. The execution and delivery of this Agreement, and the consummation of the transactions contemplated hereby, each have been duly and validly authorized by all necessary corporate action. This Agreement constitutes a valid and legally binding agreement of Purchaser enforceable in accordance with its terms, except as may be limited by bankruptcy, insolvency, or other laws or equitable principles affecting the enforcement of creditor's rights generally.

Section 5.3 Effective Agreement

Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby, nor compliance with its terms and conditions, shall violate, conflict with, result in the breach of, or constitute a default under, be prohibited by, or require any additional approval under any of the terms, conditions or provisions of Purchaser's organizational documents, or of any mortgage, indenture, deed of trust, loan or credit agreement or instrument to which Purchaser is now a party or by which it is bound, or of any order, judgment or decree of any court or governmental authority applicable to Purchaser.

Article VI – Covenants**Section 6.1 Delivery of Documents**

Client agrees to perform, at its sole cost and expense, all acts necessary to transfer marketable title to the Loans to Purchaser, and shall sell, assign and deliver to Purchaser as part of the Mortgage File with respect to the purchase of each such Loan, the documents identified in Section 4.9, all subject to the approval of Purchaser and its legal counsel as to proper form and execution. All Loan Documents relating to the Loans and all other documents required to be delivered to Purchaser by Client pursuant to this Section 6.1 that are in the possession or control of Client and are not delivered to Purchaser, if any, are and shall be held by Client in trust for the benefit of Purchaser. In the event any such original documents have not been delivered to Purchaser prior to the close of business on the third month anniversary of the Sale Date, Client shall provide Purchaser with monthly reports detailing the location of each such document and the steps being taken by Client to obtain possession thereof; provided, however, that in the event any such document has not been

delivered to Purchaser prior to the close of business on the four (4) month anniversary of the Sale Date, Client shall, upon written demand of Purchaser, repurchase the related Loan, in the manner and fashion contemplated by Section 7.3 for a breach of a representation and warranty. However, if an Investor, recording office or municipality is solely responsible for a missing or trailing Loan Document, Client shall give satisfactory written evidence thereof to Purchaser together with a representation that Client is diligently trying to obtain such Loan Documents from such entity.

Section 6.2 Attorney-in-Fact; Limited Power of Attorney

Client hereby irrevocably appoints Purchaser as its true and lawful attorney, with full power of substitution, in its name and stead and on its behalf, for the limited purpose of taking any action with respect to, or effectuating any further sale, assignment, transfer or delivery of, any Loan, Mortgage Instrument, Mortgage Note, or Mortgaged Property or any part thereof or any interest therein, Client is hereby ratifying and confirming all that such attorney or any substitute shall lawfully do by virtue hereof. If so requested by Purchaser, or any successor or assign of Purchaser, Client shall ratify and confirm any such action, sale assignment, transfer or delivery by executing and delivering all such instruments and other documents as may be designated in any such request. Client authorizes and empowers Purchaser to endorse in the name of Client any checks, drafts or other orders payable to Client for application to the respective Mortgage Loan in accordance with this Agreement and the Limited Power of Attorney attached hereto as Exhibit B.

Section 6.3 Interim Servicing; Servicing Transfer Notices

To the extent Client services a Loan after the related Sale Date, Client (or its designee, which designee shall be approved in writing by Purchaser) shall service the Loan in conformance with all Accepted Servicing Practices and Applicable Requirements until such time as the servicing of such Loan is transferred to Purchaser or its designee. Client shall promptly follow Purchaser's instructions regarding transferring any such servicing. Client shall, at its expense, mail the approved form of notification to Mortgagors under the Loans of the transfer of Loan ownership and Servicing Rights and instruct the Mortgagors to deliver all mortgage and related payments and all tax and insurance notices to Purchaser after the Sale Date.

Section 6.4 Supplementary Information; Further Assurances

From time to time prior to and after the Sale Date, Client shall furnish to Purchaser such information supplementary to the information contained in the documents and schedules delivered pursuant hereto which is reasonably available to Client as Purchaser may reasonably request or which may be necessary to enable Purchaser to file any reports due in connection with the Loans or Servicing Rights or to determine the continuing eligibility of Client to sell Loans to Purchaser. Client shall, at any time and from time to time, promptly, upon the reasonable request of Purchaser or its representatives, execute, acknowledge, deliver or perform all such further acts, deeds, assignments, transfers, conveyances, and assurances as may be required hereunder or under any Applicable Requirements.

Section 6.5 Confidential Information

- (a) In General. Neither Party shall make use of, disseminate or in any way disclose any Confidential Information of the other Party or its Affiliates, except as necessary to perform its obligations under this Agreement or as may be required by Applicable Requirements or with the express written authorization of the disclosing Party or its Affiliates, and each shall keep Confidential Information confidential and will ensure that its Affiliates, employees, agents, and representatives who have access to such Confidential Information comply with this non-disclosure obligation. Each Party shall maintain appropriate physical, electronic, technical, and procedural safeguards to receive, store, dispose of (if applicable), and secure all Confidential Information to protect it from unauthorized access, use, disclosure, alteration, loss, and destruction, and to protect against any anticipated threats or hazards to the security or integrity of such records or information which could result in substantial harm or inconvenience to any Customer of a Party. The safeguards used by each Party to protect Confidential Information of the other Party shall be no less than those used by such Party to protect its own Confidential Information.

- (b) Privacy of Customer Information. Except as otherwise agreed by the Parties and permitted by the Privacy Requirements, each Party shall use Customer Information of the other Party only for the express purposes set forth in this Agreement and disclose Customer Information of the other Party to third Persons only as necessary to implement the provisions hereof in a manner consistent with the Privacy Requirements. Each Party shall maintain at all times an Information Security Program. Each Party shall assess, manage, and control risks relating to the security and confidentiality of all Customer Information, and shall implement the standards relating to such risks in the manner set forth in the Privacy Requirements. Each Party shall comply with the Privacy Requirements applicable to such Party.

Section 6.6 Notice

Client shall give prompt written notice to Purchaser of any action, event or condition that (a) is reasonably expected to lead to or result in a material adverse effect upon the business, operations, assets, or financial condition of Client (including without limitation a decrease in net worth of more than 10% from the net worth shown in prior financial statements), or (b) represents any of the circumstances outlined in Section 7.1 (a), (b), or (c) hereof.

Section 6.7 Net Worth and Liquid Assets

Client shall: (a) maintain at all times minimum amounts of net worth and liquid assets acceptable to Purchaser, presently being at least equal to FHA and VA minimum requirements, and as such amounts may be updated from time to time by Purchaser upon thirty (30) days written notice to Client; and (b) provide Purchaser copies of Client's: (i) annual financial statements audited by an independent public accountant in accordance with generally accepted accounting procedures and other Applicable Requirements within ten (10) days after such financial statements are available; and (ii) unaudited interim financial statements promptly after Client's receipt of Purchaser's requests therefor.

Section 6.8 Governmental Approvals

Client shall obtain and maintain in full force and effect, and satisfy at all times all related eligibility criteria in order to maintain in full force and effect, without material impairment, suspension or revocation, all federal and state governmental approvals, registrations, qualifications, permits and licenses necessary to perform its obligations hereunder.

Section 6.9 Quality Control; Review of Mortgage Files

- (a) Client shall conduct periodic quality control reviews of its origination operations substantially conforming to FHA requirements set forth in HUD Handbook 4060.1, Rev 2, Chapter 7, and, upon request of Purchaser, provide copies of its findings to Purchaser. Purchaser shall have the right, in its sole discretion, to review any and all of Client's Mortgage Files relating to the Loans and/or Servicing Rights to be sold or previously sold to Purchaser for quality control purposes. Client agrees to make such files available to Purchaser for inspection upon receipt of five (5) Business Days prior written notice.
- (b) The fact that Purchaser or its designee has conducted or has failed to conduct any partial or complete examination of the Mortgage Files shall not affect Purchaser's (or any of its successor's) rights to demand repurchase, substitution or other relief as provided herein. Client shall make Purchaser the loss payee of each mortgage guaranty insurance policy and hazard and flood insurance policy. Ownership of, and title to, a Loan will only be vested in Purchaser when a Loan is purchased by Purchaser hereunder.

Section 6.10 Rescission

If any Mortgagor rescinds a Loan originated by Client and registered with Purchaser, Client shall refund to such Mortgagor any and all fees it collected from the Mortgagor and shall otherwise comply with the TILA rescission requirements.

Section 6.11 FinCEN

Without limiting anything in this Agreement relating to Client's or a Loan's compliance with Applicable Requirements, Client, as required by the regulations issued by the U.S. Treasury Department's Financial Crimes Enforcement Network ("FinCEN") in 31 CFR Parts 1010 and 1029, as amended, (a) has established, and will maintain throughout the term of this Agreement, a fully compliant anti-money laundering program, and (b) will promptly and timely file any required suspicious activity reports.

Article VII – Remedies**Section 7.1 Indemnification by Client**

In addition to any other rights and remedies that Purchaser may have, Client shall indemnify and hold Purchaser, its Affiliates and respective officers, directors, employees and agents, harmless from and against, and shall reimburse it or them for, any repurchase demand by an Investor and/or any Damages (including pair off fees and loss of Servicing Rights) incurred by Purchaser before or after any Sale Date to the extent such demand or Damages arise or result from the following:

- (a) any misrepresentation made by Client, or any breach by Client of any representation or warranty contained in this Agreement, including the Guide, or in any schedule, exhibit, report, statement or certificate furnished by Client pursuant to this Agreement;
- (b) the non fulfillment or non performance of any covenant, condition or action required of Client pursuant to this Agreement including the Guide; and
- (c) any error, omission, negligence, misrepresentation, fraud, identity theft, or similar occurrence in connection with the origination of any Loan on the part of Client, the Mortgagor, any Loan Originator of such Loan, or any other Person (excluding Purchaser), including without limitation, any appraiser, any builder or developer, or any other party involved in the origination of the Loan or in the application of any insurance in relation to such Loan.

Section 7.2 Client's Cure

In the event there exists a basis to demand indemnification under Section 7.1 hereof with respect to any Loan, in addition to any other rights and remedies that Purchaser may have, Purchaser, subject to any limitations of applicable Insurer or Investor requirements, may demand that Client cure such breach in all material respects. If so demanded by Purchaser, Client shall have thirty (30) days to cure any breach which is susceptible of cure. Even if Client cures such breach, it shall remain liable to Purchaser for the indemnification of any remaining claims pursuant to Section 7.1.

Section 7.3 Cure or Repurchase of Loans

- (a) In General. In the event there exists with respect to any Loan a basis for Purchaser to demand indemnification under Section 7.1 hereof and if Client (but only if demanded by Purchaser to cure) cannot cure any Loan in accordance with Section 7.2, Client shall, at Purchaser's option, repurchase such Loan, including the Servicing Rights, from Purchaser or the applicable Investor or Insurer at the Repurchase Price within five (5) Business Days following the expiration of the related cure period, if any. Any repurchase of a Loan(s) pursuant to the foregoing provisions of this Section 7.3 shall occur on a date designated by Purchaser and shall be accomplished by wire transfer of immediately available funds on the repurchase date to an account designated by Purchaser. The "Repurchase Price" under this Section 7.3 for any purchased Loan or related Mortgaged Property shall equal the sum of each of the following (as applicable):
 - (i) the aggregate unpaid principal balance of the Loan, net of any escrow balances, multiplied by the percentage of par originally paid by Purchaser for the Loan;
 - (ii) all accrued and unpaid interest thereon through the date of the repurchase; and

- (iii) all other direct out-of-pocket unreimbursed costs, expenses and advances reasonably incurred by Purchaser or any subsequent assignee in connection with such Loan after the Sale Date.
- (b) Repurchase Procedure. Client shall prepare and deliver to Purchaser the Assignment, which Purchaser shall execute and return to Client, and Client shall pay all costs and expenses reasonably incurred by Purchaser in effecting the reconveyance of a repurchased Loan including the cost of recording the Assignment of the related Mortgage. Such reconveyance shall be free of all liens and encumbrances arising from, under, or through Purchaser. Upon completion of such purchase or repurchase by Client, Purchaser shall forward to Client the Mortgage File for such repurchased Loan.

Section 7.4 Allocation of Risk

For purposes of determining whether Purchaser is entitled to indemnification or repurchase of Loans pursuant to this Article VII, the occurrence of any event or condition described in Section 7.1(a), (b), or (c) shall be determined without regard to any materiality qualifications, and all references to the terms, "knowledge," "material," "materially," "materiality," "material adverse effect" or any similar terms that may otherwise be used with respect to any of such events or conditions shall be ignored.

Section 7.5 Early Payoff

With respect to any Loan that prepays in full within one hundred eighty (180) days following the related Sale Date, Client shall reimburse to Purchaser the full amount of any premium paid to Client by Purchaser for the purchase of the Loan. Such payment shall be made within thirty (30) days after such payoff.

Section 7.6 Set-Off

In addition to the other rights set forth in Article 7, in the event that Client fails to pay Purchaser any sums which are owed to Purchaser by Client pursuant to the terms of this Agreement, Purchaser shall be permitted to offset such sums from any amounts which are due or become due to Client pursuant to the terms herein.

Section 7.7 Early Default Protection

With respect to each Loan, if any of the first through fourth Monthly Payments with a due date subsequent to the related Sale Date is not paid by the Mortgagor within sixty (60) days after the related due date, Client shall, not later than five (5) Business Days after receipt of written notice from Purchaser, repurchase such Mortgage Loan at the Repurchase Price in accordance with Section 7.3 of this Agreement.

Article VIII – Termination

This Agreement may be terminated at any time by either party in its sole discretion; provided, however, that any such termination shall be subject to the provisions of Section 10.1 hereof.

Article IX – Whole Loan Transfers or Securitization Transactions

The Parties agree that with respect to some or all of the Loans, Purchaser may enter into one or more Whole Loan Transfers or Securitization Transactions. With respect to any Whole Loan Transfers or Securitization Transactions entered into by Purchaser, Client agrees to take such actions, provide such information and/or disclosures, and execute such documents as Purchaser shall reasonably request of Client in furtherance of such Whole Loan Transfers or Securitization Transactions. Loans that are subject to a Whole Loan Transfer or Securitization Transaction shall continue to be subject to this Agreement to the extent applicable, and neither Client nor Purchaser shall be relieved of its obligations under this Agreement with respect thereto.

Article X – Miscellaneous

Section 10.1 Survival

The representations, warranties, covenants and agreements contained in this Agreement shall survive the applicable Sale Date and delivery of the Loans to Purchaser and shall not terminate, notwithstanding the

termination of this Agreement, any restrictive or qualified endorsement on any Mortgage Note or any other Loan Document or Purchaser's examination or failure to examine any Mortgage File or Purchaser's approval of any Loan for purchase. Without limiting the generality of the foregoing, Client acknowledges and agrees that the representations and warranties with regard to individual Loans set forth in Article IV do not expire and Client's obligation to indemnify Purchaser and to repurchase the Loans in accordance with Article VII and to provide information in accordance with Article IX likewise survive indefinitely.

Section 10.2 Amendment

This Agreement may not be amended except by an instrument in writing signed on behalf of each of the Parties.

Section 10.3 Counterparts.

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall be considered one and the same instrument.

Section 10.4 Entire Agreement

This Agreement, together with all exhibits, schedules and addenda to this Agreement, and any written commitment signed by Purchaser and Client in connection herewith contain the entire agreement between the Parties and supersede all prior agreements, arrangements and understandings relating to the subject matter thereof. There are no written or oral agreements, understandings, representations or warranties between the Parties other than those set forth herein and therein.

Section 10.5 Rights Cumulative, Waivers

The rights of each of the Parties under this Agreement are cumulative, may be exercised as often as any Party considers appropriate and are in addition to each such Party's rights under any other documents executed between the Parties or, except as otherwise modified herein, under law. The rights of each of the Parties hereunder shall not be capable of being waived or varied otherwise than by an express waiver or variation in writing. Any failure to exercise or any delay in exercising any of such rights shall not operate as a waiver or variation of that or any other such right. Any defective or partial exercise of any of such rights shall not preclude any other or further exercise of that or any other such right. No act or course of conduct or negotiation on the part of any Party shall in any way preclude such Party from exercising any such right or constitute a suspension or any variation of any such right.

Section 10.6 Notices

All notices, requests, demands and other communications that are required or permitted to be given under this Agreement shall be in writing and shall be deemed given if delivered personally, transmitted by facsimile (and telephonically confirmed), mailed by registered or certified mail, return receipt requested, e-mailed (and telephonically confirmed), or sent by commercial overnight courier (signature required) to the other Party at the following address:

If to Purchaser, to: Silvergate Bank
4250 Executive Square, Suite 100
La Jolla, CA 92037
Attention: Greg Davis
Email: gdavis@silvergatebank.com

If to Client, to:

Section 10.7 Governing Law; Dispute Resolution

This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of California without reference to the choice of law principles thereof. As the exclusive means of resolving any dispute arising out of or related to this Agreement, including the scope of this arbitration clause, either Party may demand that such dispute be resolved by binding arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules. Each Party consents to the arbitration hearing being held in San Diego, California before a single arbitrator, and the prevailing Party shall be entitled to recover its costs and reasonable attorney's fees in connection with the arbitration. Judgment on any award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

Section 10.8 Severability

In the case any provision in this Agreement shall be found by a court of competent jurisdiction to be invalid, illegal or unenforceable, such provision shall be construed and enforced as if it had been more narrowly drawn so as not to be invalid, illegal or unenforceable, and the validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby.

Section 10.9 Successors and Assigns

This Agreement shall be binding upon the Parties and their respective successors and assigns and shall inure to the benefit of the Parties and their respective permitted successors and assigns. Client shall not assign this Agreement nor any rights hereunder, including the right to receive compensation or money due hereunder, without the prior express written consent of Purchaser. Client shall not delegate any duty hereunder without the prior express written consent of Purchaser.

Section 10.10 Relationship of Parties

The relationship between the Parties is an independent contractor relationship, and Client is not, and shall not represent to third Persons that it is acting as an agent for and on behalf of Purchaser. This Agreement shall be nonexclusive. Each of Client and Purchaser is free to make loans for its own account or for sale in the secondary market, and each may sell loans to or purchase loans from other lenders at any time.

Section 10.11 No Third Party Beneficiaries

Except as expressly provided herein, nothing in this Agreement is intended to confer any right, remedy, obligation or liability upon any Person other than the parties hereto and their respective successors and permitted assigns.

The parties have caused this Agreement to be duly signed as of the dates set forth below.

Client:	_____	Purchaser:	Silvergate Bank
By:	_____	By:	_____
Name:	_____	Name:	Greg Davis
Title:	_____	Title:	SVP, National Correspondent Sales
Date:	_____	Date:	_____

Exhibit A

Purchase Advice

Definitions: Terms used but not defined herein shall have the meanings assigned to them in the Correspondent Loan Purchase Agreement between the Parties.

Client: _____

Purchaser: _____ Silvergate Bank _____

Loan:

Borrower Name and Address _____

Property Address, if other than above _____

Loan Principal Amount \$ _____

Maturity Date _____

Interest Rate Terms _____

Purchase Price* \$ _____

* Expressed in total dollars and as a percentage of loan principal balance, plus or minus any agreed upon adjustments.

Sale: For value received, Client hereby conveys to the Purchaser all rights, title, and interest in and to the above described Loan, in accordance with all terms, conditions, representations, and warranties agreed to by Client in that certain Correspondent Loan Purchase Agreement between Client and Purchaser.

Client: _____

By: _____

Name: _____

Title: _____

Date: _____

Purchase Date: _____

Exhibit B

Limited Power of Attorney

(“Client”) appoints Silvergate Bank and its successors and assigns (“Purchaser”), as the true and lawful attorney-in-fact for Client to act solely for the limited purpose of performing any or all of the acts described herein in connection with any mortgage loans sold to Purchaser (“Loans”) pursuant to the Correspondent Loan Purchase Agreement (the “Agreement”) between Client and Purchaser:

1. To execute in Client’s name, by the signature of any authorized Purchaser employee or agent: any and all documents in connection with the Loans including applications, disclosures, notices, affidavits and agreements, and any and all documents for the purpose of assigning and transferring to Purchaser any and all mortgages, deeds of trust, security instruments, and the related notes, including the assignments of mortgages, deeds of trust, and security instruments, notes, affidavits and agreements, giving and granting unto Purchaser full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done with respect to the Loans, and to supply information and make, correct, amend, endorse, accept or deliver all agreements and instruments with respect to the Loans, as fully, to all intents and purposes, as Client might or could do if present at the doing thereof through one of its authorized representatives, with full power of substitution and revocation;
2. To request and obtain loan documents and records, including but not limited to recorded mortgages, assignments, amendments or other documents, and may contact settlement agents, recorders’ offices, attorneys or such other parties who may be holding such documentation and may request, on behalf of Client, that such documentation be provided directly to Purchaser;
3. To request and obtain original title commitments, policies and endorsements, and contact settlement agents, title agents, attorneys or title insurers or such other parties who may be holding such documentation and may request, on behalf of Client, that such documentation be provided directly to Purchaser;
4. To request and obtain any mortgage payments made by borrowers that are payable to Client but should be applied to Loans; and may endorse any checks for such payments so that such payments may be applied to such Loans; and
5. To contact mortgage insurance companies, hazard insurance companies, or such other insurers that may insure any borrower, or any obligation under any Loan; and may request, in the name of Client, that such insurers reissue policies or endorsements in such manner as Purchaser, in its sole discretion, may request.

Client ratifies and confirms all that Purchaser shall lawfully do or cause to be done by virtue of this Limited Power of Attorney. Client may only revoke this Limited Power of Attorney in writing and only upon the expiration of one-hundred eighty (180) days from the effective date of the Agreement’s termination in accordance with the Agreement’s terms, and this Limited Power of Attorney shall be deemed to be a power coupled with an interest for that purpose.

Exhibit B

Limited Power of Attorney (page 2)

This Limited Power of Attorney does not modify or limit the representations; warranties; covenants; or obligations to indemnify, repurchase, or cure loan defects, contained in any agreement between Purchaser and Client.

IN WITNESS WHEREOF, I have hereto set my hand this _____ day of _____, 20____.

Client: _____

By: _____

(Signature of authorized officer of Client)

(Printed name of authorized officer)

(Title of authorized officer)

General Acknowledgement

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF _____

On _____, before me, the undersigned notary, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument, the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

(seal)