

CORRESPONDENT LOAN PURCHASE AGREEMENT

This Correspondent Loan Purchase Agreement (together with all exhibits hereto, the "Agreement") is made and entered into effective as of _____, 20____ (the "Effective Date") by and between **Castle Mortgage Corporation** ("Purchaser"), a Delaware corporation with its principal office at 10251 Vista Sorrento Pkwy, Suite 225, San Diego, CA, 92121 and _____ ("Seller"), a _____ with its principal office at, _____:

RECITALS:

- A. Seller desires to sell to Purchaser from time to time on a servicing released basis certain residential Mortgage Loans consisting of Conforming Mortgage Loans and FHA/VA Mortgage Loans (as defined below), and Purchaser wishes to purchase such Mortgage Loans.
- B. Purchaser and Seller desire to set forth in this Agreement the terms and conditions under which Mortgage Loans will be sold by Seller to Purchaser.

In consideration of the mutual promises and covenants contained herein, Purchaser and Seller agree as follows:

1. **Purchase and Sale.** Seller agrees to sell Mortgage Loans to Purchaser, and Purchaser agrees to purchase Mortgage Loans from Seller, in accordance with and subject to the terms and conditions of this Agreement.

2. **Definitions.** As used in this Agreement, the following definitions shall apply. Certain other terms are defined elsewhere in this Agreement.

2.1. **"Automated Underwriting System" or "AUS"** means a system for the electronic evaluation of a loan's eligibility for sale to various investors in the secondary market.

2.2. **"Accepted Servicing Practices"** means with respect to any Mortgage Loan, those customary mortgage servicing practices of prudent mortgage lending institutions that service mortgage loans of the same type and quality of such Mortgage Loan in the jurisdiction where the related Mortgaged Property is located.

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

2.4. **"Bankruptcy Code"** means the Bankruptcy Reform Act of 1978, as amended, 11 U.S.C. § 1101 *et seq.*, as the same may be amended from time to time, and any similar successor statute that may be in effect from time to time, together with the rules and regulations promulgated thereunder.

2.5. **"Best Efforts Commitment"** means a Commitment requiring Seller to use its best efforts to sell to purchaser one or more identified Mortgage Loans or a specified principal amount of Mortgage Loans as set forth in such Best Efforts Commitment. A Best Efforts Commitment with respect to a Locked Loan shall become a Mandatory Commitment with respect to such Mortgage Loan on the related Closing Date.

2.6. **"Borrower"** means the individual(s) obligated to repay a Mortgage Loan.

2.7. **"Business Day"** means any day on which Purchaser is open to the public for substantially all of its business, which is normally every day other than (i) a Saturday or Sunday or (ii) any federal public holiday observed by Purchaser.

- 2.8. **“Closing Date”** means the date of funding of a Mortgage Loan by Seller.
- 2.9. **“Commitment”** means Seller’s written agreement for the sale of Mortgage Loans to Purchaser.
- 2.10. **“Communications”** shall have the meaning set forth in Section 18 of this Agreement.
- 2.11. **“Confidential Information”** means with respect to a Party: (a) information, whether reduced to writing or not, disclosed by such Party or such Party’s agents, contractors, representative 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, but not limited to, 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 requirement (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, but not limited to, 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 law; (c) Customer Information; (d) compilations, notes or summaries that contain or reflect Confidential Information; and (e) this Agreement.
- 2.12. **“Consumer Disclosures”** means all disclosures or notices required to comply with all applicable federal, state and local laws, rules and regulations applicable to consumer credit transactions involving loans secured by residential real estate, including, without limitation, the Truth-in-Lending Act, the Real Estate Settlement Procedures Act of 1974, the Equal Credit Opportunity Act, the Fair Credit Reporting Act, the Home Mortgage Disclosure Act of 1975, the Fair Housing Act, the Homeowners Protection Act of 1998, the National Flood Insurance Act of 1968, the Flood Disaster Protection Act of 1973, and Title V of the Gram-Leach-Bliley Act, all as amended, together with the rules and regulations promulgated thereunder.
- 2.13. **“Conforming Mortgage Loan”** means a Mortgage Loan that is not a FHA/VA Mortgage Loan and that is eligible for purchase by Fannie Mae or Freddie Mac.
- 2.14. **“Credit File”** means all documentation required by Purchaser for underwriting review of a Mortgage Loan for purchase hereunder as established by Purchaser.
- 2.15. **“Customer”** means any customer of a Party, including, but not limited to, 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 Mortgage Loan serviced or subserviced by a Party or an Affiliate thereof.
- 2.16. **“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.
- 2.17. **“Delinquent”** means that all or any part of the monthly installment of principal and interest due on a Note, or the Escrows or other amounts required to be paid under the terms of a Mortgage, is unpaid after the date any such amount is due.
- 2.18. **“DeskTop Underwriter”** means the Fannie Mae DeskTop Underwriter AUS.
- 2.19. **“Escrows”** means all funds collected from the Borrower to pay expenses required to be paid pursuant to the Mortgage, including, without limitation, hazard insurance premiums, flood insurance premiums,

mortgage insurance premiums, taxes, assessments, and ground rents; and any water, sewer and other governmental charges that, if not paid, may result in liens on the Mortgaged Property with priority over the Mortgage Loan.

2.20. **“Event of Default”** shall have the meaning set forth in Section 12 of this Agreement.

2.21. **“Expiration Date”** means with respect to any Locked Loan that date by which the loan file must be received by Purchaser for the Purchase Price Percentage to be honored.

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

2.23. **“Fannie Mae Mortgage Loan”** means a Mortgage Loan underwritten for sale to Fannie Mae in accordance with applicable Fannie Mae Requirements.

2.24. **“Fannie Mae Requirements”** means the standards, requirements, representations and warranties established from time to time by Fannie Mae as set forth in the Fannie Mae Selling Guide, the Fannie Mae Servicers’ Guide or other pronouncements of Fannie Mae.

2.25. **“FHA”** means the Federal Housing Administration, or any successor thereto.

2.26. **“FHA Approval”** means a commitment issued for FHA insurance of a Mortgage Loan.

2.27. **“FHA Mortgage Loan”** means a Mortgage Loan insured by FHA, as evidenced by a mortgage insurance certificate issued by HUD.

2.28. **“FHA/VA Mortgage Loan”** means a FHA Mortgage Loan or a VA Mortgage Loan.

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

2.30. **“Freddie Mac Mortgage Loan”** means a Mortgage Loan underwritten for sale to Freddie Mac in accordance with applicable Freddie Mac Requirements.

2.31. **“Freddie Mac Requirements”** mean the standards, requirements, representations and warranties established from time to time by Freddie Mac as set forth in the Freddie Mac Sellers’ and Servicers’ Guide, the Fannie Mae Selling Guide or other pronouncements of Freddie Mac.

2.32. **“GNMA”** means the Government National Mortgage Association, or any successor thereto.

2.33. **“GNMA Requirements”** means the requirements, including all representations and warranties, established from time to time by GNMA with respect to Mortgage Loans eligible for inclusion in pools backing a GNMA Mortgage Backed Security, all as set forth in the GNMA Guide, or other pronouncements of GNMA.

2.34. **“HUD”** means the U.S. Department of Housing and Urban Development, or any successor thereto.

2.35. **“Indemnitees”** shall have the meaning set forth in Section 13 of this Agreement.

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

2.37. **“Insurer”** means the FHA, VA or any private mortgage insurer that insures or guarantees any of the Mortgage Loans and providers of hazard, flood, title or other insurance with respect to any of the Mortgage Loans or Mortgaged Property.

2.38. **“Loan Prospector”** means the Freddie Mac Loan Prospector AUS.

2.39. **“Locked Loan”** means a Mortgage Loan that has been registered for a guaranteed rate and price if delivered within a stipulated price term, and for which a Purchase Confirmation has been issued by Purchaser and accepted by Seller. A Locked Loan becomes a Mandatory Commitment upon the related Closing Date for such Mortgage Loan.

2.40. **“Mandatory Commitment”** means the required sale and delivery by Seller to Purchaser of one or more identified Mortgage Loans or a specified principal amount of Mortgage Loans. A Best Efforts Commitment with respect to a Locked Loan shall become a Mandatory Commitment with respect to such Mortgage Loan upon the related Closing Date.

2.41. **“MERS”** means the Mortgage Electronic Registration System and is used to transfer beneficial interests in and servicing rights related to a Mortgage Loan electronically.

2.42. **“Mortgage”** means the security instrument securing a Mortgage Loan with real property including, without limitation, a mortgage, a deed of trust, a deed to secure debt, a security deed or any other security instrument, together with all riders or amendments to such instrument.

2.43. **“Mortgage File”** means the file containing the credit application and closing packages, custodial, servicing, escrow, and mortgage documents, and all other files, records and documents necessary to establish the eligibility of Mortgage Loans for purchase by Purchaser, insurance by an Insurer or purchase or pooling by an investor.

2.44. **“Mortgage Loan”** means a Conforming Mortgage Loan or a FHA/VA Mortgage Loan, unless otherwise specified in the Purchase Confirmation. The term Mortgage Loan encompasses all of Seller’s right, title and interest in and to the Mortgage Loan, including, without limitation, the servicing rights, all Escrows, the Note, the Mortgage, all applicable insurance policies, and all other documentation and information collected by Seller in connection with the Mortgage Loan.

2.45. **“Mortgaged Property”** means the real property (including leasehold interests in real property) and improvements thereon subject to the lien of the Mortgage securing a Mortgage Loan.

2.46. **“Note”** means the instrument evidencing the Borrower’s promise to repay the Loan Amount, plus interest, of the Mortgage Loan, together with all riders or amendments to such instrument.

2.47. **“Parties”** means Seller and Purchaser and **“Party”** means either Seller or Purchaser, as the case may be.

2.48. **“Person”** means an individual, corporation, partnership, commercial banking institution, savings bank, 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.

2.49. **“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 Establishing Standards for Safeguarding Customer Information, published on April 1, 2001 by the federal banking regulators; and (d) other applicable federal, state and local laws, rules, regulations, and orders relating to the privacy and security of Customer information, including, but not limited to, the federal Fair Credit Reporting Act, 15 U.S.C. §§ 1681 et seq., and similar state laws.

2.50. **“Purchase Confirmation”** means a Communication from Purchaser to Seller setting forth the Purchase Price to be paid by Purchaser for one or more Mortgage Loans and other terms and conditions of such purchase, substantially in the form attached as Exhibit 1 hereto or such other form upon which the parties may from time to time mutually agree.

2.51. **“Purchase Date”** means the date on which Purchaser remits funds to Seller or to Seller’s warehouse lender for the purchase of a Mortgage Loan.

2.52. **“Purchase Price”** means the price paid by Purchaser for a Mortgage Loan as determined in the Purchase Confirmation.

2.53. **“Purchase Price Percentage”** means the price paid by Purchaser pursuant to the terms of the related Purchase Confirmation (inclusive of applicable Service Release Premium), expressed as a percentage of the outstanding principal amount as of the related Purchase Date.

2.54. **“Servicing Rights”** means all rights to service Mortgage Loans for investors.

2.55. **“Solvent”** means that (a) the present fair salable value of Seller’s assets exceed the total amount of its liabilities; and (b) Seller is able to pay its debts as they become due; and (c) Seller does not have unreasonably small capital to carry on its business as theretofore operated and all businesses in which Seller is about to engage.

2.56. **“Third Party”** means a person or entity that performs any activity or function in the origination process for a Mortgage Loan.

2.57. **“VA”** means the Department of Veterans Affairs, or any successor thereto.

2.58. **“VA Approval”** means a commitment issued for a VA guarantee of a Mortgage Loan.

2.59. **“VA Mortgage Loan”** means a Mortgage Loan guaranteed by VA, as evidenced by a loan guaranty certificate issued by VA.

3. **Purchase and Sale of Loans.**

3.1. **Sale of Loans.** From time to time during the term of this Agreement, Seller may offer to sell, and Purchaser may purchase, all right, title, and interest in and to eligible Mortgage Loans and the related Servicing Rights in accordance with the terms set forth in this Agreement. Seller may, from time to time, offer funded Mortgage Loans for sale to Purchaser in bulk sale transactions or pipeline loans in process of application for origination on a flow basis. Seller shall submit a Credit File for each Mortgage Loan proposed to be sold. Purchaser may accept or reject any proposed Mortgage Loan. If Purchaser accepts Seller’s offer with respect to one or more proposed Mortgage Loans, Purchaser shall issue a Purchase Confirmation setting forth the Purchase Price Percentage(s) and any other specific terms and conditions relating to such purchase. Each Purchase Confirmation shall be deemed to incorporate all the terms and conditions set forth in this Agreement. The Purchase Confirmation shall constitute, when accepted and signed by Seller, a Best Efforts Commitment or a Mandatory Commitment, as therein provided. This Agreement shall not be construed as obligating Purchaser to purchase or accept the assignment of any Mortgage Loan except to the extent provided in a Purchase Confirmation.

3.2. **Revision of Requirements.** Purchaser may from time to time amend or revise its documentation requirements, underwriting criteria or other requirements pertaining to its purchase of Mortgage Loans. Any Locked Loan already registered and rate locked by Seller will not be materially adversely affected by such amendment or revision.

3.3. **Non-Exclusivity.** The sale of Mortgage Loans by Seller, and the purchase of Mortgage Loans by Purchaser, shall each be on a non-exclusive basis. Except as provided in a Purchase Confirmation, nothing in this Agreement precludes Seller from selling Mortgage Loans to, or Purchaser from purchasing

Mortgage Loans from, any other person.

4. **Loan Delivery and Payment.**

4.1. **Delivery of Documents.** For each Mortgage Loan purchased by Purchaser, Seller shall deliver on or prior to the Purchase Date the Mortgage File including the Note together with an endorsement thereof (made payable to the order of Castle Mortgage Corporation), a copy of the Mortgage (certified if requested by Purchaser), and, except for Loans to be placed on MERS, an assignment of Mortgage in recordable form (or in the case of cooperatives, delivery of the pledged shares, an assignment of the proprietary lease, and other operative documents and related duly filed financing statements) to Purchaser, or such custodian as Purchaser may direct. Seller shall do all further acts necessary to perfect Purchaser's title to and security for each such Mortgage Loan and to execute and deliver any additional documents reasonably required by Purchaser. Any Mortgage Loan intended to be placed on MERS will be registered and/or transferred to MERS by Seller and at Seller's expense no later than forty-eight (48) hours of purchase by Purchaser. Seller acknowledges that delivery of all Mortgage Loans locked under a Mandatory Commitment and locked and closed under a Best Efforts Commitment is mandatory and that time is of the essence.

4.2. **Failure of Purchaser to Timely Deliver Mortgage Loans.** Seller acknowledges and understands that Purchaser has executed forward commitments to sell and immediately deliver Mortgage Loans to third parties; therefore, Mortgage Loans must be delivered on or before the Expiration Date. Seller covenants and agrees to reimburse Purchaser for any and all losses, expenses, costs and damages incurred by Purchaser as a result of such non-delivery within five (5) days of written demand by Purchaser. Such reimbursement shall be in addition to any and all legal and equitable remedies available to Purchaser.

4.3. **Purchase Price.** On the Purchase Date, the Purchase Price will be remitted to Seller or Seller's warehouse lender, as applicable, net of any amounts due Purchaser in connection with such purchase, including, without limitation, underwriting fees, funding fees, and funds held in Escrow. Any funds due Seller by Purchaser in connection with such purchase, including, without limitation, per diem interest, will be added to the Purchase Price. Purchaser shall have the right to offset any amount owed by Seller to Purchaser against the Purchase Price or against any and all balances, credits, deposits, accounts, or monies of Seller then or thereafter held by Purchaser.

4.4. **Transmittal of Post Closing Documents.** Seller agrees to deliver to Purchaser documents for a Mortgage Loan not delivered on the applicable Purchase Date (the "Post Closing Documents") within 120 calendar days after the Closing Date of the Mortgage Loan. If Seller can show to Purchaser's satisfaction that Seller has utilized all reasonable efforts to obtain the Post Closing Documents but is not able to deliver them within such time period, Purchaser will extend the period for delivery an additional 60 calendar days. Delivery of the Post Closing Documents must occur no later than 180 calendar days from the Closing Date, time being of the essence with respect to such delivery. Purchaser reserves the right to charge late document delivery fees should Post Closing Documents not be delivered by the end of the 180 calendar day period. Seller agrees to correct any Post Closing Documents within 30 calendar days after being notified by Purchaser that any documents are unacceptable.

4.5. **Quality Control Review.** Purchaser shall have the right at any time to perform a quality control review of any Mortgage Loan that it purchases under this Agreement, including, without limitation, independent credit report verifications, appraisal reports, and property inspection. If Purchaser is required by an investor to conduct or assist in a property inspection of the Mortgage Property, Seller agrees to assist the investor or Purchaser in conducting the inspection.

4.6. **Maintenance and Inspection of Records.** At all times during the terms of this Agreement and during the thirty-six (36) month period following the termination or expiration of this Agreement (collectively, the "Maintenance Period"), Seller shall maintain at a reasonably accessible location a complete set of files and records of all business activities and operations conducted, and all policies and procedures adopted, by Seller in its capacity as loan correspondent of Purchaser. During the Maintenance Period, Purchaser, its duly authorized agents, representatives and employees and federal and state regulatory agencies or entities with supervisory or other authority over Purchaser shall have a right, upon reasonable notice, to audit, inspect and copy

any of the foregoing files and records, and Seller shall cooperate and assist with any such audit or inspection. Alternatively, at Purchaser's request Seller shall deliver to Purchaser copies of any of the foregoing files and records as requested by Purchaser.

4.7. **Mortgage Loans Underwritten Using An Automated Underwriting System.** All waivers of representations and warranties that attach to any Mortgage Loan by reason of the use of DeskTop Underwriter, Loan Prospector, or any other Automated Underwriting System shall transfer automatically to Purchaser. Deletions, additions to, or amendments of the requirements for Loan Prospector, DeskTop Underwriter, or any other Automated Underwriting System shall automatically be deemed to apply to Seller and do not require an amendment of this Agreement.

5. **Early Prepayment.**

5.1. **Prepayments Within 120 Days of Purchase Date.** If the Mortgage Loan is paid in full at any time within the first 120 calendar days following the Purchase Date, then Seller shall refund to Purchaser the full amount of any portion of the Purchase Price that represents the servicing value (as identified by Purchaser in the Purchase Confirmation for the Mortgage Loan) and any other portion of the Purchase Price which is above par.

5.2. **Prepayments Within 121-180 Days of Purchase Date.** If the Mortgage Loan is paid in full at any time within 121 to 180 calendar days following the Purchase Date, then Seller shall refund to Purchaser the full amount of any portion of the Purchase Price that represents the servicing value (as identified by Purchaser in the Purchase Confirmation for the Mortgage Loan).

5.3. **Payment of Refunds.** Purchaser shall promptly notify Seller of each prepayment subject to Section 5.1 or Section 5.2 of this Agreement, and shall present an invoice for the amount due. Seller shall pay the amount of such invoice within 30 days of the date thereof. Purchaser reserves the right to offset any amounts due hereunder at any time, without prior notice, against the Purchase Price for any Mortgage Loan or against any and all balances, credits, deposits, or monies to Seller then or thereafter held by Purchaser.

6. **Use of Third Parties.**

6.1. **Purchaser Approval of Third Parties.** Subject to Section 6.2, Seller shall be permitted to use Third Parties without Purchaser's prior approval in connection with the origination of Mortgage Loans. Seller shall provide Purchaser with such information regarding Third Parties as Purchaser requests from time to time in Purchaser's sole reasonable discretion.

6.2. **Exclusionary List.** Purchaser may provide to Seller a proprietary exclusionary list ("List") identifying individuals and companies (including but not limited to Borrower, seller, realtor, loan officer, broker, appraiser, closing agent, and underwriter), that are excluded from participating, either directly or indirectly in Mortgage Loans sold to Purchaser. Seller covenants that no Person included on the List will be involved in Mortgage Loans that are sold by Seller to Purchaser after receiving the List. The List is compiled from internal, investor, and Insurer exclusionary lists, and is the confidential property of Purchaser. Seller, for itself and its employees, and former employees agrees that it and then shall not distribute or share any information contained within the List with any third parties, including any Person identified on the List. Seller will take appropriate measures to insure compliance with these requirements, and agrees to indemnify Purchaser for any loss, damage, or expense resulting from Seller's failure to maintain the confidentiality of the List.

7. **Representations and Warranties of Seller.** Seller represents and warrants to Purchaser as follows:

7.1. **Due Organization.** Seller is duly organized, validly existing, and in good standing under the laws of the state of its organization and has all qualifications, registrations, and licenses, and permits necessary to carry on its business in each state in which Seller originates or purchases Mortgage Loans. Seller agrees to provide Purchaser with copies of all applicable licenses, permits, exemptions or approvals upon request. Seller has all

requisite power and authority to execute, deliver and perform this Agreement. All requisite action has been taken by Seller to make this Agreement valid and binding upon Seller in accordance with its terms.

7.2. **No Litigation.** No approval of the transactions contemplated by this Agreement from any regulatory authority having jurisdiction over Seller is required, or if required, such approval has been obtained. There is no claim, litigation, investigation or proceeding pending or threatened against or otherwise materially adversely affecting Seller's business or the performance of its obligations under this Agreement and Seller has no knowledge of any circumstances indicating that any such suit, investigation or proceeding is likely or imminent.

7.3. **FHA/VA Approvals.** With respect to any FHA Mortgage Loan submitted by Seller, Seller is approved by FHA to participate in its "direct endorsement" mortgage insurance program. With respect to any VA Mortgage Loan submitted by Seller, Seller is either approved to originate and submit Mortgage Loans to VA for VA approval, or to underwrite mortgage loans with "automatic authority".

7.4. **No Sanctions.** Seller is not presently, nor within the two (2) year period preceding the date of this Agreement has been, subject to any administrative actions and/or sanctions imposed by FHA and/or VA.

7.5. **No Conflicts.** The consummation of the transactions contemplated by this Agreement are in the ordinary course of business of Seller and will not result in: (a) a breach of any term or provision of the charter or bylaws of Seller; (b) a breach of any term or provision of, conflict with, or constitute a default under any agreement to which Seller or its property is subject; or (c) a violation of any law, rule, regulation, order, judgment or decree to which Seller or its property is subject.

7.6. **No Untrue Statements.** No representation, warranty or written statement made by Seller in this Agreement, nor any application, documentation, schedule, exhibit, statement, or certificate furnished to Purchaser by Seller contains any untrue statement of material fact or omits any material fact which could render such statement misleading; and

7.7. **AUS Status.** Seller acknowledges that in the event an automated underwriting system is used to underwrite any Mortgage Loan sold to Purchaser, Seller is fully trained in the use of such automated system and followed all appropriate procedures when using such system.

7.8. **Timing of Representations and Warranties.** Each of the representations and warranties contained in this Section 7 is true and correct upon the execution of this Agreement and upon delivery of any Mortgage Loan to Purchaser for purchase.

8. **Representations and Warranties With Respect to Mortgage Loans.** In order to induce Purchaser to purchase the Mortgage Loans, Seller represents and warrants to Purchaser as of the applicable Purchase Date as to each Mortgage Loan sold to Purchaser pursuant to this Agreement as follows.

8.1. **Validity of Obligation.** The Mortgage Loan documents have been duly executed by the Borrower and are valid and genuine and binding obligations of the Borrower. The Note is a valid and genuine, binding and enforceable negotiable instrument and is not subject to any claims, defenses, setoffs or counterclaims. The Mortgage is valid and genuine, binding and enforceable and creates a lien of the priority agreed upon with Purchaser on the Mortgaged Property, subject only to (a) liens for real estate taxes not yet due and payable, (b) special assessments not yet due and payable, or (c) covenants, conditions, easements or rights-of-way acceptable to Purchaser and satisfactory (i) under Freddie Mac Requirements or Fannie Mae Requirements, if the Mortgage Loan is a Conforming Mortgage Loan, or (ii) under GNMA Requirements, if the Mortgage Loan is a FHA/VA Mortgage Loan. The Mortgage is properly recorded in the land records of the appropriate jurisdiction, and no portion of the lien has been released or subordinated.

8.2. **Ownership and Transfer.** Seller is the sole owner of the Mortgage Loan and has the authority to sell, transfer and assign the same on the terms set forth in this Agreement. Except for any pledge to secure warehouse financing, the Mortgage Loan is free and clear of any and all assignments, encumbrances, options, rights, claims, liens and security interests. Seller has the right to sell and assign each Mortgage Loan to Purchaser

without the consent, approval or agreement of any other person, and Seller has not assigned any interest in the Mortgage Loan to any other person, except for any pledge to secure warehouse financing. By delivery and endorsement of the Note to Purchaser, Purchaser shall be the sole owner of the Note.

8.3. **Eligibility.**

8.3.1. **Eligibility of Conforming Mortgage Loans.** Each Conforming Mortgage loan is in full compliance in all material respects with this Agreement and applicable Freddie Mac Requirements or Fannie Mae Requirements.

8.3.2. **Eligibility of FHA/VA Mortgage Loans.** Each FHA/VA Mortgage Loan is in compliance in all material respects with this Agreement, GNMA Requirements, and all applicable laws, rules, regulations, requirements, and guidelines that are applicable to FHA/VA Mortgage loans including, without limitation, HUD Mortgagee Letters, HUD Handbooks, HUD Guidelines, HUD Notices, HUD Issuances, the VA Lender's Handbook, VA Loan Guarantee Releases, and VA Loan Guarantee Circulars.

8.4. **Compliance with Applicable Law.** Seller has complied in all material respects with all applicable federal, state and local laws, rules and regulations with respect to the Mortgage loan, including, but not limited to, the Real Estate Settlement Procedures Act of 1974, the Equal Credit Opportunity Act, the Truth-In-Lending Act ("TILA"), the Fair Credit Reporting Act, the Home Mortgage Disclosure Act of 1975 ("HMDA"), the Fair Housing Act, the Homeowners Protection Act of 1998, the National Flood Insurance Act of 1968, the Flood Disaster Protection Act of 1973, Title V of the Gramm-Leach-Bliley Act, and the Dodd-Frank Wall Street Reform and Consumer Protection Act, all as amended, together with the rules and regulations promulgated thereunder, and all applicable usury limitations. Further, all Consumer Disclosures relating to the Mortgage Loan have been properly given on a timely basis in compliance in all material respects with all applicable laws, rules and regulations.

8.5. **Title Insurance.** There is no exception to or condition affecting the title to the Mortgaged Property other than usual and customary exceptions satisfactory to Purchaser which do not adversely affect title to, or the marketability of, the Mortgaged Property. There is in force a paid-in-full mortgagee title insurance policy with respect to the Mortgaged Property issued by a title insurance company acceptable to Purchaser on standard ALTA mortgagee policy forms in an amount satisfactory to Purchaser and containing all endorsements required by Purchaser. By assignment or endorsement of Seller's interest in the Mortgage Loan, Purchaser, its successors and assigns, is designated as a mortgagee and additional named insured with regard to the title insurance. Seller has not done, by act or omission, anything which would impair such title insurance coverage.

8.6. **Mortgaged Property Intact.** The Mortgaged Property has not been damaged so as to adversely and materially affect its value and is otherwise in good repair. There are no proceedings pending for the partial or total condemnation of the Mortgaged Property. The Mortgaged Property and the surrounding area are not located in an area that has been designated a disaster-affected area by the Federal Emergency Management Agency.

8.7. **Hazard and Casualty Insurance.** There is in force for the Mortgage Loan adequate hazard and casualty insurance coverage with respect to the Mortgaged Property in an amount and pursuant to a policy of insurance satisfactory to Purchaser insuring against fire or other casualties required by Purchaser, and, if required by federal law, flood insurance. By assignment or endorsement of Seller's interest, Purchaser, its successors and assigns, is designated as a mortgagee and additional named insured with regard to such insurance.

8.8. **Delinquent Status.** As of the Purchase Date, the Mortgage Loan is not 16 calendar days or more Delinquent, and Seller has no knowledge of any default or breach existing or threatened under the Mortgage or Note.

8.9. **Modification of Mortgage Loan Documentation.** The terms of the Mortgage Loan have in no way been changed or modified and the lien of the mortgage has not been released or subordinated.

8.10. **Taxes.** All taxes due and payable on or prior to the Purchase date with respect to the

Secured Property have been paid in full.

8.11. **No Fraud.** No fraud, error, omission, misrepresentation, gross negligence or similar occurrence with respect to the Mortgage Loan has taken place on the part of the Seller or any other originator or servicer or the Borrower or on the part of any other party involved in the origination of the Mortgage Loan.

8.12. **Assignment.** Except for Mortgage Loans in the MERS system, a valid and recordable instrument of assignment of all right, title and interest in and to the Mortgage has been duly executed and delivered by the proper person(s) or entity(ies) to Purchaser, and such assignment is not subject to any other assignment, claim, lien, mortgage, pledge, charge, security interest or encumbrance.

8.13. **Freddie Mac/Fannie Mae Representations and Warranties.** If a Mortgage Loan is a Freddie Mac Mortgage Loan, Seller hereby makes to Purchaser the representations and warranties contained in the applicable Freddie Mac Requirements with respect to such Freddie Mac Mortgage Loan; if a Mortgage Loan is a Fannie Mae Mortgage Loan, Seller hereby makes to Purchaser the representations and warranties contained in the applicable Fannie Mae Requirements with respect to such Fannie Mae Mortgage Loan.

8.14. **GNMA Representations and Warranties.** If the Mortgage Loan is an FHA/VA Mortgage Loan, Seller hereby makes to Purchaser the representations and warranties contained in the GNMA Requirements with respect to such FHA/VA Mortgage Loan.

8.15. **FHA Approval or VA Approval.** In the case of an FHA Mortgage Loan, there is an FHA Approval in effect for such FHA Mortgage Loan, all conditions of the FHA Approval have been met, and the one-time mortgage insurance premium required by FHA, if applicable, has been paid, as evidenced by a mortgage insurance certificate issued by HUD. In the case of a VA Mortgage Loan, there is a VA Approval in effect for such VA Mortgage Loan, all conditions of the VA Approval have been met, and the funding fee required by VA, if applicable, has been paid in full, as evidenced by a loan guaranty certificate issued by VA.

8.16. **Servicemember's Civil Relief Act.** Borrower has not notified Seller, and Seller has no knowledge of any relief requested or allowed to Borrower, under the Servicemember's Civil Relief Act.

8.17. **Environmental Issues.** There are no past or current violations of any federal, state or local environmental or toxic waste laws, rules or regulations with respect to the Secured Property, and no past or current actions, suite or proceedings with respect to the same.

8.18. **Inapplicability of the Home Ownership and Equity Protection Act of 1994.** The Mortgage Loan is not subject to the Home Ownership and Equity Protection Act of 1994 or the rules and regulations promulgated thereunder.

8.19. **Inapplicability of State and Local Predatory Lending Laws.** The Mortgage Loan is not subject to any state or local law, rule, regulation, or ordinance that governs, addresses, regulates or prohibits predatory lending, high cost home loans, high rate home loans, high fee home loans, or similar matter.

9. **Survival of Representations and Warranties.** All representations and warranties contained in this Agreement shall survive the applicable Purchase Date for a period of 7 years (notwithstanding any earlier termination of this Agreement). All representations and warranties contained in this Agreement shall inure to the benefit of Purchaser, its successors, affiliates and assignees, regardless of any review or investigation made by or on behalf of Purchaser

10. **Covenants of Seller.** Seller makes the following covenants for the benefit of Purchaser:

10.1. **Interim Servicing; Servicing Transfer Notices.** To the extent Seller services a Mortgage Loan after the related Purchase Date, Seller (or its designee, which designee shall be approved in writing by Purchaser) shall service the Mortgage Loan in conformance with Accepted Servicing Practices until such time as the servicing of such Mortgage Loan is transferred to Purchaser or its designee. Seller shall promptly follow Purchaser's

instructions regarding the transfer of any such servicing. If applicable, Seller shall, at its expense, mail an approved form of notification to Borrowers of the transfer of the Servicing Rights and instruct the Borrowers to deliver all mortgage and related payments and all tax and insurance notices to Purchaser after the Purchase Date.

10.2. **Supplementary Information; Further Assurances.** From time to time prior to and after the Purchase Date, Seller shall furnish to Purchaser such information supplementary to the information contained in the documents and schedules delivered pursuant hereto which is reasonably available to Seller as Purchaser may reasonably request or which may be necessary to enable Purchaser to file any reports due in connection with the Mortgage Loans or Servicing Rights or to determine the continuing eligibility of Seller to sell Mortgage Loans to Purchaser.

10.3. **Notice.** Seller shall give prompt written notice to Purchaser of any action, event or condition of any nature which may lead to or result in a material adverse effect upon the business, operations, assets, or financial condition of Seller, or the Mortgage Loans or of any of the circumstances outlined in Section 12 hereof, including but not limited to: (i) termination by its warehouse lender, any investor, mortgage insurance company, Freddie Mac, Fannie Mae, or FHA; or (ii) suspension, enforcement action, investigation, or consent order from any licensing authority or government agency.

10.4. **Governmental Approvals.** Seller 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.

10.5. **Rescission.** If any Borrower rescinds a Mortgage Loan originated by Seller and registered with and assigned in process to Purchaser, Seller shall refund to such Borrower any and all fees it collected from the Borrower as the “creditor” under TILA, and shall otherwise comply with the TILA rescission requirements.

10.6. **HMDA Reporting.** As the entity making the primary credit decision, Seller will include (if applicable) any Mortgage Loans sold to Purchaser in Seller’s HMDA reporting as originated by Seller. Unless separately agreed to in writing, any review of a Loan by Purchaser prior to Sale date is for purposes of evaluating salability, and is not a credit decision.

11. **Repurchase Requirements.** In addition to any other rights and remedies which Purchaser may have against Seller, Seller agrees to repurchase any Mortgage Loan (or, if the Mortgage Loan has been foreclosed upon, to purchase the Mortgaged Property if it is still held by Purchaser with 30 calendar days after Purchaser’s demand, resulting from the occurrence of any of the events specified in Section 11.1.

11.1. **Events Resulting in Repurchase Obligation.** Seller’s repurchase obligations under the Section 11 shall result from the occurrence of any of the following events with respect to a Mortgage Loans:

11.1.1. **Breach of Warranty or Representation.** Seller breaches any representations or warranty made pursuant to this Agreement, provided that Seller shall have 30 calendar days following notice thereof from the Purchaser to cure any breach resulting from a clerical error to the satisfaction of Purchaser. Such right to cure may be exercised only one time for each Mortgage Loan sold to Purchaser under this Agreement.

11.1.2. **Timely Delivery of Documents.** The Mortgage File documents or Post Closing Documents or any other documentation or corrections of any documentation have not been delivered within the time periods set forth in this Agreement.

11.1.3. **False or Misleading Statements.** Any information submitted by Seller or any statement, report or document furnished by Seller to Purchaser hereunder was incomplete, inaccurate, false, or misleading in any material respect when made or delivered, regardless of whether Seller had or should have had knowledge of the same at the time. This includes, without limitation, any information in any loan application submitted by any Borrower; any appraisal or evaluation report; any credit report; any title search or title insurance policy; and any condominium or PUD warranties made by Seller to Purchaser.

11.1.4. **Early Payment Delinquency.** The Mortgage Loan payment due on any of the first four payment due dates after the Purchase Date becomes Delinquent 30 or more calendar days.

11.1.5. **Ninety (90) Days' Delinquency Within 9 Months.** The Mortgage Loan becomes 90 days Delinquent within the first 9 months following the Purchase Date: provided, that this Section 11.1.5 shall not apply to a Mortgage Loan that was underwritten by Purchaser.

11.1.6. **Failure to Obtain Certain Certificates.** If, within the time period required by this Agreement, (a) Seller fails to obtain private mortgage insurance for a Mortgage Loan, where such private mortgage insurance is required by the Purchase Confirmation or this Agreement, or (b) in the case of a Mortgage Loan which is required to have FHA insurance, Seller fails to obtain a FHA mortgage insurance certificate, or (c) in the case of a Mortgage Loan which is required to have a VA guarantee, Seller fails to obtain a VA loan guarantee certificate.

11.1.7. **Request by Purchasing Party.** Any party to whom Purchaser sells a Mortgage Loan requests Purchaser to repurchase the Mortgage Loan based on grounds that would constitute a breach by Seller of any term or provision of this Agreement, and Seller is unable to provide a defense which persuades such party to withdraw the repurchase request.

11.2. **Survival of Repurchase Obligation.** Seller's repurchase obligation under this Section 11 shall survive (a) any transfer or grant of any interest in or sale of the Mortgage Loan by Purchaser or its Affiliates or any of their successors or assigns and (b) any termination of this Agreement. Seller's obligation to repurchase Mortgage Loans under this Section 11 shall be in addition to, and not in replacement of, Seller's obligation to repurchase Mortgage Loans under any other applicable law.

11.3. **Repurchase Price.** In the event Seller is obligated to repurchase a Mortgage Loan under this Section 11, the repurchase price shall be the higher of (a) the unpaid principal balance or (b) the Purchase Price Percentage times the unpaid principal balance, plus (c) all accrued unpaid interest through and including the date of repurchase, together with (d) reimbursement to Purchaser for any expenses or court costs incurred in connection with the repurchase of any such Mortgage Loan or investigating, researching and enforcing such repurchase including, without limitation, attorney's fees or other professional fees, plus (e) all other un-reimbursed costs, expenses and advances incurred or disbursed by Purchaser in connection with such Mortgage Loan (or the related Mortgaged Property) after the Purchase Date. Purchaser shall have the right to offset the amount owed by Seller to Purchaser pursuant to this Section 11 at any time, without prior notice, against the Purchase Price for any Mortgage Loan or against any and all balances, credits, deposits, accounts, or monies of Seller then or thereafter held by Purchaser.

12. **Events of Default; Termination.** Purchaser, at its sole option, shall have the right to immediately terminate this Agreement without prior notice should an Event of Default occur. In the event this Agreement is terminated under this Section 12, Purchaser shall not be obligated to purchase any additional Mortgage Loans (regardless of whether the Mortgage Loans are Locked Loans) from Seller under this Agreement from and after the effective date of the termination. After any termination under this Section 12, the provisions of this Agreement shall continue to apply to any Mortgage Loans previously purchased by Purchaser from Seller. Certain provisions of this Agreement, as specified in certain sections of this Agreement, shall survive any termination of this Agreement. The following shall be Events of Default under this Agreement:

12.1. **Repeated Breaches of Representations or Warranties.** Purchaser determines that Seller has on a recurring basis breached any of the warranties or representations contained in this Agreement, regardless of any action by Seller to cure breaches.

12.2. **Failure to Deliver Certain Documents.** Purchaser determines that Seller has on a recurring basis failed to deliver to Purchaser any Mortgage File documents or Post Closing Documents within the time periods required by or this Agreement.

12.3. **False or Misleading Statements.** Purchaser determines that any information submitted by Seller or any statement, report or document furnished by Seller to Purchaser hereunder has on a recurring basis

been incomplete, inaccurate, false, or misleading in any material respect when made or delivered, regardless of whether Seller had or should have had knowledge of the same at the time. This includes, without limitation, any information in any loan application submitted by any Borrower; any appraisal or evaluation report; any credit report; any title search or title insurance policy; and any condominium or PUD warranties made by Seller to Purchaser.

12.4. **Failure to Close and Deliver Certain Locked Loans.** Failure by Seller on a recurring basis to use its best efforts to close and deliver Locked Loans to Purchaser for purchase pursuant to the terms of this Agreement.

12.5. **Insolvency.** Seller (a) shall wind up or dissolve its operations or be wound up or dissolved or take corporate action in contemplation of such winding up or dissolution of its operations; or (b) shall no longer be Solvent or a petition under the Bankruptcy Code or similar law shall be filed by Seller; or (c) an involuntary petition under the Bankruptcy Code or similar law shall be filed against Seller and such petition shall not be dismissed within 10 calendar days.

13. **Indemnity.** Seller hereby agrees to indemnify, defend and hold harmless Purchaser and its successors, Affiliates, and assigns, together with their respective officers, directors, employees and agents (collectively, the "Indemnitees"), from and against any and all claims, losses, damages, fines, penalties, forfeitures, attorney's fees, judgments and any costs, court costs, fees and expenses relating to, arising out of, based upon, or resulting from (a) a breach by Seller of any representation, covenant, warranty, term, condition or obligation contained in or made pursuant to this Agreement or any other agreement between Seller and Purchaser relating to the purchase of Mortgage Loans, (b) a failure by Seller to disclose any information that renders any such representation or warranty misleading or inaccurate, (c) any materially inaccurate, incomplete, false, or misleading information provided by or through Seller to Purchaser, (d) any misrepresentation made by or through Seller to Purchaser concerning any Mortgage Loan, or (e) Seller's ownership of or actions with respect to any Mortgage Loan. This Section 13 shall survive any purchase, sale or transfer of any Mortgage Loan or any interest therein by any of the Indemnitees, the liquidation of the Mortgage Loan, or any termination of this Agreement.

14. **Term and Termination of Agreement.** This Agreement may be terminated by either party at any time without cause by giving 30 calendar days' notice to the other party. Upon such notification, Purchaser shall cease accepting Mortgage Loans for credit approval as of the effective date of termination, but shall purchase pursuant to the terms of this Agreement any Locked Loans in effect as of the termination date. After any termination under this Section 14, the provisions of this Agreement shall continue to apply to any Mortgage Loans previously purchased by Purchaser from Seller. Certain provisions of this Agreement, as specified in certain Sections of this Agreement, shall survive any termination of this Agreement. Nothing in this Section 14 shall affect or apply to a termination under Section 12 of this Agreement.

15. **Agreement of Non-Solicitation.** Seller shall not, after the Effective Date, take any action, or cause any action to be taken on Seller's behalf by any person, to solicit any Borrower to refinance any Mortgage Loan purchased by Purchaser, or take any other action which would otherwise encourage the prepayment of any Mortgage Loan, except for general solicitations of the public at large. In addition, Seller agrees that it will not assist any person in making any solicitation of such Borrowers.

16. **Confidential Information.**

16.1. **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 law 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 other Party shall be no less than those used by such Party to protect its own Confidential Information.

16.2. 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.

17. Relationship of Parties. Neither party shall be deemed an agent, employee or legal representative of the other party. Each party is acting solely on its own behalf and as an independent contractor. Neither party to this Agreement shall have the power or authority to represent, act for, bind or commit the other party in connection with any action taken pursuant to this Agreement. Neither the execution nor the performance of this Agreement shall be construed to establish any partnership or joint venture between the parties.

18. Notices. Except as otherwise expressly provided in this Agreement, all notices, requests, demands, consents, approvals, agreements, or other communications under this Agreement (collectively, "Communications") required or permitted to be given hereunder shall be in writing. A Communication shall be sufficient if it is personally delivered or sent by facsimile transmission, recognized carrier of overnight mail (postage prepaid), or registered or certified U. S. Mail (postage prepaid, return receipt requested). A Communication given by personal delivery shall be deemed to be given when actually delivered. A Communication by facsimile transmission or email shall be deemed to be given when sent (if confirmation of transmission or receipt is received by the party transmitting the facsimile or email). A Communication by recognized carrier of overnight mail shall be deemed to be given 2 Business Days after the date of delivery to the recognized carrier of overnight mail. A Communication by registered or certified U. S. Mail shall be deemed to be given 3 Business Days after the date of deposit in the U.S. Mail. All Communications shall be given to the parties at their respective addresses or facsimile numbers indicated below:

If to Purchaser: Castle Mortgage Corporation
10251 Vista Sorrento Pkwy, Suite 225,
San Diego, CA 92121
Attention: Anna Martinez

If to Seller: Company: _____
Address: _____
Address Line 2: _____
Attention: _____
Fax No.: _____
Email Address: _____

Either party may change the recipient address or facsimile number or email address to which Communications shall be sent by giving written notice of such change to the other party in the manner provided in this Section 18; provided, however, that such notice shall be effective only upon actual receipt.

19. Binding Agreement; Successors and Assignees; Assignment. This Agreement is binding upon the Seller and Purchaser and their respective successors and assigns. This Agreement, and Seller's duties, obligations or rights under this Agreement, may not be assigned by Seller without the prior written consent of Purchaser. Purchaser shall have the right to assign this Agreement, or any of its duties, obligations, or rights under this Agreement, to any Affiliate of Purchaser or to any successor holder of any Mortgage Loan.

20. No Waiver; Rights and Remedies Cumulative. No failure or delay on the part of either party in exercising any of its rights, powers, privileges or remedies hereunder shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other future exercise or the exercise of any other rights, powers,

privileges or remedies, all of which shall be cumulative.

21. **Governing Law.** This Agreement is to be construed in accordance with and governed by the internal laws of the State of California without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the internal laws of the State of California to the rights and duties of the parties.

22. **Choice of Forum.** Seller (a) submits to personal jurisdiction in the State of California, the courts thereof and the United States District Courts sitting therein, for the enforcement of this Agreement, (b) waives any and all rights under the law of any jurisdiction to object on any basis (including, without limitation, inconvenience of forum) to jurisdiction or venue within the State of California for the purpose of litigation to enforce this Agreement, and (c) agrees that service of process may be made upon the Seller in any manner prescribed by applicable federal rules of civil procedure for the giving of notice to the Seller.

23. **Waiver of Jury Trial.** **EACH PARTY TO THIS AGREEMENT WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.**

24. **Entire Agreement.** This Agreement together with the Purchase Confirmations constitutes the entire agreement and understanding of the parties with respect to the subject matter of this Agreement. No modification or amendment of this Agreement shall be valid unless set forth in writing and executed by both Seller and Purchaser.

25. **Severability.** If any provision of this Agreement, or the application of this Agreement to any person, place or circumstance, shall be held by a court of competent jurisdiction to be invalid, unenforceable or void, the remainder of this Agreement and such provisions as applied to other persons, places, and circumstances shall remain in full force and effect.

26. **Expenses.** Whether or not the transactions contemplated by this Agreement are consummated, each party shall pay all expenses incurred by it or on its behalf in connection with this Agreement and the transactions contemplated hereby, except as otherwise set forth in this Agreement.

27. **Further Assurances; Power of Attorney.**

27.1. **Further Assurances.** Subject to the terms and conditions of this Agreement and the Manual, each party agrees to use its best efforts to do, or cause to be done, all things necessary, proper or advisable under applicable laws, rules and regulations to consummate the transactions contemplated by this Agreement and the Purchase Confirmations as expeditiously as practicable including, without limitation, the performance of such further acts or the execution and delivery of any additional instruments or documents as either party may reasonably request in order to carry out the purposes of this Agreement and the Purchase Confirmations and the transactions contemplated thereby.

27.2. **Power of Attorney.** With respect to each Mortgage Loan sold by Seller to Purchaser under this Agreement, Seller hereby constitutes and appoints Purchaser its true and lawful Attorney-In-Fact, and in its name, place and stead and for its use and benefit hereby authorizes such Attorney-In-Fact, through any of its duly appointed officers, from time to time to execute and/or acknowledge in writing, or by facsimile, or otherwise, all documentation reasonably necessary and appropriate for any one or more of the following: (a) the substitution of any trustee in any Mortgage, (b) the assignment of any Mortgage in the name of Seller to Purchaser, and the recordation of any such Mortgage or assignment (c) the endorsement of any checks, drafts, or other payment instruments made payable to Seller with respect to any such Mortgage Loan, (d) the modification, amendment, or correction of any Note, Mortgage, Mortgage File document, or Post-Closing Document relating to any such Mortgage Loan, and (e) the preparation, execution and/or delivery of such other documentation in the name of Seller as Purchaser shall determine to be reasonably necessary and appropriate to carry out the transactions contemplated by this Agreement and/or the subsequent sale of any such Mortgage Loan by Purchaser. Seller gives and grants to such Attorney-In-Fact full power and authority to do and perform each and all of the foregoing acts, as fully as Seller might or could do so on its

own behalf. The power of attorney contained in this Section 27 is coupled with an interest, is irrevocable, and shall survive any termination of this Agreement. Upon the request of Purchaser, Seller shall execute and acknowledge such additional powers of attorney as may be reasonably necessary to enable Purchaser, as such Attorney-In-Fact, to perform any of the actions described in this Section 27.

28. **Failure or Delay in Performance.** Neither party shall be liable for failure or delay in performing its obligations under this Agreement if such failure or delay is due to circumstances beyond the party's reasonable control including, without limitation, acts of any governmental body, war, insurrection, sabotage, embargo, fire, flood, strike or other labor disturbance, interruption of or delay in transportation; provided, however, that lack of credit or funds for financing shall not in any event be considered a matter beyond the reasonable control of the party. Each party (a) shall promptly notify the other in writing of any such delay or failure in performance, the expected duration thereof, and its anticipated effect on the party expected to perform and (b) shall use its best efforts to remedy such delay, except that neither party shall be under any obligation to settle a labor dispute.

29. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, each party has caused this Agreement to be executed by its duly authorized officer, all as of the Effective Date.

Castle Mortgage Corporation ("Purchaser") _____ ("Seller")

By: _____
Name: Anna Martinez
Title: President

By: _____
Name: _____
Title: _____

Exhibit 1
[Form of Purchase Confirmation]

PURCHASE CONFIRMATION

Castle Mortgage Corporation (“Purchaser”) hereby offers to purchase and _____ (“Seller”) hereby agrees to sell the Mortgage Loan(s), whether currently funded or being processed for origination by Seller, listed on the Mortgage Loan Schedule attached hereto, pursuant to the terms therein set forth and subject to and in accordance with the provisions of the Correspondent Loan Purchase Agreement, dated as of _____ (the “Purchase Agreement”), between Purchaser and Seller. Capitalized terms used but not defined herein shall have the respective meanings set forth in the Purchase Agreement.

SELLER

Accepted and Agreed:

By: _____

Name: _____

Title: _____

PURCHASER

Castle Mortgage Corporation

By: _____

Name: Anna Martinez

Title: President

MORTGAGE LOAN SCHEDULE

Funded Loans

| <u>Loan #</u> | <u>Principal</u> | <u>Mortgage Interest Rate</u> | <u>Purchase Price Percentage</u> | <u>Servicing Value Percentage</u> | <u>Purchase Price Dollars</u> | <u>Purchase Date</u> | <u>Commitment Type</u> |
|---------------|------------------|-------------------------------|----------------------------------|-----------------------------------|-------------------------------|----------------------|------------------------|
|---------------|------------------|-------------------------------|----------------------------------|-----------------------------------|-------------------------------|----------------------|------------------------|

| | | | | | | | |
|--|----|---|---|---|----|--|--|
| | | | % | % | \$ | | |
| | | | | | | | |
| | \$ | % | % | % | \$ | | |

Totals:

Locked Loans

| <u>Loan #</u> | <u>Principal</u> | <u>Guaranteed Rate</u> | <u>Purchase Price Percentage</u> | <u>Servicing Value Percentage</u> | <u>Purchase Price Dollars</u> | <u>Purchase Date</u> | <u>Commitment Type</u> |
|---------------|------------------|------------------------|----------------------------------|-----------------------------------|-------------------------------|----------------------|------------------------|
|---------------|------------------|------------------------|----------------------------------|-----------------------------------|-------------------------------|----------------------|------------------------|

| | | | | | | | |
|--|----|---|---|---|----|--|--|
| | \$ | % | % | % | \$ | | |
|--|----|---|---|---|----|--|--|

Totals: