



Version 1.1 2016

TPO Approval Checklist For Consumer and Business Purpose Loans

******(This Broker Package is for Brokers who will be Brokering Consumer Purpose Loans, Commercial Real Estate Loans or Residential Business Purpose Loans)******

NO ALERTIONS, MODIFICATIONS OR AMENDMENTS ARE ACCEPTED TO THIS AGREEMENT.

Where to Send Completed Package - Please provide the following items indicated below to process the review of your Third Party Origination ("TPO") application. Please submit all forms fully completed and in proper form to the following email address: tpoapplication@athascapital.com

Should you have any questions please contact your Athas Capital Group Wholesale Account Executive ("AE"): If you are not currently assigned or do not have an established relationship with an Athas Capital Group AE please call 877.877.1477 an ask to speak to one of our dedicated in house AEs.

Athas Capital Group's AE that Represents Your Account:

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- 1) TPO Company Description
 - 2) TPO Disclosures
 - 3) Non Tolerance Disclosure Regarding Mortgage Fraud
 - 4) TPO Broker Agreement
 - 5) Copies of Licenses from the respective Regulatory Agencies and the Nationwide Mortgage Licensing System ("NMLS") for all states TPO intends to conduct business in with Athas Capital. *Expired licenses will delay the processing of your package.*
 - 6) Company Contact List to include all Mortgage Loan Originators with Individual NMLS Identifiers, Sales Managers and Loan Processors.
 - 7) **Note:** We do NOT require financial information or credit analysis on the TPO Company, Owners, Officers, Agents or authorized representative(s).

TPO Company Description

Type of Company: (check that which applies)

<input type="checkbox"/> Mortgage Broker	<input type="checkbox"/> Mortgage Banker	<input type="checkbox"/> Commercial Bank
<input type="checkbox"/> Credit Union	<input type="checkbox"/> State Chartered Savings	<input type="checkbox"/> Federally Chartered Savings
Other: _____		

Entity Structure Description: (check that which applies)

<input type="checkbox"/> Corporation	<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Limited Liability Company
<input type="checkbox"/> General Partnership	<input type="checkbox"/> Limited Partnership	<input type="checkbox"/> Limited Liability Partnership
Other: _____		

TPO Company Name:			
TPO Corporate Address:			
City:	State:	Zip:	Main Phone:
TPO Company Mailing Address: (if different from Corporate address)			
City:	State:	Zip:	
TPO Company Web Site Address:			
Contact information for Oversight of TPO Application: (Name / Title / Phone / Email)			
TPO Company Corporate Phone:		E-mail:	
Organization Date: _____ Federal Tax ID # _____			
State of Organization/Incorporation: _____ Company NMLS # _____ (this will be your broker id#)			
Owner(s)	Percentage of Ownership		
***Additional Owners(Attach as Exhibit A)			

TPO Company Description (Continued)

List all DBA(s) (if applicable).

Include copies of any dba/fictitious business name filings and state licenses:

OFFICERS

CEO	Phone:	E-mail:
President	Phone:	E-mail:
COO	Phone:	E-mail:
CFO	Phone:	E-mail:
Loan Production	Phone:	E-mail:
Operations	Phone:	E-mail:
Secondary Marketing	Phone:	E-mail:
Quality Control	Phone:	E-mail:
Vendor Relations Manager	Phone:	E-mail:
	Phone:	E-mail:

GENERAL CERTIFICATIONS:

The undersigned declares that, to the best of his/her knowledge, the statements set forth herein are true. ACG (and its subsidiaries and/or affiliates) is hereby authorized to obtain verification of any information provided herein.

Officer Signature: _____ Date: _____

Officer Name: _____

Officer Title: _____

Officer Signature: _____ Date: _____

Officer Name: _____

Officer Title: _____

TPO Disclosures

1. Has your company ever been suspended from selling or servicing mortgages by an investor?

Yes No If yes, please provide explanation:

2. Has your company, and/or principals or corporate officers, been named as defendant in a lawsuit for alleged fraud or misrepresentation in connection with any real estate related activity?

Yes No If yes, please provide explanation:

3. Has your company ever been involved or is currently involved in any litigation?

Yes No If yes, please provide explanation:

4. Has your company, and/or principals or corporate officers, been named as defendant in a criminal proceedings/complaint/conviction for alleged fraud or misrepresentation in connection with any real estate related activity?

Yes No If yes, please provide explanation:

5. Has your company, and/or principals or corporate officers, filed for protection from creditors under any provision of the bankruptcy laws within the past seven years?

Yes No If yes, please provide explanation:

6. Has your company and/or principals or corporate officers ever had a real estate or other professional license suspended, revoked, or received any other disciplinary action from a regulatory agency?

Yes No If yes, please provide explanation:

7. Has any lender enforced, or attempted to enforce, the Hold Harmless or Repurchase clause of their correspondent or broker agreement with your company and/or any principals or corporate officers?

Yes No If yes, please provide explanation:

For the purpose of inducing lenders to provide financing for customers of the undersigned, I (we) certify the above information to be true and correct. The undersigned declares that the foregoing information and all accompanying information are true to the best of his/her knowledge and belief

Broker/Owner/Corporate Officer Signature

Date

**NON-TOLERANCE DISCLOSURE REGARDING
MORTGAGE FRAUD**

TPO Company must be aware that the licensed Mortgage Loan Officer (“MLO”) or the licensed Real Estate is responsible for all actions of his or her Employees and/or Licenses. The TPO Company is responsible for the content and quality of each application taken and each loan submitted to Athas Capital group, Inc. (“ACG”). Submission of a loan application containing false information is a crime punishable by law and grounds for immediate termination of TPO Company approval with ACG..

TYPES OF LOAN FRAUD

- 1. Submission of inaccurate information including false statements on loan applications.
- 2. Falsification, Alteration or forgery of documents including, but not limited to credit, employment, income documentation, deposit or asset information, personal information, including identity, ownership / non-ownership of real property.
- 3. Incorrect statements regarding loan applicant(s) current occupancy or intent thereof to maintain minimum continuing occupancy as stated on the Security Instrument.
- 4. Lack of due diligence by TPO Company, MLO, its Representatives, Agents and/or Processors including failure to obtain all information required by the application.
- 5. Unquestioned acceptance of information or documentation that is known or should have been known or should be suspected to be inaccurate.
- 6. Broker's non-disclosure of relevant information.

CONSEQUENCES OF LOAN FRAUD

- 1. Criminal prosecution
- 2. Loss of licenses
- 3. Civil action and penalties by ACG or other parties to the transaction
- 4. Immediate loss of approval to do business with ACG
- 5. ACG reporting of any instances of Fraud to CFPB and respective State or Federal Regulatory Agencies

I have read the foregoing and fully understand ACG's position on Loan Fraud and the non-tolerance thereof. Neither this Broker nor any party acting on this Broker's behalf will knowingly and / or willfully engage in the practice of Loan Fraud that results in the origination of a fraudulent loan to ACG.

Signature of Broker

Date

Signature of Principal Officer

Date

Printed Name & Title of Broker

Printed Name & Title of Principal Officer

TPO BROKER AGREEMENT

THIS AGREEMENT (the "Agreement") is entered into as of this ____ day of _____, 20____ by and between **Athas Capital Group, Inc, its successors and/or assigns ("ACG")**, a California corporation, having its principal office at 26901 Agoura Road, Ste #250, Calabasas, CA 91301 and _____ ("Broker"), a _____, having its principal office at _____.

*****Recitals*****

WHEREAS, Broker and ACG wish to establish a non-exclusive relationship, whereby Broker will be allowed to submit loans to ACG on behalf of Broker's customers ("Borrowers") for possible funding of the requested loans.

WHEREAS, ACG is a mortgage lender that originates and funds residential consumer and business purpose mortgage loan as well as commercial loans("Loans") for portfolio and / or sale to investors in the secondary market;

WHEREAS, Broker assists perspective borrowers in locating mortgage lenders to finance the purchase and refinance of residential or commercial property;

WHEREAS, Broker assists prospective borrowers in completing and processing loan applications, and evaluates such applications for consideration and review by various mortgage lenders;

WHEREAS, ACG desires to consider making loans secured by mortgages to such prospective borrowers in accordance with established terms and conditions.

WHEREAS, ACG and Broker each desire to enter into this Agreement in order to clarify the terms of their relationship and set for the the terms and conditions of their understandings.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration the receipt, sufficiency, and adequacy of which are hereby acknowledged, the parties hereby agree as follows:

Definitions:

Unless otherwise defined herein, the capitalization terms used herein shall have the meanings set forth in the guidelines.

General Broker Responsibilities:

Broker will, at Broker's sole expense:

- a) Submit to ACG completed Loan Packages for prospective Borrowers under such programs, procedures and fee schedules as ACG may periodically establish; and
- b) Furnish ACG with all of the prospective Borrower's Credit, Financial and other information as ACG may require; and
- c) Provide such information as ACG may reasonably request

- d) Perform such other services as ACG shall require, in order to close transactions pertaining to individual Loans;

Broker's Representations and Warranties:

Broker represents and warrants to ACG that as of (I) the time any Loan package is submitted to ACG, and (II) as of the time any Loan is funded and the transaction closed, the following:

- a) **No Untrue Statements:** To the best of Broker's knowledge and belief, none of the statements or information contained in any Loan Package submitted by Broker will contain any false or erroneous statements (or omit material facts which may be necessary to make such statements or information accurate and understandable). BROKER UNDERSTANDS THAT BY MAKING THE WARRANTY CONTAINED IN THIS SUBPARAGRAPH (a) THAT BROKER IS WARRANTING THE ACCURACY OF ALL INFORMATION CONTAINED IN ANY LOAN PACKAGE SUBMITTED TO ACG, TO THE EXTENT THAT BROKER HAS KNOWLEDGE OF, OR REASON TO SUSPECT, ANY INACCURACY.
- b) **Absence of Claims:** Except as disclosed in writing by Broker to ACG prior to the closing of any Loan, there is not pending or, to the best of Broker's knowledge, threatened any suit, action, arbitration, or legal, administrative, or other proceeding or governmental investigation (including an allegation of fraud by another lender) against Broker or its current or former owners, agents, or employees, which could have a materially adverse effect on the Broker's business, assets, financial condition, or reputation.
- c) **Duly Licensed:** If applicable, Broker possesses all necessary licenses, permits and authority to engage in the activities contemplated by this Agreement.
- d) **Compliance with Applicable Law:** Broker will comply with all applicable state and federal laws with respect to the Loans.
- e) **No Joint-Venture or Partnership / Status of Broker:** Nothing contained in this Agreement shall be construed as making the Broker a joint venture, partner, representative, employee or agent ACG. Broker shall not hold itself out as such, nor shall it use ACG's name (nor the name of any entity related to ACG) in any of Broker's advertising.

Loan Approval:

Approval of a Loan shall be at ACG's sole and absolute discretion. Broker agrees that it shall not represent to any prospective Borrower that ACG has approved or will approve any request for a Loan unless and until such time as ACG has given Broker written notification that it may notify the subject Borrower(s) of approval of their Loan. All closings of Loans shall be in the name of ACG, or its designee.

Application and Amendment of the Broker Guide:

Broker has visited www.athascapital.com and reviewed the ACG Underwriting Guidelines and Rate Sheet Matrices (collectively "Guidelines"), which is incorporated by reference in its entirety into this Agreement. Broker understands and agrees that ACG can amend, alter, modify, supplement, replace, or restate the Guidelines (an "Amendment") at any time, from time to time, in its sole discretion without the consent of Broker and that ACG's interpretation of the Guidelines, as applicable, shall be final and binding on Broker in all respects.

Eligible Loans; Pricing:

- (a) ACG's Loan Programs and Products: ACG will accept only those Loan Applications which conform to the Loan

Programs and Products then offered by ACG. Broker acknowledges that ACG reserves the right to alter, add, or delete Loan Programs and Products from time to time by amending the Guidelines, and Broker accepts responsibility for knowing which Loan Programs and Products are offered by ACG at any given time. Broker shall be responsible for assuring that each Eligible Loan Application submitted to ACG complies with all of the terms and conditions of ACG's Guidelines.

- (b) Eligible Loan Pricing: ACG shall make available to Broker, on a periodic basis, rate and pricing information applicable to its Loan Programs and Products via the ACG website (www.athascapital.com). Such rate and pricing information as contained therein is subject to change without notice. Broker shall comply with the Guidelines concerning interest rates which apply to the particular Loan Programs and Products then offered by ACG.

Duties of Broker:

- (a) Taking of Loan Applications: Broker shall take Loan Applications in its own name through its employees. All Loan Applications must have been originated and processed by Broker. Broker shall not secondary submit third party originations under this Agreement.
- (b) Registration; Application: Broker shall submit for each Eligible Loan Application registered with ACG, the application signed by the prospective borrowers and such credit, financial and other information as set forth in the Guidelines and / or as may be required by law or by ACG's submission requirements. Loan Applications submitted by Broker shall be considered registered upon receipt by Broker or written or electronic registration confirmation from ACG. Broker shall assist ACG in obtaining any additional information needed by ACG or to otherwise facilitate the closing of the loan transaction.
- (c) Export of Data Feed and Document Images: Broker shall electronically export to ACG such loan information data and loan documentation as set forth in the Guidelines, as stipulated by a conditional loan approval or by way of instructions by an ACG underwriter or account manager and as reasonably required by ACG.
- (d) Performance of Broker Services: In addition to taking the information from prospective borrowers and filling out the Loan Applications. Broker shall perform services including but not limited to all of the following services:
- (i) Comply with all applicable local, state, and federal laws, including but not limited to the Dodd Frank ACT, TRID, Real Estate Settlement Procedures Act, The Equal Credit Opportunity Act, the Truth in Lending Act, the Fair Credit Reporting Act, predatory lending, usury, consumer credit laws, and any other government regulatory requirements relevant to brokerage of real property secured loan applications in each jurisdiction where the real property securing the promissory note is located;
 - (ii) In lieu of ACG, provide disclosures (Truth in Lending Statement, Good Faith Estimate, Loan Estimate, Closing Disclosures, others required by law or prudent lending practices) to prospective borrowers within time periods required for all consumer loans;
 - (iii) Analyze the prospective borrower's income and debt after verifying same and prequalifying the prospective borrower to determine the maximum Eligible Loan that the prospective borrower can afford; educate the prospective borrower in the home buying and financing process, advise the borrower about the different types of loan products available, and demonstrate how closing costs and monthly payments would vary under each product;
 - (iv) Collect financial information (tax returns, bank statements) and other related documents that are part of the application process and verify and review the same for completeness and accuracy;

- (v) Initiate / order VOEs (verifications of employment) and VODs (verifications of deposits), and verify and review the same for completeness and accuracy;
- (vi) Initiate / order request for mortgage and other loan verifications;
- (vii) Initiate / order appraisals;
- (viii) Initiate / order inspections or engineering reports;
- (ix) Assist prospective borrowers in understanding and clearing credit problems;
- (x) Maintain regular contact with prospective borrowers, real estate Agents, and ACG, between application and closing to apprise them of the status of the application and to gather any additional information as needed; and

Duties of ACG:

- (a) Underwriting of Loan Applications: ACG shall be solely responsible for underwriting all Loan Applications provided by Broker. ACG shall have no obligation to approve or close a loan which in its sole discretion does not meet ACG's underwriting requirements. In making its determination, ACG expressly disclaims any inference Broker may draw as to the general quality or acceptability of the Loan Application. ACG retains sole and absolute discretion to reject any Loan Application which does not comply with the terms and conditions of this Agreement, the Guidelines or its underwriting standards, or for any reason whatsoever (except as prohibited by law), and to set the terms and conditions of any approval of an Loan Application. ACG shall notify Broker of ACG's disposition of a Loan Application.
- (b) Closing of Loan Applications: Loan Applications will close in the name of ACG. In the absence of any changes occurring or arising after its approval, ACG, or its agents, shall promptly proceed to the closing of each approved Loan Application in accordance with the terms and conditions of its approval. ACG shall prepare the closing package and close the Loan Application in its name. Unless otherwise agreed, ACG, or its agents, shall contact, and arrange with borrower and all other necessary parties, each loan closing. ACG, or its agents, shall promptly advise broker as each loan closes and will promptly advise Broker of any issues that may delay a loan closing. ACG shall be responsible for customer service and support with respect to requests for such Loans after they are closed.

Compensation:

ACG will convey to the settlement agent, after its review and approval, Broker's instructions to remit to Broker at closing all qualified expenses and compensation for services provided to borrowers and / or ACG.

Privacy of Nonpublic Personal Information:

All capitalized terms used in this Section 7 and not otherwise defined shall have the meaning set forth in the federal "Privacy of Consumer Financial Information" regulation, as amended from time to time (the "Privacy Regulation"), issued pursuant to Section 504 of the Gramm-Leach-Bliley Act (15 U.S.C. 6801 et seq.). Both parties acknowledge that the Privacy Regulation governs disclosures of nonpublic personal information about consumers.

- (a) Nonpublic Personal Information Security: Both parties hereby represent and warrant as follows with respect to any nonpublic personal information released to it by the other party: (i) the receiving party controls access to the network on which any such nonpublic personal information is stored, through the compliance with and utilization of its information security measures which restrict access; and (ii) the receiving party shall comply with its respective information security measures.

- (b) Use of Nonpublic Personal Information: Both parties hereby agree that they shall: (i) comply with the terms and provisions of the Privacy Regulation, including, without limitation, the provisions regarding the sharing of nonpublic personal information; (ii) not disclose or use any nonpublic personal information that it obtains from the other party except to carry out the purpose for which such nonpublic personal information was provided, or as otherwise permitted by the Privacy Regulation and other applicable laws; (iii) comply with its respective information security standards; (iv) not make any changes to its security measures that would increase the risk of an unauthorized access.
- (c) Return of Nonpublic Personal Information: Remedy. At any time, upon the other party's request, either party shall return all nonpublic personal information provided by the other party in such party's possession except to the extent retention is legally required. Both parties agree that money damages would not be a sufficient remedy for any breach of this Section 7 and that the non-breaching party shall be entitled to seek injunctive or other equitable relief to remedy or prevent any breach or threatening breach of this Section 7. Such remedy shall not be the exclusive remedy for any breach of this Section 7, but shall be in addition to all other rights and remedies available at law or in equity.

Representations, Warranties, and Covenants of Broker.

As an inducement to ACG to enter into this Agreement and to perform its duties hereunder, Broker represents, warrants, and covenants to ACG, as of the date of this Agreement and as of the date each Eligible Loan Application is submitted to ACG, as follows:

- (a) Due Organization; Good Standing: Broker is duly organized, validly existing and in good standing (in the case of a corporation or limited liability company) under the laws of the state governing its creation and existence, and broker is qualified and in good standing in the states where the mortgaged properties in each Eligible Loan Application are located, if the laws of such states require licensing or qualification in order to conduct business of the type conducted by Broker.
- (b) Authority and Capacity: Broker has full power, authority and capacity to enter into this Agreement, and to perform its obligations hereunder. The execution and delivery of this Agreement, and the consummation of the transactions contemplated hereby have been duly and validly authorized by all requisite action. This Agreement constitutes a valid and legally binding Agreement of Broker enforceable in accordance with its terms.
- (c) No Conflicts: The execution, delivery and performance of this Agreement by Broker, its compliance with the terms hereof and consummation of the transactions contemplated hereby, will not violate, conflict with, result in a breach of, give rise to any right of termination, cancellation or acceleration under, constitute a default under, be prohibited by or require any additional approval under its articles of incorporation (in the case of a corporation), bylaws, partnership agreement or other applicable organizational documents or any instrument or agreement to which it is a party or by which it is bound, or any applicable federal, state, county, local, or foreign law, or any judicial or administrative decree, order, ruling or regulation, applicable to it.
- (d) Compliance with Laws: Broker has complied, and shall comply, both in the conduct of its business generally, and in its origination of each Loan Application, with all applicable laws, including, without limitation, the Equal Credit Opportunity Act and Regulation B, including without limitation its requirements relating to nondiscrimination; the Truth in Lending Act and Regulation Z; the Real Estate Settlement Procedures Act, and Regulation X; Gramm-Leach-Bliley Act and the Privacy Regulation; and state laws and regulations governing mortgage lending and mortgage brokerage. Broker represents and warrants that it and each member of its staff is properly licensed in all jurisdictions where required for the origination of loans as provided for in this Agreement and agrees to maintain all applicable licenses and approvals in good standing during the term of this Agreement. Broker shall maintain, available for ACG's inspection, evidence of compliance with all such requirements.

- (e) Notice of Threatening Actions: Broker has not been issued any Administrative order, cease and desist decree or been the subject of any regulatory action nor is there any reasonable basis therefore. Broker shall immediately advise ACG in writing of any inquiry or pending or threatening action, by way of a proceeding or otherwise, to revoke or limit any license, permit, authorization or approval issued or granted by any federal, state or local government or quasigovernmental body, or any agency or instrumentality thereof, necessary for Broker or any staff member to conduct its business, or to impose any penalty or other disciplinary sanction in connection therewith, or any other sanction that would materially affect Broker's business. In addition, in the event Broker receives any letter, notice, or other writing from any regulatory agency with respect to any Eligible Loan Application registered with ACG, Broker shall advise ACG immediately of such notice and deliver a copy of the notice to ACG.
- (f) SAFE Act: If Applicable, Broker attest to the fact they are in full compliance with the SAFE Act, including but not limited to, appropriate licensing and /or registration of individuals acting as Mortgage Loan Originators "MLO's", further ACG contains a copy of Broker internal SAFE Act plan.
- (g) Litigation: Except as previously disclosed in writing to and acknowledged in writing by ACG, neither broker nor any of its staff members are party to (i) any litigation as a defendant involving fraud, misrepresentations, violation of any state or federal lending laws or regulatory compliance, or (ii) any negative investor or regulatory findings through audits, examinations or mortgage guaranty insurance investigations.
- (h) No Untrue or Misleading Statements: No representation, warranty, or written statement made by Broker to ACG in this Agreement or in any Eligible Loan Application, schedule, exhibit, written statement, or document furnished to ACG in connection with the transactions contemplated hereby 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.
- (i) Business Information: Broker shall furnish ACG and its representatives with any necessary information and data concerning the affairs of Broker, as ACG may reasonably request, including without limitation information regarding the status of its licenses, permits, authorizations, and approvals necessary for the conduct of its business as well as copies of such documents.
- (j) Ability to Perform: Broker represents that it employs or will employ a sufficient number of knowledgeable, capable, and trained individuals to perform the services required by this Agreement.

Representations, Warranties and Covenants as to Loan Applications.

As further inducement to ACG to enter into this Agreement and to perform its obligations here under, Broker represents warrants and covenants to ACG as to each Loan Application submitted to ACG as follows:

- (a) Compliance with Laws: As of the date each Loan Application is funded by ACG, all of Broker's activities in connection with the Eligible Loan Application will comply with all applicable federal, state, county, local, and foreign laws.
- (b) Compliance with ACG Policies and Guide: The activities of Broker with respect to each Loan Application will comply in all respects with the Guidelines and this Agreement. Each Loan Application was originated by Broker and not by a third party. All Mortgage File documents and all Loan Applications, and information and documentation submitted by Broker in connection with such applications, have been prepared and / or completed in accordance with the Guidelines and Agreement and all information provided by each of borrower and Broker in such Mortgage File documents, Loan Applications, or other documents and / or provided to any mortgage insurer is true and correct in all respects and does not fail to disclose any facts which could be material or which would make such information misleading.

- (c) Factual Disclosure: With regard to all Loan Applications submitted to ACG hereunder, all facts relating to any Eligible Loan Application transaction which are known or should be known to Broker in the exercise of its prudent judgment which may adversely affect the value of the Mortgaged Property, the credit, character or capacity of the borrower, the validity of the Mortgage, or any other aspect of the transaction have been disclosed in writing to ACG. The Mortgaged Property has not been damaged by fire, flood, or other causes since the date of performance of the appraisal.
- (d) Occupancy: The occupancy of the Mortgaged Property is as represented to ACG by the Mortgagor and / or Broker, and the Broker has no reason to believe that such representation of the Mortgagor and / or Broker is no longer true.
- (e) Mortgage Insurance Payments: No Loan Application has a mortgage insurance policy that requires the Broker or any other party except mortgagor to pay premiums on such policy.
- (f) Appraisal: If Broker is submitting a Loan Application with an Appraisal the appraisal report and the appraiser both satisfy the requirements of Fannie Mae and any applicable requirement of Title XI of the Federal Institutions Reform, Recovery, and Enforcement Act of 1989 and the regulations promulgated there under, all in effect on the date the Loan Application is submitted to ACG. The appraisal report with respect to the Mortgaged Property was signed prior to the approval of the Loan Application by a qualified appraiser, duly appointed by the loan originator, 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 such application.
- (g) Serviceman's Civil Relief Act: The Mortgagor has not notified the Broker and the Broker has no knowledge of any relief requested or allowed to the Mortgagor under the Serviceman's Civil Relief Act, as amended.
- (h) Predatory Lending: In the case of a consumer loan on a borrower principle residence does not submit a loan that does not provide the borrower with a "net tangible benefit" as maybe defined under any applicable state, federal, or local law.
- (i) Broker Compensation: Unless disclosed to ACG in writing before the funding of any mortgage loan, Broker shall not receive any direct or indirect payment from any person other than the applicant with respect to the mortgage loan, including, without limitation, a payment involving escrow, appraisal or sale, and, unless fully disclosed to ACG, Broker (and Broker's agents, employees, officers, and directors) shall have no direct or indirect ownership in any property intended as security for the mortgage loan being reviewed by ACG for purposes of purchase.

Responsibility for Fraud or Negligence:

Broker shall not submit any Loan Application or other Mortgage File document containing false or misrepresented information or failing to disclose material facts necessary to make the statements contained therein not misleading. Broker shall be responsible for all actions taken in the course of its performance of its obligations under this Agreement, whether performed by Broker, its employees or licensees. Broker acknowledges its understanding that ACG disclaims any duty to investigate, verify, authenticate, or confirm any information contained in any Eligible Loan Application or Mortgage File document. The parties have agreed to the allocation of duties and responsibilities set forth herein and ACG shall at all times be entitled to rely on Broker's full, complete and faithful performance of its duties and responsibilities hereunder.

Loss Reimbursement and Repurchase:

- (a) Events of Purchase/Repurchase: Broker shall in the case of Loans closed in ACG's name, purchase or

repurchase any Loan subject to the contract, if a material breach by Broker, that adversely affects the value of such Loan, or of any covenant, condition, term, obligation, representation, or warranty related to such Loan contained in this Agreement or the Guidelines, or in such Loan Application, any Mortgage File document or in any written statement or certificate furnished by Broker pursuant to this Agreement or the Guidelines, including, without limitation, those arising from Broker's fraud or negligence in the origination or processing of such Loan Application.

- (b) Purchase / Repurchase: ACG shall send notice to Broker of any demand for purchase or repurchase within ninety (90) days of the discovery of any event causing such demand for purchase or repurchase. Broker shall have thirty (30) days from date of receipt of such notice from ACG to cure any material breach in all respects (in the sole judgment of ACG). If such breach is not cured in ACG's sole judgment, the purchase shall be affected within ten (10) business days of receipt of written demand by ACG. The purchase or repurchase price shall be equal to the outstanding principal balance owing on the date of purchase; plus all fees paid; any compensation paid by ACG to Broker; plus any advances made by ACG for taxes, insurance, foreclosure expense, or any other related expense; plus interest that has accrued but not been paid up to and including the date the purchase or repurchase funds are received by ACG. At the time of purchase or repurchase, ACG will arrange for the reassignment of the purchased or repurchased Loan to Broker.
- (c) Loss and Expense Reimbursement: Notwithstanding the foregoing, and in lieu of requiring repurchase, ACG may, at its sole discretion, permit broker to reimburse ACG for any loss and / or expenses incurred by ACG as a consequence of the occurrence of an event requiring repurchase. The determination by ACG of the nature and amount of such losses and / or expenses shall be final, conclusive, and binding. Broker shall remit to ACG the funds necessary to satisfy its obligations hereunder within ten (10) business days from demand of such funds by ACG.

Indemnification:

- (a) Non- Waiver of Remedies: Nothing contained in this Section 12 shall limit ACG's rights to any remedy, legal or equitable, all such legal and equitable remedies, including those provided for herein, being in addition to and not in lieu of any other remedy.
- (b) Broker Indemnification: Broker shall indemnify, defend and hold ACG and its officers, directors, employees, agents, affiliates and subsidiaries harmless against and in respect of, and shall reimburse ACG for any and all losses, liabilities, claims, damages, costs including without limitation attorneys' fees and costs, and actions suffered or incurred by ACG which arise out of, result from or relate to:
 - (a) Material breach by Broker of any covenant, condition, term, obligation, representation or warranty contained (i) in this Agreement or the Guide, or (ii) in any Eligible Loan Application, Mortgage File document or in any written statement or certificate furnished by Broker pursuant to this Agreement or the Guide, including, without limitation, those arising from Broker's fraud or negligence in the origination or processing of Loan Applications; or
 - (b) Any material act or omission of Broker or any employee or agent of Broker which adversely affects any Eligible Loan Application registered with and funded by ACG hereunder. In all actions with third parties in which ACG has the right to be indemnified hereunder, ACG shall have the complete and exclusive right to determine the conduct and defense of such legal proceeding or investigation with such third party including, without limitation, the right to compromise, settle, defend, or continue any such action.

Right of Setoff:

ACG and its successors and assigns shall be entitled to set off against any amount to be paid by it to the Broker under this Agreement for such amounts as may be due from the Broker under this Agreement. ACG shall provide written notice to Broker, ten (10) days prior to any setoff action.

Term; Termination:

- (a) Term: The term of this Agreement shall commence as of the date hereof and shall extend until the termination of this Agreement.
- (b) Termination Without Cause: This Agreement may be terminated without cause by ACG or Broker upon thirty (30) days written notice to the other party. Such termination shall not in any respect change or modify the obligations of the parties with respect to (i) loan applications which have been registered with ACG pursuant to prior to the date of termination or (ii) either party's obligations under this Agreement accruing prior to the date of termination.
- (c) Termination for Cause: Notwithstanding anything to the contrary here in, ACG may terminate this Agreement immediately, upon written notice to Broker, (i) if ACG determines or reasonably suspects that fraud has occurred in the origination of any Loan Application, (ii) if Broker fails to perform any of its obligations under this Agreement, or (iii) if any federal, state, county, local, and foreign law makes it unlawful for ACG and Broker to do business in accordance with the terms of this Agreement. If the Agreement is terminated by ACG under this paragraph, ACG shall have no obligation to Broker after the date notice is given to fund any Loan Application, irrespective of whether such Loan Application has been registered with ACG.
- (d) Survival: All of Broker' representations and warranties, and obligations of indemnification shall survive any termination of this Agreement, and shall be fully applicable whether or not ACG relies thereon or has knowledge of any facts at variance therewith.

No Solicitation:

Subject to the provisions set forth in this Agreement, from and after the date hereof, neither Broker, nor any of its subsidiaries or affiliates, shall solicit, by means of direct mail, telephonic, email or personal solicitation, the Mortgagors of any Loan for purposes of prepayment of such Loan. Solicitations undertaken by Broker or any affiliate of Broker that are directed to the general public at large (as opposed to directed specifically at the Mortgagors of any Loans), including without limitation mass mailings based on commercially acquired mailing lists, the internet and newspaper, radio and television advertisements, shall not constitute solicitations under this Section.

Non-derogation.

Broker agrees that, during the term of retention and after termination, Broker, its employees, officers and agents shall not, in any communications with the press or other Media or any customer, client or supplier of ACG, or any of ACG's' affiliates, criticize, ridicule or make any statement which disparages or is slanderous, defamatory or is derogatory of ACG or its Affiliates or any of their respective, principals, partners, directors, officers, or employees. As used herein, the term "Media" includes, but is not limited to any and all print, electronic, social media (i.e. Face Book, Yellow Pages, LinkedIn, Yelp, etc....), radio and any and all other means of delivering information. Broker acknowledges, that in the event of the aforementioned that Broker will immediately remove such statements.

1. Liquidated Damages. Broker acknowledges that ACG's positive reputation is valuable, special and unique to ACG's business; and that ACG's business depends on maintaining a positive reputation. If Broker breaches this section, Broker and ACG acknowledge that actual damages would be difficult to ascertain. Therefore, Broker and ACG acknowledge that Broker must pay the sum of Fifty Thousand Dollars (\$50,000.00) to ACG for each individual violation of this section as liquidated damages. ACG and Broker further acknowledge that the liquidated damages outlined herein represent a fair attempt to determine the damages that would be suffered and are not a penalty.
2. Notwithstanding this section, in the event of the breach of this Agreement by Broker, ACG shall be entitled to seek injunctive relief, both preliminary and permanent, enjoining and restraining such breach or threatened breach. Such remedy shall be in addition to all of the remedies available to ACG and its affiliates at law or in

equity, including the right to recover from the breaching party any and all damages that may be sustained as a result of said breach. In addition to any other remedies available to ACG under this Agreement, ACG shall also be entitled to recover, by means of an accounting, any profits that Broker may have obtained as a result of such breach or threatened breach.

Miscellaneous:

- (a) Broker Grant of Limited Power of Attorney: Broker hereby appoints ACG and the directors, officers, employees, agents, successors and assigns of ACG as its true and lawful attorney-in-fact without right of revocation and with full power of substitution for and in its place and stead to (i) demand and control all sums due on Loans closed and funded pursuant to this Agreement and to enforce all rights with respect thereto, (ii) endorse, mark, place, or otherwise evidence Broker's name as payee on all checks, drafts, acceptances, or other form of partial or full Loan payment delivered or tendered to ACG, (iii) endorse, mark, place or otherwise evidence Broker's name on all notes, mortgages, deed of trust, and other forms of security instruments of collateral and all assignments, full of partial releases or satisfactions of said mortgages, deeds of trust, and other forms of security instruments or collateral for all Loans closed and funded pursuant to this Agreement. Broker agrees to execute such other documents as ACG may reasonably request to evidence the appointment of ACG as Broker's attorney-in-fact.
- (b) Successors and Assigns: This Agreement shall be binding and inure to the benefit of and be binding upon the parties hereto and their successors and assigns. This Agreement is not assignable by the broker without the prior written consent of ACG, which consent may be withheld by ACG at its sole discretion. A change in ownership, merger, or consolidation of Broker shall be considered an assignment for purpose of this Agreement.
- (c) Notices: All demands, notices, and communications hereunder shall be in writing and shall be deemed to have been duly given if personally delivered at or mailed by registered mail, postage prepaid, or by a nationally recognized overnight courier service, to the following:

If to Broker:

Attention: _____

or such other address as may hereafter be furnished to ACG in writing by Broker, and If to ACG:

Athas Capital Group, Inc.
26901 Agoura Road, Ste #250
Calabasas, CA 91301
Attention: Sherri Comfort
Compliance Manager

or such other address as may hereafter be furnished to Broker by ACG in writing.

- (d) Books and Records: Broker shall prepare and maintain Mortgage File documents in accordance with applicable

guidelines established in the Guide and applicable agency guidelines. Broker and ACG shall keep and maintain a complete and accurate account, satisfactory to ACG, of all funds collected and paid relating to the Loan Applications. Broker shall give ACG, its employees, and its representatives, including without limitation internal and external auditors, quality control auditors, attorneys, bank examiners and regulatory agency examiners, access, upon reasonable advance notice and during normal business hours, to audit and inspect Broker's files, books, records, reports, statistics, and other documents of Broker relating to its obligations under this Agreement and the Broker Guide. In addition, Broker will cooperate with ACG, its auditors and / or regulatory examiners in any audit of ACG and in any regulatory examination of ACG.

- (e) Relationship of Parties: Neither party is the partner, agent, employee or representative of the other nor shall nothing in this Agreement be construed or deemed to create a partnership, joint venture, agency or employment relationship between ACG and Broker. Broker shall conduct business in its own name and not in ACG's name. Broker shall not represent that its office is an office, branch or agency of ACG or in any other way connected with ACG. Broker shall have no authority to sign any documents on behalf of ACG, or to bind or obligate ACG in any manner whatsoever. Broker shall be responsible for its overhead and operations costs, payroll costs and all other costs incurred in connection with its operations. Broker acknowledges that it has incurred and will continue to incur such costs voluntarily, with the understanding that this Agreement may be terminated in accordance with the terms of this Agreement. Broker has no right to seek reimbursement or recoupment from or against ACG with respect to any sums it has expended in contemplation hereof.
- (f) Confidentiality: Both parties understand that all information provided to the other party in connection with this Agreement, including but not limited to, with respect to ACG, all information contained in the Guide, is confidential and proprietary to the providing party. Both parties agree to keep in confidence and not disclose to any third party, duplicate or use for the benefit of any third party, any such information given to or discovered by such party by or from the other, and agree to return all documents and other media containing such information to the other party upon termination of this Agreement. Broker further agrees not to sell, transfer or otherwise give to any person or firm, or otherwise use, directly or indirectly, any compilation or list of borrowers. The following information shall not be considered confidential and propriety:
1. Information that is already known to recipient at times of its disclosure;
 2. Information that is or becomes publicly known through no wrongful act of recipient;
 3. Information that is received from a third party free to disclose it to recipient;
 4. Information that is communicated to a third party with express written consent of the providing party; or
 5. Information that is lawfully required to be disclosed to any governmental agency or is otherwise required to be disclosed by law, provided that before making such disclosure, the recipient shall promptly notify the providing party of such disclosure order and, upon request of the providing party, fully cooperate in contesting such disclosure. Recipient shall seek confidential treatment of such confidential and proprietary information from the entity requiring disclosure. (The term "affiliate" means any person or entity controlling, controlled by, or under common control with a party.)
- (g) Entire Agreement: This Agreement, the Guidelines, and any other agreement, document or instrument attached hereto or referred to herein or in the Guidelines, contain the entire Agreement between the parties and supersedes all prior agreements and understandings with respect to the subject matter hereof. In the event of any conflict between the terms, conditions and provisions of this Agreement, the Guidelines, and any such agreement, document or instrument, the terms, conditions and provisions of this Agreement shall prevail.
- (h) Amendment and Waiver: Except as provided in this Agreement concerning the Guidelines, this Agreement may be amended from time to time by Broker and ACG solely by written agreement signed by Broker and ACG. The waiver of any right or remedy in respect of any one occasion shall not be deemed a waiver of such right or remedy in respect of such occurrence or event on any other occasion.
- (i) Modification of Obligations: ACG may, without any notice to Broker, Extend, compromise, renew, release, modify, adjust or alter, by operation of law or otherwise, any of the obligations of a borrower or other persons obligated under an Eligible Loan without releasing or otherwise affecting the obligations of Broker with respect to such Eligible Loan or otherwise under this Agreement.

- (j) Severability and Survival of Provisions: If any one or more of the covenants, agreements, provisions, or terms of this Agreement shall be held invalid for any reason whatsoever, then such covenants, agreements, provisions, or terms shall be deemed severable from the remaining covenants, agreements, provisions, or terms of this Agreement and shall in no way affect the validity or enforceability of the other covenants, agreements, provisions, or terms of this Agreement or the rights of ACG hereunder. If the invalidity of any part, provision, representation, or warranty of this Agreement shall deprive any party of the economic benefit intended to be conferred by this Agreement, the parties shall negotiate in good faith to develop and structure the economic effect of which is nearly as possible the same as the economic effect of this Agreement without regard to such invalidity. All of the covenants, agreements, representations and warranties made herein by the parties hereto shall survive and continue in effect after the termination of the Agreement or the consummation of the transactions contemplated hereby.
- (k) Choice of Law: This Agreement shall be governed by, construed and interpreted in accordance with the laws of the State of California.
- (l) Consent to Jurisdiction: The parties agree that all legal actions and proceedings arising out of or related to this Agreement, or the transactions contemplated hereby, shall be brought in a Federal Court or State Court located in the State of California with exclusive venue in Los Angeles County, and the parties hereby waive any objections to summons, service of process, jurisdiction over the person or subject matter, or the venue of the courts listed above.
- (m) Headings: The headings of the various sections of this Agreement have been inserted for convenience of reference only and shall not be deemed to be part of this Agreement.
- (n) Attorney's Fees: In the event of a dispute arising from or concerning an obligation of Broker or ACG under this Agreement which results in litigation of the issue, the prevailing party to such litigation shall be indemnified by the other party for all costs and expenses in bringing or defending such action.
- (o) Authorized Representatives: ACG shall be entitled to rely, without investigation, that any person holding themselves out to be a representative of Broker for purposes of signing this Agreement or other document delivered in connection with this Agreement or taking other action pursuant to the Agreement including but not limited to oral discussions was, at the respective times of such signing or actions, a duly elected or appointed, qualified and authorized representative of Broker, and the execution or delivery of the Agreement or any document pursuant to the Agreement and the taking of any other actions, including but not limited to oral discussions, shall be conclusive evidence of such authorization.
- (p) Counterparts: This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

IN WITNESS THEREOF, Broker and ACG, have caused their names to be signed hereto by their respective officers hereunto duly authorized as of the day and year first above written.

Athas Capital Group, Inc.

TPO Company

Company Name: _____

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____