

# MORTGAGE LOAN PURCHASE AGREEMENT

DATED AS OF \_\_\_\_\_

BETWEEN

**CITADEL SERVICING CORPORATION**  
doing business as **ACRA LENDING**



AND

\_\_\_\_\_

25531 Commercentre Drive, Suite 160  
Lake Forest, CA 92630  
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# MORTGAGE LOAN PURCHASE AGREEMENT

THIS MORTGAGE LOAN PURCHASE AGREEMENT (this "**Agreement**"), dated as of \_\_\_\_\_, 202\_\_, is entered into by and between \_\_\_\_\_, a \_\_\_\_\_, with offices at \_\_\_\_\_, as seller ("**Seller**"), [and as interim servicer (the "**Interim Servicer**") and Citadel Servicing Corporation, a California corporation, doing business as Acra Lending, with offices at 25531 Commercentre Drive, Suite 160, Lake Forest, CA 92630 ("**Acra**").

## RECITALS

1. Seller desires to offer for sale to Acra, and Acra desires to purchase from Seller, on the terms and subject to the conditions set forth herein, certain residential mortgage loans owned by Seller and secured by first or second lien priority mortgages on residential real property owned by the Mortgagor (as defined below); and
2. Seller and Acra desire to enter into this Agreement to govern the sale and purchase of the Loans (as defined below); and
3. Through incorporation to this Agreement, Seller and Acra may agree that Loans may be, (i) sold and delivered by an Affiliate of Seller, (ii) delivered under a fictitious name (DBA) by Seller, and / or (iii) purchased by an affiliate of Acra with the understanding that Seller and Acra as set forth above shall have, respectively, all of Seller's or Acra's duties, obligations, and rights under the terms of this Agreement with respect to such loans.

NOW THEREFORE, in consideration of the foregoing recitals and the mutual covenants and conditions contained herein, the Parties agree as follows:

## WITNESSETH

### Article 1 DEFINITIONS

**Section 1.1 Defined Terms.** Capitalized terms used in this Agreement shall have the meanings given to such terms in this Section 1.1. The following words and phrases, unless the context otherwise requires, shall have the meanings specified in this Article:

**Ability to Repay Standards:** The Standards set forth in Regulation Z, 12 C.F.R. Part 1226.43(c), as may be amended from time to time.

**Accepted Servicing Practices:** As to any Loan, those mortgage servicing practices of prudent mortgage lending institutions that service mortgage loans of the same type as the Loan in the jurisdiction where the related Mortgaged Property is located.

**Accrued Interest:** With respect to each Loan, interest on the Outstanding Loan Amount at the Loan Interest Rate calculated in the same manner and fashion as interest is calculated on the Loan for the period commencing on the date following the day through which interest has last been paid and ending on the Commitment Date or the date of payment of the Repurchase Price for such Loan, as applicable.

**Agreement:** This Mortgage Loan Purchase Agreement, including all Schedules and Exhibits hereto, as the same may be amended or supplemented in writing from time to time.

**Ancillary Income:** All income derived from the Loans, excluding Interim Servicing Fees attributable to the Loans, including but not limited to late charges, fees received with respect to checks or bank drafts returned by the related bank for non-sufficient funds, assumption fees, optional insurance administrative fees and all other incidental fees and charges.

**Appraisal:** A documented evaluation of the market value of the Mortgaged Property related to a Loan and included in the Loan File, which conformed to, and was performed by a state licensed or certified appraiser who satisfies the requirements of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), and subsequent amendments thereto, in accordance with appraisal industry standards in the area where the appraised property is located, and in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) as published by the Appraisal Standards Board of the Appraisal Foundation, effective as of the date of the appraisal and which does not contain any statement or omission of fact which would cause the appraisal to be fraudulent or misleading.

**Appraised Value:** With respect to each Loan, the value of the related Mortgaged Property established by an Appraisal.

**Assignment:** With respect to each Loan, an assignment of the related Mortgage, notice of transfer or equivalent instrument, in form acceptable for recording and sufficient under the laws of the jurisdiction in which the related Mortgaged Property is located to reflect of record the sale and transfer of the Loan to the assignee named therein or to Acra.

**Bid Confirmation Letter:** With respect to any Bulk Sale, the letter in substantially the form set forth in Exhibit F delivered to Seller by Acra setting forth the terms and conditions of the Bulk Sale which when accepted by Seller establishes the Purchase Price and other terms set forth therein for the Loans covered by the Bulk Sale.

**Bulk Sale:** The agreement by Seller and Acra, as described in Section 2.2 hereof, pursuant to which, from time to time, on the terms set forth herein and in the applicable Bid Confirmation Letter, Acra agrees to purchase and Seller agrees to sell a pool consisting of any three (3) or more Loans.

**Business Day:** Any day other than (i) a Saturday or Sunday, or (ii) the legal public holidays specified in 5 U.S.C. 6103(a) or a day on which the banks in the State of California are legally ordered to be or otherwise authorized by law to be closed.

**Closing Date:** The date or dates, set forth in the related Assignment and Conveyance, on which Acra will purchase and the Seller will sell the Loans identified therein.

**Combined Loan-to-Value Ratio at Origination:** With respect to each Loan, the Outstanding Loan Amount plus the maximum principal balance of any mortgage, deed of trust, or similar lien instrument prior in lien priority to the lien of the related Mortgage, divided by the Appraised Value of the related Mortgaged Property as of the origination date of the Loan.

**Commitment Date:** With respect to any purchase of Loans by Acra, the "Trade Date" specified in the Bid Confirmation Letter.

**Commitment Period:** Time frame as determined in days pursuant to the Bid Confirmation Letter for delivery of loan or loans to Acra for purchase.

**Conditional Loan Approval:** Paperwork that itemizes all conditions required for completion prior to purchase by Acra as further described in Exhibit H.

**Contractually Delinquent:** A Loan for which the monthly payment is not received on or before the due date specified in the Note is Contractually Delinquent. A Loan for which the monthly payment is not received by close of business the last Business Day before the next monthly payment comes due is thirty (30) calendar days Contractually Delinquent.

**Credit Documents:** As to any Loan, each of the documents set forth on Exhibit B hereto.

**Custodial Account:** The separate trust account created and maintained pursuant to Section 5.4.

**Cut-Off Date:** The date as specified in the Bid Confirmation Letter which shall constitute the date to which the Loans in the Loan Schedule are amortized for purposes of determining the unpaid principal balance which shall not be more than five (5) Business Days prior to the Commitment Date.

**Damages:** All losses, damages, penalties, fines, forfeitures, reasonable and necessary legal fees and related reasonable costs and expense, judgments and other reasonable costs and expenses.

**Delivery Instructions:** The Bid Confirmation Letter, Servicing Transfer Guidelines, and any other document, agreement or writing delivered by Acra to Seller including servicing transfer procedures covering delivery of the Loans.

**Eligible Account:** An account which is:

- (1) Maintained with a federal or state-chartered depository institution or trust company that complies with the definition of "Eligible Institution;"
- (2) Maintained with the corporate trust department of a federal depository institution or state-chartered depository institution subject to regulations regarding fiduciary funds on deposit similar to Title 12 of the U.S. Code of Federal Regulation Section 9.10(b), which, in either case, has corporate trust powers and is acting in its fiduciary capacity; or
- (3) Maintained with a federal or state-chartered depository institution or trust company that is approved by Acra in writing.

**Eligible Institution:** A depository with respect to which either:

- (1) Commercial paper, short-term debt obligations, or other short-term deposits are rated at least "A-1+" or long-term unsecured debt obligations are rated at least "AA-" by Standard & Poor's, if the amounts on deposit are to be held in the account for no more than 365 days; or
- (2) Commercial paper, short-term debt obligations, demand deposits, or other short-term deposits are rated at least "A-2" by Standard & Poor's and "P-2" by Moody's Investors Service, Inc., if the amounts on deposit are to be held in the account for no more than 30 days and are not intended to be used as credit enhancement. Upon the loss of this required rating, the accounts would need to be transferred immediately to accounts which have the required rating. Furthermore, commingling by the servicer is acceptable at the "A-2" rating level if the servicer is a bank, thrift, or depository and provided the servicer has the capability to immediately segregate funds and commence remittance to an eligible account upon a downgrade.

**Escrow Account:** Any impound account(s) relating to a Loan, including the separate account

created and maintained pursuant to Section 5.6, established for the purpose of providing for the payment of certain charges or premiums imposed with respect to the Mortgaged Property, including, but not limited to, real estate taxes, hazard insurance, and, if applicable, flood insurance.

**Escrow Payments:** The amounts held in Escrow Accounts, which include amounts being held for payment of taxes, assessments, water rates, mortgage insurance premiums, fire and hazard insurance premiums and other payments required to be escrowed by the Mortgagor pursuant to any Loan as set forth in the related Funding Schedule.

**Flow Sale:** The agreement by Seller and Acra, as described in Section 2.3 hereof, pursuant to which, from time to time, on the terms set forth herein and in the applicable Conditional Loan Approval, Acra agrees to purchase and Seller agrees to sell a Loan.

**Funding Schedule:** A schedule of Loans provided by Seller by the Commitment Date establishing the Purchase Price and prepared in Microsoft Excel spreadsheet format as described in Exhibit I.

**HMDA Rule:** The Home Mortgage Disclosure Rule as amended in 2015 and 2017, which subjects loan originators to enhanced data collection and reporting beginning January 01, 2017.

**Insurer:** Any (1) person who insures or guarantees all or any portion of the risk of loss on any Loan, including, without limitation, any provider of hazard insurance, flood insurance, earthquake insurance, title insurance, or a mortgage insurance policy with respect to any Loan; or (2) person who provides any fidelity bond, direct surety bond, letter of credit or other credit enhancement instrument or errors and omissions policy.

**Interim Servicing Fee:** With respect to each Loan, the monthly fee in the amount of [\$●] per Loan[, which amount shall be prorated for any portion of a month during which the Loan is interim serviced pursuant to this Agreement; provided, however, that the Seller must collect at least one (1) payment from the Mortgagor after the related Closing Date in order to be eligible to receive the Interim Servicing Fee for such Mortgage Loan].<sup>1</sup> Such interim servicing fee shall be due monthly and withdrawn from the Custodial Account by the Interim Servicer or paid to the Interim Servicer by Acra as provided in Section 5.10.

**Interim Servicing Period:** With respect to any Loan, the period commencing on the Funding Date and ending on the Service Transfer Date.

**Interim Servicer:** [Seller], as interim servicer during the Interim Servicing Period.

**Intervening Assignment:** For any Loan Seller did not originate, an assignment of the Note and Mortgage from the mortgagee named therein acceptable for recording, which is appropriate and sufficient under the laws of the jurisdiction in which the Mortgaged Property is located to establish a complete chain of title to the Mortgage Seller.

**Loan:** Any Loan listed in the Funding Schedule to be made under this Agreement; the term includes with respect to each such identified Loan, the Loan Documents and any and all rights, benefits, collateral, payments, recoveries, proceeds, and obligations arising therefrom or in connection therewith.

**Loan Documents:** For each Loan, the documents and instruments specified in Exhibit C.

**Loan File:** For each Loan, the Loan Documents, Credit Documents, and all other memorandums, correspondence, reports, and compilations.

**Loan Interest Rate:** The annual rate at which interest accrues on each Loan as changed from time to time in accordance with the provisions of the Loan Documents.

**Loan Schedule:** The schedule of Loans provided by Seller to Acra in respect to each Bulk or Flow Sale, setting forth the following information with respect to each Loan as conforming to Exhibit J.

**Lock Confirmation:** Paperwork that confirms pricing and commitment terms for any loan to be purchased by Acra on a Flow Sale as demonstrated with Exhibit G.

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<sup>1</sup> Note to draft: Include only if Interim Servicing Fee amount will be greater than \$0.00.

**Loss Mitigation:** Any loan modification, repayment plan, foreclosure alternative or foreclosure prevention effort or process, including the “Home Affordable Foreclosure Alternatives” program, the “Hardest Hit Fund” program or similar federal, state or local program, or proprietary program of the Seller/Interim Servicer with respect to any Loan, including all pending requests, trial and permanent agreements, and including any applicable appeal rights or appeal period available to a Mortgagor pursuant to the foregoing.

**MERS:** Mortgage Electronic Registration System – electronic mortgage registration used to eliminate the need for paper assignments when trading mortgage loans. MERS is named as Mortgagee and Nominee for the Lender on security instruments that are recorded in county land records.

**MERS Loan:** Any Loan registered with MERS.

**Mortgage:** For each Loan, the document whether denominated as a Mortgage, deed of trust, security deed, or any other name when such instrument creates a lien on the Mortgaged Property, with blanks appropriately completed, duly executed by Mortgagor and recorded in the appropriate recording office to perfect such a lien in the jurisdiction where the Mortgaged Property is located, including any modifications thereof.

**Mortgaged Property:** For each Loan, the real property, together with the improvements thereon, subject to the Mortgage and securing Mortgagor’s indebtedness under the Loan.

**Mortgagor:** Any Person who is obligated under a Mortgage or Note.

**Note:** For each Loan, the credit instrument, or instruments, with all modifications thereto, evidencing the indebtedness of Mortgagor, which is secured by a Mortgage duly executed by Mortgagor.

**Officer’s Certificate of Seller:** A certificate signed by the appropriately authorized officers of Seller and delivered to Acra as required by this Agreement.

**Outstanding Loan Amount:** The unpaid principal amount of a Loan as of the date of determination.

**Party:** Seller or Acra.

**Person:** Any individual, corporation, limited liability company, partnership, limited partnership, limited liability partnership, joint venture, association, joint-stock company, trust, any other type of business organization, unincorporated organization, or governmental unit or any agency or political subdivision thereof.

**Purchase Price:** With respect to any Loan, the amount set forth in the applicable Bid Confirmation Letter and Delivery Instructions with respect to such Loan, which amount shall be paid in accordance with Section 3.3.

**Qualified Insurer:** An Insurer qualified as such under the laws of the states in which the Mortgaged Properties are located, duly authorized and licensed in such states to transact the applicable insurance business and to write the insurance provided.

**Remittance Date:** The tenth (10th) Business Day of each month, beginning in the calendar month following the month during which the Funding Date occurs.

**Repurchase Price:** For each Loan, an amount equal to the sum of: (i) the Outstanding Loan Amount as of the date of payment of the Repurchase Price plus any premium paid by Acra with

respect to the Loan; (ii) Accrued Interest; (iii) all advances made by Acra and all charges due from the Mortgagor; (iv) the total amount, including Accrued Interest and other expenses paid by Acra to any senior lien holders, if any, to secure a priority lien position; and (v) all expenses, losses and damages paid or incurred by Acra in connection with the Loan or an investigation of said Loan and / or related collateral, including, but not limited to, property taxes, maintenance costs, interest expense, environmental assessments, environmental reports, environmental remediation, insurance, appraisals, advertising, sales commissions, reasonable attorney fees, expenses and costs, fines, and penalties.

**Sale:** The Agreement between Seller and Acra to sell one or more loans from time to time in bulk format as further described in Sections 2.2 and 2.3 of this Agreement.

**Securitization:** A transaction that involves the transfer of the Loans by Acra, directly or indirectly, to a special purpose entity that issues one or more classes of securities supported, in full or in part, by the cashflow generated by the Loans.

**Service Transfer Date:** As to any Sale, the date agreed by the parties and specified in the related Delivery Instructions.

**Servicing Advances:** All customary, reasonable and necessary “out of pocket” costs and expenses (including reasonable attorneys’ fees and disbursements) incurred in the performance by the Interim Servicer of its servicing obligations that would be reasonably believed to be recoverable under Accepted Servicing Practices, including, but not limited to, the cost of (a) the preservation, restoration and protection of the Mortgaged Property, (b) any enforcement or administrative or judicial proceedings, including foreclosures, (c) the management and liquidation of any Mortgaged Property, and (d) taxes, assessments, water rates, sewer rents and other charges which are or may become a lien upon the Mortgaged Property.

**Servicing File:** With respect to each Loan, the file retained by the Interim Servicer consisting of all documents or copies of documents related to the Loan in the Interim Servicer’s possession on the Service Transfer Date.

**Third-Party Report:** A report in the form of a reliance letter or final grade prepared by a Third-Party Reviewer with respect to the underwriting of one or more Loans.

**Third-Party Reviewer:** \_\_\_\_\_ or such other independent third party acceptable to Acra in its sole discretion.

**Underwriting Guidelines:** All Acra underwriting guidelines relating to mortgage loans, as such guidelines may be changed, amended, modified or supplemented from time to time, as communicated by Acra. The guidelines, as changed, amended, modified or supplemented shall be deemed to have been approved by Seller unless written notice of disapproval is received by Acra within ten (10) calendar days after submitted by Acra to Seller.

**Wire Transfer Authorization:** The written authorization of Seller, in the form of Exhibit A.

**Section 1.2 Number and Gender of Words.** Whenever the singular number is used, the same shall include the plural where appropriate, and vice versa; and the words of any gender shall include each other gender where appropriate. The words “herein,” “hereof,” and “hereunder,” and other words of similar import refer to the relevant document as a whole, and not to any particular part or subdivision thereof.

## **Article 2 OFFERS TO SELL**

**Section 2.1 Offers.** From time to time, Seller may offer to Acra one or more Loans for purchase by Acra pursuant to a Sale, which Loans and the right to service such Loans, Seller desires to sell to Acra.

Seller shall comply with all provisions of the related Delivery Instructions applicable to any such offer. Any and all such sales and transfers shall be subject to the provisions of this Agreement and any related Delivery Instructions.

**Section 2.2 Bulk Sale.** Seller may offer a pool of loans to Acra from time to time per the terms of an offering memorandum prepared by Seller. Seller shall provide to Acra a Loan Schedule covering the loans offered for sale. If Acra is interested in the loans, and after reviewing the preliminary limited information provided by Seller, Acra will inform Seller of a non-binding, preliminary indication of interest in the form of a Bid Confirmation Letter. Upon acceptance of the Bid Confirmation Letter by Seller, any purchase by Acra will be subject to all of the terms of this Agreement.

**Section 2.3 Flow Sale.** Seller may offer from time to time one or more Loans to Acra for purchase. Acra will review closed loans and issue conditions Seller must fulfill prior to purchase of a Loan by Acra as confirmed by a Lock Confirmation.

### **Article 3 PURCHASE AND SALE OF LOANS**

#### **Section 3.1 Delivery of Loans.**

(a) Delivery to Acra of Loan Documents, Credit Documents, and all other documents or items of the Loan File for each Loan purchased by Acra hereunder shall be made by Seller, at Seller's sole expense, in compliance with the requirements of this Agreement, and shall occur no later than the date or dates and time required by the related Delivery Instructions and any other document delivered to Seller by Acra pursuant thereto and relating to the Loans for which such Loan Documents and Credit Documents are being delivered. The Note for each Loan shall be endorsed in blank, and executed, either by original signature or authorized facsimile, by an authorized signer of Seller.

(b) Seller shall be responsible for filing all Intervening Assignments of record. Seller shall prepare, execute and deliver to Acra five original multiple counterparts of a Limited Power of Attorney in substantially the form set forth in Exhibit D, or as provided as Exhibit D, to cover the assignment of the Mortgages from Seller to Acra. Seller shall pay to Acra fifty dollars (\$50.00) per Loan, which may be netted from the Purchase Price, to cover the cost of preparing and recording assignments. If the Loan is held of record with MERS as the nominee holder, no assignment charge shall apply. Seller shall be responsible for providing at Seller's expense for registration of any MERS held Loan under Acra's MERS number within three (3) Business Days of the purchase of the Loan.

(c) A loan shall be deemed delivered to Acra if (i) it is received by Acra within the Commitment Period; (ii) it is in compliance with requirements set forth in the Delivery of Closed Loans and Funding Documentation sections of the Underwriting Guidelines; and (iii) there are no outstanding conditions which would prevent Acra from funding the purchase of the Loan. Failure by Seller to deliver to Acra within one hundred twenty (120) calendar days from the date a Loan was purchased one or more of the original documents specified in the Delivery of Closed Loans section of the Underwriting Guidelines shall result in assessment by Acra of a fee of \$100.00 per loan, per month for each month, after the initial 120 day period, during which one or more of such documents is outstanding, i.e., has not been delivered to Acra for any period of time during the month. Failure by Seller to deliver to Acra one or more of the original documents specified in the Delivery of Closed Loans section of the Underwriting Guidelines within two hundred seventy (270) calendar days from the date the Loan was purchased by Acra shall obligate Seller to repurchase the Loan pursuant to the provisions of Section 6.1 of this Agreement.

**Section 3.2 Purchase and Sale.** On each Commitment Date, subject to the terms and conditions set forth in this Agreement and the applicable Delivery Instructions: (i) Seller shall commit to sell, transfer, assign and convey to Acra, without recourse, and Acra shall commit to purchase and take upon receipt of the Purchase Price, all of Seller's right, title and interest in and to the Loans that Acra has agreed to purchase on such date; and (ii) unless otherwise agreed in writing by Seller and Acra pursuant to the terms of Section 5.1 through Section 5.14, Seller shall irrevocably assign to Acra, and Acra shall assume, on the



date when the Purchase Price is paid for such Loan, subject to any interim servicing agreement, Seller's right to service each Loan and to collect any servicing fee in connection with such Loan.

Upon payment of the Purchase Price, title to the Loans shall vest in Acra. All rights arising out of the Loans including but not limited to, all funds received on or in connection with the Loans and all records or documents with respect to the Loans prepared by or which come into the possession of Seller on or after the Commitment Date shall be received and held by Seller in trust for the benefit of Acra as the owner of the Loans as of the date when the Purchase Price of such Loans is paid to Seller.

**Section 3.3 Purchase Price.** The Purchase Price for each Loan shall be as provided in the applicable Bid Confirmation Letter and Delivery Instructions. The Purchase Price shall be paid by Acra to Seller within fourteen (14) Business Days of receipt of a Third-Party Report with respect to such Loan by Acra in accordance with Section 3.6. If Acra fails to pay the Purchase Price in accordance with the Agreement, Seller shall have any and all other remedies available to Seller under the Agreement. All payments of Purchase Price shall be made by wire to Seller's bank or its warehouse lender as set forth on the Wire Transfer Authorization.

### **Section 3.4 Premium Refunds and Rebates.**

(a) Early Pay Off (EPO) and Premium Recapture: Should a Borrower prepay a Loan in full during the initial four-month period following Acra's purchase of the loan in which Acra paid a premium amount above par, Seller shall reimburse Acra, within thirty (30) calendar days of demand, all of the purchase price premium above par. In addition, for any Loan for which Acra paid in excess of 102% of par and the Borrower prepays such Loan during the twelve (12) month period following Acra's purchase of the Loan, Seller shall reimburse Acra, within thirty (30) calendar days of demand, all of the purchase price premium above par paid by Acra.

(b) Seller shall not sell or transfer to Acra any Loan that has a related credit life policy or other insurance product covering a Mortgagor that could be entitled to a refund of premium upon payoff or other termination of the policy or product.

(c) In the event Seller is delinquent in any funds including premium recapture owed to Acra, in the payment of the Purchase Price, Seller agrees that Acra may net from the premium amount payable on any subsequent delivery of Loans, the delinquent funds Seller then owes Acra, including premium recapture pursuant to the provisions of Subsection 3.4(a) above, or premium recapture provisions in a prior Loan Purchase Agreement(s); provided that the amount netted shall in no event exceed 100% of the total premium payable with respect to such delivery of Loans.

### **Section 3.5 Post Closing Accounting and Payments.**

(a) Within sixty (60) calendar days after the Commitment Date, the parties to this Agreement shall notify the other in writing of any miscalculations, misapplied payments, unapplied payments or other accounting errors (each, a "Discrepancy") which said party has discovered and which affects the accounting of any of the related Loans purchased or the Purchase Price for such Loans. Notice under this Section 3.5 shall include copies of documents sufficient to describe each Discrepancy. Acra shall pay Seller or Seller shall pay Acra, as the case may be, an amount sufficient to correct such Discrepancy. Any amounts due hereunder shall be paid within ten (10) calendar days of notice by the first party to the other party.

(b) Seller shall forward to Acra all payments received for any Loan as of or after the Service Transfer Date within three (3) Business Days of receipt by express mail. The transmittal shall include a Loan level report including Seller's account number and the Mortgagor's social security number, together with a record of the date such payment was received by Seller.

### **Section 3.6 Third Party Diligence Review.**

(a) Acra shall have the right to receive an underwriting review of Loan Files relating to the Loans from a Third-Party Reviewer to ensure conformity with the Agreement. Within thirty (30) Business Days of executing the Bid Confirmation Letter with respect to any Loan, Seller shall provide, in electronic format, to the Third-Party Reviewer, all origination files and all underwriting information/documentation with respect to the related Loan. On or prior to the related Commitment Date, Acra shall have received from the Third-Party Reviewer an initial written confirmation that the Third-Party Reviewer has received all origination files and underwriting information/documentation necessary to complete a Third-Party Report and that such files and information/documentation are not materially deficient on their face. Only upon receipt of such confirmation shall Acra be committed to pay any portion of the Purchase Price to Seller in accordance with Section 3.3; provided that, if the Third-Party Reviewer at any time prior to delivery of the related Third-Party Report provides written notice to Acra or Seller that the files and information/documentation with respect to any Loan have a material deficiency, as determined by Acra in its reasonable discretion, Acra shall have no commitment to purchase such Loan.

(b) Upon receipt of the Third-Party Report with respect to each applicable Loan, Acra shall have the option in its sole discretion to either (i) cancel its commitment to purchase such Loan, or (ii) pay to Seller the related Purchase Price with respect to such Loan and thereby consummate the purchase of such Loan.

#### **Article 4 REPRESENTATIONS AND WARRANTIES OF SELLER**

**Section 4.1 Representations and Warranties of Seller – General.** It is understood and agreed by Seller and Acra that, as a material inducement to Acra to enter into this Agreement, Seller hereby represents and warrants to Acra on the date hereof, on each Commitment Date, and on any date the payment of any Purchase Price is paid in accordance with Section 3.3, unless another date is specified in the representation and warranty:

(a) Seller is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and has all powers and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted. Seller is licensed and qualified to transact the mortgage origination business in and is in good standing under the laws of each state where a Mortgaged Property is located or is otherwise exempt under applicable law from such licensing and qualification or is otherwise not required under applicable law to effect such licensing and qualification and no demand for such licensing or qualification has been made upon Seller by any state having jurisdiction and in such event Seller is or will be in compliance with the laws of any state to the extent necessary to insure the enforceability of each Loan.

(b) The execution and delivery of this Agreement by Seller and the performance by Seller of the obligations to be performed by it hereunder have been duly authorized by any necessary corporate or other similar action.

(c) Seller has the full power and authority to hold each Loan, to sell each Loan and to execute, deliver and perform, and to enter into and consummate, all transactions contemplated by this Agreement; including without limitation, the ability to effect a valid and enforceable assignment of all of Seller's rights, title and interest under the Notes, Mortgages, and the other Loan Documents.

(d) This Agreement, when duly executed and delivered by Seller, constitutes a legal, valid and binding obligation of Seller, enforceable against Seller in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws relating to or affecting the rights of creditors generally, and by general equity principles.

(e) Neither the execution and delivery of this Agreement, the acquisition or origination of the Loans by Seller, the sale of the Loans to Acra, the consummation of the transactions contemplated by this Agreement, nor the fulfillment of or compliance with the terms and conditions of this Agreement,

will violate Seller's articles of incorporation, articles of association, charter or by-laws, or other governing or constituent documents.

(f) The execution and delivery of this Agreement by Seller and the performance by Seller of the obligations to be performed by it hereunder do not, and will not, violate any provision of law, rule, regulation, order, writ, judgment, decree, determination or award presently in effect having applicability to Seller. All parties that have had any interest in the Loans, whether as mortgagee, assignee or pledgee are (or during the period in which they held and disposed of such interest, were) in compliance with all applicable licensing requirements of the federal, state, and local government wherein the Mortgage Property is located.

(g) There are no actions, suits or proceedings pending or, to Seller's knowledge, threatened against or affecting Seller or the properties of Seller before any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, which, if determined adversely to Seller, would materially and adversely affect the sale of the Loans to Acra, the execution, delivery or enforceability of this Agreement, or have a material adverse effect on the financial condition, properties or operations of Seller.

(h) No consent, approval, authorization, exemption or order of, or notice to or registration or filing with, any court or governmental agency, authority or administrative or regulatory body is required for the execution, delivery and performance by Seller of or compliance by Seller with this Agreement, the delivery of the Loan Files to Acra, the sale of the Loans to Acra or the consummation of the transactions contemplated by this Agreement.

(i) Seller has no liability or obligation of any nature, secured or unsecured (whether accrued, absolute, contingent or otherwise) which will have a material adverse effect on the Loans or the performance of Seller's obligations under this Agreement.

(j) The execution and delivery of this Agreement by Seller and the performance by Seller of the obligations to be performed by it hereunder do not and will not result in a breach of or constitute a default (or an event which with notice or lapse of time, or both, would constitute a default) under any indenture or loan or credit agreement or any other material agreement, lease or instrument to which Seller is a party or by which it or its properties or assets may be bound or affected.

(k) All information provided by Seller to Acra in any document, schedule, certificate or other written information delivered pursuant to, or contemplated by, this Agreement is true, correct and complete in all material respects as of the date of such document or certificate, or if not true, correct or complete in any material respect, has been corrected by Seller and, as corrected all such information is true, correct and complete in all material respects as of the date of such correction.

(l) Seller has not, in connection with each Loan purchased by Acra, incurred any obligation, made any commitment or taken any action that might result in a claim against Acra or an obligation by Acra to pay a sales brokerage commission, finder's fee or similar fee in respect to the transactions between Acra and Seller as described in this Agreement. Seller agrees to indemnify and hold Acra harmless from and against any claims, liabilities, damages, or costs (including reasonable attorney fees) relating to any broker, agent or finder or other person, who shall claim to have dealt on behalf of Seller in connection with the transactions contemplated by this Agreement.

(m) Seller has not transferred any Loan to Acra with any intent to hinder, delay or defraud any of Seller's creditors.

(n) Seller has taken no action other than to employ Accepted Servicing Practices with respect to a Loan or to the portfolio being delivered in any Bulk Sale as would reduce the delinquency of any Loan or the portfolio as a whole.

(o) The consummation of the transactions contemplated by this Agreement and the Delivery Instructions are in the ordinary course of business of Seller.

(p) Seller used no adverse selection procedures in selecting the Loans from among the outstanding loans in Seller's portfolio as to which the representations and warranties set forth in Section 4.2 hereof could be made as of the applicable Commitment Date and on any date when Purchase Price is paid with respect to the applicable Loan in accordance with Section 3.3.

(q) Seller does not believe, nor does it have any reason or cause to believe, that it cannot perform each and every covenant contained in this Agreement.

(r) Seller is not insolvent; the sale of the Loans will not cause Seller to become insolvent and Seller is not aware of any pending insolvency. The consideration received by Seller upon the sale of the Loans under this Agreement constitutes fair consideration and reasonably equivalent value for the Loans.

(s) The origination practices used by Seller with respect to the Loans have been, in all material respects, legal, proper, prudent and customary in the mortgage lending business.

**Section 4.2 Representations and Warranties of Seller as to Each Loan.** It is understood and agreed by Seller and Acra that, as a material inducement to Acra to enter into this Agreement and purchase Loans from Seller hereunder, Seller hereby represents and warrants to Acra as of the applicable Commitment Date and on any date when Purchase Price is paid with respect to the applicable Loan in accordance with Section 3.3, unless a different date is specified in the representation and warranty, for each Loan purchased as follows:

(a) Loan Schedule. As of the related Cut-off Date, the information set forth in the related Loan Schedule is true and correct;

(b) No Modifications. The terms of the Note and the Mortgage have not been impaired, waived, altered or modified in any respect, except by written instruments that are in the Loan File and have been or will be recorded, if necessary to protect the interests of Acra, and which have been delivered to Acra, all in accordance with this Agreement and as indicated on the Loan Schedule. No such waiver, alteration or modification has adversely affected the priority, perfection or enforceability of the Mortgage, as evidenced by an endorsement to the title policy or similar instrument, and the terms of each waiver, alteration and modification are reflected on the Loan Schedule. No Mortgagor has been released, in whole or in part, except in connection with an assumption agreement approved by title insurer, to the extent required by the policy, which has not adversely affected the priority, perfection or enforceability of the Mortgage, as evidenced by an endorsement to the title policy or similar instrument, and which assumption agreement is part of the Loan File and the terms of which are reflected in the Loan Schedule. No offer to modify the terms of the Note and / or the Mortgage has been made to the related Mortgagor, which offer is outstanding as of such Funding Date, except as indicated on the Loan Schedule, and no such offer or proposal to modify the terms of the Note and the Mortgage, if accepted by the Mortgagor, would alter the terms of the Note and Mortgage in such a manner as would be inconsistent with the representations and warranties made by Seller herein;

(c) No Defenses. The Note and the Mortgage are not subject to any right of rescission, set-off, counterclaim or defense, including the defense of usury, nor will the operation of any of the terms of the Note and the Mortgage, or the exercise of any right thereunder, render the Note or the Mortgage unenforceable, in whole or in part, or subject to any right of rescission, set-off, counterclaim or defense, including the defense of usury, and no such right of rescission, set-off, counterclaim or defense has been asserted with respect thereto whether in connection with any pending foreclosure or eviction proceeding or otherwise;

(d) Compliance with Applicable Law. Any and all applicable requirements of any federal, state or local law, rule or regulation including, without limitation, usury, truth in lending, real estate settlement procedures including, without limitation, the Real Estate Settlement Procedures Act of 1974, as amended, the Dodd-Frank Act, any regulations of the Consumer Financial Protection Bureau, consumer credit protection, equal credit opportunity or disclosure laws applicable to the Loan have been complied with, and there is no action, suit, proceeding, investigation or litigation pending or threatened, including, without limitation, any enforcement action or class action suit, relating to, arising out of or alleging any violation of any such laws, rules or regulations (including, without limitation, with respect to the origination, processing or servicing of the Loans);

(e) Validity of Mortgage. The Mortgage is a valid, existing and enforceable first lien on the Mortgaged Property, including all improvements on the Mortgaged Property, subject only to (i) the lien of current real property taxes and assessments not yet due and payable, or (ii) covenants, conditions and restrictions, rights of way, easements and other matters of the public record as of the date of recording acceptable to mortgage lending institutions generally and specifically referred to in the lender's title insurance policy delivered to the originator of the Loan, and that do not adversely affect the use, enjoyment, value or marketability of the Mortgaged Property. If the related Mortgaged Property is a leasehold estate, the term of the related ground lease extends at least five (5) years past the maturity date of such Loan. Seller has full right to sell and assign the Mortgage to Acra;

(f) No Release of Mortgage. The Mortgage has not been satisfied, canceled, subordinated, or rescinded, in whole or in part, and the Mortgaged Property has not been released from the lien of the Mortgage, in whole or in part, nor has any instrument been executed that would effect any such release, cancellation, subordination or rescission;

(g) Enforceability of Mortgage Documents. The Note and the related Mortgage are genuine and each is the legal, valid, and binding obligation of the maker thereof, enforceable in accordance with its terms;

(h) Legal Capacity. All parties to the Note, Mortgage, and any assumption or substitution agreement had legal capacity to enter into the Loan transaction and to execute and deliver such documents, and the Note, Mortgage, and any assumption or substitution agreement have been duly and properly authorized, executed, and delivered by such parties;

(i) Sole Owner. Seller is the sole owner of record and holder of the Loan. The Loan has neither been assigned nor pledged, and Seller has good and marketable title thereto, and has full right to transfer and sell the Loan to Acra free and clear of any encumbrance, equity, lien, pledge, charge, claim or security interest and has full right and authority subject to no interest or participation of, or agreement with, any other party, to sell and assign each Loan to Acra pursuant to the terms of this Agreement;

(j) Title Insurance. The Loan is covered by an ALTA lender's title insurance policy as of the date of origination of the related Loan, including any and all endorsements then required, issued by a title insurer acceptable to Acra and qualified to do business in the jurisdiction where the Mortgaged Property is located, insuring (subject to the exceptions contained in (e) above) Seller, and / or their successors and assigns, as their interests may appear, as to the first priority lien of the Mortgage in the original principal amount of the Loan against any loss by reason of the invalidity or unenforceability of the lien resulting from the provisions of the Note and/or Mortgage providing for adjustment in the Loan Interest Rate and monthly payment. Additionally, such lender's title insurance policy affirmatively insures ingress and egress, and against encroachments by or upon the Mortgaged Property or any interest therein and contains the applicable endorsements. Seller is the sole insured of such lender's title insurance policy, and such lender's title insurance policy is in full force and effect and will be in full force and effect upon the consummation of the transactions contemplated by this Agreement. No claims have been made under such lender's title insurance policy, and no prior holder of the related Mortgage, including Seller, has done, by act or omission, anything that would impair the coverage of such lender's title insurance policy;

(k) No Waiver. Seller has not waived any default, breach, violation or event of acceleration;

(l) Origination and Servicing Practices. Each Loan was underwritten in compliance with the related Underwriting Guidelines and originated in compliance with all applicable federal, state, and local laws, rules, and regulations. The servicing and collection practices with respect to each Loan, including, without limitation, the establishment, maintenance, and servicing of the Escrow Accounts and Escrow Payments, if any, since origination, have been conducted in all respects in accordance with the terms of Note and in compliance with all applicable federal, state, and local laws, rules, and regulations and, unless otherwise required by law, in accordance with the proper, prudent, and customary practices in the mortgage origination and servicing business. With respect to the Escrow Accounts and Escrow Payments, if any, all such payments are in the possession or under the control of Seller and there exists no deficiencies in connection therewith for which customary arrangements for repayment thereof have not been made. No escrow deposits or Escrow Payments or other charges or payments due Seller have been capitalized under any Mortgage or the related Note. All Loan Interest Rate adjustments have been made in compliance with local, state, and federal law and the terms of the related Note. Any interest required to be paid pursuant to applicable federal, state, and local law has been properly paid and credited. All loss mitigation applications have been processed consistent with applicable laws, rules and regulations;

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

(n) Assignment of Mortgage. If the Loan is not a MERS Loan, the Assignment of Mortgage is in recordable form and is acceptable for recording under the laws of the jurisdiction in which the Mortgaged Property is located and that upon recordation such Assignment of Mortgage will provide Acra with good and marketable title, free and clear of any encumbrance, lien, pledge, charge, or other claim; if the Loan is a MERS Loan, such Loan has been transferred to Acra as beneficial owner thereof on the MERS®System;

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

(p) Patriot Act. Seller has complied with all applicable anti-money laundering laws and regulations, including without limitation the USA Patriot Act of 2001 (collectively, the "Anti-Money Laundering Laws"); Seller has established an anti-money laundering compliance program as required by the Anti-Money Laundering Laws, has conducted the requisite due diligence in connection with the origination of each Loan for purposes of the Anti-Money Laundering Laws, including with respect to the legitimacy of the applicable mortgagor and the origin of the assets used by the said Mortgagor to purchase the property in question, and maintains, and will maintain, sufficient information to identify the applicable mortgagor for purposes of the Anti-Money Laundering Laws. No Loan is subject to nullification pursuant to Executive Order 13224 (the "Executive Order") or the regulations promulgated by the Office of Foreign Assets Control of the United States Department of the Treasury (the "OFAC Regulations") or in violation of the Executive Order or the OFAC Regulations, and no Mortgagor is subject to the provisions of such Executive Order or the OFAC Regulations or is listed as a "blocked person" for purposes of the OFAC Regulations;

(q) Fees, Charges, and Points. All fees and charges (including finance charges) and whether or not financed, assessed, collected, or to be collected in connection with the origination and servicing of each Loan have been disclosed in writing to the mortgagor in accordance with applicable local, state, and federal law and regulation;

(r) No Delinquent Taxes and Assessments. Specifically with respect to Loans for which the Mortgagor is currently required to make Escrow Payments to the mortgagee, all amounts covered by

the Escrow Payments, including but not limited to taxes, insurance, homeowners association payments, and assessments, which previously became due and owing have been paid. With respect to all other Loans, all properly assessed property taxes, government assessments, insurance premiums, homeowners association payments, and water, sewer, and municipal charges that have previously become due have been paid;

(s) Loan Default. Seller has not received any written notice or claim, nor is Seller otherwise aware of: (i) any default or breach under the Loan or any of the Loan Documents, nor (ii) any facts or circumstances which, following the passage of time or the giving of notice, would result in a default or event of default thereunder;

(t) Loan Documents. Seller has made available to Acra true and correct copies of each of the Loan Documents and the Loan File, as and to the extent required by this Agreement;

(u) Full Disbursement of Proceeds. The proceeds of the Loan have been fully disbursed in accordance with applicable law, and there is no requirement for future advances under the Loan;

(v) No Condemnation; No Casualty. The Mortgaged Property is not subject to a condemnation proceeding, and there is no proceeding pending or threatened for the total or partial condemnation of the Mortgaged Property, and no material portion of the Mortgaged Property has been damaged or destroyed by fire, storm, water, waste, earthquake, windstorm, hurricane, flood, tornado, or other casualty that remains unrepaired;

(w) Zoning and Other Compliance. No improvement located on or constituting a part of the Mortgaged Property is in violation of any applicable zoning law, rule, or regulation, and all inspections, licenses, and certificates required to be made or issued with respect to the occupancy of the Mortgaged Property, including certificates of occupancy and fire underwriting certificates, have been made or obtained from the appropriate authorities; and the Mortgaged Property is lawfully occupied or, if vacant, may be lawfully occupied, under applicable law;

(x) High-Cost Loans. No Loan is classified as (a) a "high cost" loan under HOEPA, or (b) a "high cost," "threshold," "covered" (provided, however, the "covered" classification does not apply to loans originated subject to the New Jersey Home Ownership Act of 2002 as a "covered home loan" which are not also high-cost loans), "predatory" or similar loan under any applicable law (or a similarly classified loan using different terminology under a law imposing heightened regulatory scrutiny or additional legal liability for residential Loans having high interest rates, points, and / or fees);

(y) Ability to Repay. Each Loan complies with the Ability To Repay Standards, and all necessary evidence to demonstrate such compliance is included in the Loan File. The documentation capsule shall contain all reasonably reliable third-party records used by Seller to prove that each Loan meets the ability to repay requirements of 12 C.F.R. § 1026.43(c) as the same may be amended from time to time (or any successor statute or regulation);

(z) No Fraud. No fraud, error, omission, misrepresentation, negligence, or similar occurrence with respect to a Loan has taken place (i) on the part of any person, including, without limitation, any servicer, appraiser, builder, developer, escrow agent, broker or correspondent, closing or settlement agent, closing attorney, realtor, title company, or any other party involved in the solicitation, origination, sale, or servicing of the Loan or in the determination of the value of the Mortgaged Property or the sale of the Mortgaged Property, (ii) in the application for any insurance in relation to such Loan or in connection with the sale of such Loan to Acra, or (iii) that would impair in any way the rights of Acra in the Loan or Mortgaged Property or that violated applicable federal, state, or local law, or applicable rules or regulations;

(aa) No Mechanic's Liens. There are no mechanics' or materialmen's or similar liens, encumbrances, or claims which have been filed for work, labor, or material (and no rights are

outstanding that under the law could give rise to such liens) affecting the related Mortgaged Property which are or may be liens prior to, equal, or coordinate with, the lien of the related Mortgage;

(bb) Appraisal. The Loan File contains an Appraisal of the related Mortgaged Property in conformity (in form and substance) with USPAP standards and was on appraisal form 1004 or form 2055 with an interior inspection, satisfies current industry practices and complies with applicable federal, local and state laws, rules and regulations;

(cc) Hazard and Flood Insurance. For each Loan, the related Mortgaged Property (including all buildings and improvements thereon), is insured by a Qualified Insurer against (i) loss by fire or perils, (ii) such hazards as are covered under a standard extended coverage endorsement, and (iii) such other hazards that are customary in the area where the Mortgaged Property is located, in each case, pursuant to insurance policies conforming to accepted servicing practices, in an amount which is not less than the greater of (1) the lesser of the full insurable value of the Mortgaged Property and the outstanding principal balance of the Loan (plus any additional amount required to prevent the Mortgagor from being deemed a co-insurer); and (2) an amount such that the proceeds of such insurance shall be sufficient to avoid the application to the Mortgagor or loss payee of any coinsurance under the insurance policy, but in no event not less than the minimum amount necessary to fully compensate for any damage or loss on a replacement cost basis.

If required by the Flood Disaster Protection Act of 1973, as amended or if any portion of the Mortgaged Property (including any improvements thereon) is in an area identified in the Federal Register by the Federal Emergency Management Agency or by any other governmental authority as having special flood hazards, then a flood insurance policy meeting the requirements of the current guidelines of the Federal Insurance Administration is in effect with a generally acceptable insurance carrier. Such flood insurance policy is in an amount representing coverage not less than the lesser of (A) the outstanding principal balance of the Loan (plus any additional amount required to prevent the Mortgagor from being deemed a co-insurer), (B) full insurable value of the related Mortgaged Property and (C) the amount necessary to fully compensate for any damage or loss to the improvements which are a part of such property on a replacement cost basis;

(dd) Servicemembers Civil Relief Act. The Mortgagor has not notified Seller, and Seller has no knowledge of any relief requested by or allowed to the Mortgagor under the Servicemembers Civil Relief Act or any similar state law or local laws;

(ee) Environmental Laws. The Mortgaged Property is free from any and all toxic or hazardous substances, hazardous wastes or solid wastes, as such terms are defined in the Comprehensive Environmental Response Compensation and Liability Act, the Resource Conservation and Recovery Act of 1976. The Mortgaged Property was and is in compliance with all other local, state, or federal environmental laws, rules, or regulations pertaining to environmental hazards, including, without limitation, chemicals, pollutants, contaminants, wastes, toxic substances, petroleum and petroleum products, asbestos and asbestos-containing materials, polychlorinated biphenyls, and lead and lead-containing materials, et cetera;

(ff) Tax Service Contract. Each Loan is covered by a paid in full, life of loan, tax service contract and a paid in full, life of loan, flood certification contract and each of these contracts is fully assignable to Acra and its assigns and, in each case where such contract is not in place, Seller shall be required to reimburse Acra for all costs and expenses incurred by Acra in connection with the purchase of any such tax service contract and flood certification contract;

(gg) Single Premium Credit Life Insurance. No Mortgagor was required to purchase any single premium credit insurance policy (e.g., life, mortgage, disability, accident, unemployment, property, or health insurance product) or debt cancellation agreement as a condition of obtaining the extension of credit. No Mortgagor obtained a prepaid single premium credit insurance policy (e.g., life, mortgage, disability, accident, unemployment, property or health insurance product) or debt cancellation agreement in connection with the origination of the Loan. No proceeds from any Loan were used to



purchase single premium credit insurance policies (e.g., life, mortgage, disability, accident, unemployment, property or health insurance product) or debt cancellation agreements as part of the origination of, or as a condition to closing, such Loan;

(hh) No Mandatory Arbitration Provisions. With respect to each Loan, neither the related Mortgage nor the related Note requires the Mortgagor to submit to arbitration to resolve any dispute arising out of or relating in any way to the Loan transaction; and

(ii) Income / Assets Verification. With respect to each Loan whose document type on the Loan Schedule indicates documented income, employment, and/or assets, Seller verified the Mortgagor's income, employment, and/or assets in accordance with the Underwriting Guidelines and employed procedures designed to authenticate the documentation supporting such income, employment, and / or assets.

Each of the representations and warranties made by Seller in this Section 4.2 are ongoing in nature and shall continue in full force and effect for so long as Acra is subject to any risk of loss or liability as to any Loan sold by Seller to Acra, and such representations and warranties shall inure to the benefit of Acra (and Acra's successors and assigns), notwithstanding any restrictive or qualified endorsement on any Note or assignment of Mortgage or the examination or failure to examine any Loan File. For the avoidance of doubt, Acra's rights and remedies with respect to the breach of any of the representations and warranties of Seller are not affected by any investigation or review conducted by Acra or any third party.

**Section 4.3 Representations and Warranties of Acra.** Acra hereby represents and warrants to Seller on the date hereof as follows:

(a) It is a fictitious business name of a California corporation which is duly organized, validly existing, and in good standing under the laws of the State of California and is duly qualified where required in all jurisdictions in which any Loans are purchased and / or serviced.

(b) The execution and delivery of this Agreement by Acra and the performance by Acra of the obligations to be performed hereunder have been duly authorized by all necessary corporate or other similar action; no consent, approval, authorization, exemption or order of, or notice to, or registration or filing with, any court or governmental agency, authority or administrative or regulatory body is required for the execution, delivery and performance by Acra of or compliance by Acra with this Agreement, the purchase of the Loans from Seller or the consummation of the transactions contemplated by the Agreement.

(c) The execution of this Agreement by Acra and the obligations to be performed hereunder by it do not violate any provision of any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award presently in effect having applicability to it or to its articles of incorporation or bylaws.

(d) The execution of this Agreement by Acra and the obligations to be performed hereunder do not and will not result in a breach of or constitute a default under any indenture or loan or credit agreement or any other agreement, lease or instrument to which it is a party or by which it or its properties may be bound or affected.

(e) This Agreement, when duly executed and delivered by Acra, constitutes a legal, valid and binding obligation of Acra, enforceable against Acra in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium or other laws relating to or affecting the rights of creditors generally, and by general equity principles.

(f) There are no actions, suits or proceedings pending or, to Acra's knowledge, threatened against or affecting Acra or the properties of Acra before any court or governmental department,

commission, board, bureau, agency or instrumentality, domestic or foreign, which, if determined adversely to Acra, would materially and adversely affect the financial condition, properties or operations of Acra.

(g) The transactions contemplated by this Agreement are in the ordinary course of business of Acra.

(h) The Loans received by Acra for the Loans purchased pursuant to this Agreement together with Seller's obligations under this Agreement constitutes fair consideration and reasonably equivalent value for the payment of the Purchase Price to Seller.

(i) Acra has not, in connection with each Loan purchased from Seller, incurred any obligation, made any commitment or taken any action that might result in a claim against Seller or an obligation by Seller to pay a sales brokerage commission, finder's fee or similar fee in respect to the transactions between Seller and Acra as described in this Agreement.

## Article 5 SERVICING TRANSFER

**Section 5.1 Interim Servicing.** The provisions relating to the interim servicing of the Loans in Section 5.1 through Section 5.14 shall be applicable only if Interim Servicer services the Loans for Acra for a period after Acra purchases such Loans from the Seller. Otherwise, Section 5.15 shall govern the transfer of Servicing to Acra.

(a) Unless otherwise agreed in writing by the parties, Interim Servicer shall interim service the Loans, in conformance with applicable law, the Loan Documents and Accepted Servicing Practices.

(b) During the interim servicing period, Interim Servicer shall take no action to compromise, renew, modify, or alter the terms of a Loan or to commence any judicial or non-judicial action to collect a Loan without the prior written consent of Acra. Without limiting the generality of the foregoing, the Interim Servicer shall not take, or fail to take, any action which would result in Acra's interest in the Loans being adversely affected. Any payments or monies received or held by Interim Servicer from or on behalf of a Mortgagor after the Commitment Date shall be held in trust by Interim Servicer for the benefit of Acra and shall be immediately delivered to Acra.

**Section 5.2 Interim Servicer's Servicing Obligations.** Effective on the Funding Date, the Interim Servicer shall service the Loans for Acra. On the Service Transfer Date, Acra, or its designee, shall assume all servicing responsibilities related to the Loans and the Interim Servicer shall cease all servicing responsibilities related to the Loans. Acra covenants and agrees that (i) it shall (or it shall cause its servicer or any successor or assign to) accept and continue processing any Loss Mitigation activities and honor all trial and permanent Loss Mitigation agreements, and (ii) it shall (or it shall cause the applicable servicer to) continue to negotiate in good faith the terms of any Loss Mitigation activities or trial or permanent Loss Mitigation agreement with the applicable Mortgagor if the Interim Servicer began evaluating or negotiating such Loss Mitigation activities or trial or permanent Loss Mitigation agreement prior to the Service Transfer Date.

## **Section 5.3 Interim Servicer to Act as Interim Servicer.**

(a) With respect to each Loan, Acra shall retain the Interim Servicer as the contract servicer of the Loans until the Service Transfer Date. Except as otherwise provided herein, the Interim Servicer, as an independent contractor, shall service and administer the Loans and shall have full power and authority, acting alone, to do any and all things in connection with such servicing and administration which the Interim Servicer may deem necessary or desirable, consistent with the terms of this Agreement and with Accepted Servicing Practices. For the avoidance of doubt, and without limiting the generality of the foregoing, none of the following actions shall be undertaken without Acra's prior written consent: any Loss Mitigation activities, any changes to title, any changes to any Escrow Accounts. In

servicing and administering the Loans, the Interim Servicer shall employ procedures and exercise the same care that it customarily employs and exercises in servicing and administering similar mortgage loans for its own account, giving due consideration to Accepted Servicing Practices where such practices do not conflict with the requirements of this Agreement or the terms of the Mortgage and the related Mortgage Note.

(b) During the Interim Servicing Period, the Interim Servicer shall proceed diligently to collect all payments due under each of the Loans when the same shall become due and payable and shall take special care in ascertaining and estimating Escrow Payments and all other charges that will become due and payable with respect to the Loans and each related Mortgaged Property, to the end that the installments payable by the Mortgagors will be sufficient to pay such charges as and when they become due and payable.

#### **Section 5.4 Establishment of and Deposits to Custodial Account.**

(a) The Interim Servicer shall segregate and hold all funds collected and received pursuant to the Loans separate and apart from any of its own funds and general assets and shall establish and maintain one or more Custodial Accounts, in the form of time deposit or demand accounts, titled “[Name of Seller], in trust for Citadel Servicing Corporation d/b/a Acra Lending as Purchaser of Loans”. Such Custodial Account shall be an Eligible Account. Upon request of Acra and within ten (10) days thereof, the Seller shall provide Acra with written confirmation of the existence of such Custodial Account and provide at least five (5) Business Days prior written notice to Acra of any proposed change to the Custodial Account. All funds required to be deposited in the Custodial Account shall be held in trust for Acra and may be drawn on by the Interim Servicer in accordance with Section 5.5.

- (b) The Interim Servicer shall deposit in the Custodial Account on a daily basis, within two (2) Business Days of receipt, and retain therein, the following collections received by the Interim Servicer after the Cut-off Date:
- (i) all payments on account of principal on the Loans, including principal prepayments;
  - (ii) all payments on account of interest on the Loans;
  - (iii) all liquidation proceeds;
  - (iv) all insurance proceeds and condemnation proceeds (other than proceeds to be held in the Escrow Account and applied to the restoration or repair of the Mortgaged Property or released to the Mortgagor); and
  - (v) any other amount required to be deposited in the Custodial Account pursuant to the terms of this Agreement.

The foregoing requirements for deposit into the Custodial Account shall be exclusive, it being understood and agreed that, without limiting the generality of the foregoing, payments in the nature of Interim Servicing Fees and Ancillary Income need not be deposited by the Interim Servicer into the Custodial Account. Any interest paid on funds deposited in the Custodial Account by the depository institution shall accrue to the benefit of Acra and the Interim Servicer shall remit any such amounts to Acra on a monthly basis. Additionally, any other benefit derived from the Custodial Account associated with the

receipt, disbursement and accumulation of principal, interest, taxes, hazard insurance, mortgage insurance, etc. shall accrue to Acra.

**Section 5.5 Permitted Withdrawals From Custodial Account.** The Interim Servicer shall, from time to time, withdraw funds from the Custodial Account for the following purposes:

- (i) to reimburse itself for unreimbursed Servicing Advances and unpaid Interim Servicing Fees, the Interim Servicer's right to reimburse itself pursuant to this sub-clause (i) with respect to any Loan being prior to the rights of Acra;
- (ii) to make payments to Acra in the amounts and in the manner provided for in Section 5.9;
- (iii) to pay itself interest on funds deposited in the Custodial Account;
- (iv) to clear and terminate the Custodial Account upon the termination of this Agreement; and
- (v) to withdraw funds deposited in error.

**Section 5.6 Establishment of and Deposits to Escrow Account.**

(a) The Interim Servicer shall segregate and hold all funds collected and received pursuant to a Loan constituting Escrow Payments separate and apart from any of its own funds and general assets and shall establish and maintain one or more Escrow Accounts, in the form of time deposit or demand accounts, titled "[Name of Seller], in trust for Citadel Servicing Corporation d/b/a Acra Lending as Purchaser of Loans". Such Escrow Account shall be an Eligible Account. Upon request of Acra and within ten (10) days thereof, the Seller shall provide Acra with written confirmation of the existence of such Escrow Account and provide at least five (5) Business Days prior written notice to Acra of any proposed change to the Escrow Account. All funds required to be deposited in the Escrow Account shall be held in trust for Acra and may be drawn on by the Interim Servicer in accordance with Section 5.7.

(b) The Interim Servicer shall deposit in the Escrow Account or Accounts on a daily basis, within two (2) Business Days of receipt, and retain therein:

- (i) all Escrow Payments collected on account of the Loans, for the purpose of effecting timely payment of any such items as required under the terms of this Agreement; and
- (ii) all amounts representing insurance proceeds or condemnation proceeds which are to be applied to the restoration or repair of any Mortgaged Property.

The Interim Servicer shall make withdrawals from the Escrow Account only to effect such payments as are required under this Agreement, as set forth in Section 5.7. Acra shall be entitled to receive any interest paid on funds deposited in the Escrow Account by the depository institution, other than interest on escrowed funds required by law to be paid to the Mortgagor, and any such funds shall be remitted to Acra on a monthly basis. To the extent required by law, the Interim Servicer shall pay interest on escrowed funds to the Mortgagor notwithstanding that the Escrow Account may be non-interest bearing or that interest paid thereon is insufficient for such purposes. Additionally, any other benefit derived from the Escrow Account

associated with the receipt, disbursement and accumulation of principal, interest, taxes, hazard insurance, mortgage insurance, etc. shall accrue to Acra.

**Section 5.6 Permitted Withdrawals From Escrow Account.** Withdrawals from the Escrow Account or Accounts may be made by the Interim Servicer only:

- (a) to effect timely payments of ground rents, taxes, assessments, water rates, mortgage insurance premiums, condominium charges, fire and hazard insurance premiums or other items constituting Escrow Payments for the related Mortgage;
- (b) to reimburse the Interim Servicer for any Servicing Advance made by the Interim Servicer pursuant to this Agreement with respect to a related Loan, but only from amounts received on the related Loan which represent late collections of Escrow Payments thereunder;
- (c) to refund to any Mortgagor any funds found to be in excess of the amounts required under the terms of the related Loan;
- (d) for transfer to the Custodial Account upon default if permitted by applicable law and / or application to reduce the principal balance of the Loan in accordance with the terms of the related Mortgage and Mortgage Note;
- (e) to pay to Acra, or any Mortgagor to the extent required by law, any interest paid on the funds deposited in the Escrow Account;
- (f) to the extent permitted under the terms of the related Mortgage Note and Applicable Law, to pay late fees with respect to any Monthly Payment which is received after the applicable grace period;
- (g) for application to restore or repair of the Mortgaged Property;
- (h) to clear and terminate the Escrow Account on the termination of this Agreement;
- (i) to pay to Acra, or any the Mortgagor, to the extent required by law, any interest paid on the funds deposited in the Escrow Account;
- (j) to withdraw suspense payments that are deposited into the Escrow Account; and
- (k) to withdraw funds deposited in error.

**Section 5.8 Remittances.** On each Remittance Date, the Interim Servicer shall remit by wire transfer of immediately available funds to Acra all amounts deposited in the Custodial Account as of the close of business on the last day of the immediately preceding month (net of charges against or withdrawals from the Custodial Account pursuant to Section 5.5). In the event the monthly remittance results in amounts owed to Interim Servicer from Acra, Acra shall pay such amounts by wire transfer of immediately available funds to the account of Interim Servicer within three (3) Business Days of the related Remittance Date.

**Section 5.9 Statements to Acra.** Not later than the eighth (8th) Business Day of each month, the Interim Servicer shall furnish to Acra a monthly remittance report in form and substance acceptable to Acra via electronic medium in excel format as to the preceding remittance and the period ending on the last day of the preceding month.

**Section 5.10 Servicing Compensation.** As consideration for servicing the Loans during the Interim Servicing Period, the Interim Servicer shall (i) pursuant to Section 5.5 (i) retain the Interim Servicing Fees from funds deposited in the Custodial Account, which amount shall be due for the entire month if, for any portion of a month, the Loan is serviced by the Interim Servicer pursuant to this Agreement and (ii) retain

all Ancillary Income. In the event funds deposited into the Custodial Account do not equal the sum of the accrued and unpaid Interim Servicing Fees and the amount necessary to reimburse the Interim Servicer for Servicing Advances, the Interim Servicer may elect to send an invoice to Acra for the unpaid amount due the Interim Servicer, which invoice shall be due and payable within five (5) Business Days of receipt. If such invoice shall remain unpaid by the earlier of the next Remittance Date or the Service Transfer Date, the Interim Servicer may withdraw, after providing Acra of written notice of the cancellation of the applicable invoice, such unpaid amount from the Custodial Account in addition to any other amount it may then withdraw from that account. The Interim Servicer shall be required to pay all expenses incurred by it in connection with its servicing activities hereunder and shall not be entitled to reimbursement thereof except as specifically provided for herein.

**Section 5.11 Transfer Instructions.** On or prior to the Service Transfer Date, the Interim Servicer shall, at Interim Servicer's sole cost and expense, take such steps as may be reasonably necessary or appropriate to effectuate and evidence the transfer of the servicing of the Loans to Acra, or its designee, including but not limited to the following:

(i) Notice to Mortgagors. The Interim Servicer shall mail to the Mortgagor of each Mortgage a letter advising the Mortgagor of the transfer of the servicing of the related Loan to Acra, or its designee, including information sufficient to notice such Mortgagor of the termination of ACH payments to Interim Servicer by a specified date.

(ii) Notice to Taxing Authorities and Insurance Companies. The Interim Servicer shall transmit to the applicable tax services, taxing authorities and insurance companies (including primary mortgage insurance policy insurers and flood and hazard insurance insurers, if applicable) and/or agents, notification of the transfer of the servicing to Acra, or its designee, and instructions to deliver all notices, tax bills and insurance statements, as the case may be, to Acra, or its designee, from and after the Service Transfer Date. The Interim Servicer shall provide Acra with copies of all such notices no later than the Service Transfer Date.

(iii) Delivery of Servicing Records. The Interim Servicer shall forward to Acra, or its designee, all servicing records and the Servicing File in the Interim Servicer's possession relating to each Loan including the information enumerated herein.

(iv) Escrow Payments. The Interim Servicer shall provide Acra, or its designee, with immediately available funds by wire transfer in the amount of the Escrow Payments and suspense balances and all loss draft balances associated with the Loans. The Interim Servicer shall provide Acra with an accounting statement of Escrow Payments and suspense balances and loss draft balances sufficient to enable Acra to reconcile the amount of such payment with the accounts of the Loans. Additionally, the Interim Servicer shall wire transfer to Acra the amount of any agency, trustee or prepaid Loan payments and all other similar amounts held by the Interim Servicer.

(v) Payoffs and Assumptions. The Interim Servicer shall provide to Acra, or its designee, copies of all assumption and payoff statements generated by the Interim Servicer on the Loans from the Cut-off Date to the Service Transfer Date.

(vi) Payments Received Prior to the Service Transfer Date. Prior to the Service Transfer Date all payments received by the Interim Servicer on each Loan shall be properly applied by the Interim Servicer to the account of the particular Mortgagor.

(vii) Payments Received After the Service Transfer Date. The amount of any payments received by the Interim Servicer related to any Loan after the Service Transfer Date shall be forwarded to Acra within five (5) Business Days of receipt thereof. The Interim Servicer shall notify Acra of the particulars of the payment, which notification requirement shall be satisfied if the Interim Servicer forwards with its payment sufficient information to permit appropriate processing of the

payment by Acra such as the account number, dollar amount, date received and any special Mortgagor application instructions.

(viii) **Misapplied Payments.** Misapplied payments shall be processed as follows:

(a) All parties shall cooperate in correcting misapplication errors;

(b) The party receiving notice of a misapplied payment occurring prior to the Service Transfer Date and discovered after such Service Transfer Date shall immediately notify the other party;

(ix) **IRS Forms.** The Interim Servicer shall prepare and file all IRS forms 1098, 1099 and other applicable forms and reports which are required to be filed with respect to the period prior to the Service Transfer Date in relation to the servicing and ownership of the Loans. The Interim Servicer shall provide copies of such forms to Acra upon request. Acra or Acra's designee shall prepare and file all such reports with respect to any period commencing on or after the Service Transfer Date.

(x) **Tax Service Contracts.** With respect to each Loan for which there is a tax service contract in effect on the Service Transfer Date, the Interim Servicer shall assign such tax service contract to Acra or Acra's designee.

(xi) **Flood Certification Contracts.** With respect to each Loan for which there is a flood certification contract in effect on the Service Transfer Date, the Interim Servicer shall assign such flood certification contract to Acra or Acra's designee.

(xii) **Further Cooperation.** Acra shall (or Acra shall cause its servicer or any successor or assign to) reasonably cooperate with the Interim Servicer to ensure that any servicing transfer will be made in accordance with the guidance of the Consumer Finance Protection Bureau.

**Section 5.12 Litigation.** With respect to any Loan which is, as of the Service Transfer Date, the subject of litigation, bankruptcy or foreclosure, Acra or its designee shall promptly (with the assistance of the Interim Servicer as is reasonably necessary), if applicable, (i) notify the Clerk of the Court, any foreclosing trustee and all counsel of record in each such proceeding of the transfer of the Loan to Acra or its designee, (ii) file pleadings to relieve the Interim Servicer's counsel of record from further responsibility in such litigation (unless said counsel has agreed, with the Interim Servicer's and Acra's written consent, to represent Acra in said proceedings at Acra's expense), and (iii) remove the Interim Servicer as a party in such action and substitute Acra or its designee as the real party-in-interest (or party with delegated authority for the party-in-interest), and change the caption thereof accordingly unless Acra determines in its reasonable discretion that Interim Servicer is the appropriate party-in-interest.

**Section 5.13 Termination.** The servicing responsibilities of the Interim Servicer, as interim servicer, shall terminate at the expiration of the Interim Servicing Period. The Interim Servicer shall prepare, execute and deliver any and all documents and other instruments, place in Acra's possession all Servicing Files, and do or accomplish all other acts or things necessary or appropriate to effect the termination, whether to complete the transfer and endorsement or assignment of the Loans and related documents, or otherwise, at Acra's sole expense. The Interim Servicer agrees to cooperate with Acra and any successor servicer in effecting the termination of the Interim Servicer's responsibilities hereunder as interim servicer, including, without limitation, the transfer to such successor for administration by it of all amounts received after the Funding Date with respect to the Loans and held in the Custodial Account for distribution to Acra.

**Section 5.14 Successor to the Interim Servicer.** Immediately upon the expiration of the Interim Servicing Period, Acra, or its designee, shall succeed to and assume all of the servicing responsibilities, duties and obligations with respect to the Loans. To the extent that any Interim Servicing Fees are accrued and unpaid or any Servicing Advances unreimbursed on or after the expiration of the Interim Servicing

Period, Acra shall make such payments and reimbursements within five (5) Business Days of receipt of an invoice for any such amounts.

#### **Section 5.15 Transfer of Servicing.**

(a) As of the Commitment Date, if Seller shall not act as Interim Servicer, Seller shall transfer to Acra any and all rights to service the Loans sold on the Commitment Date, including but not limited to Seller's right to receive all payments and receivables with respect to the Loans made or accruing after the Cut Off Date. Seller shall transfer the servicing rights to the Loans to Acra in accordance with the Servicing Transfer Guidelines incorporated in this Agreement as Exhibit E. Acra shall assume responsibility for servicing the Loans on and after the Service Transfer Date.

(b) Seller, at its cost, shall deliver Acra-approved "good-bye letters" and Acra, at its cost, shall deliver "welcome letters" to each Mortgagor in compliance with the notice requirements of the Cranston Gonzalez National Affordable Housing Act of 1990, as the same may be amended, and all other applicable federal, state, and local laws and regulations. The Parties shall cooperate by providing any information necessary to complete the notices. Acra shall approve any such notices sent by Seller prior to the date mailed. Seller shall deliver to Acra a copy of the "good-bye letter" notice sent with respect to each Loan sold at least three (3) Business Days prior to the date mailed.

(c) Within three (3) Business Days after the Service Transfer Date, Seller shall provide electronic conversion data in a format acceptable to Acra sufficient to permit set up of the Loans on Acra's system and shall remit to Acra, by wire, all amounts received by Seller prior to and including the Service Transfer Date, together with the following:

(i) A summary of remittances (including the account numbers, amount of payments and date of payments);

(ii) A trial balance of Loans;

(iii) A Loan history (including but not limited to, servicing and collection histories and comments);

(iv) A log of all written complaints received by the Seller from a Mortgagor, including without limitation complaints alleging a violation of applicable laws, provide a copy of such log to Acra and, upon request, provide copies of any correspondence or documentation relating to any such complaint promptly upon request by Acra. During the Interim Servicing Period, the Seller's legal contacts for Acra shall be made available for consultation regarding alleged violations of applicable laws or Customary Servicing Practices and to recommend appropriate measures in response to such alleged violations; and

(v) As appropriate, arrears reports, prepaid reports, reports of Loans added or removed, and reports of prepaid monthly payments and of principal prepayments.

The parties shall conduct test transfers of data as is appropriate considering the volume of Loans to be transferred and industry practices.

**Section 5.16 Valid Telephone Number.** Included in the information transmitted as a part of the Loan data is the latest telephone number on Seller's records for the Mortgagor. Seller confirms that as of the Service Transfer Date the telephone number included in the Loan data for the related Mortgagor is a valid telephone number for the Mortgagor that is in service. If Acra discovers that the Mortgagor cannot be



contacted at the telephone number then Seller shall assist Acra in obtaining a valid telephone number for the Mortgagor.

#### **Section 5.17 IRS Reporting and Examinations.**

(a) Unless otherwise agreed in writing, to the extent required by law, Seller shall report to the Internal Revenue Service (the "IRS") and each Mortgagor the amount of interest paid (including without limitation, the obligations with respect to Forms 1098 and 1099 and back up withholding with respect to same, if required) by such Mortgagor on the Loan on which he or she is the Mortgagor from the date of the advance made by Seller to such Mortgagor through and including the Service Transfer Date, and Acra shall thereafter report to the IRS and each Mortgagor the amount of interest paid by such Mortgagor on the Loan on which he or she is the Mortgagor.

(b) Acra and Seller shall cooperate fully with each other in connection with any examination conducted by any tax authority after each Commitment Date, provided that nothing herein shall be construed as obligating Acra or Seller to disclose or furnish any tax information not related to the transfer of the Loans. Acra and Seller shall inform each other promptly of any material developments in the course of any such examination, the results of any such examination, and any proceeding related thereto.

**Section 5.18 Missing Loan Documents.** If any Loan File is missing any Credit or Loan Documents, Acra shall give notice to Seller and Seller has ten (10) calendar days to cure; provided that, if a Loan Document is outstanding because it has been sent for recording, the provisions of Section 3.1(c) shall apply. If Seller does not cure such deficiency, Seller shall repurchase said Loan within ten (10) calendar days of the date notice of such repurchase requirement is given by Acra to Seller. The Repurchase Price in such case shall include the full premium paid, as well as accrued interest and any other charges including advances, if any, with respect to such Loan.

**Section 5.19 Default on Early Payment Due to Acra.** If the Mortgagor does not make either of the first two (2) scheduled payments due to Acra within thirty (30) calendar days of each such payment's scheduled due date, then Acra may at any time require Seller to repurchase any such Loan within five (5) Business Days from the date when Acra provides notice of such repurchase requirement to Seller. The Repurchase Price in such case shall include the full premium paid, if any, with respect to such Loan, and in addition, the greater of the sum of ten percent (10%) or the Loan's interest rate, per annum on the Repurchase Price, commencing on the first (1st) calendar day, following the fifth (5th) Business Day after Acra provides notice of such repurchase requirement to Seller. If Seller does not repurchase a defaulted Loan within five (5) Business Days as specified above, without waiving any other rights or remedies, Acra shall have the right to offset the Repurchase Price against any future premiums earned by Seller, in accordance with Section 3.4(c) above.

**Section 5.20 Books and Records.** Seller agrees to keep and maintain such books and records so as to meet and comply with all applicable laws, including the requirements and/or recommendations of the Equal Credit Opportunity Act (15 U.S.C. 1601 et seq.), the Truth in Lending Act (15 U.S.C. 1600 et seq.), and all other applicable regulations. During the Interim Servicing Period Acra shall have the right to examine and audit, during business hours or such other times as might be reasonable, any and all of the books, records, documentation, and other information of Seller related to the Loans and compliance with this Agreement.

### **Article 6 BREACH OF REPRESENTATION AND WARRANTIES**

**Section 6.1 Remedy for Breach.** In addition to any rights or remedies Acra has at law or in equity, if either (i) any representation or warranty set forth herein or in any writing delivered hereunder or in connection herewith was not true on the date made, (ii) Seller breaches its obligations under Section 3.1 hereof, or (ii) Interim Servicer breaches its obligations under Section 5.1 through Section 5.14, Seller shall upon demand of Acra immediately repurchase the Loan. Alternatively, in Acra's sole discretion, Acra may allow Seller or Interim Servicer, as applicable, a period of thirty (30) calendar days to cure such breach. If

Seller or Interim Servicer, as applicable, elects to cure the breach and Acra agrees, Acra will allow Seller or Interim Servicer, as applicable, thirty (30) calendar days from the day Seller or Interim Servicer, as applicable, received notice from Acra of such breach to cure the breach (the "Cure Period"). If Seller or Interim Servicer, as applicable, has not cured such breach within the Cure Period, Seller shall repurchase the Loan from Acra within five (5) Business Days after the last day of the Cure Period. If the basis for a repurchase is determined after or in the course of liquidation of the Loan and Acra at its sole discretion elects to proceed with liquidation of the Loan, Seller shall pay the loss attributable to the Loan within five (5) Business Days of receipt of an invoice from Acra setting forth the loss.

**Section 6.2 Reassignments.** Upon receipt of the Repurchase Price, in full, in immediately available funds, Acra shall, at Seller's sole expense, reassign the Loan affected and any right it may have in the relevant Mortgaged Property, or alternatively, in the event Acra shall have commenced or completed liquidation of the Loan, assign all rights in the liquidation process or proceeds received in the liquidation to Seller free and clear of all liens, encumbrances, claims, or interest of any person or entity claiming by, through, or under Acra, without recourse, and shall execute and deliver to Seller, at Seller's sole expense, an assignment in recordable form of Acra's beneficial interest in the affected Mortgage as well as other documents necessary to reflect the reassignment of any title protection and insurance policies within ten (10) Business Days. With respect to all acts by Acra or any agent of it during the time it serviced any such Loan, Acra makes the same representations and warranties to Seller as Seller makes to Acra hereunder.

## **Article 7            INDEMNIFICATION**

### **Section 7.1        Indemnification.**

(a) Each of Seller (in the case of clauses (i) and (ii)) and, if applicable, the Interim Servicer (in the case of clauses (iii) and (iv)) agrees to protect, indemnify, and hold Acra and its directors, members, trustees, employees and agents (the "Acra Indemnified Parties"), harmless against any and all Damages, by whomsoever asserted, including but not limited to, the Mortgagors, any person or persons who prosecute or defend any actions or proceedings as representatives of or on behalf of a class or interested group, or any governmental instrumentality, body, agency, department or commission, or any administrative body or agency having jurisdiction pursuant to any applicable statute, rule, regulation, order or decree, or the settlement or compromise of any of the foregoing, arising out of or related to: (i) the breach or violation of any obligation, representation, covenant, or warranty of Seller hereunder; (ii) any suit, action, proceeding, claim or investigation pending or threatened against Acra or affecting any Loan from any matter or state of facts which relates to a matter or events occurring prior to the purchase of any Loan to which it relates regardless of whether the matter is ultimately successfully concluded; (iii) the failure of the Interim Servicer to perform its duties and service the Loans in strict compliance with the terms of this Agreement or (iv) the Interim Servicer's willful misconduct, bad faith or negligence; provided, however, that neither the Seller nor Interim Servicer has any obligation to indemnify any Acra Indemnified Parties to the extent that any such Damages resulted from the negligence, willful misconduct or bad faith of any Acra Indemnified Parties.

(b) If Acra at any time becomes subject to any legal action, including counterclaims, wherein the claim is based upon facts that would constitute a breach of any one of more of the warranties, covenants, or representations made or assumed by Seller under the terms hereof, Seller shall thereupon in addition to Seller's duty to indemnify and defend such claim, at Acra's option, repurchase without recourse, representation, or warranty such Loan at the Repurchase Price. Notwithstanding any such repurchase, Seller will continue to indemnify Acra with respect to such matter.

(c) Acra agrees to protect and indemnify the Seller, the Interim Servicer, if applicable, their affiliates, and their respective officers, directors, members, trustees, employees and agents (the "Seller/Interim Servicer Indemnified Parties") and hold them each harmless from and against any and all Damages that any of them may sustain, by whomsoever asserted, including but not limited to (1) the Mortgagor, against any person or persons who prosecute or defend any actions or proceedings as representatives of or on behalf of a class or interested group, or any governmental instrumentality, body, agency, department or commission, or any administrative body or agency having jurisdiction

pursuant to any applicable statute, rule, regulation, order or decree, or the settlement or compromise of any of the foregoing, arising out of (i) any misrepresentation, or breach of any covenant or warranty of Acra contained in this Agreement or (ii) any claim by a third party, regardless of whether the claimant is ultimately successful, which if true would be such a misrepresentation or breach by Acra; and (2)(i) any act or omission on the part of Acra in the servicing, collection or foreclosure of any Loan after the Service Transfer Date or otherwise arising from the transfer of servicing of the Loans provided for in this Agreement, (ii) the failure of Acra to perform in strict compliance with the terms of this Agreement and (iii) any other Damages sustained by the Interim Servicer in connection with the Interim Servicer's servicing of the Loans in accordance with this Agreement, but excluding any Damages arising as a result of the Seller/Interim Servicer Indemnified Parties' negligence, willful misconduct or bad faith. Acra will have no obligation to indemnify or hold any Seller/Interim Servicer Indemnified Parties harmless from and against any Damages for which Acra is entitled to indemnification by the Interim Servicer under paragraph (a) above.

(d) The Interim Servicer, if applicable, shall promptly notify Acra if a claim is made by a third party with respect to this Agreement or the Loans, provided that any delay in providing such notification shall not affect Acra's indemnification obligations hereunder unless such delay has materially prejudiced Acra's ability to defend against such claim. The Interim Servicer shall assume (using counsel that is reasonably acceptable to Acra) the defense of any such claim, and Acra shall pay all reasonable expenses in connection therewith, including counsel fees and expenses, promptly pay, discharge and satisfy any judgment or decree which may be entered against the Interim Servicer in respect of such claim with the prior written consent of Acra and follow any reasonable written instructions received from Acra in connection with such claim. Acra shall have the option to actively participate in the management of the defense of such claim. To the extent that Acra has failed to make payment herein and such amounts are advanced by the Interim Servicer, Acra shall promptly reimburse the Interim Servicer for all such amounts advanced by it. In the alternative, and upon prior written notice to the Interim Servicer, at the option of Acra, Acra may hire its own separate counsel to defend the claim directly. In such circumstance, the Interim Servicer may hire its own counsel to represent it separate and apart from Acra at the Interim Servicer's own cost. The Interim Servicer shall not settle such claims without the prior written approval of Acra. Failure to do so will waive this warranty.

**Section 7.2 Third-Party Claims.** If any party to this Agreement (an "Indemnitee") receives written notice of the assertion of any claim or of the commencement of any action or proceeding by any entity who is not a party to this Agreement (a "Third-Party Claim") against or affecting such Indemnitee, and if such assertion were presumed to be true (regardless of the actual outcome) and the other party could be obligated to provide indemnification under this Agreement (an "Indemnifying Party"), then such Indemnitee will give such Indemnifying Party reasonably prompt written notice thereof. The Indemnifying Party shall have the right to defend any Third Party Claim at its sole expense and by its own counsel (which counsel must be satisfactory to the Indemnitee), by giving written notice to the Indemnitee admitting its obligation to indemnify the Indemnitee for the Third Party Claim. The Indemnitee shall be entitled to have sole and absolute control over, the defense, compromise or settlement of, any claim to the extent that the claim seeks an injunction or other similar equitable relief against the Indemnitee and the right to approve any other settlement which approval shall not be unreasonably withheld. If the Indemnifying Party does not assume the defense as provided above within such period necessary in the reasonable judgment of the Indemnitee to not prejudice the defense of such Third-Party Claim; then the Indemnitee may, at its option, solely assume the defense of the Third-Party Claim, assisted by counsel of its own choosing, and the Indemnifying Party will be liable for all reasonable costs, fees, and expenses (including attorneys' fees), all settlement amounts and all other liabilities, losses, damages and injuries paid or incurred in connection therewith where the Indemnifying Party is liable for such other liabilities, losses, damages, and injuries pursuant to this Article 7. Indemnifying Party and Indemnitee shall provide notices and timely communications to the other Party on all matters relating to Third-Party Claims so that a Party is not prejudiced or otherwise harmed in any manner and is kept properly informed.

**Section 7.3 Direct Claims.** Any claim by an Indemnitee for indemnification other than indemnification against a Third-Party Claim (a "Direct Claim") will be asserted by giving the Indemnifying Party reasonably prompt written notice thereof, and the Indemnifying Party will have a period of twenty

(20) calendar days within which to respond in writing to such Direct Claim. If the Indemnifying Party does not respond within the twenty (20) calendar-day period, the Indemnifying Party will be deemed to have rejected such claim, in which event the Indemnitee will be free to pursue such remedies as may be available to the Indemnitee under this [Article 7](#).

## **Article 8 MISCELLANEOUS**

**Section 8.1 Relationship of the Parties.** It is agreed that Seller is not a partner or joint venturer, Seller shall not hold itself out as a joint venturer, partner, representative, employee or agent of Acra. Nor shall Seller use Acra's name in any advertising or written or broadcast material without Acra's express prior written consent. This prohibition shall not prevent Seller from using any advertising media provided to it by Acra for use by Seller and containing any copyrighted Acra name or logo. Such copyrighted name or logo shall remain in place. Seller is not to act as an agent for Acra in originating, administering or collecting any Loan, but shall have the status of and shall act in all matters hereunder as an independent contractor.

**Section 8.2 Successors and Assigns; Third-Party Beneficiaries.** This Agreement will inure to the benefit of and be binding upon the parties hereto and their successors and permitted assigns; provided that, any assignment shall be subject to obtaining written consent as provided herein. Acra may assign the Loans to a third party and shall retain the benefit of the representations, warranties and covenants contained herein or may assign the benefit thereof to a third party including a trustee in a securitization without requiring the prior written consent of Seller.

### **Section 8.3 Additional Covenants.**

(a) Each party shall, from time to time, execute and deliver or cause to be executed and delivered, such additional instruments, assignments, endorsements, papers and documents as the other party may at any time reasonably request for the purpose of carrying out this Agreement and the transfers provided for herein.

(b) Any and all decisions made by Acra in good faith to take action or to not take action relative to a Loan, including, but not limited to, the sale or liquidation of a Loan, Mortgaged Property, or collateral shall be final and conclusively binding upon Seller in the event Seller does not repurchase a Loan within ten (10) calendar days of notification by Acra pursuant to [Article 6](#) of this Agreement. Acra shall hold Seller harmless with respect to any action taken or not taken by Seller at the written instruction of Acra on behalf of Acra.

(c) Seller shall, upon the request of Acra or its assigns, do and perform or cause to be done and performed every reasonable act and thing necessary or advisable to put Acra and its assigns in position to enforce the payment of the Loans and to carry out the intent of this Agreement, including the execution of and, if necessary, the recordation of additional documents including separate endorsements and assignments upon request of Acra. In addition, Seller hereby irrevocably appoints any officer or employee of Acra or its assigns its true and lawful attorney to do and perform every act necessary, requisite, proper or advisable to be done to put Acra or its assigns in position to enforce the payment of the Loans, or to collect any amount, or endorse any check or instrument in connection therewith. The foregoing appointment shall constitute a power of attorney coupled with an interest and shall be irrevocable for the purposes stated herein.

(d) After any Commitment Date, Acra shall hold in trust for Seller any Notes, Mortgages and all other Loan-related documents which Acra has in its possession but does not purchase as provided herein, and agrees to return such documents promptly as directed by Seller at Seller's sole expense.

(e) Through the Service Transfer Date, Seller shall maintain one or more errors and omissions insurance policies and fidelity bonds, each in an amount, or in the aggregate in an amount and in all other manners, in compliance with the requirements from time to time of Fannie Mae and Freddie Mac for persons performing services for mortgage loans purchased by Fannie Mae and Freddie Mac.

(f) Acra and Seller agree that their respective regulators shall have the right to examine the relationships and transactions between the parties pursuant to this Agreement, along with the records related thereto.

(g) Seller agrees that upon two (2) Business Days' notice, Acra may have reasonable access to all the files, computer data, and other books and records in Seller's possession or control pertaining to the Loans and shall furnish Acra with copies of all documentation reasonably requested.

(h) In addition to Loans originated by itself, Seller may also sell to Acra loans which it has table-funded for Brokers, or which it has purchased from other originators. Seller acknowledges and agrees with respect to any such Loans, Seller remains fully liable for all representations and warranties made herein, including without limitation those contained in Section 5.15 of this Agreement. It shall not be a defense to any repurchase obligations or other claims arising hereunder that the subject Loans were not originated by Seller.

(i) In the event that Acra seeks to access the capital markets by engaging in a Securitization, Seller shall cooperate with Acra's efforts to do so. This assistance and cooperation will include, at Acra's reasonable request: (i) signing amendments to this Agreement to accommodate the Securitization; (ii) entering into a reasonable multi-party or similar agreement with Acra and entities involved in the Securitization, which agreements may include assignments of the representations made by Seller in this Agreement; (iii) providing written consent to Acra's assignment of its obligations under this Agreement in connection with a securitization transaction, and (iv) to the extent consistent with applicable law, (A) providing additional data and information about the Loans and information concerning Seller, including Seller's relevant policies and procedures; (B) providing appropriate narrative disclosure about the Seller, the Loans and the origin and underwriting of the Loans, including origination data and statistical information about the loans, (C) providing reasonable and customary indemnifications of Acra and the entities involved in the Securitization under securities laws for the disclosure provided by Seller, and (D) making its personnel reasonably available upon reasonable prior notice for purposes of due diligence review.

**Section 8.4 Survival of Covenants, Agreements, Representations and Warranties.** All representations, warranties, covenants, and agreements made herein or in any other instrument or writing delivered hereunder or in connection with any transaction contemplated hereby or thereby, including those made by third parties for the benefit of either party, shall be considered to have been relied upon by the recipient or beneficiary thereof (unless otherwise agreed in writing by the parties) and shall survive the endorsement of any Note, the assignment of any Mortgage hereunder, and the termination of this Agreement. Acra reserves the right to proceed against third parties to enforce any representations, warranties, and covenants made by them for the benefit of Seller. Seller assigns such representations, warranties, and covenants made by such party to Acra to the extent permitted under Seller's agreement with the third party.

**Section 8.5 Severability.** If any provision, or part thereof, of this Agreement is invalid or unenforceable under any law, such provision, or part thereof, is and will be totally ineffective to that extent, but the remaining provisions, or part thereof, will be unaffected.

**Section 8.6 Fees and Expenses.** Each of the parties hereto shall pay all legal fees and expenses incurred by it in connection with the negotiation, preparation, execution, and delivery of this Agreement. Notwithstanding anything to the contrary herein contained, in any action at law, in equity, arbitration, or otherwise between the parties in relation to this Agreement, any Delivery Instructions or any transaction contemplated hereby or thereby or any Loan or other instrument or agreement required or purchased or sold hereunder or thereunder, the non-prevailing party, in addition to any other sums which such party shall be required to pay pursuant to the terms and conditions of this Agreement, at law, in equity, arbitration or otherwise, shall also be required to pay to the prevailing party all costs and expenses of such litigation, including reasonable attorney fees. Unless otherwise specifically provided for herein, if one party hereto

fails to make payment of any amount due to the other party within thirty (30) calendar days of being required or requested to do so, the amount unpaid shall bear interest of ten percent (10%) per annum.

**Section 8.7 Waivers.** No waiver of any term, provision or condition of this Agreement, whether by conduct or otherwise, in any one or more instances, shall be deemed to be, or construed as a further or continuing waiver of any such term, provision, or condition, or of any other term, provision, or condition of this Agreement.

**Section 8.8 Notices.** Any notice or other communication in this Agreement provided or permitted to be given by one party to the other must be in writing and may be delivered by (i) personal delivery; (ii) United States mail (certified mail, return receipt requested), addressed to the other party to be notified, postage prepaid; (iii) recognized courier service; or (iv) electronically, via fax number or email address. Any such notice shall be effective upon receipt. For purposes of delivery of such notice, the addresses of the parties shall be as follows:

**SELLER:**

**WITH A COPY TO:**

**Acra Lending:**

**Attention: Secondary Sales  
25531 Commercentre Drive  
Suite 160  
Lake Forest, CA 92630  
Phone: (949) 900-6630  
Fax: (949) 900-6631  
[Acra email address for notification]**

**WITH A COPY TO:**

**Attention: General Counsel  
25531 Commercentre Drive  
Suite 160  
Lake Forest, CA 92630  
Phone: (949)-202-5057 extension 187  
Email: Chetna.Vora@acralending.com**

These addresses may be changed from time to time by written notice from one party to the other.

**Section 8.9 Assignment.** Seller shall not, without the prior written consent of Acra, assign any of its rights or obligations hereunder.

**Section 8.10 Captions.** Paragraph or other headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

**Section 8.11 Confidentiality.** Neither Acra nor Seller shall disclose any confidential or proprietary information of the other party with respect to such other party that may be in the possession of that party, including, without limitation, (i) such information in the possession of Acra as to Seller's financial condition or underwriting guidelines, (ii) such information in the possession of Seller as to any of the portfolio or Loan detail with respect to the Loans sold to Acra and any information regarding pricing of any mortgage loan proposed to be purchased by Acra and (iii) any information designated "confidential" or "proprietary" (or by

its nature is intended to be designated as such) by either party to the other party to any person who is not a partner, officer, employee, counsel, or agent of such party, except with the consent of such other party, pursuant to a subpoena or order issued by a court of competent jurisdiction, or by a judicial or administrative or legislative body or committee. Confidential information shall not include information which: (i) is in the receiving party's possession without actual or constructive knowledge of an obligation of confidentiality with respect thereto, prior to disclosure by the disclosing party; (ii) is or subsequently becomes part of a public domain through no fault of the receiving party; or (iii) is disclosed to the receiving party by a third party having no obligation of confidentiality with respect thereto, and provided the receiving party did not have actual or constructive knowledge that such information was wrongfully disclosed by such third parties.

Acra, Seller and Interim Servicer, if applicable, agree to regard and preserve, as confidential, all information obtained by or disclosed to any of them by or at the another party's direction about its applicants or customers, including but not limited to name, address, telephone number, account number, policy information, and any list or grouping of applicants or customers ("Customer Information"), and to use such Customer Information solely in the manner contemplated and authorized by the Agreement and permitted by applicable privacy laws. Each agrees not to disclose and not to permit its employees to disclose, Customer Information for any purpose other than for the performance of the Agreement. Upon termination of the Agreement, or at any time requested by another party, such party shall promptly return to the providing party, or destroy, all such Customer Information in its possession except for its business records. Each further agrees to implement and maintain an effective information security program to protect such Customer Information. The program shall include administrative, technical, and physical safeguards to: a) ensure the security and confidentiality of Customer Information; b) protect against any anticipated threats or hazards to the security or integrity of such Customer Information; and c) protect against unauthorized access to or use of Customer Information which could result in substantial harm or inconvenience to any other party or its applicants or customers. If any party is not in compliance with the requirements regarding Customer Information, such party shall immediately advise the other parties and take steps to correct the non-compliance, including but not limited to protecting applicants, customers, and the providing party against the consequences of any disclosure or use of Customer Information in violation of this Agreement. A breach of this Section 8.11 is considered a material breach of this Agreement.

Notwithstanding the above provisions in this Section 8.11, Acra may disclose such information to its affiliates subject to the terms of confidentiality as provided herein.

**Section 8.12 Entire Agreement.** This Agreement, the Exhibits attached hereto, and the documents referred to herein constitute the entire agreement between the parties hereto with respect to the subject matter hereof, and there are no prior agreements, understandings, restrictions, warranties, or representations between the parties with respect thereto. Each of the parties hereto agrees that to the extent that any Delivery Instructions contain any term and / or condition that is additional to, different from, or in conflict with any term or condition contained in this Agreement, such Delivery Instructions shall control over the terms and conditions of this Agreement, but only for the Delivery related to such Delivery Instructions.

**Section 8.13 Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California without application of its principles of conflict of laws. The provisions of this paragraph shall not affect the provisions of any Note, Mortgage, or Loan Documents that cause the laws of the United States or any other state thereof to be applicable to any Mortgagor or the Mortgaged Property.

**Section 8.14 Limitation of Damages.** Notwithstanding anything contained herein to the contrary, the parties agree that neither party shall be liable to the other for any special, consequential, or punitive damages, whether in contract, tort (including negligence or strict liability), or any other legal or equitable principle.

**Section 8.15 Arbitration, Jurisdiction, and Venue.** With respect to any controversy, argument, or claim arising out of or relating to this Agreement, or any breach thereof (including, but not limited to, a request for emergency relief), the parties hereby consent to the exclusive jurisdiction of the courts of the State of California in County of Orange and waive personal service of any and all process upon them and

consent that all such service of process made by registered or certified mail directed to them at the address stated herein and service so made shall be deemed to be completed five (5) calendar days after mailing. The parties hereby (i) waive trial by jury; (ii) waive any objection to jurisdiction and venue of any action instituted hereunder; (iii) agree not to assert any defense based on lack of jurisdiction or venue; and (iv) consent to the granting of such legal or equitable relief as is deemed appropriate by the court, including, but not limited to, any emergency relief, injunctive or otherwise.

Notwithstanding anything to the contrary herein contained, except with respect to emergency relief, upon demand of any party hereto, whether made before or after institution of any judicial proceeding, dispute, claim, or controversy arising out of, connected with, or relating to this Agreement and / or any Delivery Instruction between or among parties to this Agreement (each a "Dispute") shall be resolved by binding arbitration as provided herein. Institution of a judicial proceeding by a party does not waive the right of that party to demand arbitration hereunder. Disputes may include, without limitation, tort claims, counterclaims, disputes as to whether a matter is subject to arbitration, claims brought as class actions, claims arising from documents or certificates executed now or in the future, or claims arising out of or connected with the transaction reflected by this Agreement and / or any Delivery Instruction.

Arbitration shall be conducted under and governed by the Commercial Financial Disputes Arbitration Rules (the "Arbitration Rules") of the American Arbitration Association (the "AAA") and Title 9 of the U.S. Code. All arbitration hearings shall be conducted in Irvine, California or via telephone or video call. The expedited procedures set forth in Rule 51 et seq. of the Arbitration Rules shall be applicable to claims of less than \$1,000,000. All applicable statutes of limitation shall apply to any Dispute. A judgment upon the award may be entered in any court having jurisdiction. The panel from which all arbitrators are selected shall be comprised of licensed attorneys. The single arbitrator selected for expedited procedure shall be a retired judge from the highest court of general jurisdiction, state or federal, of the state where the hearing will be conducted or if such person is not available to serve, the single arbitrator may be a licensed attorney.

Notwithstanding the preceding binding arbitration provisions, the parties hereto agree to preserve, without diminution, certain remedies that any party hereto may employ or exercise freely, independently or in connection with an arbitration proceeding or after an arbitration action is brought. The parties hereto shall have the right to proceed in any court of proper jurisdiction or by self-help to exercise or prosecute the following remedies, as applicable: (i) all rights to foreclose against any real or personal property or other security by exercising a power of sale granted hereunder or under applicable law or by judicial foreclosure and sale, including a proceeding to confirm the sale; (ii) all rights of self-help including peaceful occupation of real property and collection of rents, set-off, and peaceful possession of personal property; (iii) obtaining provisional or ancillary remedies including injunctive relief, sequestration, garnishment, attachment, appointment of receiver, and filing an involuntary bankruptcy proceeding; and (iv) when applicable, a judgment by confession of judgment. Preservation of these remedies does not limit the power of an arbitrator to grant similar remedies that may be requested by a party in a Dispute.

The parties hereto agree that they shall not have a remedy of punitive or exemplary damages against the other in any Dispute and hereby waive any right or claim to punitive or exemplary damages they have or which may arise in the future in connection with any Dispute whether the Dispute is resolved by arbitration or judicially.

**Section 8.16 No Solicitation.** From and after the Commitment Date, and continuing for a period of three (3) years from the date of the Sale of the Loan, Seller agrees that it will not take any action or permit or cause any action to be taken by Seller, any of Seller's agents or Seller-controlled affiliates, or by any independent contractors on Seller's behalf, to personally, by telephone, or mail, solicit the Mortgagor under any Loan to refinance the Loan, in whole or in part, without the prior written consent of Acra. It is understood and agreed that all rights and benefits relating to the solicitation of any Mortgagors to refinance any Loan and the attendant rights, title, and interest in and to the list of such Mortgagors and data relating to their Mortgages (including insurance renewal dates) shall be transferred to Acra pursuant hereto on the Commitment Date and Seller shall take no action to undermine these rights and benefits. Notwithstanding the foregoing, it is understood and agreed that promotions undertaken by Seller or any Seller-controlled affiliate of Seller which are directed to the general public at large, or segments thereof, provided that no



segment shall consist primarily of the Loans, including, without limitation, mass mailing based on commercially acquired mailing lists, newspaper, radio, and television advertisements, shall not constitute solicitation under this Section 8.16.

**Section 8.17 Endorsements.** In the event that the remedies or other terms outlined in this Agreement conflict with the terms of any endorsement by Seller of any Note evidencing a Loan purchased by Acra from Seller, including, but not limited to, an endorsement stating that the assignment of the Note is without recourse, the remedies and terms of this Agreement shall govern and control.

**Section 8.18 Execution.** This Agreement, together with any documents provided for herein such as a Bid Confirmation Letter, may be executed electronically by Seller and Acra delivering to the other by facsimile or otherwise the signature page of the Agreement or document signed by an officer of the respective party. Upon execution, Acra shall prepare two counterparts which shall be signed by Acra's officer and forwarded to Seller. Seller shall return an originally signed counterpart to Acra.

[SIGNATURE PAGE IMMEDIATELY FOLLOWS]

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date first written above:

**SELLER**

Co:

**ACRA**

Citadel Servicing Corporation doing  
business as Acra Lending

By:

Name:

Kyle Gunderlock

Title:

Chief Executive Officer

**SELLER**

Co:

**ACRA**

Citadel Servicing Corporation doing  
business as Acra Lending

By:

Name:

Kyle Gunderlock

Title:

Chief Executive Officer



## WIRE TRANSFER AUTHORIZATION

**Citadel Servicing Corporation dba Acra Lending**

25531 Commercentre Drive, Suite 160

Lake Forest, CA 92630

Ladies and Gentlemen:

Pursuant to the Mortgage Loan Purchase Agreement ("Agreement"), dated as of \_\_\_\_\_,

between Citadel Servicing Corporation doing business as Acra Lending ("Acra") and \_\_\_\_\_,

we hereby notify you to pay any and all amounts that may be due us from time to time under or pursuant to

the Agreement to the warehouse lender as specified in the bailee letter provided to you or, to the extent

funds are not paid to the warehouse lender, to:

**Account Number:**

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**ABA Number:**

---

**Attention:**

---

Please make all payments due us at any time and from time to time under or pursuant to the Agreement accordingly from the date hereof until such time a replacement wire transfer authorization in the form hereof is received by you.

Sincerely,

**Seller**

By:

Name:

Title:

By:

Name:

Title:



## Exhibit B

**WHERE CREDIT DOCUMENTS ARE ON SELLER'S IMAGING SYSTEM, SELLER SHALL DELIVER A HARD COPY AND A COPY IN ELECTRONIC FORMAT.**

- ☐ Copy Loan Application (FNMA Form 1003)
- ☐ Copy Uniform Underwriting and Transmittal Form (FNMA Form 1008)
- ☐ Copy Credit Report from Acra preferred credit repositories
- ☐ Copy of Initial and Final Executed Disclosure Statements as Required by State and Federal Law including but not limited to:
  - ☐ Initial Loan Estimate ("LE")
  - ☐ Servicer's Providers List
  - ☐ Any Revised or Re-Disclosed LEs
  - ☐ Documented Changed Circumstance for LEs
  - ☐ Delivery Confirmation all of LEs
  - ☐ Borrower's Intent to Proceed
  - ☐ Copy of any additional Initial Disclosures
  - ☐ Initial Closing Disclosure ("CD")
  - ☐ Any Revised or Re-Disclosed CDs
  - ☐ Documented Changed Circumstance for CD
  - ☐ Delivery Confirmation of all CDs
  - ☐ Borrower Signed E-Consent Form
  - ☐ Right to Appraisal Disclosure
  - ☐ Servicing Disclosure
  - ☐ ECOA Valuation Appraisal Waiver Form
  - ☐ Delivery Confirmation of Appraisal(s) or Valuations
  - ☐ Copy of any additional Post Closing Disclosures
  - ☐ Copy of any Seller LE or CD (when applicable)
  - ☐ Home Loan Tool Kit (when applicable)
  - ☐ CHARM Booklet (when applicable)
- ☐ Loan Payment history in magnetic media acceptable to and readable by Acra with a print-out in each applicable file, or if payment histories are maintained only manually, the ledger cards (must be complete pay history)
- ☐ Evidence of Income Verification pursuant to Underwriting Guidelines
- ☐ Evidence of Asset Verification pursuant to Underwriting Guidelines if applicable
- ☐ Verification of first mortgage, if applicable
- ☐ Original Appraisal pursuant to Underwriting Guidelines and all other Appraisals
- ☐ Purchase Contract, if applicable
- ☐ Evidence of Homeowners Insurance
- ☐ Original or Certified Copy of Certificate of Identification or Title Affidavit of Borrower's Name Affidavit, if applicable
- ☐ Copy W-9 Certificate

- ☐ Copy IRS Form 4506/8821, if applicable
- ☐ Copy of each instrument necessary to complete identification of any exception set forth in the exception schedule in the title policy, i.e. map or plat, restrictions, easements, sewer agreements, home association declarations, etc.
- ☐ Copy of Notice of Right to Cancel, if applicable
- ☐ Copy of Flood Certification and Flood Insurance Policy, if applicable
- ☐ Copy of any post-closing disclosures issued, if applicable



## Exhibit C

### LOAN DOCUMENTS (COLLATERAL)

- \_\_\_\_ **Original Note** executed by all Mortgagors, with proper **endorsements, addendums, or riders**, endorsed "*Pay to the order of Citadel Servicing Corporation dba Acra Lending, without recourse,*" or in blank and signed in the name of Seller by an authorized officer, with all intervening endorsements showing a complete chain of title from the originator of such Loan to Seller.
  
- \_\_\_\_ **Original or certified copy of the executed Mortgage** with appropriate **addendums or riders**, with **evidence of recording** thereon, provided, that if the original Mortgage has been delivered for recording to the appropriate public recording office of the jurisdiction in which the Mortgaged Property is located but has not yet been returned to Seller by such recording office, Seller may tender to Acra a certified true copy of such original Mortgage so certified by an officer of Seller, together with a certificate of Seller certifying that such original Mortgage has been so delivered to such recording office.
  
- \_\_\_\_ **Five original counterparts of the Limited Power of Attorney** will be provided to be utilized for the assignment of Mortgage from Seller to Acra.
  
- \_\_\_\_ **Original intervening Assignments of Mortgage**, with **evidence of recording** thereon, showing a **complete chain of title from** the originator to Seller, provided, that if any such original intervening Assignment of Mortgage has been delivered for recording to the appropriate public recording office of the jurisdiction in which the Mortgaged Property is located but has not yet been returned to Seller by such recording office, Seller may tender to Acra a certified true copy of such original Assignment of Mortgage so certified by an officer of Seller, together with a certificate of Seller certifying that such original Assignment of Mortgage has been so delivered to such recording office.
  
- \_\_\_\_ If required by Underwriting Guidelines, the **original policy of title insurance for such Loan, or a copy of such policy or a title insurance binder or commitment** for the issuance of such policy or an insured closing agreement (or in the case of Mortgaged Properties located in or as in which such policies are generally not available, an attorney's certificate or opinion of title or other customary assurance of title) with Certified Copy of Durable Power of Attorney, provided that no Loan Documents may be executed through use of a power of attorney unless disclosed in writing by Seller and specifically accepted by Acra.
  
- \_\_\_\_ **Originals of all assumption and modification agreements**, if any.

**Exhibit D**  
**LIMITED POWER OF ATTORNEY**  
**(5 COPIES, WITH ORIGINAL SIGNATURES AND**  
**NOTARY ON EACH, TO BE COMPLETED AND**  
**RETURNED WITH THIS AGREEMENT)**



## LIMITED POWER OF ATTORNEY

\_\_\_\_\_, ("Seller") hereby appoints Citadel Servicing Corporation doing business as Acra Lending ("Acra"; "Purchaser") as its true and lawful attorney-in-fact to act in the name, place and stead of Seller for the purposes set forth below. This Limited Power of Attorney is given pursuant to a certain Mortgage Loan Purchase Agreement by and between Seller and Acra ("Agreement") to which reference is made for the definition of all capitalized terms herein.

Now, therefore, Seller does hereby constitute and appoint Purchaser the true and lawful attorney-in-fact of Seller and in Seller's name, place, and stead with respect to each mortgage loan sold to Purchaser pursuant to the Agreement for the following, and only the following, purposes:

1. To execute, acknowledge, seal and deliver deed of trust/mortgage note endorsements, assignments of deed of trust/mortgage and other recorded documents, satisfactions/releases/reconveyances of deed of trust/mortgage, tax authority notifications and declarations, deeds, bills of sale, and other instruments of sale, conveyance, and transfer, appropriately completed, with all ordinary or necessary endorsements, acknowledgements, affidavits, and supporting documents as may be necessary or appropriate to effect its execution, delivery, conveyance, recordation or filing.

2. To negotiate Loan Payment checks, hazard insurance claim checks and similar negotiable instruments received related to the Loans and take other actions incident to its ownership and servicing of the Loans.

Seller further grants to its attorney-in-fact full authority to act in any manner both proper and necessary to exercise the foregoing powers, and ratifies every act that Purchaser may lawfully perform in exercising those powers by virtue hereof. Seller further grants to Purchaser the limited power of substitution and revocation of another party for the purposes set forth therein, hereby ratifying and confirming all that the attorney-in-fact, or a substitute or substitutes, shall lawfully do or cause to be done by virtue of this power of attorney and the rights and powers.

Purchaser shall indemnify, defend, and hold harmless Seller, its successors and assigns, from and against any and all losses, costs, expenses (including, without limitation, reasonable attorneys' fees), damages, fines, penalties, fees, liabilities, demand, or claims of any kind whatsoever, ("Claims") arising out of related to, or in connection with (i) any act taken by Purchaser pursuant to this Limited Power of Attorney, which act results in a Claim solely by virtue of the unlawful use of this Limited Power of Attorney (and not as a result of a Claim related to the underlying instrument with respect to which this Limited Power of Attorney has been used), or (ii) any use or misuse of this Limited Power of Attorney in any manner or by any person or entity not expressly authorized hereby.

IN WITNESS WHEREOF, Seller executes this Limited Power of Attorney this \_\_\_\_\_, 20\_\_.

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

**SELLER:**

**BY:**

**NAME:**

**TITLE:**

## ACKNOWLEDGMENT

State of \_\_\_\_\_

County of \_\_\_\_\_

On \_\_\_\_\_ before me, \_\_\_\_\_ personally appeared \_\_\_\_\_, who proved to me

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

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

WITNESS my hand and official seal

**EXHIBIT D**





## LIMITED POWER OF ATTORNEY

\_\_\_\_\_, ("Seller") hereby appoints Citadel Servicing Corporation doing business as Acra Lending ("Acra"; "Purchaser") as its true and lawful attorney-in-fact to act in the name, place and stead of Seller for the purposes set forth below. This Limited Power of Attorney is given pursuant to a certain Mortgage Loan Purchase Agreement by and between Seller and Acra ("Agreement") to which reference is made for the definition of all capitalized terms herein.

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1. To execute, acknowledge, seal and deliver deed of trust/mortgage note endorsements, assignments of deed of trust/mortgage and other recorded documents, satisfactions/releases/reconveyances of deed of trust/mortgage, tax authority notifications and declarations, deeds, bills of sale, and other instruments of sale, conveyance, and transfer, appropriately completed, with all ordinary or necessary endorsements, acknowledgements, affidavits, and supporting documents as may be necessary or appropriate to effect its execution, delivery, conveyance, recordation or filing.

2. To negotiate Loan Payment checks, hazard insurance claim checks and similar negotiable instruments received related to the Loans and take other actions incident to its ownership and servicing of the Loans.

Seller further grants to its attorney-in-fact full authority to act in any manner both proper and necessary to exercise the foregoing powers, and ratifies every act that Purchaser may lawfully perform in exercising those powers by virtue hereof. Seller further grants to Purchaser the limited power of substitution and revocation of another party for the purposes set forth therein, hereby ratifying and confirming all that the attorney-in-fact, or a substitute or substitutes, shall lawfully do or cause to be done by virtue of this power of attorney and the rights and powers.

Purchaser shall indemnify, defend, and hold harmless Seller, its successors and assigns, from and against any and all losses, costs, expenses (including, without limitation, reasonable attorneys' fees), damages, fines, penalties, fees, liabilities, demand, or claims of any kind whatsoever, ("Claims") arising out of related to, or in connection with (i) any act taken by Purchaser pursuant to this Limited Power of Attorney, which act results in a Claim solely by virtue of the unlawful use of this Limited Power of Attorney (and not as a result of a Claim related to the underlying instrument with respect to which this Limited Power of Attorney has been used), or (ii) any use or misuse of this Limited Power of Attorney in any manner or by any person or entity not expressly authorized hereby.

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

**SELLER:**

**BY:**

**NAME:**

**TITLE:**

## ACKNOWLEDGMENT

State of \_\_\_\_\_

County of \_\_\_\_\_

On \_\_\_\_\_ before me, \_\_\_\_\_ personally appeared \_\_\_\_\_, who proved to me

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

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

WITNESS my hand and official seal

**EXHIBIT D**



## LIMITED POWER OF ATTORNEY

\_\_\_\_\_, ("Seller") hereby appoints Citadel Servicing Corporation doing business as Acra Lending ("Acra"; "Purchaser") as its true and lawful attorney-in-fact to act in the name, place and stead of Seller for the purposes set forth below. This Limited Power of Attorney is given pursuant to a certain Mortgage Loan Purchase Agreement by and between Seller and Acra ("Agreement") to which reference is made for the definition of all capitalized terms herein.

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1. To execute, acknowledge, seal and deliver deed of trust/mortgage note endorsements, assignments of deed of trust/mortgage and other recorded documents, satisfactions/releases/reconveyances of deed of trust/mortgage, tax authority notifications and declarations, deeds, bills of sale, and other instruments of sale, conveyance, and transfer, appropriately completed, with all ordinary or necessary endorsements, acknowledgements, affidavits, and supporting documents as may be necessary or appropriate to effect its execution, delivery, conveyance, recordation or filing.

2. To negotiate Loan Payment checks, hazard insurance claim checks and similar negotiable instruments received related to the Loans and take other actions incident to its ownership and servicing of the Loans.

Seller further grants to its attorney-in-fact full authority to act in any manner both proper and necessary to exercise the foregoing powers, and ratifies every act that Purchaser may lawfully perform in exercising those powers by virtue hereof. Seller further grants to Purchaser the limited power of substitution and revocation of another party for the purposes set forth therein, hereby ratifying and confirming all that the attorney-in-fact, or a substitute or substitutes, shall lawfully do or cause to be done by virtue of this power of attorney and the rights and powers.

Purchaser shall indemnify, defend, and hold harmless Seller, its successors and assigns, from and against any and all losses, costs, expenses (including, without limitation, reasonable attorneys' fees), damages, fines, penalties, fees, liabilities, demand, or claims of any kind whatsoever, ("Claims") arising out of related to, or in connection with (i) any act taken by Purchaser pursuant to this Limited Power of Attorney, which act results in a Claim solely by virtue of the unlawful use of this Limited Power of Attorney (and not as a result of a Claim related to the underlying instrument with respect to which this Limited Power of Attorney has been used), or (ii) any use or misuse of this Limited Power of Attorney in any manner or by any person or entity not expressly authorized hereby.

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

**SELLER:**

**BY:**

**NAME:**

**TITLE:**

## ACKNOWLEDGMENT

State of \_\_\_\_\_

County of \_\_\_\_\_

On \_\_\_\_\_ before me, \_\_\_\_\_ personally appeared \_\_\_\_\_, who proved to me

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

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

WITNESS my hand and official seal

**EXHIBIT D**



## LIMITED POWER OF ATTORNEY

\_\_\_\_\_, ("Seller") hereby appoints Citadel Servicing Corporation doing business as Acra Lending ("Acra"; "Purchaser") as its true and lawful attorney-in-fact to act in the name, place and stead of Seller for the purposes set forth below. This Limited Power of Attorney is given pursuant to a certain Mortgage Loan Purchase Agreement by and between Seller and Acra ("Agreement") to which reference is made for the definition of all capitalized terms herein.

Now, therefore, Seller does hereby constitute and appoint Purchaser the true and lawful attorney-in-fact of Seller and in Seller's name, place, and stead with respect to each mortgage loan sold to Purchaser pursuant to the Agreement for the following, and only the following, purposes:

1. To execute, acknowledge, seal and deliver deed of trust/mortgage note endorsements, assignments of deed of trust/mortgage and other recorded documents, satisfactions/releases/reconveyances of deed of trust/mortgage, tax authority notifications and declarations, deeds, bills of sale, and other instruments of sale, conveyance, and transfer, appropriately completed, with all ordinary or necessary endorsements, acknowledgements, affidavits, and supporting documents as may be necessary or appropriate to effect its execution, delivery, conveyance, recordation or filing.

2. To negotiate Loan Payment checks, hazard insurance claim checks and similar negotiable instruments received related to the Loans and take other actions incident to its ownership and servicing of the Loans.

Seller further grants to its attorney-in-fact full authority to act in any manner both proper and necessary to exercise the foregoing powers, and ratifies every act that Purchaser may lawfully perform in exercising those powers by virtue hereof. Seller further grants to Purchaser the limited power of substitution and revocation of another party for the purposes set forth therein, hereby ratifying and confirming all that the attorney-in-fact, or a substitute or substitutes, shall lawfully do or cause to be done by virtue of this power of attorney and the rights and powers.

Purchaser shall indemnify, defend, and hold harmless Seller, its successors and assigns, from and against any and all losses, costs, expenses (including, without limitation, reasonable attorneys' fees), damages, fines, penalties, fees, liabilities, demand, or claims of any kind whatsoever, ("Claims") arising out of related to, or in connection with (i) any act taken by Purchaser pursuant to this Limited Power of Attorney, which act results in a Claim solely by virtue of the unlawful use of this Limited Power of Attorney (and not as a result of a Claim related to the underlying instrument with respect to which this Limited Power of Attorney has been used), or (ii) any use or misuse of this Limited Power of Attorney in any manner or by any person or entity not expressly authorized hereby.

IN WITNESS WHEREOF, Seller executes this Limited Power of Attorney this \_\_\_\_\_, 20\_\_.

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

**SELLER:**

**BY:**

**NAME:**

**TITLE:**

## ACKNOWLEDGMENT

State of \_\_\_\_\_

County of \_\_\_\_\_

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

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

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Now, therefore, Seller does hereby constitute and appoint Purchaser the true and lawful attorney-in-fact of Seller and in Seller's name, place, and stead with respect to each mortgage loan sold to Purchaser pursuant to the Agreement for the following, and only the following, purposes:

1. To execute, acknowledge, seal and deliver deed of trust/mortgage note endorsements, assignments of deed of trust/mortgage and other recorded documents, satisfactions/releases/reconveyances of deed of trust/mortgage, tax authority notifications and declarations, deeds, bills of sale, and other instruments of sale, conveyance, and transfer, appropriately completed, with all ordinary or necessary endorsements, acknowledgements, affidavits, and supporting documents as may be necessary or appropriate to effect its execution, delivery, conveyance, recordation or filing.

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Seller further grants to its attorney-in-fact full authority to act in any manner both proper and necessary to exercise the foregoing powers, and ratifies every act that Purchaser may lawfully perform in exercising those powers by virtue hereof. Seller further grants to Purchaser the limited power of substitution and revocation of another party for the purposes set forth therein, hereby ratifying and confirming all that the attorney-in-fact, or a substitute or substitutes, shall lawfully do or cause to be done by virtue of this power of attorney and the rights and powers.

Purchaser shall indemnify, defend, and hold harmless Seller, its successors and assigns, from and against any and all losses, costs, expenses (including, without limitation, reasonable attorneys' fees), damages, fines, penalties, fees, liabilities, demand, or claims of any kind whatsoever, ("Claims") arising out of related to, or in connection with (i) any act taken by Purchaser pursuant to this Limited Power of Attorney, which act results in a Claim solely by virtue of the unlawful use of this Limited Power of Attorney (and not as a result of a Claim related to the underlying instrument with respect to which this Limited Power of Attorney has been used), or (ii) any use or misuse of this Limited Power of Attorney in any manner or by any person or entity not expressly authorized hereby.

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**SELLER:**

**BY:**

**NAME:**

**TITLE:**

## ACKNOWLEDGMENT

State of \_\_\_\_\_

County of \_\_\_\_\_

On \_\_\_\_\_ before me, \_\_\_\_\_ personally appeared \_\_\_\_\_, who proved to me

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

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

WITNESS my hand and official seal

**EXHIBIT D**



## Exhibit E

### SERVICING TRANSFER GUIDELINE

#### SCHEDULE OF SERVICING INFORMATION

Seller shall provide to Acra the following information with respect to each Loan in the format of the CPI master records, escrow payee, ACH layout, ARM data tapes:

- ☐ Account Number
- ☐ Annual Interest Rate (Note Rate)
- ☐ Application Date
- ☐ Appraisal Date
- ☐ Balloon Date
- ☐ Billing Address
- ☐ Borrower Name – Primary
- ☐ Borrower Name – Secondary
- ☐ County Code
- ☐ Escrow Balance Current
- ☐ Escrow Current Monthly (T&I Amount)
- ☐ First Payment Due Date
- ☐ Flood Insurance (Required Code)
- ☐ Grace Days
- ☐ Late Charge Factor
- ☐ Late Charge Maximum Amount
- ☐ Late Charge Minimum Amount
- ☐ Loan Term
- ☐ Loan Type
- ☐ Maturity Date
- ☐ Next Due Date
- ☐ Number of Units
- ☐ Occupancy
- ☐ Original Loan Amount
- ☐ Origination Date
- ☐ Prepayment Penalty
- ☐ Principal & Interest Pmt Amount – Current
- ☐ Principal Balance – Current
- ☐ Product Code
- ☐ Property Address
- ☐ Property Appraisal Amount
- ☐ Property Type
- ☐ Sale Price
- ☐ Social Security # – Primary Borrower
- ☐ Social Security # – Secondary Borrower
- ☐ Social Security # Certification Indicator
- ☐ State Code
- ☐ Telephone #/Home – Primary Borrower
- ☐ Telephone #/Work – Primary Borrower

- ☐ PREPAY TERMS
- ☐ Months or % Charged
- ☐ Term (in Months)
- ☐ Prepay Type

- ARM DATA
- ☐ 1<sup>st</sup> Payment Adjust Date
- ☐ 1<sup>st</sup> Rate Adjust Date
- ☐ Ceiling Rate
- ☐ Convertible (Yes/No)
- ☐ Current Index Value
- ☐ Floor Rate
- ☐ Index Type
- ☐ Initial Payment Adjustment Period
- ☐ Initial Periodic Cap
- ☐ Initial Rate Adjustment Period
- ☐ Lifetime Cap
- ☐ Margin
- ☐ Start Rate
- ☐ Subsequent Periodic Cap

- HMDA DATA
- ☐ Borrower Age
- ☐ Borrower Ethnicity
- ☐ Borrower Marital Status
- ☐ Borrower Race
- ☐ Borrower Sex

- ESCROW DATA
- ☐ Hazard Insurance
- ☐ Company Address
- ☐ Company Phone
- ☐ Company/Agent Name
- ☐ Coverage Amount of Policy
- ☐ Escrow Status (Escrow/Non-escrow)
- ☐ Expiration Date of Policy
- ☐ Pay Frequency
- ☐ Payee Number
- ☐ Policy Number
- ☐ Premium Amount

- Flood Insurance
- ☐ Company/Agent Name
- ☐ Company Address
- ☐ Company Phone
- ☐ Coverage Amount of Policy
- ☐ Escrow Status (Escrow/Non-escrow)
- ☐ Expiration Date of Policy
- ☐ Pay Frequency
- ☐ Payee Number
- ☐ Policy Number
- ☐ Premium Amount



## Exhibit F

### SAMPLE BID CONFIRMATION LETTER

Date: \_\_\_\_\_

Attn: \_\_\_\_\_

**RE: Purchase of Fixed and Adjustable Rate Mortgage  
Loans by Citadel Servicing Corporation dba Acra  
Lending**

Dear \_\_\_\_\_,

As confirmation of the transaction entered into on \_\_\_\_\_ ("Trade Date"), Citadel Servicing Corporation doing business as Acra Lending ("Acra") hereby confirms our agreement to purchase and \_\_\_\_\_ ("Seller") hereby confirms its agreement to sell, on a mandatory delivery and servicing-released basis, certain first and second lien fixed and adjustable rate mortgage loans ("Mortgage Loans"), having an approximate aggregate unpaid principal balance as of the Cutoff Date (herein defined) of \$\_\_\_\_\_ after application of principal payments made on or before the Cutoff Date. The closing will occur on \_\_\_\_\_ ("Closing Date") and the cutoff date shall be \_\_\_\_\_ ("Cutoff Date"). The terms and provisions of the agreement for the purchase and sale of the Mortgage Loans are as described below and pursuant to Acra's form of Mortgage Loan Purchase ("Agreement") dated as of \_\_\_\_\_ between Citadel Servicing Corporation doing business as Acra Lending and \_\_\_\_\_.

1. **Loan Documents:** At Seller's expense, the original mortgage notes properly endorsed, mortgages, modification, extension and/or assumption agreements, assignments of mortgage, intervening assignments of mortgage, title insurance policies, mortgage insurance policies and such other documents as set forth in the Agreement (the "Loan Documents") shall be delivered to Wells Fargo Bank, N.A. (the "Custodian"), at least five (5) Business Days prior to the Closing Date. Seller and Acra will each pay the fees and expenses of the Custodian, as incurred by such party.

2. **The Mortgage Loans:** On the Closing Date, the Mortgage Loans shall comply with the characteristics described on Exhibit A hereto. In addition to the representations and warranties with respect to the characteristics as set forth on Exhibit A and all of the representations and warranties of Seller as contained in the Agreement, Seller represents and warrants to Acra.

(a) **High Cost Lending.** No Mortgage Loan is (a) subject to, covered by or in violation of the provisions of the Homeownership and Equity Protection Act of 1994, as amended or (b) a "high cost", "covered", "abusive", "predatory", "home loan", "Oklahoma Section 10" or "high risk" mortgage loan (or a similarly designated loan using different terminology) under any federal, state or local law or any other statute or regulation providing assignee liability to holders of such mortgage loans.

(b) **No Adverse Selection.** No selection procedure was used by Seller that identified the Mortgage Loans as being less desirable or valuable than other comparable mortgage loans in Seller's portfolio as of the Cutoff Date.

(c) **Pool Characteristics:** With respect to each Mortgage Loan contained within the pool, Seller further represents and warrants:

(i) **LTV or CLTV.** The loan-to-value ratio of any Mortgage Loan at origination was not more than \_\_\_\_\_% and the combined loan-to-value ratio any Mortgage Loan at origination was not more than \_\_\_\_\_%.

(ii) **Credit Score.** Each Mortgagor has a valid and original credit score of not less than \_\_\_\_\_.



(iii) DTI Ratio. Each Mortgagor on a Mortgage Loans with an LTV of % or less has a debt-to-income ratio of less than or equal to %. Each Mortgagor on a Mortgage Loan with an LTV greater than % has a debt-to-income ratio of less than or equal to %.

(iv) Principal Balance. No Mortgage Loan shall have an unpaid principal balance as of the Cutoff Date of greater than \$\_\_\_\_\_.

(v) Delinquency. All payments due on or before the Cutoff Date will have been paid as of the Closing Date. No payment required under the Mortgage Loan is delinquent nor has any payment under the Mortgage Loan been delinquent at any time since origination. For the purposes of this paragraph, a Mortgage Loan will be deemed to be delinquent if any payment due thereunder was not paid by the mortgagor in the month such payment was due.

The representations and warranties made by Seller will survive over the life of each Mortgage Loan, notwithstanding any restrictive endorsement on a mortgage note or mortgage assignment, or the extent of any diligence conducted by Acra or on its behalf. The repurchase price shall be (i) the purchase price percentage used to calculate the Purchase Price, times the unpaid principal balance of the Mortgage Loan so repurchased plus (ii) accrued interest thereon at the mortgage interest rate from the interest paid to date, to but not including, the last day of Repurchase Date that such repurchase occurs.

3. Purchase Price: Subject to the satisfaction of the terms and conditions set forth in the Agreement, with respect to each Mortgage Loan, Acra shall pay to Seller an amount equal to the sum of (i) the product of (a) % and (b) the Cutoff Date principal balance of such Mortgage Loan and (ii) accrued interest at the mortgage interest rate with respect to such Mortgage Loan from the interest paid to date, to but not including, the Closing Date (the "Purchase Price"). The Purchase Price shall be paid by Acra to Seller within fourteen (14) Business Days of receipt of a Third-Party Report with respect to such Loan by Acra in accordance with Section 3.6 of the Agreement.

Acra shall be under no obligation to accept anything less than strict compliance with the terms of our agreement and shall not be required to accept delivery of non-complying Mortgage Loans. Acra shall have no obligation to purchase any Mortgage Loans for which all the Loan Documents with respect to such Mortgage Loans have not been delivered to the Custodian or Third-Party Reviewer, as applicable.

4. Servicing of the Mortgage Loans: The Mortgage Loans will be interim serviced by Seller on an actual/actual basis in accordance with the terms and provisions of the Agreement. Seller shall interim service the Mortgage Loans and Seller shall transfer servicing of the Mortgage Loans to the party designated by Acra no later than thirty (30) calendar days after the Closing Date.

5. Sale or Securitization of Mortgage Loans: It is contemplated that the Mortgage Loans will either be sold pursuant to a whole loan transfer or pass-through transfer. Seller agrees to cooperate reasonably with Acra in any resale or securitization.

6. Mandatory Delivery: The sale and delivery of all of the Mortgage Loans on the Closing Date is mandatory, it being specifically understood and agreed that each Mortgage Loan is unique and identifiable as of the Trade Date and that an award of money damages would be insufficient to compensate Acra for the losses and damages incurred by Acra (including damages to prospective purchasers of the Mortgage Loans) in the event of Seller's failure to deliver each of the Mortgage Loans or one or more Mortgage Loans otherwise acceptable to Acra on or before the Closing Date.

7. Costs: Each party shall be responsible for their fees and expenses in connection with this transaction unless explicitly set forth herein. The costs and expenses incurred in connection with the transfer and delivery of the Mortgage Loans, including recording fees, fees for title policy endorsements and continuations shall be paid by Seller.

8. Confidential Information: This commitment letter shall be kept confidential by Acra and Seller unless (i) otherwise agreed to in writing by Acra and Seller or (ii) otherwise required by law.

9. Miscellaneous: This Bid Confirmation Letter may only be amended by a written document signed by each of us. This Bid Confirmation Letter shall be governed in accordance with the laws of the state of California.

Please confirm that the foregoing specifies the terms of our agreement by signing and returning the enclosed copy of this bid confirmation letter by \_\_\_\_\_ to Citadel Servicing Corporation doing business as Acra Lending, 25531 Commercentre Drive, Suite 160, Lake Forest, CA 92630, Attention: Kyle Gunderlock, Chief Executive Officer. Acra, at its option, may terminate

this transaction and have no further obligations in connection with the transaction herein described if Seller has failed to acknowledge this agreement by such date.

Very truly yours,  
CITADEL SERVICING CORPORATION doing  
business as Acra Lending

Name: Kyle  
Gunderlock Title:  
Chief Executive  
Officer

Confirmed and Agreed To:

Seller: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_





## Exhibit G

### SAMPLE LOCK CONFIRMATION

#### LOAN LOCK INFO...

Loan #:

Rate:

SRP

Locked By:

Lock Date:

Price:

Lock Term:

Lock Expires:

#### CORRESPONDENT INFO...

Name:

Address:

City/State/Zip:

Contact:

2<sup>nd</sup> Contact:

Phone

:

Fax:

E-mail:

E-mail:

#### BORROWER INFO...

Borrower:

SSN:

Co-borrower:

SSN:

FICO:

FICO:

#### PROPERTY INFO...

Address:

CSZ:

County:

Type:

#### LOAN INFO...

Program:

Description:

Program Type:

Loan Type:

Loan Amount:

Sales Price:

Appraised Value:

U/W Approve

Date: Lien:

Est. Closing

Date: Prepay

Penalty?

Borrower FICO:

Loan Term:

Amort Term:

Credit Risk:

LTV/CLTV:

Purpose:

Doc Type:

Stage:

Margin:

Life Cap:

Index:

1<sup>st</sup> Change Date:

Initial Periodic

Cap: Subsequent

Per Cap:

Mos:

Cash

Out?

Owner

Occ?

Mandatory

?

Impounds?

Buydown?

Convertible

?

Acknowledged by:

Date:

Printed Name:

Fax back to: (949) 474-8415