CONFIDENTIALITY AGREEMENT

THIS CONFIDENTIALITY AGREEMENT (this “**Agreement**”) is made as of [Insert Date], by [Insert vendor], a [Insert Entity Type and Location] (the “**Company**”) having its principal place of business located at [Insert Address] and Citadel Servicing Corporation, a California corporation, doing business as Acra Lending (“**Acra**”) with its principal place of business located at 25531 Commercentre Drive, Suite 160, Lake Forest, CA 92630 (each, a “**Party**” and together, the “**Parties**”).

In consideration of and as a condition to Acra and the Company furnishing certain information (the “**Confidential Information**” as defined below) to each other solely in connection with [Insert Subject Matter of Transaction] between the Parties (the “**Potential Transaction**”), both Parties hereby agree and acknowledge as follows:

1. Confidential Information.“**Confidential Information**” means all nonpublic technical, business, confidential and/or proprietary information that one Party (the “**Disclosing Party**”) discloses directly or indirectly to the other Party (the “**Receiving Party**”) during the term of this Agreement for the Limited Purpose (as defined below), and all intellectual property rights thereon, including but not limited to all materials, data, reports, interpretations, forecasts and records containing or otherwise reflecting information concerning the Disclosing Party and the Proposed Transaction: (i) documents, records, communications, reports, forecasts, projections, product and service specifications, loan pool data, loan program parameters, default and recovery statistics, risk management strategies, recovery strategies, statistical models, formulae and algorithms, designs, pricing methods and policies, processes, methods of operation, techniques, arrangements, procedures, tools, strategic initiatives, insights or plans, business opportunities and strategies, proposals, creative plans and strategies, personnel information, policies, trade secrets, ideas, concepts, know-how, intangible rights, inventions, research and development, source code, systems, architecture, computer programs and database technologies, proprietary programs, information, or initiatives, and such other trade secrets or information as may be supplied by or on behalf of the Discloser and which is not generally ascertainable from public or published information; (ii) non-public business, operational or financial results and projections, including the performance of any loan portfolio facilitated by the Discloser, product development initiatives, expansion plans and revenue and expense information; (iii) marketing strategies and programs; (iv) information belonging or relating to the Discloser’s borrowers, customers, clients, service providers, consultants and other business relationships, or relating to any third party, including the existence or status of, and any non-public information concerning, arrangements between the Discloser and its vendors; (v) strategic insights or statistical models about its business, customers or prospective customers and their behavior; (vi) former, current and prospective employees; (vii) information transmitted in written, oral, magnetic, electronic, or any other medium; (viii) all copies and reproductions, in whole or in part, of such information; (ix) all summaries, analyses, “know-how,” compilations, studies, notes or other records which contain, reflect, or are generated from such information; (x) pricing sheets, underwriting guidelines and purchasing criteria; (xi) the fact that investigations, discussions or negotiations are taking place concerning any Proposed Transaction, including the status thereof and the identity of the Parties thereto; and (xii) any of the terms, conditions or other facts with respect to any Proposed Transaction, including the terms of this Agreement and (xiii) any other information the Receiving Party knows or reasonably should know is confidential, proprietary or trade secret information.

2. Confidentiality.At all times the Recipient will protect and preserve the Confidential Information as confidential, will accord the highest degree of privacy and confidentiality to such information, and will not use the Confidential Information for any other purpose except to evaluate the Potential Transaction (the “**Limited Purpose**”). The Recipient may disclose, distribute, or disseminate the Confidential Information to a prospective acquirer of Recipient and any of its or Recipient’s officers, directors, employees, agents, or consultants (each a “**Authorized Representative**”) provided that the Recipient reasonably believes that such Permitted Third Party has a need to know and are under a written agreement of confidentiality with the Recipient. Except as otherwise provided herein, the Recipient will not disclose, distribute, or disseminate the Confidential Information to any third party without the prior written consent of the Disclosing Party. The Recipient will at all times remain responsible for any violations of this Agreement by any Authorized Representative.

3.Use and Disclosure of Confidential Information.The Receiving Party and its Authorized Representatives shall use the Confidential Information only for the Limited Purposes, and such Confidential Information shall not be used for any other purposes without the prior written consent of the Disclosing Party. The Receiving Party and their Authorized Representatives shall hold in strict confidence, and shall not disclose to any person outside of its organization, any Confidential Information; provided however, that (i) the Recipient may make any disclosure of such information to which the Disclosing Party gives its prior written consent; (ii) the Confidential Information may be disclosed by the Receiving Party to its Authorized Representatives who have a need to know such information in the course of the performance of their duties in connection with the Limited Purpose, have been informed of the confidential nature of such information and the obligations created under this Agreement, and who have agreed or are required by internal policies or fiduciary, contractual, or other legal obligations not to disclose the Confidential Information. ; and (iii) the Receiving Party must advise its Representatives of the confidential nature of the Confidential Information of the Disclosing Party, must instruct its Representatives to use Confidential Information of the Disclosing Party solely for the purpose of evaluating, negotiating, effecting or administering potential or actual Services, and will be liable for any breach of this Agreement by any of its Representatives (as if the Representative were a party)..

The Receiving Party shall maintain the Confidential Information as confidential in the same manner that the Recipient protects and maintains its own confidential information. The Receiving Party will promptly report to the Disclosing Party any actual or suspected violation of the terms of this Agreement and will take, at its sole expense, all commercially reasonable further steps requested by the Disclosing Party to prevent, control, or remedy any such violation.

Notwithstanding anything contained in this Agreement to the contrary, if the Receiving Party is requested or required (by oral questions, interrogatories, requests for information or documents in legal proceedings, subpoena, civil investigative demand, administrative proceeding or other similar process, or by the rules or regulations of any regulatory or self-regulatory authority having jurisdiction over the Receiving Party) to disclose any Proprietary Information, the Receiving Party shall, to the extent permitted by applicable law, provide the Disclosing Party with prompt notice of such request or requirement so that the Disclosing Party may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this Agreement. If, in the absence of a protective order or other remedy or the receipt of a waiver by the Disclosing Party, the Receiving Party is nonetheless advised by legal counsel in writing that disclosure of Proprietary Information to such tribunal or other entity is legally required, the Receiving Party may, without liability hereunder, disclose to such tribunal or other entity only that portion of the Proprietary Information that such counsel advises the Receiving Party is legally required to be disclosed, *provided that* the Receiving Party takes all commercially reasonable and lawful actions to avoid and/or minimize the extent of such disclosure, including by cooperating with the Disclosing Party to obtain an appropriate protective order or other reliable assurance that confidential treatment will be accorded the Confidential Information by such tribunal or other entity.

Receiving Party shall not reverse engineer, disassemble or decompile the Confidential Information or any of the prototypes, software or other tangible objects which contain the Confidential Information of the Disclosing Party. Receiving Party shall not use, derive a benefit from or otherwise claim any proprietary interest in the Confidential Information or otherwise use the Confidential Information in any way detrimental to the Disclosing Party or the Disclosing Party’s business.

4. Return of Confidential Information. Upon the request of the Discloser made at any time, or in the event of the termination, completion, or expiration of the Project:

1. the Receiving Party and its Representatives will promptly, but in any case within 14 calendar days, destroy all of the Confidential Information provided directly or indirectly to the Receiving Party and its Representatives under this Agreement, in any form or media, including all copies and reproductions thereof and all notes, analyses, compilations, extracts, studies, interpretations, memoranda, reports or other documents prepared by the Receiving Party or its Representatives that contain, reflect or are based upon, in whole or in part, any Confidential Information; and
2. the Receiving Party will promptly, but in no event more than 14 calendar days after receiving request from Discloser, provide a certificate of an officer of the Receiving Party certifying the full compliance of the Recipient and its Representatives with their obligations under this Section 4.

Notwithstanding the foregoing, the Receiving Party and its Representatives shall be permitted to retain a copy of Proprietary Information for audit and/or compliance and evidentiary purposes or to the extent necessary to comply with any law or regulation or the Receiving Party’s document retention policies, *provided that* the Confidential Information is kept confidential in accordance with this Agreement. The Receiving Party and its Representatives shall not be required to return, destroy or delete Confidential Information or computer models, electronic files, or other electronic material prepared by the Receiving Party or its Representatives on its or their behalf which have been backed up pursuant to its or their electronic data retention policies and which incorporate Confidential Information (“Secondary Information”), *provided that* the Secondary Information is kept confidential in accordance with this Agreement. Notwithstanding the destruction of Confidential Information pursuant to this Section 7, the Recipient and its Representatives will continue to be bound by their obligations of confidentiality and other obligations hereunder, including with regard to any oral Confidential Information.

5. Limitation on Obligations. The obligations of the specified in Section 3 shall not apply, and the Receiving Party shall have no further obligations, with respect to any Confidential Information to the extent such Confidential Information: (a) is generally known to the public at the time of disclosure or becomes generally known to the public without the Receiving Party or its Representatives violating this Agreement; (b) is in the Receiving Party’s or its Representatives’ possession at the time of disclosure otherwise than as a result of the Recipient’s breach of any legal obligation; (c) becomes known to the Receiving Party or its Representatives through disclosure by a source other than, directly or indirectly, the Discloser, *provided that* such source was not to the knowledge of the Receiving Party or its Representatives breaching any confidentiality obligation; or (d) is independently developed by the Receiving Party or its Representatives without reference to or reliance on Proprietary Information received directly or indirectly from the Discloser, which the Receiving Party can demonstrate by contemporaneous records.

6. Ownership of Confidential Information. The Receiving Party agrees that all Confidential Information provided directly or indirectly by the Disclosing Party is and shall at all times remain the exclusive property of the Disclosing Party, and the Receiving Party shall not receive any right, title or interest in, or any license or right to use, the Confidential Information or any patent, copyright, trade secret, trademark or other intellectual property rights therein, by implication or otherwise.

7. Nonpublic Personal Information. In the event that the Receiving Party or its Representatives receive “nonpublic personal information,” as that term is defined in the regulations implementing Subtitle A of Title V of the Gramm-Leach-Bliley Act, Pub. L. 106-102, codified at 15 U.S.C. 6801 et seq. (“NPI”): (a) the use, reuse, disclosure and redisclosure of such NPI by the Receiving Party and its Representatives shall comply with all applicable provisions of Subtitle A of Title V of the Gramm-Leach-Bliley Act, Pub. L. 106-102, codified at 15 U.S.C. 6801 et seq., and the Federal Trade Commission’s regulations promulgated thereunder from time to time, the Fair Credit Reporting Act, and other applicable federal, state and/or local acts, statutes, rules, regulations, orders, ordinances, and published guidelines concerning the security, confidentiality, handling, disclosure, privacy, use, and/or protection of consumer, employee, or customer information; (b) none of the Receiving Party, its Representatives or any Party receiving Confidential Information that is NPI from the Receiving Party or its Representatives shall disclose any Confidential Information that is NPI to any Party other than as permitted under this Agreement without the prior written consent of the Discloser and (c) the Recipient, and any Party receiving Confidential Information that is NPI from the Receiving Party or its Representatives, will at all times have in place an information security program with respect to such NPI that is designed to fulfill the objectives set forth in the “Standards for Safeguarding Customer Information”, 67 Fed. Reg. 36484, May 23, 2002 (codified in 16 C.F.R. part 314). The Receiving Party’s obligations under this Agreement and its obligation to maintain an information security program with respect to such NPI, shall survive for as long as that Party holds any NPI.

8. Term and Termination. This Agreement shall terminate upon the earlier of (a) one (1) year from the Effective Date, or (b) the date which the Parties shall enter into any definitive agreement relating to the Proposed Transaction if such agreement contains provisions of confidentiality at least as restrictive as those contained herein. If the Recipient does not return or destroy all Confidential Information upon termination, then Recipient shall maintain all such Confidential Information as confidential for so long as such Confidential Information remains in the Recipient’s possession or control.

9. Notices. All notices provided for hereunder shall be given by certified mail, return receipt required, or first-class mail, and shall be sent to the other Party at its normal place of business or last known address. Notices delivered personally shall be deemed communicated as of actual receipt; mailed notices shall be deemed communicated as of two business (2) days after mailing.

10. Severability**.** If any provision of this Agreement is held invalid, illegal or unenforceable under any applicable law, then such enforceability will not affect the validity or enforceability of the remaining provisions of this Agreement.

11. Successors and Assigns. This Agreement shall inure to the benefit of the Parties and their respective successors and assigns. This Agreement may only be transferred or assigned upon prior written consent of other Party, except for a merger, acquisition or corporate restructuring of either Party.

12. Complete Agreement.This Agreement supersedes all prior agreements, written or oral, between the Parties relating to the subject matter of this Agreement. This Agreement may not be modified, changed, or discharged, in whole or in part, except by an agreement in writing signed by the Parties.

13. Governing Law; Jury Waiver.This Agreement shall be construed and interpreted in accordance with the internal laws of the State of New York, without giving effect to the principles of conflicts of law thereof. EACH PARTY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO TRIAL BY JURY IN ANY PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT.

14. Assignment. No Party may assign all or any part of its rights or obligations under this Agreement without the prior written consent of the other Party, except that an assignment resulting from a merger or acquisition of or by a Party does not require consent if the assignee of the Party continues to fully and timely perform under this Agreement. Any assignment in contravention of this provision is null and void. This Agreement benefits and is binding on the Parties and their respective successors and permitted assigns. This Agreement is made for the sole benefit of the Parties and their respective successors and permitted assigns. Nothing in this Agreement creates or may be construed as creating any right or benefit in favor of any third party.

15. No Waiver of Rights.No failure to exercise or delay in exercising any right or remedy under this Agreement will be deemed a waiver of that right or remedy. No single or partial exercise of any right or remedy under this Agreement will preclude any other or further exercise of that right or remedy or any other right or remedy. Except as otherwise expressly provided, the rights and remedies under this Agreement are cumulative and not exhaustive.

16. Miscellaneous.

1. This Agreement shall not create a joint venture, partnership or other formal business relationship or entity of any kind, or an obligation to form any such relationship or entity.
2. This Agreement does not obligate either Party to proceed with, enter into or consummate the Proposed Transaction, and either Party may terminate discussions or negotiations, without liability, at any time and for any reason.
3. The sections and the headings are solely for convenience of reference and are not intended to be complete or accurate descriptions of content or to be guides to interpretation of this Agreement or any portion hereof.
4. This Agreement may be executed in any number of counterparts, each of which shall be an original, but which together shall constitute one and the same instrument. A signature on a copy of this Agreement received by either Party by facsimile or PDF format is binding upon the other Party as an original. The Parties shall treat a photocopy of such facsimile or PDF format as a duplicate original.

**IN WITNESS WHEREOF**, the below authorized representatives on behalf of their respective Parties have approved and executed this Agreement as of the Effective Date first written above.

**Citadel Servicing Corporation**

**doing business as Acra Lending**

By:

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

Title:

**Company**

By:

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

Title: