

**PRIME DIRECT
MORTGAGE LOAN PURCHASE AND SALE
AGREEMENT**

Between

as the Seller,

and

PRMI Trust, as the Purchaser

Date _____

Fixed and Adjustable-Rate Residential Mortgage Loans

MORTGAGE LOAN PURCHASE AND SALE AGREEMENT

THIS MORTGAGE LOAN PURCHASE AND SALE AGREEMENT (this "Agreement") is made as of _____, by and between PRMI Trust, a Delaware statutory trust, as purchaser (the "Purchaser"), and _____, a _____, as seller (the "Seller").

WITNESSETH:

WHEREAS, the Purchaser desires, from time to time, to purchase from the Seller and the Seller desires, from time to time, to sell to the Purchaser on a servicing released basis certain first-lien mortgage loans (the "Mortgage Loans"), which will be delivered in pools of whole loans (each, a "Mortgage Loan Package") on various dates as provided herein (each, a "Sale Date");

WHEREAS each of the Mortgage Loans will be secured by a mortgage, deed of trust or other security instrument creating a first lien on a Residential Dwelling located in the jurisdiction indicated on the Mortgage Loan Schedule for the related Mortgage Loan Package attached to the related PPTL between the parties; and

WHEREAS the Purchaser and the Seller wish to prescribe the terms of the purchase and sale of the Mortgage Loans and related servicing rights and matters related to conveyance and the transfer of servicing.

NOW, THEREFORE, in consideration of the premises and mutual agreements set forth herein, and for other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the Purchaser and the Seller agree as follows:

SECTION 1. DEFINITIONS.

For purposes of this Agreement, the following capitalized terms will have the respective meanings set forth below.

Ability To Repay Standards: The standards set forth Regulation Z, 12 C.F.R. Part 1026.43(c), as may be amended from time to time.

Adjustable-Rate Mortgage Loan: A Mortgage Loan purchased pursuant to this Agreement that provides for the adjustment of the Mortgage Interest Rate payable in respect thereto.

Adjustment Date: With respect to each Adjustable-Rate Mortgage Loan, the date on which the Mortgage Interest Rate is adjusted in accordance with the terms of the related Mortgage Note and Mortgage.

Agreement: This Mortgage Loan Purchase and Sale Agreement including all exhibits, schedules, amendments, and supplements hereto.

ALTA: The American Land Title Association or any successor thereto. Anti-Money Laundering Laws: As defined in Subsection 7.0l(n).

Applicable Law: All applicable (1) federal, state or local legal requirements (statutes, rules, regulations and ordinances) including without limitation anti-predatory and abusive lending, usury, truth-in-lending, real estate settlement procedures, consumer credit protection (including Uniform Consumer Credit Code laws), fair credit reporting, unfair and deceptive acts and practices (including collection practices), equal credit opportunity or fair housing and disclosure laws (including without limitation any provisions relating to Prepayment Premiums) applicable to the solicitation, origination, servicing and collection of a Mortgage Loan and any Prepayment Premiums associated with such Mortgage Loan, (2) published requirements and guidance of each governmental agency, board, commission and other governmental body or office having jurisdiction over the Seller or the Purchaser and (3) judicial and administrative judgments, orders, stipulations, awards, writs and injunctions.

Appraised Value: With respect to any Mortgaged Property, the lesser of (i) the value (or Reconciled Market Value if more than one appraisal is received) thereof as determined by a Qualified Appraiser at the time of origination of the related Mortgage Loan, and (ii) the purchase price paid for such Mortgaged Property by the Mortgagor with the proceeds of the related Mortgage Loan; *provided, however*, that in the case of a Refinanced Mortgage Loan, such value (or Reconciled Market Value if more than one appraisal is received) of the Mortgaged Property is based solely upon the value determined by an appraisal or appraisals made for the originator of such Refinanced Mortgage Loan at the time of origination of such Refinanced Mortgage Loan by a Qualified Appraiser.

Appraiser Independence Requirements: The Appraiser Independence Requirements effective as of October 15, 2010, as amended and in effect from time to time.

Assignment of Mortgage: An individual assignment of the Mortgage, notice of transfer or equivalent instrument in recordable form, sufficient under the laws of the jurisdiction in which the related Mortgaged Property is located to give record notice of the sale of the Mortgage to the Purchaser.

Balloon Mortgage Loan: A Mortgage Loan that provides on the date of origination for monthly payments up to but not including the maturity date based on an amortization extending beyond its maturity date.

Business Day: Any day other than (i) a Saturday or a Sunday, or (ii) a legal holiday in the State of Iowa or the State of New York or (iii) a day on which banks in the State of Iowa or the State of New York are authorized or obligated by law or executive order to be closed.

CFPB: The Consumer Financial Protection Bureau, or any successor thereto.

CLTV: Combined Loan-to-Value Ratio.

Condemnation Proceeds: All awards, compensation, and settlements in respect of a taking (whether permanent or temporary) of all or part of a Mortgaged Property by exercise of the power of condemnation or the right of eminent domain, to the extent not required to be released to a Mortgagor in accordance with the terms of the related Mortgage Loan Documents.

Consumer Information: Customer information as defined in 16 C.F.R. § 314.2(b) (2003), as amended, or any successor regulation thereto, as well as any information that identifies a customer or consumer (as such terms are defined by the Gramm-Leach-Bliley Act of 1999 (15 U.S.C. § 6801 et seq.), as amended, or any successor statute thereto, and any similar state laws and regulations, as amended, and information from which a customer's or consumer's identity can be ascertained, either from the information itself or by combining the information with information from other sources, including without limitation: a Mortgagor's name, address, telephone number, Mortgage Loan number, Mortgage Loan payment history, delinquency status, insurance carrier or payment information, tax amount or payment information.

Credit Score: For each Mortgage Loan, (a) if two credit scores were obtained at origination, the lowest score of the two, and (b) if three scores were obtained at origination, the middle of the three. When there is more than one applicant, the lowest of the applicants' credit scores will be used. There is only one (1) score for any Mortgage Loan regardless of the number of borrowers and/or applicants.

Customary Servicing Procedures: With respect to any Mortgage Loan, those legal, proper and customary mortgage servicing practices (including collection procedures) of prudent mortgage banking institutions that service mortgage loans of the same type as such Mortgage Loan in the jurisdiction where the related Mortgaged Property is located, which are in compliance with the terms of this Agreement, the terms of the related Mortgage Loan Documents and Applicable Law, and which are in accordance with Fannie Mae servicing practices and procedures for MBS pool mortgages, as defined in the Fannie Mae Guides, including future updates, or as such mortgage servicing practices may change from time to time.

Cut-off Date: With respect to a Mortgage Loan Package, the date or dates designated as such in the related PPTL.

Delinquent: The status of any Mortgage Loan with respect to which the Monthly Payment due on a Due Date is not made by the close of business on the Business Day preceding the next scheduled Due Date for such Mortgage Loan.

Due Date: The day of the month on which the Monthly Payment is due on a Mortgage Loan, exclusive of any days of grace.

Diligence Provider: Any third-party diligence provider agreed upon by Seller and Purchaser.

Eligible Mortgage Loan: A Mortgage Loan which has been reviewed by the Diligence Provider, and which Seller and Purchaser have agreed meets the standards mutually agreed upon

by Seller and Purchaser.

Escrow Payments: The amounts constituting ground rents, taxes, assessments, Primary Mortgage Insurance Policy premiums, fire and hazard insurance premiums, flood insurance premiums, condominium charges, and other payments as may be required to be escrowed by the Mortgagor with the Mortgagee pursuant to the terms of any Mortgage Note or Mortgage

Event of Default: Any one of the conditions or circumstances enumerated Subsection 12.01.

Fannie Mac: The Federal National Mortgage Association or any successor thereto.

Fannie Mae Guides: With respect to a Mortgage Loan, the Fannie Mae Sellers' Guide and the Fannie Mae Servicers' Guide and all amendments or additions thereto in effect on and after the related Sale Date.

FDIC: The Federal Deposit Insurance Corporation or any successor thereto.

FDPA: The Flood Disaster Protection Act of 1973, as amended, or any successor statute thereto.

Fidelity Bond: The fidelity bond required to be obtained by the Seller pursuant to Section 32.

FIRREA: The Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended and in effect from time to time, or any successor statute thereto.

Freddie Mac: The Federal Home Loan Mortgage Corporation or any successor thereto.

Freddie Mac Guides: With respect to a Mortgage Loan, the Freddie Mac Single Family Seller/Servicer Guide and all amendments or additions thereto in effect on and after the related Sale Date.

Gross Margin: With respect to any Adjustable-Rate Mortgage Loan, the fixed percentage amount set forth in the related Mortgage Note and the Mortgage Loan Schedule that is added to the Index on each Adjustment Date in accordance with the terms of the related Mortgage Note to determine the new Mortgage Interest Rate for such Mortgage Loan.

Helping Families Act: As defined in Subsection 6.04.

Imaged Document: Any portion of the Mortgage File delivered by Seller to Purchaser in the form of a **CD-ROM** or copies reproduced from electronic images of original documents stored on **CD-ROM** or magnetic tape.

Independent: When used will mean the status of a Person who (a) is in fact independent of another specified Person and any affiliate of such other Person, (b) does not have any material

direct financial interest in such other Person or any affiliate of such other Person, and (c) is not connected with such other specified Person or any affiliate of such other Person as an officer, employee, promoter, underwriter, trustee, partner, director or Person performing similar functions.

Index: With respect to any Adjustable-Rate Mortgage Loan, the index identified on the Mortgage Loan Schedule and set forth in the related Mortgage Note for the purpose of calculating the Mortgage Interest Rate thereon.

Initial Rate Cap: With respect to each Adjustable Rate Mortgage Loan and the initial Adjustment Date therefor, a number of percentage points per annum that is set forth in the Mortgage Loan Schedule and in the related Mortgage Note, which is the maximum amount by which the Mortgage Interest Rate for such Adjustable Rate Mortgage Loan may increase or decrease from the Mortgage Interest Rate in effect immediately prior to such Adjustment Date.

Insurance Proceeds: With respect to each Mortgage Loan, proceeds of insurance policies insuring the Mortgage Loan or the related Mortgaged Property.

Lifetime Rate Cap: With respect to each Adjustable-Rate Mortgage Loan, the maximum Mortgage Interest Rate that will be as permitted in accordance with the provisions of the related Mortgage Note.

Liquidation Proceeds: The proceeds received in connection with the liquidation of a defaulted Mortgage Loan through trustee's sale, foreclosure sale or otherwise, other than amounts received following the acquisition of REO Property, Insurance Proceeds and Condemnation Proceeds.

Lost Note Affidavit: With respect to any Mortgage Loan as to which the original Mortgage Note has been permanently lost or destroyed and has not been replaced, an affidavit from the Seller certifying that the original Mortgage Note has been lost, misplaced or destroyed (together with a copy of the related Mortgage Note, if applicable).

LPMI: Lender-paid mortgage insurance.

LTV: Loan-to-Value Ratio. With respect to any Mortgage Loan, the LTV is calculated as the ratio, expressed as a percentage, calculated by dividing the Unpaid Principal Balance of the Mortgage Loan at origination by the Appraised Value of the Mortgaged Property.

MERS: Mortgage Electronic Registration Systems, Inc., a corporation organized and existing under the laws of the State of Delaware, or any successor thereto.

MERS Mortgage Loan: Any Mortgage Loan registered with MERS on the MERS System.

MERS System: The system of recording transfers of mortgages electronically maintained by MERS.

MIN: The Mortgage Identification Number for any MERS Mortgage Loan.

Minimum Interest Rate: With respect to each Adjustable-Rate Mortgage Loan, a rate that is set forth on the Mortgage Loan Schedule and in the related Mortgage Note and is the minimum interest rate to which the Mortgage Interest Rate on such Mortgage Loan may be decreased.

Monthly Payment: The monthly payment on a Mortgage Loan due on any Due Date allocable to principal and/or interest on such Mortgage Loan pursuant to the terms of the related Mortgage Note.

Mortgage: With respect to each Mortgage Loan, the mortgage, deed of trust or other instrument securing the related Mortgage Note and creating a first lien on an unsubordinated estate in fee simple in real property securing the Mortgage Note.

Mortgage File: With respect to each Mortgage Loan, documents related to the origination, underwriting and servicing of the Mortgage Loan, which are required to be retained by the Seller or its servicer in accordance with Customary Servicing Procedures or Applicable Law including but not limited to the documents specified in Exhibit 2, and any additional documents required to be added to the Mortgage File pursuant to this Agreement.

Mortgage Interest Rate: With respect to each Mortgage Loan, the annual rate at which interest accrues on such Mortgage Loan from time to time in accordance with the provisions of the related Mortgage Note, including without limitation the limitations on such interest rate imposed by the Initial Rate Cap, the Periodic Rate Cap, the Minimum Interest Rate and the Lifetime Rate Cap, if any.

Mortgage Loan: With respect to each Mortgage Loan Package, an individual residential mortgage loan sold and subject to this Agreement and identified on the related Mortgage Loan Schedule, which Mortgage Loan includes without limitation the Mortgage File, the Mortgage Loan Documents, the Servicing File, the Monthly Payments, Principal Prepayments, Liquidation Proceeds, Condemnation Proceeds, Insurance Proceeds, REO Disposition Proceeds, any escrow accounts related to the Mortgage Loan, the Servicing Rights and all other rights, benefits, proceeds and obligations arising from or in connection with such Mortgage Loan, excluding replaced or repurchased mortgage loans.

Mortgage Loan Documents: With respect to any Mortgage Loan, the documents listed in Exhibit 1 hereto.

Mortgage Loan Package: As defined in the recitals of this Agreement.

Mortgage Loan Schedule: The schedule of Mortgage Loans annexed to the related PPTL setting forth the information listed on Exhibit 4 hereto with respect to each Mortgage Loan delivered by the Seller to the Purchaser on the related Sale Date.

Mortgage Note: With respect to a Mortgage Loan, the related promissory note or other evidence of the indebtedness of a Mortgagor secured by a Mortgage.

Mortgaged Property: The Mortgagor's real property securing repayment of a related Mortgage Note, consisting of a fee simple interest in a single parcel of real property improved by a Residential Dwelling.

Mortgagee: The mortgagee or beneficiary named in a Mortgage and the successors and assigns of such mortgagee or beneficiary

Mortgagor: The obligor on a Mortgage Note, who is an owner of the related Mortgaged Property and the grantor, or mortgagor named in the related Mortgage and such grantor's or mortgagor's successors in title to the Mortgaged Property. If there are two obligors on a Mortgage Note or two grantors or mortgagors named in a Mortgage, then this term will refer to both, if in the context it is reasonable to do so.

NAIC: The National Association of Insurance Commissioners or any successor organization.

OCC: The Office of the Comptroller of the Currency or any successor thereto.

Officer's Certificate: A certificate signed by the Chairman of the Board, the Vice Chairman of the Board, a President or a Vice President of the Person on behalf of whom such certificate is being delivered.

Periodic Rate Cap: With respect to each Adjustable-Rate Mortgage Loan, the maximum increase or decrease in the Mortgage Interest Rate on any Adjustment Date as provided in the related Mortgage Note, if applicable.

Person: An individual, corporation, partnership, joint venture, association, joint-stock company, limited liability company, trust, unincorporated organization or government or any agency or political subdivision thereof.

PPTL: A Purchase Price and Terms Letter, substantially in the form of Exhibit 3 attached hereto or in the form mutually agreed to by the Seller and the Purchaser, providing for the sale by the Seller and the purchase by the Purchaser of a Mortgage Loan Package on a Sale Date.

Primary Mortgage Insurance Policy: A policy of primary mortgage guaranty insurance.

Principal Prepayment: Any full or partial payment or other recovery of principal on a Mortgage Loan that is received in advance of its scheduled Due Date and that is not accompanied by an amount of interest representing interest due on any date or dates in any month or months subsequent to the month of prepayment.

Prior Owner: Any Person who at the time had any interest in the Mortgage Loan, whether as mortgagee, assignee, pledgee, servicer or otherwise.

Purchase Price: The price paid on a Sale Date by the Purchaser to the Seller pursuant to this Agreement in exchange for the related Mortgage Loans, as calculated pursuant to Section 4 and the related PPTL.

Purchase Price Percentage: With respect to a Mortgage Loan Package, the percentage of par set forth in the related PPTL that is used to calculate the Purchase Price of the related Mortgage Loans.

Purchaser: The Person listed as such in the initial paragraph of this Agreement or its successors and assigns as permitted under the terms of this Agreement.

Qualified Appraiser: With respect to each Mortgage Loan, an appraiser licensed or certified by the appropriate governmental body in the jurisdiction in which the Mortgaged Property is located in accordance with the requirements of FIRREA and all Applicable Law, who satisfied the minimum requirements of Fannie Mae and Freddie Mac and was selected in accordance with the Appraiser Independence Requirements and with Fannie Mae and Freddie Mac requirements for selecting an Independent appraiser and whose compensation was not affected by the approval or disapproval of the Mortgage Loan.

Qualified Mortgage Loan: Any Mortgage Loan as defined in Section 129C of the federal Truth-in-Lending Act, 15 U.S.C. 1639c, and as further defined in Regulation Z, 12 C.F.R. Part 1026.43(e), as may be amended from time to time.

Reconciled Market Value: With respect to a Mortgage Loan, the estimated market value of the related Mortgaged Property or **REO** Property that is reasonably determined by the Seller using commonly accepted valuation methodologies, all in accordance with Customary Servicing Procedures.

Refinanced Mortgage Loan: A Mortgage Loan that was made to a Mortgagor who owned the Mortgaged Property prior to the origination of such Mortgage Loan and the proceeds of which were used in whole or part to satisfy an existing mortgage loan.

REO Disposition: The final sale by the Seller or the Purchaser of an REO Property.

REO Disposition Proceeds: All amounts received with respect to an REO Disposition.

REO Property: A Mortgaged Property acquired by or on behalf of the Purchaser through foreclosure or deed in lieu of foreclosure.

Repurchase Price: With respect to any Mortgage Loan, a price equal to (i) the Unpaid Principal Balance of the Mortgage Loan as of the date of repurchase, plus, (ii) interest on such Unpaid Principal Balance at the related Mortgage Interest Rate from the last date through which interest was last paid and distributed to the Purchaser through the date of repurchase, plus, (iii) an amount equal to the product of (a) the amount by which Purchase Price Percentage paid by the Purchaser to the Seller for such Mortgage Loan exceeded 100% and (b) the outstanding

principal balance of the Mortgage Loan as of the related Cut-off Date, plus (iv) reasonable and customary third party expenses incurred in connection with the transfer of the Mortgage Loan being repurchased.

Residential Dwelling: Any one of the following: (i) a detached one-family dwelling, (ii) a one-family dwelling unit in a condominium project, or (iii) a one-family dwelling in a planned unit development, none of which is a cooperative, mobile, or manufactured home.

Sale Date: The date or dates set forth in a PPTL on which the Purchaser shall purchase, and the Seller shall sell the Mortgage Loans listed on the related Mortgage Loan Schedule with respect to the related Mortgage Loan Package.

Seller: The Person listed as such in the initial paragraph of this Agreement, together with its successors and assigns as permitted under the terms of this Agreement.

Seller's Guide: The PRMI Correspondent Sellers Guide, as provided by Purchaser to Seller and as may be amended from time to time.

Servicer: The Purchaser's mortgage loan servicer, BSI Financial Services, or its successor in interest, or any other mortgage loan servicers engaged by the Purchaser from time to time. The Purchaser shall provide the Seller with reasonable prior written notice of any additional mortgage loan servicers that the Purchaser may designate to act as the "Servicer" hereunder.

Servicing File: With respect to each Mortgage Loan, the documents pertaining thereto specified in Exhibit 2 and copies of all documents for such Mortgage Loan specified in Exhibit 1.

Servicing Rights: With respect to each Mortgage Loan, any and all of the following: (a) all rights to service the Mortgage Loan; (b) all rights to receive servicing fees, additional servicing compensation (including without limitation any late fees, assumption fees, penalties or similar payments with respect to the Mortgage Loan, and income on escrow accounts or other receipts on or with respect to the Mortgage Loan), reimbursements or indemnification for servicing the Mortgage Loan, and any payments received in respect of the foregoing and proceeds thereof; (c) the right to collect, hold and disburse Escrow Payments or other similar payments with respect to the Mortgage Loan and any amounts actually collected with respect thereto and to receive interest income on such amounts to the extent permitted by applicable law; (d) all accounts and other rights to payment related to any of the property described in this paragraph; (e) possession and use of any and all Mortgage Loan Documents and Mortgage Files pertaining to the Mortgage Loan or pertaining to the past, present or prospective servicing of the Mortgage Loan; (f) all rights and benefits relating to the direct solicitation of the related Mortgagor for refinance or modification of the Mortgage Loan and attendant right, title and interest in and to the list of such Mortgagor and data relating to their Mortgage Loan; (g) all rights, powers and privileges incident to any of the foregoing; and (h) all agreements or documents creating, defining or evidencing any of the foregoing rights to the extent they relate

to such rights.

Servicing Transfer Instructions: With respect to the sale of any Mortgage Loan Package hereunder, the servicing transfer instructions set forth in the Seller's Guide or any other the servicing transfer instructions provided to the Seller by the Purchaser on or prior to the related Sale Date.

Underwriting Guidelines: With respect to each Mortgage Loan Package, the PRMI underwriting guidelines attached to the Seller's Guide, as may be amended from time to time.

Unpaid Principal Balance: With respect to each Mortgage Loan as to any date of determination, the unpaid principal balance of such Mortgage Loan.

USA Patriot Act: Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, as amended.

USPAP: The Uniform Standards of Professional Appraisal Practice, as amended and in effect from time to time.

SECTION 2. PURCHASE AND CONVEYANCE.

The Purchaser agrees that it shall purchase Eligible Mortgage Loans from Seller pursuant to the terms set forth herein. On each applicable Sale Date, the Seller, in exchange for the payment of the Purchase Price by the Purchaser on such applicable Sale Date, receipt of which is hereby acknowledged, hereby sells, transfers, assigns, sets over and conveys to the Purchaser, without recourse, but subject to the terms of this Agreement, all of its rights, title and interest in and to the Mortgage Loans listed on the related Mortgage Loan Schedule, including the related Mortgage Notes and Mortgages and related Servicing Rights, having an aggregate Unpaid Principal Balance in an amount as set forth in the related Mortgage Loan Schedule, together with the related Mortgage Loan Documents and Mortgage Files and all rights and obligations arising under the documents contained therein, on a servicing released basis.

With respect to each Mortgage Loan, the Purchaser shall own and be entitled to (1) all Monthly Payments due after the Cut-off Date, (2) all other recoveries of principal on the Mortgage Loans collected after the Cut-off Date, and (3) all other payments of interest on the Mortgage Loans collected after the Cut-off Date. The Unpaid Principal Balance of each Mortgage Loan as of the Cut-off Date is determined after application of payments of principal collected on or before the Cut-off Date, together with any unscheduled Principal Prepayments collected prior to the Cut-off Date; *provided, however*, that Monthly Payments due on a Due Date falling after the Cut-off Date will not be applied to reduce the Unpaid Principal Balance of a Mortgage Loan, but will instead be the property of the Purchaser as set forth in subclause (1) above. Seller shall remit any such Monthly Payments to the Purchaser within five (5) Business Day of receipt thereof.

SECTION 3. MORTGAGE LOAN SCHEDULE.

As applicable to bulk transactions, seller shall provide Purchaser a list of proposed Eligible Mortgage Loans. Seller shall provide the Mortgage Loan File related to each such Eligible Mortgage Loan in accordance with Section 5 hereof whereupon Diligence Provider shall review such Eligible Mortgage Loans on behalf of Purchaser. Upon the completion of the Purchaser's review of the Diligence Provider's report, Purchaser shall notify Seller if it believes any of the proposed Eligible Mortgage Loans does not qualify as an Eligible Mortgage Loan. With respect to each sale of a Mortgage Loan Package hereunder, no less than five (5) Business Days prior to the related Sale Date, the Seller shall provide to the Purchaser information required to complete the Mortgage Loan Schedule and the funding schedule exhibit to the PPTL. The following data points are required to be provided, each as of the related Cut-off Date: (i) the Unpaid Principal Balance of each Mortgage Loan in the Mortgage Loan Package; (ii) the required principal and interest payment of each Mortgage Loan in the Mortgage Loan Package; (iii) the next scheduled payment due date of each Mortgage Loan in the Mortgage Loan Package; (iv) the scheduled interest paid to date of each Mortgage Loan in the Mortgage Loan Package; (v) the Seller's servicer name and the servicer's address; (vi) the servicer loan number for each Mortgage Loan in the Mortgage Loan Package, if different than the Seller's loan number; (vii) the name of the Seller's warehouse bank, if any; (viii) the Seller's wire instructions. The Purchaser shall prepare and deliver the related Mortgage Loan Schedule and a funding schedule (both of which will be annexed to the PPTL) to the Seller.

SECTION 4. PURCHASE PRICE.

The Purchase Price for the Mortgage Loans in the related Mortgage Loan Package being acquired by the Purchaser on an applicable Sale Date will be equal to the sum of (a) the product of (i) the Purchase Price Percentage stated in the related PPTL (subject to adjustment as provided therein) and (ii) the aggregate Unpaid Principal Balance of the Mortgage Loans listed on the Mortgage Loan Schedule, plus (b) an amount equal to accrued interest on each Mortgage Loan listed on the Mortgage Loan Schedule calculated at the Mortgage Interest Rate for each such Mortgage Loan from the related Cut-off Date through the day prior to the related Sale Date, both inclusive (assuming 30/360) (the "Purchase Price").

The Purchase Price as set forth in the preceding paragraph for the Mortgage Loans in the related Mortgage Loan Package will be paid no later than 2:00 p.m. Central Time on the related Sale Date by wire transfer of immediately available funds to an account specified by the Seller.

If, within sixty (60) days following any Sale Date, any amount paid pursuant to this Agreement in conjunction with the related closing on such Sale Date is found to have been calculated or paid in error or is otherwise erroneous, the party discovering such error(s) shall promptly give notice to the other party and the parties shall cooperate in good faith to reconcile such error(s). Upon the reconciliation of any such error(s) by the parties, the party benefiting from the error shall promptly pay to the other party an amount sufficient to correct the error.

SECTION 5. EXAMINATION OF MORTGAGE FILES.

Prior to the applicable Sale Date, the Seller shall, at the direction of the Purchaser, deliver to the Purchaser or its designee the related Mortgage File to be purchased on such Sale Date in digital format for due diligence review and examination. The Purchaser shall hold such Mortgage File solely for purposes of examination and due diligence in anticipation of purchase and acknowledges that possession of such Mortgage File will not convey any ownership interest therein until the Purchaser has paid the Purchase Price for the related Mortgage Loan Package to the Seller on the related Sale Date. Upon receipt of the related Mortgage File and the completion of the Purchaser's review of the applicable and related diligence review results, the Purchaser may determine in its sole discretion not want to purchase the Mortgage Loan offered by the Seller based on the results of such diligence, Purchaser and Seller will work in good faith to resolve any defects identified through the due diligence in a timely manner so that the Purchaser may proceed with the purchase. If the due diligence results are not resolved, in the sole discretion of the Purchaser, Purchaser may exclude such affected Mortgage Loans from the Mortgage Loan Package to be purchased on that applicable Sale Date.

The fact that the Purchaser has conducted or has determined not to conduct any partial or complete examination of the Mortgage File pursuant to this Section 5 will not affect the Purchaser's (or any of its successors') rights to demand repurchase or other relief or remedy provided for in this Agreement.

SECTION 6. DELIVERY OF MORTGAGE LOAN DOCUMENTS.

Subsection 6.01 Possession of Mortgage Files.

On the Sale Date for each sale of a Mortgage Loan Package hereunder, the ownership of each related Mortgage Note, Mortgage and the contents of each Mortgage File is vested in the Purchaser and the ownership of all records and documents with respect to the related Mortgage Loan prepared by or that come into the possession of the Seller will immediately vest in the Purchaser and will be retained and maintained, in trust, by the Seller at the will of the Purchaser in such custodial capacity only. The copies of the Mortgage Files retained by the Seller with respect to each Mortgage Loan pursuant to this Agreement will be appropriately identified in the Seller's computer system to reflect clearly the ownership of such related Mortgage Loan by the Purchaser, and the Seller shall cause its servicer to do the same. The Seller shall release from its custody the contents of any Mortgage File retained by it only in accordance with this Agreement and the Servicing Transfer Instructions, except when such release is required in connection with a repurchase of any such Mortgage Loan pursuant to Subsection 7.03 of this Agreement or if required under Applicable Law or court order.

Subsection 6.02 Books and Records.

The sale of each Mortgage Loan will be reflected on the Seller's balance sheet and other financial statements as a sale of assets by the Seller. The Seller shall maintain a complete set of books and records for the Mortgage Loans sold by it that will be appropriately identified in the

Seller's computer system to clearly reflect the ownership of the Mortgage Loans by the Purchaser.

In addition to the foregoing, the Seller shall provide, to the extent available to Seller, to the Purchaser and to any supervisory agents or examiners that regulate the Purchaser, including but not limited to the OCC, the FDIC and other similar entities, access, during normal business hours, upon reasonable advance notice to the Seller, to or electronic copies of any information, documentation or records regarding the Mortgage Loans that may be reasonably requested by the Purchaser or any applicable regulatory and was not previously provided to the Purchaser.

Subsection 6.03 Delivery of Mortgage Loan Documents.

On or prior to the Sale Date, the Seller shall have delivered to the Purchaser or its designee the Mortgage Note, the Mortgage, the Assignment of Mortgage and the other Mortgage Loan Documents set forth in Exhibits 1 and 2 other than those sent for recording in compliance with the specific requirements of this Agreement and the Seller's Guide. With respect to Mortgage Loan Documents that must be recorded, if the Seller cannot deliver the original recorded Mortgage Loan Documents within three (3) Business Days of the related Sale Date, the Seller shall, promptly upon receipt thereof and in any case not later than sixty (60) days from such Sale Date, deliver such original recorded Mortgage Loan Documents to the Purchaser (unless the Seller is delayed in making such delivery by reason of the fact that such documents have not been returned by the appropriate recording office). If delivery is not completed within sixty (60) days of the related Sale Date solely because such Mortgage Loan Documents have not been returned by the appropriate recording office, the Seller shall deliver such Mortgage Loan Documents to Purchaser within such time period as specified in a Seller's Officer's Certificate. In the event that documents have not been received by the date specified in the Seller's Officer's Certificate, a subsequent Seller's Officer's Certificate will be delivered by such date specified in the prior Seller's Officer's Certificate, stating a revised date for receipt of documentation. The Seller shall include with each Seller's Officer's Certificate a listing of all delayed recorded documents. The procedure will be repeated until the documents have been received and delivered. The Seller shall use commercially reasonable efforts to effect delivery of all delayed recorded documents within one hundred-twenty (120) days of the related Sale Date. The Seller must deliver to the Purchaser all Mortgage Loan Documents with respect to any Mortgage Loan within two-hundred seventy (270) days of the related Sale Date (the "Delivery Date"). If the Purchaser does not receive the missing Mortgage Loan Documents by the Delivery Date, the Purchaser shall notify the Seller in writing thereof and provide a thirty (30) calendar day cure period from the date of the written notice. If Seller is not able to deliver the missing Mortgage Loan Documents by the end of the cure period, at the Purchaser's option, the Seller shall repurchase the Mortgage Loans for which there are missing Mortgage Loan Documents pursuant to Subsection 7.03; *provided, however*, that the Purchaser shall not be required to provide additional notice to the Seller upon the expiration of the cure period, and the Seller shall promptly repurchase the Mortgage Loan upon the expiration of the cure period.

Any review by the Purchaser or its designee of the Mortgage Files will in no way alter or reduce the Seller's obligations hereunder.

If the Purchaser or its designee discovers any defect that materially and adversely affects the value of the related Mortgage Loan with respect to any document constituting part of a Mortgage File for such Mortgage Loan, the Purchaser shall, or shall cause its designee to, give written specification of such material defect to the Seller and the Seller shall cure or repurchase such Mortgage Loan in accordance with Subsection 7.03. In addition to such cure and repurchase obligations, the Seller shall indemnify the Purchaser and hold it harmless against any losses, damages, penalties, fines, forfeitures, reasonable and necessary legal fees and related costs, judgments, and other costs and expenses incurred by the Purchaser in connection with (i) a Mortgage Loan that becomes **REO** Property before the Purchaser discovers that it has a repurchase claim based on (i) any missing Mortgage Loan Documents pertaining to such Mortgage Loan as detailed in this Subsection or (ii) any third party claim, demand, defense or assertion based on or grounded upon, or to the extent resulting from any missing Mortgage Loan Documents pertaining to such Mortgage Loan as detailed in this Subsection.

After each Sale Date, the Seller shall forward to the Purchaser, or its designee, original documents evidencing an assumption, modification, consolidation or extension of any Mortgage Loan purchased on such Sale Date entered into within seven (7) business days of their execution and shall also provide the original of any document submitted for recordation or a copy of such document certified by the appropriate public recording office to be a true and complete copy of the original within ten (10) days of its return from the appropriate public recording office.

Subsection 6.04 RESPA Notice and Helping Families Notice; Notification to MERS.

- (a) Prior to each Sale Date, the Seller and the Purchaser, or their respective designees, shall furnish to the applicable Mortgagors notices required under the Real Estate Settlement Procedure Act ("RESPA") within the time frames required by RESPA.
- (b) Within thirty (30) days following each Sale Date with respect to each related Mortgage Loan, the Purchaser shall furnish to the Mortgagor of such Mortgage Loan the notice required by Section 404 of the Helping Families Save Their Homes Act of 2009 (the "Helping Families Act") in accordance with the provisions of the Helping Families Act.
- (c) On the related Sale Date in respect of a: MERS Mortgage Loan, the Seller shall notify: MERS of the transfer of ownership of such: MERS Mortgage Loan.

**SECTION 7. REPRESENTATIONS, WARRANTIES AND COVENANTS;
REMEDIES FOR BREACH.**

Subsection 7.01 Representations and Warranties Regarding Individual Mortgage Loans.

The Seller hereby represents, warrants, and covenants to the Purchaser that, as to each Mortgage Loan, as of the related Sale Date or such other date specified herein:

- (a) Property Valuation: The Mortgage File contains a written appraisal prepared by an appraiser licensed or certified by the applicable governmental body in which the Mortgaged Property is located and in accordance with the requirements of Title XI of FIRREA and the regulations promulgated thereunder and all other Applicable Law, all as in effect on the date the Mortgage Loan was originated. The appraisal was written, in form and substance, in a manner that complies with (i) customary Fannie Mae or Freddie Mac standards for mortgage loans of the same type as such Mortgage Loan; (ii) the USPAP standards and (iii) Applicable Law. The appraisal was made and signed prior to the final approval of the Mortgage Loan. The Person performing any property valuation (including an appraiser) received no benefit from, and such Person's compensation or flow of business from the Seller was not affected by, the approval or disapproval of the Mortgage Loan. The selection of the Person performing the property valuation was made independently of the broker (where applicable) and the Seller's loan sales and loan production personnel and satisfied the criteria of Fannie Mae and Freddie Mac for selecting an independent appraiser.
- (b) Income/Employment/Assets: With respect to the Mortgage Loan, the Seller or the originator verified the Mortgagor's income, employment, and assets in accordance with the Underwriting Guidelines and employed procedures designed to authenticate the documentation supporting such income, employment, and assets. Such verification may include, without limitation, the transcripts received from the Internal Revenue Service pursuant to a filing of IRS Form 4506-T.
- (c) Occupancy: With respect to such Mortgage Loan, at the time of origination, the originator gave due consideration, which need not be documented, to factors, such as other real estate owned by the Mortgagor, commuting distance to work, appraiser comments and notes, and any difference between the mailing address in the servicing system and the Mortgage Property address, used by the originator to evaluate whether the intended occupancy status of the property as represented by the Mortgagor was reasonable. The Mortgaged Property is (or within 60 days will be) lawfully occupied by the Mortgagor under Applicable Law, and all inspections, licenses and certificates required by Applicable Law to be made or issued with respect to all occupied portions of the Mortgaged Property and, with respect to the use and occupancy of the same, have been made or obtained from the appropriate authorities.
- (d) Data: The information set forth in the related Mortgage Loan Schedule, including any diskette or other related data tapes sent to the Purchaser, is complete, true, and correct in all material respects. The information on the related Mortgage Loan Schedule and any other information provided to the Purchaser are consistent with the contents of the Seller's records and the related Mortgage File. Any seller or builder concession has been subtracted from the Appraised Value of the Mortgaged Property for purposes of determining the

LTV and CLTV. No appraisal or other property valuation referred to or used to determine any data listed on the Mortgage Loan Schedule was more than three (3) months old at the time of the Mortgage Loan closing.

- (e) Fraud: No fraud, material error, material omission, material misrepresentation, negligence or similar occurrence with respect to the Mortgage Loan has taken place on the part of the Seller or any other Person, including without limitation any appraiser, title company, closing or settlement agent, realtor, builder or developer or any other party involved in the origination or sale of the Mortgage Loan or the sale of the Mortgaged Property, that would impair in any material and adverse way the rights of the Purchaser in the Mortgage Loan or Mortgaged Property or that violated Applicable Law. No such party or Person has made any representations to the Mortgagor that are inconsistent with the Mortgage Loan Documents used in the transaction. The documents, instruments and agreements submitted for loan underwriting were not falsified and contain no untrue statement of material fact or omit to state a material fact required to be stated therein or necessary to make the information and statements therein not misleading. The Seller has reviewed all of the documents constituting the Mortgage File and has made such inquiries necessary to make and confirm the accuracy of the representations set forth herein.
- (f) Underwriting: At the time of origination, the Mortgage Loan either (i) was underwritten in conformance with the Underwriting Guidelines or (ii) if not underwritten in conformance with the Underwriting Guidelines, has reasonable compensating factors for any and all deviations from the Underwriting Guidelines that are fully documented and contained in the related Mortgage File. The methodology used in underwriting the extension of credit for the Mortgage Loan includes objective mathematical principles that relate to the relationship between the Mortgagor's income, assets and liabilities and the proposed payment.
- (g) Regulatory Compliance: As of the time of origination and during the ninety (90) day period thereafter any and all requirements of any Applicable Law with respect to the origination, transfer, administration and servicing of the Mortgage Loan, including without limitation usury, truth-in-lending, real estate settlement procedures, consumer credit protection, equal credit opportunity, fair housing, or disclosure laws have been complied with in all material respects. The Mortgage Loan is not a "high-cost" loan, a "covered" loan, a HOEPA loan or any other similarly designated loan as defined under any state, local, or federal law, or subject to any other anti-predatory or abusive lending laws. The Mortgagor was not encouraged or required to select a loan product offered by the Seller or any other originator that was a higher cost product designed for less-creditworthy borrowers. There does not exist on the related Mortgaged Property any 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, or other federal, state, or local environmental legislation, including without limitation asbestos. There is no pending action or proceeding directly involving the Mortgaged Property in which compliance with any environmental law, rule or regulation is an issue; there is no violation of any environmental law, rule or regulation with respect to the Mortgaged Property; and nothing further remains to be done to satisfy in full all requirements of each such law, rule or regulation constituting a prerequisite to use and enjoyment of such Mortgaged Property.

- (h) Compliance with the FACT Act: As of the related Sale Date, the sale and transfer of the Mortgage Loan by the Seller complies with all Applicable Law governing such sale and transfer, including without limitation the Fair and Accurate Transactions Act and the Fair Credit Reporting Act, each as may be amended from time to time, and the Seller has not received any actual or constructive notice of any identity theft, fraud, or other misrepresentation in connection with such Mortgage Loan or any party thereto.
- (i) Mortgagor: The Mortgagor was not a debtor at the time of origination and as of the related Sale Date, the Mortgagor is not a debtor in any state or federal bankruptcy or insolvency proceeding. The Mortgagor is not insolvent and there are no circumstances or condition with respect to the Mortgage, the Mortgaged Property, the Mortgagor or the Mortgagor's credit standing that could reasonably be expected to (a) cause the Mortgage Loan to become Delinquent or materially adversely affect the value or marketability of the Mortgage Loan or (b) cause the Mortgagor to file for bankruptcy or become insolvent. Either the Mortgagor is a natural person who is legally permitted to reside in the United States, or the Mortgagor is an *inter vivos* trust acceptable to Fannie Mae, and the Mortgagor is legally entitled to reside in the United States. The Mortgagor has not had a prior bankruptcy in the last seven (7) years. The Mortgagor has not previously owned a property in the last seven (7) years that was the subject to a foreclosure (or the title for which was conveyed in lieu of foreclosure) during the time the Mortgagor was the owner of record of such property.
- (j) Source of Loan Payments: No loan payment has been escrowed as part of the loan proceeds on behalf of the Mortgagor. No payments due and payable under the terms of the Mortgage Note and Mortgage or deed of trust, except for seller or builder concessions as disclosed in the Mortgage Loan Schedule, have been paid by any person who was involved in, or benefited from, the sale or purchase of the Mortgaged Property or the origination, refinancing, sale, purchase or servicing of the Mortgage Loan other than the Mortgagor.
- (k) Down Payment: Unless otherwise indicated on the related Mortgage Loan Schedule, if, with respect to such Mortgage Loan, the purpose is listed as "purchase" on such Mortgage Loan Schedule, the Mortgagor paid at least 3% of the purchase price with his/her own funds.

- (l) No Prior Liens: The Seller is the sole owner and holder of the Mortgage Loan, and the indebtedness evidenced by the Mortgage Note. Upon recordation (or notice to **MERS**), the Purchaser or its designee will be the owner of record of the Mortgage and upon the sale of the Mortgage Loan to the Purchaser, the Purchaser will be the owner of the Mortgage Loan and the indebtedness evidenced by the Mortgage Loan. Each sale of the Mortgage Loan from the Seller was in exchange for fair equivalent value. Except as to rights that may have been granted by Seller to the Seller's warehouse lenders in the ordinary course of business and as disclosed to Purchaser, immediately prior to the transfer and assignment to the Purchaser on the related Sale Date and any subsequent Mortgage Loan Document deliveries to Purchaser, the Mortgage Loan, including the Mortgage Note and the Mortgage, was not subject to an assignment or pledge, and the Seller had good and marketable title to and was the sole owner thereof and had full right to transfer and sell the Mortgage Loan to the Purchaser free and clear of any encumbrance, equity, lien, pledge, charge, claim or security interest. The Seller has the full right and authority subject to no interest or participation of, or agreement with, any other party, to sell and assign the Mortgage Loan pursuant to this Agreement and following the sale of the Mortgage Loan, the Purchaser will own such Mortgage Loan free and clear of any encumbrance, equity, participation interest, lien, pledge, charge, claim or security interest. The Seller intends to relinquish all rights to possess, control and monitor the Mortgage Loan.
- (m) Enforceability and Priority of Lien: The related Mortgage is a valid, subsisting, enforceable and perfected first lien on the Mortgaged Property, including all buildings on the Mortgaged Property, and all installations and mechanical, electrical, plumbing, heating and air conditioning systems affixed to such buildings, and all additions, alterations and replacements made at any time with respect to the foregoing securing the Mortgage Note's original principal balance. Such lien is free and clear of all adverse claims, liens and encumbrances having priority over the first lien of the Mortgage subject only to (1) the lien of non-delinquent current real property taxes and assessments not yet due and payable, (2) covenants, conditions and restrictions, rights of way, easements and other matters of the public record as of the date of recording that are acceptable to mortgage lending institutions generally and either (A) that are referred to or otherwise considered in the appraisal made for the Seller, or (B) that do not adversely affect the Appraised Value of the Mortgaged Property as set forth in such appraisal and (3) other matters to which like properties are commonly subject that do not interfere with the benefits of the security intended to be provided by the Mortgage or the use, enjoyment, value or marketability of the related Mortgaged Property, all as disclosed to Purchaser in the Mortgage Loan Schedule. Any security agreement, chattel mortgage or equivalent document related to and delivered in connection with the Mortgage Loan establishes and creates a valid, subsisting, enforceable and perfected first lien and first priority

security interest on the property described therein, and the Seller has the full right to sell and assign the same to the Purchaser. There are no mechanics' or similar liens or claims that have been recorded in the applicable public records for work, labor or material (and no rights are outstanding that under law could give rise to such liens) affecting the related Mortgaged Property that are or may be liens prior to or equal to the lien of the related Mortgage. The related original Mortgage has been recorded or is in the process of being duly recorded.

- (n) Complete Mortgage Files: The Mortgage Note, the Mortgage, the Assignment of Mortgage and the other Mortgage Loan Documents set forth in Exhibits 1 and 2, and required to be delivered on or prior to the related Sale Date other than those sent for recording have been delivered to the Purchaser or its designee in compliance with the specific requirements of this Agreement and the Seller's Guide. With respect to the Mortgage Loan, the Seller is in possession of a complete Mortgage File and a complete set of Mortgage Loan Documents, including all documents used in the qualification of the Mortgagor except for such documents as have been delivered to the Purchaser or its designee.
- (o) No Modifications: The terms of the Mortgage Note and the Mortgage have not been impaired, waived, altered, or modified in any material respect, except by a written instrument that, if required by Applicable Law, has been recorded or is in the process of being recorded. The substance of any such waiver, alteration or modification has been approved by the issuer of any related Primary Mortgage Insurance Policy and title insurance policy, to the extent required by such policies, the terms of such waiver, alteration or modification have been reflected in the related Mortgage Loan Schedule and the written instrument reflecting such terms has been included in the Mortgage File. No Mortgagor has been released, in whole or in part, from the terms of the Mortgage Note and the Mortgage, except in connection with an assumption agreement that is part of the Mortgage File and the terms of which are reflected in the Mortgage Loan Schedule. The Mortgage and Mortgage Note have not been satisfied, canceled or subordinated, in whole or in part, or rescinded, 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 affect any such release, cancellation, subordination or rescission. The Seller has not waived the performance by the Mortgagor of any action, if the Mortgagor's failure to perform such action would cause the Mortgage Loan to be in default, nor has the Seller waived any default resulting from any action or inaction by the Mortgagor.
- (p) Taxes Paid: All taxes, governmental assessments, insurance premiums, water, sewer and municipal charges, leasehold payments or ground rents that previously became due and owing have been paid by the Mortgagor, or escrow funds from the Mortgagor have been established in an amount sufficient to pay for every such escrowed item that remains unpaid and that has been assessed but is not yet due and payable.

- (q) No Damage/Condemnation: Each Mortgaged Property is, in all material respects, undamaged by waste, vandalism, fire, hurricane, earthquake or earth movement, windstorm, flood, tornado or other casualty adversely affecting the value of a Mortgaged Property or the use for which the premises were intended, and each Mortgaged Property is in substantially the same condition it was at the time the most recent Appraised Value was obtained. There is no proceeding pending or threatened for the total or partial condemnation of any Mortgaged Property.
- (r) Fee Simple Estate/ No Encroachments / Compliance with Zoning: The Mortgage creates a first lien in an estate in fee simple in real property securing the related Mortgage Note. All improvements subject to the Mortgage that were considered in determining the Appraised Value of the Mortgaged Property lie wholly within the boundaries and building restriction lines of the Mortgaged Property (and wholly within the project with respect to a condominium unit), no improvements on adjoining properties encroach upon the Mortgaged Property except those that are insured against by the title insurance policy referred to in clause (v) below and all improvements on the property comply with all applicable building, zoning and subdivision laws, regulations and ordinances.
- (s) Mortgage Loan Legal and Binding: The Mortgage Note, the Mortgage and other agreements executed in connection therewith are original and genuine and each is the legal, valid and binding obligation of the maker thereof, enforceable in all respects in accordance with its terms subject to bankruptcy, insolvency, moratorium, reorganization and other laws of general application affecting the rights of creditors and by general equitable principles. All parties to the Mortgage Note, the Mortgage and other agreements executed in connection therewith, had the legal capacity to enter into the Mortgage Loan and to execute and deliver the Mortgage Note and the Mortgage. The Mortgage Note and the Mortgage have been duly and properly executed by such parties.
- (t) Proceeds Fully Disbursed/ Recording Fees Paid: The proceeds of the Mortgage Loan have been fully disbursed and there is no requirement for future advances thereunder, and any and all requirements as to completion of any on-site or off-site improvements and as to disbursements of any escrow funds therefor have been complied with. All costs, fees and expenses incurred in making or closing the Mortgage Loan and the recording of the Mortgage were paid or are in the process of being paid, and the Mortgagor is not entitled to any refund of any amounts paid under the Mortgage Note or Mortgage.
- (u) Existence of Title Insurance: The Mortgage Loan (unless the Mortgage Loan is secured by a Mortgaged Property located in any jurisdiction as to which an opinion of counsel of the type customarily rendered in such jurisdiction in lieu of title insurance is instead received) is covered by an ALTA lender's title insurance policy or other form of policy or insurance generally acceptable to

Fannie Mae or Freddie Mac, issued by a title insurer acceptable to Fannie Mae or Freddie Mac and qualified to do business in the jurisdiction where the Mortgaged Property is located, insuring (subject to the exceptions contained in (m)(1), (2) and (3) above) the Seller, its successors and assigns, as to the first priority lien of the Mortgage in the original principal amount of the Mortgage Loan. Additionally, such policy affirmatively insures ingress and egress to and from the Mortgaged Property. Where required by applicable state law or regulation, the Mortgagor has been given the opportunity to choose the carrier of the required mortgage title insurance. The Seller, its successors and assigns, are the sole insureds of such lender's title insurance policy; such title insurance policy has been duly and validly endorsed to the Purchaser or the assignment to the Purchaser of the Seller's interest therein does not require the consent of or notification to the insurer; 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 and the related PPTL. No claims have been made under such lender's title insurance policy, and no prior holder of the related Mortgage, including the Seller, has done, by act or omission, anything that would impair the coverage of such lender's title insurance policy. No originator, seller, Prior Owner of the Mortgage Loan, or other Person has provided or received any unlawful fee, commission, kickback, or other compensation or value of any kind in connection with the title insurance policy.

- (v) Hazard Insurance: All buildings or other customarily insured improvements upon the Mortgaged Property are insured by an insurer acceptable under the Fannie Mae Guides, against loss by fire, hazards of extended coverage and such other hazards as are provided for in the Fannie Mae Guides or by the Freddie Mac Guides, and as required by Applicable Law, in an amount representing coverage not less than the lesser of (i) the maximum insurable value of the improvements securing such Mortgage Loans and (ii) the greater of (a) the outstanding principal balance of the Mortgage Loan and (b) an amount such that the proceeds thereof will be sufficient to prevent the Mortgagor and/or the Mortgagee from becoming a co-insurer. If the Mortgaged Property is a condominium unit, it is included under the coverage afforded by a blanket policy for the project. If required by the FDPA, the Mortgage Loan is covered by a flood insurance policy meeting the requirements of the current guidelines of the Federal Insurance Administration and conforming to Fannie Mae and Freddie Mac requirements and Applicable Law, in an amount not less than the amount required by the FDPA. Such policy was issued by an insurer acceptable under the Fannie Mae Guides or the Freddie Mac Guides. The Mortgage obligates the Mortgagor thereunder to maintain all such insurance at the Mortgagor's cost and expense, and upon the Mortgagor's failure to do so, authorizes the holder of the Mortgage to maintain such insurance at the Mortgagor's cost and expense and to seek reimbursement therefor from the Mortgagor. All such standard hazard and flood policies are in full force and effect and on the date of origination contained a standard mortgagee clause naming the Seller and its successors in interest and assigns as loss payee; such

clause is still in effect and all premiums due on any such policies have been paid in full. No originator, seller, Prior Owner of the Mortgage Loan, Mortgagor or any other Person, has engaged in any act or omission that would impair the coverage of any such insurance policy, the benefits of the endorsement provided for therein, or the validity and binding effect of either, including without limitation the provision or receipt of any unlawful fee, commission, kickback, or other compensation or value of any kind. No action, inaction, or event has occurred, and no state of facts exists or has existed that has resulted or will result in the exclusion from, denial of, or defense to coverage under any such insurance policies, regardless of the cause of such failure of coverage.

- (w) No Default: There is no default, breach, violation or event of acceleration existing under the Mortgage or the related Mortgage Note and no event that, with the passage of time or with notice and the expiration of any grace or cure period, would constitute a default, breach, violation or event permitting acceleration; and neither the Seller nor any prior mortgagee has waived any default, breach, violation or event permitting acceleration. No foreclosure action is currently threatened or has been commenced with respect to any Mortgaged Property.
- (x) No Rescission: The Mortgage Note and the Mortgage are not subject to any unexpired, valid right of rescission, set-off, counterclaim or defense, including without limitation the defense of usury, nor will the operation of any of the terms of the Mortgage Note or the Mortgage, or the exercise of any right thereunder, render the Mortgage Note or Mortgage unenforceable, in whole or in part, or subject to any valid 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.
- (y) Enforceable Right of Foreclosure: The Mortgage relating to the related Mortgaged Property contains customary and enforceable provisions such as to render the rights and remedies of the holder thereof adequate for the realization against such Mortgaged Property of the benefits of the security provided thereby. There is no homestead or other exemption available to the Mortgagor that would interfere with the right to sell the Mortgaged Property at a trustee's sale or the right to foreclose on the Mortgage.
- (z) Mortgaged Property is Single Family: The Mortgaged Property consists of a single parcel or multiple continuous adjoining parcels of real property with a detached single family residence erected thereon, or a townhouse, or an individual condominium unit in a condominium project, or an individual unit in a planned unit development or a *de minimis* planned unit development; *provided, however*, that no residence or dwelling is a mobile home. As of the date of origination, no portion of the Mortgaged Property was used for commercial purposes, and since the date of origination, no portion of the Mortgaged Property has been used for commercial purposes.

- (aa) Qualified Mortgage: Mortgage Loan (i) is a Qualified Mortgage and (ii) complies in all material respects with the Ability To Repay Standards, and all necessary evidence to demonstrate such compliance with 12 C.F.R. Part 1026.43(e) and 12 C.F.R. Part 1026.43(c) is included in the Mortgage File.
- (bb) Doing Business: All parties that have had any interest in the Mortgage, whether as Mortgagee, assignee (other than Purchaser), pledgee or otherwise, are (or, during the period in which they held and disposed of such interest, were) (A) in compliance in all material respects with any and all applicable licensing requirements of the laws of the state wherein the Mortgaged Property is located and (B) (1) organized under the laws of such state, (2) qualified to do business in such state, (3) a federal savings and loan association, a national bank, a Federal Home Loan Bank or a savings bank having principal offices in such state, or (4) not doing business in such state.
- (cc) Loans Current / Prior Delinquencies: All payments due on the Mortgage Loan on or prior to the related Sale Date have been made as of such Sale Date, the Mortgage Loan is not Delinquent and the Mortgage Loan has not been Delinquent during the preceding twelve-month period; no payment made on such Mortgage Loan has been dishonored; there are no defaults under the terms of such Mortgage Loan; and neither the Seller nor any other party has advanced funds or induced, solicited or knowingly received any advance of funds from a party other than the owner of the Mortgaged Property subject to the Mortgage, directly or indirectly, for the payment of any amount required by the Mortgage Loan.
- (dd) Acceleration of Payments: The Mortgage contains the usual and enforceable provisions for the acceleration of the payment of the Unpaid Principal Balance of the Mortgage Loan if the related Mortgaged Property is sold without the prior consent of the Mortgagee thereunder.
- (ee) No Leasehold Interests: The Mortgage Loan is not secured by a leasehold interest.
- (ff) Sole Collateral: As of the related Sale Date, the Mortgage Note is not and has not been secured by any collateral other than the lien of the corresponding Mortgage and the security interest of any applicable security agreement or chattel mortgage referred to in clause (m) above, and such collateral does not serve as security for any other obligation.
- (gg) Full Disclosure: The Mortgagor has received all disclosure materials required by Applicable Law with respect to the making of fixed rate or adjustable-rate mortgage loans, as applicable.
- (hh) Adjustable-Rate Mortgage Interest Rate: With respect to each Adjustable-Rate Mortgage Loan, all Mortgage Interest Rate adjustments, if any, have been made

in compliance with state and federal law and the terms of the related Mortgage Note.

- (ii) No Graduated Payments: The Mortgage Loan does not contain "graduated payment" features, does not have a shared appreciation or other contingent interest feature, and does not contain any buydown provisions.
- (jj) No Negative Amortization Loans: The Mortgage Loan has an original term to maturity of not more than thirty (30) years, with interest payable in arrears on the first day of each month. The Mortgage Note requires a monthly payment that is sufficient to fully amortize the original principal balance over the original term thereof (except in the case of interest only loans) and to pay interest at the related Mortgage Interest Rate. The Mortgage Loan does not contain terms or provisions that would result in negative amortization.
- (kk) Recordable: 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. The Mortgage either has been or will promptly be submitted for recordation in the appropriate governmental recording office of the jurisdiction where the Mortgaged Property is located.
- (ll) Endorsements: The Mortgage Note has been endorsed by Seller for its own account and not as a fiduciary, trustee, trustor, or beneficiary under a trust agreement.
- (mm) Payment Terms: Payments on the Mortgage Loan commenced no more than sixty (60) days after the funds were disbursed in connection with the Mortgage Loan. The Mortgage Note is payable on the first day of each month in equal monthly installments of principal and interest (if not an interest only loan), with interest calculated and payable in arrears, sufficient to amortize the Mortgage Loan fully by the stated maturity date, over an original term of not more than thirty years from commencement of amortization.
- (nn) Condominiums: If the Mortgaged Property is a condominium unit or a planned unit development (other than a *de minimis* planned unit development), such condominium, or planned unit development project meets the eligibility requirements of Fannie Mae and Freddie Mac. The Mortgage Loan is not secured by a lien or security interest in shares of stock issued by a cooperative apartment corporation or association and/or a lease on a cooperative apartment.
- (oo) Servicemembers' Civil Relief Act: The Mortgagor has not notified the Seller or its servicer that he or she is requesting relief under the Servicemembers' Civil Relief Act, and the Seller has no knowledge of any relief requested or allowed to the Mortgagor under the Servicemembers' Civil Relief Act.

- (pp) Construction: As of the related Sale Date, the Mortgaged Property was not in construction or rehabilitation status, and no trade-in or exchange of the Mortgaged Property has been facilitated.
- (qq) No Ground Leases: The Mortgaged Property is not subject to a ground lease.
- (rr) No Additional Fees: With respect to any broker fees collected and paid on the Mortgage Loan, all such fees have been properly assessed to the Mortgagor, and no claims will arise as to such fees that are double charged and for which the Mortgagor would be entitled to reimbursement.
- (ss) Home Ownership and Equity Protection Act 1994: The Mortgage Loan is not subject to the Home Ownership and Equity Protection Act of 1994 or any comparable state law.
- (tt) No Single Credit Insurance: None of the proceeds of the Mortgage Loan were used to finance single premium credit insurance policies.
- (uu) Principal Advances: Any principal advances made to the Mortgagor prior to the related Sale Date have been consolidated with the outstanding principal amount secured by the Mortgage, and the secured principal amount, as consolidated, bears a single interest rate and single repayment term. The lien of the Mortgage securing the consolidated principal amount is expressly insured as having first lien priority by a title insurance policy, an endorsement to the policy insuring the Mortgagee's consolidated interest or by other title evidence acceptable to Fannie Mae and Freddie Mac. The consolidated principal amount does not exceed the original principal amount of the Mortgage Loan.
- (vv) Interest Calculation: Interest on the Mortgage Loan is calculated on the basis of a 360-day year consisting of twelve 30-day months.
- (ww) No Balloon Loans: The Mortgage Loan is not a Balloon Mortgage Loan.
- (xx) MERS Mortgage Loans: The Mortgage Loan is a MERS Mortgage Loan. The MIN assigned to such Mortgage Loan is accurately provided on the Mortgage Loan Schedule. The Seller has not received any notice of liens or legal actions with respect to such Mortgage Loan, and no such notices have been electronically posted by MERS.
- (yy) Credit Information: As to each consumer report (as defined in the Fair Credit Reporting Act, Public Law 91-508, or its successor) or other credit information furnished by the Seller to the Purchaser, the Seller has full right and authority and is not precluded by law or contract from furnishing such information to the Purchaser and the Purchaser is not precluded from furnishing the same to any subsequent or prospective purchaser of the Mortgage Loan.

- (zz) Credit Reporting: The Seller has fully furnished, in accordance with the Fair Credit Reporting Act and its implementing regulations, accurate and complete information (i.e., favorable, and unfavorable) on the Mortgagors to Equifax, Experian and Trans Union, on a monthly basis.
- (aaa) Disclosure of Fees: All fees and charges (including finance charges) and whether or not financed, assessed, collected or to be collected in connection with the Mortgage Loan have been disclosed in writing to the Mortgagor in accordance with Applicable Law. All points and fees related to the Mortgage Loan were disclosed in writing to the Mortgagor in accordance with applicable state and federal law.
- (bbb) No Mandatory Arbitration Provisions: With respect to each Mortgage Loan, neither the related Mortgage nor the related Mortgage Note requires the Mortgagor to submit to arbitration to resolve any dispute arising out of or relating in any way to the mortgage loan transaction.
- (ccc) No Breach or Default on Refinancings: The Mortgagor was not encouraged or required by the Seller or any third party to breach any agreement or default on any mortgage loan in connection with the origination of the Mortgage Loan.
- (ddd) Servicing: The Mortgage Loan has been serviced in accordance with all Customary Servicing Procedures.
- (eee) Loan Type: The Mortgage Loan is not a "pay option ARM," a "pick-a-payment" mortgage loan or a similar type of mortgage loan or a home equity revolving line of credit.
- (fff) Flood Certifications and Tax Service Contracts: Unless otherwise agreed upon by the Seller and the Purchaser, each Mortgage Loan is covered by a life-of-loan, transferable flood certification contract and a life-of-loan, transferable tax service contract, both assignable to the Purchaser at no cost to the Purchaser.
- (ggg) Imaged Documents: Each Imaged Document represents a true, complete, and correct copy of the original in all material respects, and the Seller is not aware that any Imaged Document has been manipulated or altered. The absence of an original of any Imaged Document will not adversely affect the Purchaser's interest in the related Mortgage Loan, including without limitation in connection with a foreclosure or legal proceeding.
- (hhh) Lost Note Affidavit: If, with respect to such Mortgage Loan, a Lost Note Affidavit has been delivered to Purchaser (or its designee) in place of the related Mortgage Note, the related Mortgage Note is no longer in existence.
- (iii) Insurance Coverage Not Impaired: With respect to any insurance policy, including but not limited to hazard, title, or mortgage insurance, covering such

Mortgage Loan and the related Mortgaged Property, (A) neither the Seller nor the originator of the Mortgage Loan has not engaged in any act or omission that would impair the coverage of any such policy, the benefits of the endorsement, or the validity and binding effect of either, including without limitation, no unlawful fee, commission, kickback or other unlawful compensation or value of any kind has been (or are expected to be) received, retained or realized by any attorney, firm or other person or entity, and (B) no such unlawful items have been received, retained or realized by the Seller or the originator.

- (jjj) Deeds of Trust: In the event the related 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 such Mortgage, and no fees or expenses are payable (or are expected to become payable) by Seller or Purchaser to the trustee under the deed of trust, except in connection with a trustee's sale after default under the Mortgage.
- (kkk) Mortgage Recorded: Each original Mortgage was recorded or submitted for recordation in the jurisdiction in which the Mortgaged Property is located, and all subsequent assignments of the original Mortgage have been delivered in the appropriate form for recording in all jurisdictions in which such recordation is necessary to perfect the ownership of the Mortgage by the Trust.
- (lll) No Prepayment Penalties: Such Mortgage Loan does not charge an additional amount or penalty if the Mortgagor prepays such Mortgage Loan.
- (mmm) Eligible Mortgage Loan: Such Mortgage Loan is an Eligible Mortgage Loan.

Subsection 7.02 Seller Representations and Covenants.

The Seller hereby represents, warrants, and covenants to the Purchaser that, as to itself as of each Sale Date (or such other date as is specified below):

- (a) It has all licenses necessary to carry on its business as now being conducted and is licensed, qualified and in good standing in the states where each Mortgaged Property is located if the laws of such state require licensing or qualification in order to conduct business of the type conducted by it. It has the power and authority to execute and deliver this Agreement and to perform in accordance herewith; the execution, delivery, and performance of this Agreement by it and the consummation of the transactions contemplated hereby have been duly and validly authorized. This Agreement, assuming due authorization, execution and delivery by the Seller, evidences the legal, valid, binding and enforceable obligation of, subject to applicable law except as enforceability may be limited by (i) bankruptcy, insolvency, liquidation, receivership, moratorium, reorganization or other similar laws affecting the enforcement of the rights of creditors and (ii) general principles of equity, whether

enforcement is sought in a proceeding in equity or at law. All requisite action has been taken by it to make this Agreement valid and binding upon it in accordance with the terms of this Agreement.

- (b) No consent, approval, authorization, or order is required for the transactions contemplated by this Agreement from any court, governmental agency or body, or federal or state regulatory authority having jurisdiction over it or, if required, such consent, approval, authorization or order has been or will, prior to each Sale Date, be obtained.
- (c) The consummation of the transactions contemplated by this Agreement are in its ordinary course of business and will not result in the breach of any term or provision of its certificate of formation or trust agreement or result in the breach of any term or provision of, or conflict with or constitute a default under or result in the acceleration of any obligation under, any agreement, indenture or loan or credit agreement or other instrument to which it or its property is subject, or result in the violation of any law, rule, regulation, order, judgment or decree to which it or its property is subject.
- (d) Its transfer, assignment and conveyance of the Mortgage Notes and the Mortgages pursuant to this Agreement are not subject to the bulk transfer or any similar statutory provisions in effect in any applicable jurisdiction.
- (e) There is no action, suit, proceeding or investigation pending or threatened against it that, either individually or in the aggregate, would result in any material adverse change in its business, operations, financial condition, properties or assets, or in any material impairment of its right or ability to carry on its business substantially as now conducted or that would reasonably draw into question the validity of this Agreement or the Mortgage Loans or of any action taken or to be taken in connection with its obligations contemplated herein, or that would materially impair its ability to perform under the terms of this Agreement.
- (f) The Seller is not in default under any agreement, contract, instrument or indenture to which the Seller is a party or by which it (or any of its assets) is bound, which default would have a material adverse effect on the ability of the Seller to perform under this Agreement, nor, has any event occurred which, with the giving of notice, the lapse of time or both, would constitute a default under any such agreement, contract, instrument or indenture and have a material adverse effect on the ability of the Seller to perform its obligations under this Agreement.
- (g) It does not believe, nor does it have any reason or cause to believe, that it cannot perform in all respects, its covenants contained in this Agreement.
- (h) It has determined that the disposition of the Mortgage Loans pursuant to this Agreement will be afforded sale treatment for accounting and tax purposes.

- (i) It is solvent and the sale of the Mortgage Loans will not cause it to become insolvent. The sale of the Mortgage Loans is not undertaken with the intent to hinder, delay or defraud any of its creditors.
- (j) It has not dealt with any broker, investment banker, agent, or other person that may be entitled to any commission or compensation in connection with the sale of the Mortgage Loans.
- (k) Neither this Agreement nor any statement, report or other agreement, document or instrument furnished or to be furnished pursuant to this Agreement contains any materially untrue statement of fact or omits to state a fact necessary to make the statements contained therein not misleading.
- (l) The Seller covenants that the transfer of servicing of each Mortgage Loan from the Seller or its servicer to the Servicer will be complete in all respects by the Sale Date, and the transfer will be in accordance with the Servicing Transfer Instructions and Applicable Law.
- (m) The Seller is a member of MERS in good standing and will comply in all material respects with the rules and procedures of MERS.
- (n) The Seller has complied with and will continue to comply with, all requirements of applicable anti-money laundering laws and regulations, including without limitation the USA Patriot Act of 2001 and other anti-terrorism rules, trade embargos and economic sanctions, now or hereafter in effect (collectively, the "Anti-Money Laundering Laws"); the Seller has established an anti-money laundering compliance program in compliance with the Anti-Money Laundering Laws, has conducted the requisite due diligence in connection with the origination of each Mortgage Loan for purposes of the Anti-Money Laundering Laws, including with respect to the legitimacy of the related Mortgagors and the origin of the assets used by the said Mortgagors to purchase the property in question, and maintains, and will maintain, sufficient information to identify the related Mortgagors for purposes of the Anti-Money Laundering Laws. No Mortgage Loan is subject to nullification pursuant to any executive order, including Executive Order 13224 (the "Executive Orders"), 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 Orders or the OFAC Regulations, and no Mortgagor is subject to the provisions of such Executive Orders or the OFAC Regulations nor listed as a "specially designated national" or "blocked person" for purposes of the OFAC Regulations.
- (o) And each Person owning or having a direct or indirect interest in the Seller is not (a) identified on the Specially Designated Nationals and Blocked Persons List, Consolidated Sanctions List or similar list maintained by the Office of Foreign

Assets Control or (b) a Person with whom a citizen or entity of the United States is prohibited from engaging in this or any transactions by any trade embargo, economic sanction or other prohibition of Applicable Law or an Executive Order. Notwithstanding anything contained in this Agreement to the contrary, should this paragraph be breached, the Purchaser may take any action deemed reasonable by the Purchaser to comply with the law applicable to the sanction program.

This clause (o) will not apply to any Person to the extent that an owner's interest in the Seller is through a U.S. Publicly Traded Entity (defined below) and such Person's interest comprises less than 20% of the interest in such U.S. Publicly Traded Entity. As used in this Agreement, "U.S. Publicly Traded Entity" means a Person (other than an individual) whose securities are listed on a national securities exchange or quoted on an automated quotation system, in the United States, or a wholly owned subsidiary of such a Person.

- (p) With respect to each individual assigned by Seller to perform any work with respect to any Mortgage Loan, Seller has taken and will continue to take all commercially reasonable steps to (a) ensure that any such individual has not been convicted of any felony or aggravated misdemeanor in any jurisdiction; and (b) verify that such individual, if performing services in the United States, is eligible to work in the United States in accordance with all applicable laws.
- (q) No offer, payment, consideration, or benefit of any kind that constitutes an illegal or corrupt practice will be made, either directly or indirectly or on the Purchaser's behalf, as an inducement or reward for entering this Agreement or in connection with the transactions contemplated by this Agreement.
- (r) The Seller is an approved seller/servicer of residential mortgage loans for Fannie Mae or Freddie Mac.

Subsection 7.03 Repurchase.

It is understood and agreed for a period of Years (3) years from date of loan purchase that the representations and warranties set forth in Subsections 7.01 and 7.02 herein and in the Seller's Guide, and the Seller's obligation to repurchase certain Mortgage Loans described herein and under the Seller's Guide will survive the sale of the Mortgage Loans to the Purchaser and the delivery of the applicable Mortgage Files and Mortgage Loan Documents to the Purchaser or its designee and will inure to the benefit of the Purchaser and its assignees, notwithstanding any restrictive or qualified endorsement on any Mortgage Note or Assignment of Mortgage. Upon discovery by either the Seller or the Purchaser of a breach of any of the foregoing representations and warranties that materially and adversely affects the value of a Mortgage Loan or the interest of the Purchaser in the related Mortgage Loan, the party discovering such breach shall give prompt written notice to the other.

Upon the discovery of any breach of a representation or warranty set forth in Subsections 7.01 or 7.02 herein or in the Seller's Guide, the Purchaser shall notify the Seller in writing. The Seller shall use its best efforts to promptly cure such breach in all respects and, if such breach cannot be cured within sixty (60) days (the "Cure Period") to the Purchaser's satisfaction, the Seller shall, at the Purchaser's option, repurchase such Mortgage Loan at the Repurchase Price.

At the time of repurchase, the Purchaser and the Seller shall arrange for the reassignment of the Mortgage Loan to the Seller and the delivery to the Seller of any documents held by the Purchaser relating to the Mortgage Loan. If the Seller repurchases a Mortgage Loan that is a MERS Mortgage Loan, the Seller or its designee shall notify MERS of the transfer of ownership of such MERS Mortgage Loan. In the event of a repurchase, the Seller shall, simultaneously with such reassignment, give written notice to the Purchaser that such repurchase has taken place, and the related Mortgage Loan Schedule will be deemed amended as of the date of such repurchase to reflect the withdrawal of the Mortgage Loan from this Agreement.

In addition to such cure and repurchase obligations, the Seller shall indemnify the Purchaser and hold it harmless against any losses, damages, penalties, fines, forfeitures, reasonable and necessary legal fees and related costs, judgments, and other costs and expenses incurred by the Purchaser in connection with (i) a Mortgage Loan that becomes REO Property before the Purchaser discovers that it has a repurchase claim based on breach of the Seller's representations and warranties contained in Subsections 7.01 and 7.02 pertaining to such Mortgage Loan or (ii) any third party claim, demand, defense or assertion based on or grounded upon, or to the extent resulting from, a breach of the Seller's representations and warranties contained in Subsections 7.01 and 7.02 pertaining to any Mortgage Loan. It is understood and agreed the Seller's obligation set forth in this Subsection 7.03 and in the Seller's Guide to repurchase a Mortgage Loan and indemnify the Purchaser constitute the sole remedies of the Purchaser hereunder respecting any breach of the Seller's representations and warranties contained in Subsections 7.01 and 7.02 of this Agreement, or in the Seller's Guide, and such obligations will survive the termination of this Agreement.

Any cause of action against the Seller relating to or arising out of the breach of any representations and warranties made in Subsections 7.01 and 7.02 will accrue as to any Mortgage Loan upon (i) discovery of such breach by the Purchaser or notice thereof by the Seller to the Purchaser, (ii) failures by the Seller to cure such breach or repurchase such Mortgage Loan as specified above, and (iii) demand upon the Seller by the Purchaser for compliance with this Agreement.

Subsection 7.04 Representations and Warranties Regarding Purchaser.

The Purchaser hereby represents, warrants, and covenants to the Seller that as of each Sale

Date:

- (a) PRMI is a statutory trust, duly organized, validly existing, and in good standing under the laws of State of Delaware and has all licenses necessary to carry on its business as now being conducted and is licensed, qualified and in good standing in the states where each Mortgaged Property is located if the laws of such state require licensing or qualification in order to conduct business of the type conducted by it. It has the statutory trust power and authority to execute and deliver this Agreement and to perform in accordance herewith; the execution, delivery and performance of this Agreement (including all instruments of transfer to be delivered pursuant to this Agreement) by it and the consummation of the transactions contemplated hereby have been duly and validly authorized. This Agreement, assuming due authorization, execution and delivery by the Purchaser, evidences the legal, valid, binding and enforceable obligation of it, subject to applicable law except as enforceability may be limited by (i) bankruptcy, insolvency, liquidation, receivership, moratorium, reorganization or other similar laws affecting the enforcement of the rights of creditors and (ii) general principles of equity, whether enforcement is sought in a proceeding in equity or at law. All requisite corporate action has been taken by it to make this Agreement valid and binding upon it in accordance with the terms of this Agreement.
- (b) It has all licenses necessary to carry on its business as now being conducted and is licensed, qualified and in good standing in the states where each Mortgaged Property is located if the laws of such state require licensing or qualification in order to conduct business of the type conducted by it. It has the power and authority to execute and deliver this Agreement and to perform in accordance herewith; the execution, delivery, and performance of this Agreement by it and the consummation of the transactions contemplated hereby have been duly and validly authorized. This Agreement, assuming due authorization, execution and delivery by the Seller, evidences the legal, valid, binding and enforceable obligation of, subject to applicable law except as enforceability may be limited by (i) bankruptcy, insolvency, liquidation, receivership, moratorium, reorganization or other similar laws affecting the enforcement of the rights of creditors and (ii) general principles of equity, whether enforcement is sought in a proceeding in equity or at law. All requisite action has been taken by it to make this Agreement valid and binding upon it in accordance with the terms of this Agreement.
- (c) No consent, approval, authorization, or order is required for the transactions contemplated by this Agreement from any court, governmental agency or body, or federal or state regulatory authority having jurisdiction over it or, if required, such consent, approval, authorization or order has been or will, prior to the Sale Date,

be obtained.

- (d) The consummation of the transactions contemplated by this Agreement are in its ordinary course of business and will not result in the breach of any term or provision of its charter or by-laws or result in the breach of any term or provision of, or conflict with or constitute a default under or result in the acceleration of any obligation under, any agreement, indenture or loan or credit agreement or other instrument to which it or its property is subject, or result in the violation of any law, rule, regulation, order, judgment or decree to which it or its property is subject.
- (e) There is no action, suit, proceeding or investigation pending or, to the Purchaser's knowledge, threatened against it which, either individually or in the aggregate, would result in any material adverse change in its business, operations, financial condition, properties or assets, or in any material impairment of its right or ability to carry on its business substantially as now conducted or which would draw into question upon a reasonable basis the validity of this Agreement or of any action taken or to be taken in connection with its obligations contemplated herein, or which would materially impair its ability to perform under the terms of this Agreement.
- (f) The Purchaser is not in material default under any agreement, contract, instrument or indenture to which the Purchaser is a party or by which it (or any of its assets) is bound, which default would have a material adverse effect on the ability of the Purchaser to perform under this Agreement, nor, to the Purchaser's knowledge, has any event occurred which, with the giving of notice, the lapse of time or both, would constitute a default under any agreement, contract, instrument or indenture and have a material adverse effect on the ability of the Purchaser to perform its obligations under this Agreement.

Subsection 7.05 Repurchase of Mortgage Loans with Early Payment Default.

With respect to any Mortgage Loan, if the related Mortgagor is delinquent in making any of the first six Monthly Payment due on the Mortgage Loan after the applicable Sale Date and such failure is solely due to the fault of the Mortgagor and not to an administrative error by the Purchaser or the Servicer in connection with the application of payments relating to the servicing transfer, the Seller shall, upon receipt of notice from the Purchaser, promptly repurchase such Mortgage Loan from the Purchaser within sixty (60) days from when such Monthly Payment was due at the Repurchase Price. It is understood that the Seller's obligation to repurchase set forth in this Subsection 7.05 will constitute the sole remedy of the Purchaser with respect to any Mortgage Loan subject to an early payment default.

Subsection 7.06 Purchase Price Protection.

With respect to any Mortgage Loan that prepays in full on or prior to the last day of the sixth full calendar month following the related Sale Date (or such other date set forth in the PPTL), the Seller shall reimburse the Purchaser an amount equal to the product of (a) the amount by which Purchase Price Percentage paid by the Purchaser to the Seller for such Mortgage Loan exceeds 100% and (b) the Unpaid Principal Balance of the Mortgage Loan as of the related Cut-off Date. Such payment will be made within thirty (30) days of notification of such payoff.

SECTION 8. CLOSING.**Subsection 8.01 Closing Conditions.**

On or prior to the first Sale Date, the Seller shall have delivered to the Purchaser a fully executed copy of this Agreement. Each closing for the purchase and sale of Mortgage Loans will take place on the applicable Sale Date.

Each closing for the Mortgage Loans will be subject to the satisfaction of each of the following conditions:

- (a) the Seller shall have delivered to the Purchaser the Mortgage Loan Schedule and an electronic data file containing information on a loan-level basis and a funding schedule setting forth the Purchase Price(s) for the related Mortgage Loans.
- (b) all of the representations and warranties of the Seller and the Purchaser under this Agreement will be true and correct as of the related Sale Date (or, with respect to Subsection 7.01, such other date specified therein) in all material respects and no default will have occurred hereunder that, with notice or the passage of time or both, would constitute an Event of Default hereunder;
- (c) the Purchaser will have received the related PPTL executed by the Seller.
- (d) all other terms and conditions of this Agreement and the related PPTL to be satisfied by the Seller will have been complied with in all material respects.

Upon satisfaction of the foregoing conditions or waiver thereof, the Purchaser shall pay to the Seller on the related Sale Date the Purchase Price for the Mortgage Loans pursuant to Section 4 of this Agreement.

SECTION 9. COSTS.

The Seller shall pay the cost of recording the Assignments of Mortgage and all other related costs and expenses incurred in connection with the sale of the Mortgage Loans by the Seller to the Purchaser, including all of Purchaser's reasonable attorneys' fees. The Seller shall pay the cost of delivering the Mortgage Files and the Mortgage Loan Documents to the Purchaser or its designee. Except as otherwise expressly provided in this Agreement, each party shall pay

its own costs and expenses in connection with this Agreement and the transactions described herein.

SECTION 10. SERVICING TRANSFER.

Subsection 10.01 The Seller's Servicing Obligations.

The Seller shall hold any amounts received in respect of the Mortgage Loans after the related Sale Date in trust for the Purchaser and shall pay any such amounts to the Purchaser within three (3) Business Days of receipt.

Subsection 10.02 Seller Shall Provide Access and Information as Reasonably Required.

The Seller shall provide to the Purchaser, and for any Purchaser insured by FDIC or NAIC, the supervisory agents and examiners of FDIC and OCC or NAIC, access to any documentation regarding the Mortgage Loans that may be required by Applicable Law or in connection with the examination of the Purchaser. Such access will be afforded without charge, but only upon reasonable request, during normal business hours and at the offices of the Seller.

In addition, at the Purchaser's sole cost and expense, the Seller shall furnish upon request by the Purchaser, during the term of this Agreement, such periodic, special or other reports or information, whether or not provide for herein, as necessary, reasonable and appropriate with respect to the purposes of this Agreement and Applicable Law. All such reports or information will be provided by and in accordance with all reasonable instructions and directions the Purchaser may provide to the Seller. The Seller agrees to execute and deliver all such instruments and take all such action as the Purchaser, from time to time, may reasonably request in order to effectuate the purposes and to carry out the terms of this Agreement.

SECTION 11. THE SELLER.

Subsection 11.01 Indemnification; Third Party Claims.

- (a) The Seller agrees to indemnify and hold the Purchaser harmless against any and all claims, losses, penalties, fines, forfeitures, legal fees and related costs, judgments, and any other costs, fees and expenses that the Purchaser may sustain in any way related to or resulting from (i) any third party claim, demand, defense or assertion based on or grounded upon or resulting from, or alleging a breach of a representation or warranty set forth in Subsections 6.03 or 7.01 or 7.02 of this Agreement, and without regard to any knowledge qualifier included in any such representation or warranty, (ii) a breach by the Seller of any of its duties or obligations under this Agreement; or (iii) the Purchaser's enforcement of this Subsection 11.01(a). This indemnification obligation will survive the termination of this Agreement or the termination of any party to this Agreement.
- (b) The Seller shall immediately notify the Purchaser if a claim is made by a third party with

respect to this Agreement or the Mortgage Loans, and the Seller shall assume (with the written consent of the Purchaser) the defense of any such claim and pay all expenses in connection therewith, including counsel fees. If the Seller has assumed the defense of the Purchaser, the Seller shall provide the Purchaser with a written report of all expenses and advances incurred by the Seller pursuant to this Subsection 11.01 and the Purchaser shall promptly reimburse the Seller for all reasonable amounts advanced by it pursuant to the preceding sentence except when the claim in any way relates to or results from anything listed in clauses (i), (ii) or (iii) of Subsection 11.01(a) or any other breach by the Seller of this Agreement.

- (c) The Purchaser shall indemnify the Seller and hold it harmless against any and all claims, losses, damages, penalties, fines, forfeitures, reasonable legal fees (including without limitation, legal fees incurred in connection with the enforcement of the Purchaser's indemnification obligation under this Subsection 11.01(c)) with respect to any reasonable, related costs, judgments, fees and expenses that the Seller may sustain related to the Purchaser's gross negligence, bad faith, willful misconduct or failure to perform its duties and obligations hereunder with respect to any Mortgage Loans.

Subsection 11.02 Merger or Consolidation of the Seller.

Neither the Seller nor any of the directors, officers, employees, or agents of the Seller shall be under any liability to the Purchaser for any action taken or for refraining from the taking of any action in accordance with Customary Servicing Procedures and otherwise in good faith pursuant to this Agreement. Subject to the terms of Subsection 11.01, the Seller shall have no obligation to appear with respect to prosecute or defend any legal action that is not incidental to the Seller's duty to service the Mortgage Loans in accordance with this Agreement. The parties further agree that, notwithstanding any other provisions of this Agreement to the contrary, neither party shall be liable for any special, indirect, consequential, punitive or other damages that the other party suffers or incurs as a result of their acts or omissions hereunder, and the parties hereby irrevocably waive any such claims.

SECTION 12. DEFAULT.

Subsection 12.01 Events of Default and Termination.

In case one or more of the following Events of Default occurs and is continuing:

- (a) any failure by the Seller to remit to the Purchaser any payment required to be made under the terms of this Agreement that continues unremedied for a period of three (3) Business Days.
- (b) failure by the Seller to duly observe or perform, in any material respect, any of its other covenants, obligations or agreements as set forth in this Agreement, which failure continues unremedied for a period of thirty (30) days after the date on which written notice of such failure, requiring the same to be remedied,

has been given to such party by the other party;

- (c) a decree or order of a court or agency or supervisory authority having jurisdiction for the appointment of a conservator or receiver or liquidator in any insolvency, bankruptcy, readjustment of debt, marshalling of assets and liabilities or similar proceedings, or for the winding-up or liquidation of its affairs, has been entered against, as applicable, the Seller and such decree or order has remained in force, undischarged or unstayed for a period of sixty (60) days;
- (d) the Seller shall consent to the appointment of a conservator or receiver or liquidator in any insolvency, bankruptcy, readjustment of debt, marshalling of assets and liabilities or similar proceedings of or relating to it or relating to all or substantially all of its property.
- (e) the Seller shall admit in writing its inability to pay its debts as they become due, file a petition to take advantage of any applicable insolvency or reorganization statute, make an assignment for the benefit of its creditors, or voluntarily suspend payment of its obligations; or
- (f) the Seller shall cease to be qualified to do business under the laws of any state in which a Mortgaged Property is located, but only to the extent such qualification is necessary to ensure the enforceability of each Mortgage Loan and to perform the obligations under this Agreement.

then, and in each and every such case, so long as an Event of Default has not been remedied, the Purchaser, by notice in writing to the other party, may, in addition to whatever rights the Purchaser may have at law or equity to damages, including injunctive relief and specific performance, commence termination of all the obligations of the Purchaser under this Agreement. The Seller agrees to cooperate with the Purchaser in effecting the termination of the Seller's responsibilities and rights hereunder, including the Purchaser's option to cancel any commitment to purchase a Mortgage Loan Package and Seller's obligation to repay any reasonable expenses incurred in such review and diligence of such Mortgage Loan Package and delivery of the related Mortgage Loan Schedule and funding schedule. The Purchaser reserves the right to determine at any time, in its sole discretion, to terminate this Agreement upon written notice to the Purchaser and not to purchase any further Mortgage Loan Packages. Purchaser agrees to purchase any "approved" loan within expiration of approval and lock expiration dates in the seller pipeline of loans.

Subsection 12.02 Waiver of Default.

The Purchaser may waive any default by the Seller in the performance of its obligations hereunder and its consequences. Upon any waiver of a past default, such default will cease to exist, and any Event of Default arising therefrom will be deemed to have been remedied for

every purpose of this Agreement. No such waiver will extend to any subsequent or other default or impair any right consequent thereto except to the extent expressly so waived.

SECTION 13. NOTICES.

All demands, notices and communications hereunder will be in writing and will be deemed to have been duly given if mailed, by registered or certified mail, return receipt requested, or, if by other means, when received by the other party at the address as follows:

(a) If to the Purchaser:

PRMI Trust
2000 Midlantic Drive, STE 220
Mount Laurel, NJ 08054
Attention: Brad Brautigam, CFO
bbrautigam@prmortgageinvestment.com

With a copy to:

PRMI Mortgage Investment, LP
2000 Midlantic Drive, STE 220
Mount Laurel, NJ 08054
Attention: Barry Bier, President
bbier@prmortgageinvestment.com

(b) If to Seller:

Email: _____

or such other address as may hereafter be furnished to the other party by like notice. Any such demand, notice or communication hereunder will be deemed to have been received on the date delivered to or received at the premises of the addressee (as evidenced, in the case of registered or certified mail, by the date noted on the return receipt).

SECTION 14. SEVERABILITY CLAUSE.

Any part, provision, representation or warranty of this Agreement that is prohibited or that is held to be void or unenforceable will be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof. Any part, provision, representation or warranty of this Agreement that is prohibited or unenforceable or is held to be void or unenforceable in any jurisdiction will be ineffective, as to such jurisdiction, to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction as to any Mortgage Loan will not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, the parties hereto waive any provision of law that prohibits or renders void or unenforceable any provision hereof. If the invalidity of any part, provision, representation or warranty of this Agreement will deprive any party of the economic benefit intended to be conferred by this Agreement, the parties shall negotiate, in good-faith, to develop a structure the economic effect of which is nearly as possible the same as the economic effect of this Agreement without regard to such invalidity.

SECTION 15. NO PARTNERSHIP.

Nothing herein contained will be deemed or construed to create a co-partnership or joint venture between the parties hereto and the services of the Seller shall be rendered as an independent contractor and not as agent for the Purchaser.

SECTION 16. COUNTERPARTS.

This Agreement may be executed simultaneously in any number of counterparts. Each counterpart will be deemed to be an original, and all such counterparts will constitute one and the same instrument.

SECTION 17. GOVERNING LAW; CHOICE OF FORUM; WAIVER OF JURY TRIAL.

EXCEPT TO THE EXTENT PREEMPTED BY FEDERAL LAW, THE AGREEMENT WILL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER WILL BE DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO THE CONFLICTS OF LAWS PROVISIONS OF NEW YORK (OTHER THAN SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW) OR ANY OTHER JURISDICTION.

EACH PARTY HERETO KNOWINGLY, INTENTIONALLY, AND IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR IN ANY WAY RELATED TO THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY.

With respect to any claim or action arising hereunder, the parties (a) irrevocably submit to the nonexclusive jurisdiction of the courts of the State of New York and the United States District Court located in the City of New York, New York, and appellate courts from any thereof, and (b) irrevocably waive any objection that such party may have at any time to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement brought in any such court, and irrevocably waive any claim that any such suit action or proceeding brought in any such court has been brought in an inconvenient forum.

SECTION 18. INTENTION OF THE PARTIES.

It is the intention of the parties that the Purchaser is purchasing, and the Seller is selling, the Mortgage Loans and not a debt instrument of the Seller or another security. Accordingly, the parties hereto each intend to treat the transaction for federal income tax purposes as a sale by the Seller, and a purchase by the Purchaser, of the Mortgage Loans. The Purchaser shall have the right to review the Mortgage Loans and the related Mortgage Files to determine the characteristics of the Mortgage Loans which will affect the federal income tax consequences of owning the Mortgage Loans and the Seller shall cooperate with all reasonable requests made by the Purchaser in the course of such review.

It is not the intention of the parties that such conveyances be deemed a grant of a security interest in the Mortgage Loans transferred hereunder. However, in the event that, notwithstanding the intent of the parties, such assets are held to be the property of the Seller or if for any other reason this Agreement is held or deemed to create a security interest in either such assets, then

- (a) this Agreement will be a security agreement within the meaning of the Uniform Commercial Code of the State of New York and (b) the conveyances provided for in this Agreement will be deemed to be a grant by the Seller to the Purchaser of, and the Seller hereby grants to the Purchaser a security interest in all of the assets transferred hereunder, whether now owned or hereafter acquired.

SECTION 19. WAIVERS.

Except as otherwise expressly provided in this Agreement, no term or provision of this Agreement may be waived or modified unless such waiver or modification is in writing and signed by the party against whom such waiver or modification is sought to be enforced.

SECTION 20. EXHIBITS AND SELLER'S GUIDE.

The exhibits to this Agreement are hereby incorporated and made a part hereof and are an integral part of this Agreement. The Seller's Guide is hereby incorporated and made a part hereof and is an integral part of this Agreement. In the event of a conflict between the Seller's Guide and this Agreement, this Agreement shall control.

SECTION 21. GENERAL INTERPRETIVE PRINCIPLES.

For purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

- (a) the terms defined in this Agreement have the meanings assigned to them in this Agreement and include the plural as well as the singular, and the use of any gender herein will be deemed to include the other gender.
- (b) accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles.
- (c) references herein to "Articles," "Sections," "Subsections," "Paragraphs" and other subdivisions without reference to a document are to designated Articles, Sections, Subsections, Paragraphs, and other subdivisions of this Agreement.
- (d) the headings of the various articles, sections, subsections and paragraphs of this Agreement and the table of contents are for convenience of reference only and will not modify, define, expand, or limit any of the terms or provisions hereof.
- (e) reference to a Subsection without further reference to a Section is a reference to such Subsection as contained in the same Section in which the reference appears, and this rule will also apply to Paragraphs and other subdivisions.
- (f) the words "herein," "hereof," "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular provision.
- (g) the term "include" or "including" will mean without limitation by reason of enumeration; and
- (h) The words "to the best knowledge of" (or similar words thereto) mean, in relation to the Person making such statement, to the best of his/her/its knowledge after making such inquiries as are reasonable under the circumstances, and facts and information known by a party's servicer or sub-servicer will be considered to also be known by such party as well.

SECTION 22. REPRODUCTION OF DOCUMENTS.

This Agreement and all documents relating thereto, including without limitation (a) consents, waivers, and modifications that may hereafter be executed, (b) documents received by any party at the closing and (c) financial statements, certificates and other information previously or hereafter furnished, may be reproduced by any photographic, photostatic, microfilm, micro-card, miniature photographic or other similar process. The parties

hereto agree that any such reproduction will be admissible in evidence as the original itself in any judicial or administrative proceeding, whether or not the original is in existence and whether or not such reproduction was made by a party hereto in the regular course of business, and that any enlargement, facsimile or further reproduction of such reproduction will likewise be admissible in evidence.

SECTION 23. AMENDMENT.

This Agreement may be amended from time to time by the Purchaser and the Seller by written agreement signed by the parties hereto.

SECTION 24. CONFIDENTIALITY.

The parties shall keep confidential and shall not divulge to any party, without the other party's prior written consent, the price paid by the Purchaser for the Mortgage Loans, except to the extent that it is reasonable and necessary for such party to do so in working with legal counsel, auditors, taxing authorities, regulators or other governmental agencies or in connection with enforcing the terms and conditions of this Agreement.

The Purchaser and the Seller agree they (i) shall comply with all Applicable Law regarding the privacy and security of Consumer Information, (ii) shall not collect, create, use, store, access, disclose or otherwise handle Consumer Information in any manner inconsistent with any Applicable Law regarding the privacy or security of Consumer Information, (iii) shall maintain appropriate administrative, technical and physical safeguards to protect the security, confidentiality and integrity of Consumer Information, including maintaining security measures designed to meet the Interagency Guidelines Establishing Standards for Safeguarding Consumer Information published in final form on February 1, 2001, 66 Fed. Reg. 8616, and the rules promulgated thereunder, and any successor laws, rules or guidelines thereto and (iv) shall promptly notify the other party in writing upon becoming aware of any actual breach and of any suspected breach of this section. Each party shall promptly provide the other party's regulators information regarding such security measures upon the reasonable request of such party. In addition, the Seller shall furnish to the Purchaser information reasonably required to evidence the existence and maintenance of information security systems with respect to its mortgage loan business, including any **SOC 1** type II reports or similar independent audit reports, summaries of test results or equivalent measures taken with respect to its security measures, as agreed upon by the parties. Each party shall indemnify and defend the other party against, and shall hold the other party harmless from, any cost, expense, loss, claim or other liability that such other party may suffer as a result of or in connection with its failure to comply with or perform the obligations set forth in this section. The obligations set forth herein shall survive the termination of this Agreement.

SECTION 25. ENTIRE AGREEMENT.

The Seller and the Purchaser each agree to execute and deliver to the other such reasonable and appropriate additional documents, instruments or agreements as may be necessary or appropriate to effectuate the purposes of this Agreement.

SECTION 27. SUCCESSORS AND ASSIGNS.

This Agreement will bind and inure to the benefit of and be enforceable by the Purchaser and the Seller, and the respective successors and assigns of the Purchaser and the Seller. The initial Purchaser and any subsequent purchasers may assign this Agreement to any Person to whom any Mortgage Loan is transferred pursuant to a sale or financing without the consent of the Seller, but with notice to Seller; *provided, however*, that Purchaser shall have no right to assign this Agreement to any Person who cannot provide sufficient evidence of its ability to meet each and every obligation of the Purchaser hereunder. Upon any such assignment, the Person to whom such assignment is made shall succeed to all rights and obligations of the Purchaser under this Agreement to the extent of the related Mortgage Loan or Mortgage Loans and this Agreement, to the extent of the related Mortgage Loan or Mortgage Loans, will be deemed to be a separate and distinct agreement between the Seller and such purchaser, and a separate and distinct agreement between the Seller and each other purchaser to the extent of the other related Mortgage Loan or Mortgage Loans. The Seller shall not assign this Agreement or delegate its obligations and duties hereby imposed on it except by mutual consent of the Seller and the Purchaser. A change in ownership, merger, or consolidation of Seller will be considered an assignment for purposes of this Agreement.

SECTION 28. NON-SOLICITATION.

From and after each Sale Date, the Seller hereby agrees that it will not take any action or permit or cause any action to be taken by any of its agents or affiliates, or by any independent contractors on its behalf, to personally, by telephone or mail, solicit a Mortgagor under any Mortgage Loan for the purpose of refinancing such Mortgage Loan, in whole or in part, for a period of thirty-six (36) months without the prior written consent of the Purchaser. It is understood and agreed that all rights and benefits relating to the solicitation of any Mortgagors for mortgage loan products and the attendant rights, title and interest in and to the list of such Mortgagors and data relating to their Mortgage Loans (including insurance renewal dates) will be transferred to the Purchaser on the related Sale Date and neither the Seller nor any of its respective independent contractors, affiliates or agents shall take any action to undermine these rights and benefits.

SECTION 29. SUPPLIER MANAGEMENT.

The Seller shall actively select, monitor, and manage all of its suppliers and sub-contractors involved in the origination, administration, or servicing of the Mortgage Loans, including without limitation loan servicers, in accordance with its supplier management policies and procedures and customary and prudent practices. The Seller further agrees to provide the

Purchaser with such information about the Seller's suppliers that (i) the Purchaser reasonably requests and (ii) the Seller is legally permitted to provide to the Purchaser.

SECTION 30. FINANCIAL STATEMENTS OF THE SELLER.

Upon the request of the Purchaser, the Seller shall provide to the Purchaser a copy of the Seller's then-most recent annual audited financial statements. This obligation will survive the termination of this Agreement and will continue so long as the Purchaser owns any Mortgage Loans purchased under this Agreement.

SECTION 31. INSURANCE.

The Seller shall maintain, at its own expense, a blanket Fidelity Bond and an errors and omissions insurance policy, with broad coverage on all officers, employees or other persons acting in any capacity requiring such persons to handle funds, money, documents, or papers relating to the Mortgage Loans. These policies must insure the Seller against losses resulting from fraud, theft, errors, omissions, negligence, dishonest or fraudulent acts committed by the Seller's personnel, any employees of outside firms that provide data processing services for the Seller, and temporary contract employees or student interns. The Fidelity Bond will also protect and insure the Seller against losses in connection with the release or satisfaction of a Mortgage Loan without having obtained payment in full of the indebtedness secured thereby. No provision of this Section 32 requiring such Fidelity Bond and errors and omissions insurance will diminish or relieve the Seller from its duties and obligations as set forth in this Agreement. The minimum coverage under any such Fidelity Bond and insurance policy will be at least equal to the corresponding amounts required by Fannie Mae in the Fannie Mae Guides or by Freddie Mac in the Freddie Mac Guide, as amended or restated from time to time, as applicable, or in an amount as may be permitted to the Seller by express waiver of Fannie Mae or Freddie Mac, as applicable.

The Seller agrees to purchase and maintain throughout the term of this Agreement a technology/professional liability insurance policy, including coverage for network security/data protection liability insurance (also called "cyber liability") covering liabilities for financial loss resulting or arising from acts, errors, or omissions, in rendering technology/professional services or in connection with the specific services described in this Agreement: (a) violation or infringement of any right of privacy, including breach of security and breach of security/privacy laws, rules or regulations globally, now or hereinafter constituted or amended; (b) data theft, damage, unauthorized disclosure, destruction, or corruption, including without limitation, unauthorized access, unauthorized use, identity theft, theft of personally identifiable information or confidential corporate information in whatever form, transmission of a computer virus or other type of malicious code; and participation in a denial of service attack on third party computer systems; (c) loss or denial of service; (d) no cyber terrorism exclusion; and (e) with a minimum limit of (three) \$3 million dollars each and every claim and in the aggregate. Such coverage must include technology/professional liability including breach of contract, privacy and security liability, privacy regulatory defense and payment of civil fines, and breach response costs

(including without limitation, notification costs, forensics, credit protection services, call center services, identity theft protection services, and crisis management/public relations services). (f) Such insurance must explicitly address all of the foregoing without limitation if caused by an employee of the Seller or an independent contractor working on behalf of Seller in performing services under this Agreement. The policy must provide coverage for wrongful acts, claims, and lawsuits anywhere in the world. Such insurance must include affirmative contractual liability coverage for the data breach indemnity in this Agreement for all damages, defense costs, privacy regulatory civil fines and penalties, and reasonable and necessary data breach notification, forensics, credit protection services, public relations/crisis management, and other data breach mitigation services resulting from a breach of confidentiality or breach of security by or on behalf of the Seller. The insurer must have a Best's rating of A- (A minus) and a minimum AM. Best Financial Size Rating of "VIII." (g) Prior to the first sale of Mortgage Loans under this Agreement and subsequently upon the request of the Purchaser, the Seller shall furnish to the Purchaser a certificate of insurance evidencing all required insurance coverage pursuant to this Agreement. The Purchaser reserves the right to obtain a copy of the Fidelity Bond and or the insurance policies. The Seller will provide directly to the Purchaser a minimum of thirty (30) days advance written notice before cancellation, non-renewal, or material change of coverage takes effect for the Fidelity Bond or the policies evidenced on the certificates of insurance, regardless of whether the cancellation, non-renewal, or material change is effected by the Seller or the insurance carrier. Such cancellation or alteration will not relieve the Seller of its continuing obligations to maintain insurance coverage in accordance with this Agreement. If on a claims-made basis, the retroactive date must be prior to the inception date of this Agreement. (h) The cyber liability policy must be kept in force during the life of this Agreement and for a minimum of three years (either as a policy in force or extended reporting period) after contract termination. The Seller shall purchase an extended reporting period, or "tail coverage," if necessary to comply with this requirement if the policy is not kept in force. The Seller's obligation to maintain insurance coverage will be in addition to, and not in substitution for the Seller's other obligations hereunder and the Seller's liability to the Purchaser for any breach of an obligation under this Agreement that is subject to insurance hereunder will not be limited to the amount of coverage required hereunder. (i) The Seller shall cause its suppliers to procure and to maintain in full force and effect insurance of the types and amounts, and meeting the requirements described in this Agreement.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have caused their names to be signed hereto by

their respective officers thereunto duly authorized on the date first above written.

PRMI Trust,
as the Purchaser

By: PRMIGP, LLC, its Administrator

By: _____

Name: Shane O'Dell

Title: EVP, Correspondent Lending

as the Seller

By: _____

Name: _____

Title: _____

ADDENDUM TO PRIME DIRECT MORTGAGE LOAN PURCHASE AND SALE AGREEMENT

Acknowledgement that a Purchase Advice and Wire in amount of the Purchase Advice “Total Wire Amount” serves as an executed Purchase Price and Terms Letter (PPTL) for any loan that is fulfilled through the Homelend system, Purchase Advice can be found in file documents.

Reference is made to that certain Prime Direct Mortgage Loan and Purchase Sale Agreement, dated as of _____ (the “Agreement”), by _____, as correspondent (“Correspondent”), and PRMI Trust, as purchaser (“Purchaser”). Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Agreement. As described in this addendum, Correspondent and PRMI Trust acknowledge and agree that for any loan(s) that is registered, fulfilled and has a purchase advice completed through the Homelend system, there will be no physical signature required on the Purchase Price and Terms Letter (PPTL) for such loan(s). Correspondent and PRMI Trust agree that the registration, fulfillment, purchase advice and documented evidence of the purchase advice “Total Wire Amount” will serve as the completion of the Purchase Price and Terms Letter (PPTL) for each Prime Direct loan.

- Correspondent and PRMI Trust acknowledge that in order to be eligible for purchase by PRMI Trust, all Prime Direct loans must be registered and fulfilled through the Homelend system, and that both the Correspondent and PRMI Trust can view each Prime Direct loan(s) operational status within the Homelend System.
- Correspondent will monitor its registered Prime Direct pipeline within the Homelend system and agrees that it will make PRMI Trust aware to the extent that Correspondent believes there are any discrepancies with any loan status within the Homelend system.
- Correspondent acknowledges that it is able to view the Purchase Advice for each applicable loan(s) on the Homelend system, and that the Correspondent will review all details on the Purchase Advice to ensure that Correspondent is in agreement with all details that are identified on the Purchase Advice, including the “Total Wire Amount” which represents the total amount that PRMI Trust will direct to be wired to complete the purchase of the identified Prime Direct loan(s).
- Correspondent acknowledges that once a loan reaches “**Approved for Funding**” status in the Homelend system, that PRMI Trust will review the loan review for purchase in accordance with the terms of the Correspondent Loan Purchase and Sale Agreement and that, for such eligible loans(s), PRMI Trust will direct funds to be wired to the Correspondent’s Warehouse Bank in an amount that matches the “Total Wire Amount” that are due to the Correspondent, as calculated and identified to Correspondent on the Purchase Advice.
- Correspondent acknowledges that on the date that the “Total Wire Amount” is sent on behalf of PRMI Trust to Correspondent’s Warehouse Bank, then, Pursuant to the terms of the Agreement, Correspondent hereby sells, transfers, assigns, sets over and conveys to

PRMI Trust, without recourse, but subject to the terms of the Agreement, on a servicing-released basis, all rights, title and interest of Correspondent in and to the Mortgage Loans listed on the Purchase Advice.

This sole purpose of this addendum is to remove the requirement that an Purchase Price and Terms Letter (PPTL) be executed, and to confirm that both Correspondent and PRMI Trust acknowledge that the combination of i) a Purchase Advice and ii) the wire of funds in an amount that matches the Purchase Advice “Total Wire Amount” serves as an executed Purchase Price and Terms Letter (PPTL) for loan(s) identified on the Purchase Advice and included in the Total Wire Amount.

PRMI TRUST

By _____
(Signature)

Its Shane O’Dell, EVP Correspondent

Date _____

“Correspondent”

(Company Name)

By _____
(Signature)

Its _____
(Name & Title)

Date _____

EXHIBIT 1**MORTGAGE LOAN DOCUMENTS**

With respect to each Mortgage Loan, the Mortgage Loan Documents will consist of the following:

- (a) the original Mortgage Note bearing all intervening endorsements, endorsed and signed in the name of the Seller by an officer thereof, or with respect to any Mortgage Loan as to which the original Mortgage Note has been permanently lost or destroyed and has not been replaced, a Lost Note Affidavit and a copy of such Mortgage Note;
- (b) the original Assignment of Mortgage.
- (c) the original of any guarantee executed in connection with the Mortgage Note.
- (d) the original Mortgage with evidence of recording thereon, or if any such mortgage has not been returned from the applicable recording office or has been lost, or if such public recording office retains the original recorded mortgage, a photocopy of such mortgage certified by the Seller to be a true and complete copy of the original recorded mortgage;
- (e) the originals of all assumption, modification, consolidation, or extension agreements, if any, with evidence of recording thereon.
- (f) the originals of all intervening assignments of mortgage with evidence of recording thereon, or if any such intervening assignment of mortgage has not been returned from the applicable recording office or has been lost or if such public recording office retains the original recorded assignments of mortgage, a photocopy of such intervening assignment of mortgage, certified by the Seller to be a true and complete copy of the original recorded intervening assignment of mortgage;
- (g) the original mortgagee title insurance policy including an Environmental Protection Agency Endorsement and, with respect to any Adjustable Rate Mortgage Loan, an adjustable rate endorsement.
- (h) the original of any security agreement, chattel mortgage or equivalent document executed in connection with the Mortgage; and
- (i) a copy of any applicable power of attorney.

EXHIBIT 2**CONTENTS OF EACH MORTGAGE FILE**

With respect to each Mortgage Loan, the Mortgage File will include each of the following items, unless otherwise disclosed to the Purchaser on the related Mortgage Loan Schedule, which will be delivered to the Purchaser:

- (a) The Mortgage Loan Documents as listed in Exhibit 1.
- (b) Residential loan application.
- (c) Mortgage Loan closing statement.
- (d) Verification of employment and income, including the executed 4506T if required.
- (e) Verification of acceptable evidence of source and amount of down payment.
- (f) Credit report on Mortgagor, in a form acceptable to either Fannie Mae or Freddie Mac.
- (g) Residential appraisal report.
- (h) Photograph of the Mortgaged Property.
- (i) Survey of the Mortgaged Property unless a survey is not required by the title insurer.
- (j) 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, homeowner association declarations, etc.
- (k) Copies of all required disclosure statements.
- (l) If applicable, termite report, structural engineer's report, water potability, and septic certification.
- (m) Sales contract, if applicable.
- (n) The Primary Mortgage Insurance policy, if any, or certificate of insurance or electronic notation of the existence of such policy, where required pursuant to the Agreement.
- (o) Evidence of electronic notation of the hazard insurance policy, and, if required by law, evidence of the flood insurance policy.

- (p) Any documentation provided by the Mortgagor or obtained by the Seller in connection with the granting of any underwriting exception.
- (q) In the event that the related Mortgagor's loan application was taken on or after January 10, 2014, all documentation necessary to verify that such Mortgage Loan (i) is a Qualified Mortgage and (ii) satisfies the Ability To Repay Standards.
- (r) All other documentation required to be retained in accordance with Applicable Law related to the underwriting, origination, or servicing of the Mortgage Loan
- (s) All other instruments, documentation, or materials regarding the Mortgage Loan in the possession of the Seller.

EXHIBIT 3**FORM OF PURCHASE PRICE AND TERMS LETTER****Purchase Price and Terms Letter**

CLOSING DATE: _____

This Purchase Price and Terms Letter (this "PPTL"), dated as of _____ (the "Closing Date"), provides for the sale by _____ (the "Seller") to PRMI Trust (the "Purchaser"), and the purchase by the Purchaser from the Seller, of the first lien residential mortgage loans described on the Mortgage Loan Schedule attached as Schedule I hereto and the funding schedule attached hereto (the "Mortgage Loans"), on a servicing released basis, pursuant to the terms of the Mortgage Loan Purchase and Sale Agreement (the "Purchase and Sale Agreement"), dated as of _____, by and between the Purchaser and the Seller. Capitalized terms that are used herein but are not defined herein will have the respective meanings set forth in the Purchase and Sale Agreement.

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Seller does hereby, sell, convey, assign and transfer to Purchaser without recourse, except as provided in the Purchase and Sale Agreement, and on a servicing released basis, all right, title and interest of the Seller in and to each of the Mortgage Loans, including all payments of principal and interest received on the Mortgage Loans after the Cut-off Date, all other unscheduled collections collected in respect of the Mortgage Loans after the Cut-off Date, all proceeds of the foregoing and all documents maintained as part of the related Mortgage Files, subject, however, to the rights of the Seller under the Purchase and Sale Agreement.

The Seller has delivered to the Purchaser or its designee prior to the date hereof the documents with respect to each Mortgage Loan required to be delivered under the Purchase and Sale Agreement.

For purposes of the Mortgage Loans sold pursuant to this PPTL, certain terms will be as set forth below:

Unpaid Principal Balance:	\$ _____
Closing Date:	_____
Cut-off Date:	_____
Purchase Price Percentage:	_____ %
Purchase Price:	\$ _____

Name and address of the Seller's servicer or sub-servicer:

In WITNESS WHEREOF, the parties hereto, by the hands of their duly authorized officers, execute this PPTL as of the Closing Date referred to above.

PRMI Trust,
as Purchaser

By: _____

Name: _____

Title: _____

as Seller

By: _____

Name: _____

Title: _____

EXHIBIT 4

MORTGAGE LOAN SCHEDULE FIELDS

1	Loan Number	32	Original P & I Payment
2	Servicer Loan Number	33	Current P & I Payment
3	Servicer	34	Escrow PMT
4	B1 Last Name	35	Payment History
5	Original Loan Amount	36	Appraised Value
6	UPB Purchased	37	Sales Price
7	Scheduled Next Payment Due	38	Purpose
8	Scheduled Interest Paid to Date	39	Occupancy
9	Term	40	Property type
10	LTV	41	Number of Units
11	CLTV	42	B1 First Name
12	Fico Score	43	Self Employed
13	Fico Score Borrower 1	44	First Time Home Buyer
14	Fico Score Borrower 2	45	Address
15	Note Date	46	City
16	Maturity Date	47	State
17	Remaining Term	48	Zip
18	Current Interest Rate	49	Product Type / Loan Program
19	Service Fee	50	B1 SSN
20	Net Rate	51	B2 SSN
21	Gross Margin	52	B2 First Name
22	Initial Fixed Rate Period	53	B2 Last Name
23	Next Rate Change	54	Front Ratio
24	First Adj Cap	55	Back Ratio
25	Initial Interest Rate Cap Change Down	56	Index
26	Subsequent Interest Rate Cap Change Down	57	Borrower Date of Birth
27	Subsequent Interest Rate Reset Period	58	Co-borrower Date of Birth
28	Periodic Cap	59	Lookback
29	Life Cap	60	Rounding factor
30	Max Rate	61	MIN
31	Min Rate	62	Application Date