

This Wholesale Residential Mortgage Loan Agreement (hereinafter referred to as “Agreement”) is by and between SG Capital Partners LLC DBA ClearEdge Lending (hereinafter referred to as “ClearEdge”), a Delaware Limited Liability Company, having an address at 65 Enterprise, Suite 360, Aliso Viejo, CA 92656, and _____, (hereinafter referred to as “Broker”) having an address at _____, and shall become effective as of _____ (“Effective Date”).

RECITALS

WHEREAS, Broker is engaged in the business of originating and processing residential mortgage loan applications, either as a sole proprietor, or as a company that employs licensed mortgage brokers;

WHEREAS, ClearEdge is in the business of extending credit by funding residential mortgage loans to qualified consumers, as either first or second lien loans;

WHEREAS, Broker desires to enter into a non-exclusive relationship, whereby Broker will submit complete loan application packages to ClearEdge on behalf of Broker’s borrower customers, for potential funding of said loans by ClearEdge;

WHEREAS, Broker shall be responsible for ensuring that loan applications submitted to ClearEdge comply with all terms and conditions outlined in the Agreement, as well as all applicable laws and regulations;

NOW, THEREFORE, in consideration of the promises and mutual agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Broker and ClearEdge agree as follows:

AGREEMENT

SECTION 1. Identification of Borrowers

(a) During the term of this Agreement, Broker and ClearEdge agree that Broker may, from time to time, identify potential borrowers for residential mortgage loan transactions that ClearEdge may, upon acceptance of a loan application, underwrite, approve, close and fund a loan. Broker and ClearEdge each acknowledge and agree that this Agreement is entered into on a non-exclusive basis, and that both Broker and ClearEdge may enter into similar agreements with other individuals or entities.

(b) During the term of this Agreement, Broker agrees to obtain information and descriptions about the loan programs offered by ClearEdge from time to time, and ClearEdge agrees to make such information and descriptions available to Broker through its website or through other means as agreed upon by the parties. Such information and descriptions shall not be binding on ClearEdge, and are subject to change at any time without notice to Broker. Broker agrees to fully and accurately explain such programs to potential borrowers, and to identify potential borrowers using ClearEdge’s then-current rates. Broker further agrees, for any loan application submitted to ClearEdge, to prepare and timely deliver to potential borrowers the initial disclosures, including the Loan Estimate (“LE”) Disclosure, unless Broker has clearly communicated that it desires for ClearEdge to provide the initial disclosures, including the LE. In such cases, loans must be submitted to ClearEdge **within 24 hours** of the date the application

was taken between Broker and the borrower, to allow ClearEdge sufficient time to send the initial disclosures to the borrower in full compliance with applicable federal and state laws. ClearEdge reserves the right to provide its own LE to borrowers if Broker has furnished the initial LE to such borrowers.

(c) Broker specifically acknowledges and agrees that Broker is not an agent of ClearEdge and has no authority to make any representations on behalf of ClearEdge, nor to bind or obligate ClearEdge in any way. Broker agrees that it may not use ClearEdge's name in any advertising without the prior written consent of ClearEdge. Broker agrees that it may only quote such loan rates and terms as have been quoted to or provided by ClearEdge in writing, and that no rate quotations, lock-ins or extensions thereof, commitments or other loan terms will be binding on ClearEdge unless in writing and signed by an authorized representative of ClearEdge. Broker agrees that it shall not represent to any party that ClearEdge has approved or will approve a loan, or any terms thereof until Broker is so informed by ClearEdge in writing.

SECTION 2. Submitting Mortgage Loan Applications

From time to time, Broker may submit residential mortgage loan applications, along with all applicable supporting documentation, to ClearEdge in compliance with the representations and warranties contained in this Agreement, and in compliance with ClearEdge's lending policies and guidelines. ClearEdge may amend its Guidelines and loan application submission requirements from time to time in its sole discretion, and without prior notice to Broker.

SECTION 3. Acceptance of Mortgage Loan Application Package

(a) ClearEdge may, in its sole discretion, approve or reject any loan application that is submitted to ClearEdge by Broker. By signing below, Broker acknowledges and agrees that ClearEdge is under no obligation to accept or approve any loan application submitted to ClearEdge by Broker. No loan application submitted to ClearEdge shall be considered approved by ClearEdge unless and until ClearEdge provides written notification of such approval to Broker. At all times during the term of this Agreement, ClearEdge shall render the credit decisions on all accepted applications submitted by Broker, and ClearEdge shall act as the exclusive creditor under all applicable law. ClearEdge shall be responsible for furnishing all notifications to borrowers required under the Equal Credit Opportunity Act, the Fair Credit Reporting Act and other applicable federal and state law. ClearEdge shall also be responsible for reporting data required under the Home Mortgage Disclosure Act.

(b) ClearEdge shall, at any time during the term of this Agreement, reserve the right to verify any information with respect to Broker, or any mortgage loan application submitted to ClearEdge by Broker, which shall include, but is not limited to, obtaining credit reports on Broker and any potential borrower. ClearEdge's right to indemnification or other rights and remedies set forth herein will not be affected by any verification, investigation, audit or review conducted by ClearEdge, or any knowledge acquired at any time, with respect to the accuracy or inaccuracy of, or compliance with, any representation, warranty, covenant or obligation of Broker herein.

The waiver of any condition based on the accuracy of any representation or warranty, or on the performance of or compliance with any covenant or obligation, will not affect the right to indemnification or other rights and remedies based on such representations, warranties, covenants and obligations.

SECTION 4. Mortgage Loan Originator Compensation

Broker may receive compensation for performance of its duties under this Agreement either as a borrower-paid compensation transaction, or as a ClearEdge-paid compensation transaction, as described in Exhibit A of this Agreement. Broker shall disclose such compensation to each applicant in full compliance with applicable law, including the Real Estate Settlement Procedures Act (“RESPA”) and the Truth-in-Lending Act (“TILA”). With respect to such compensation, Broker agrees as follows:

- Broker shall not receive both borrower-paid compensation and lender-paid compensation for the same mortgage loan transaction.
- Broker shall not receive any compensation or charge any fee that is calculated based on the terms or conditions of a loan, other than the loan amount, as mandated by the Loan Originator Compensation Rules adopted by the Consumer Financial Protection Bureau (“CFPB”).
- Broker shall not compensate any of its employees that meet the definition of “Loan Originator” in any manner that is not in full compliance with the Loan Originator Compensation Rules.
- Broker shall not steer a consumer to any particular product, or pricing, in order to increase Broker’s compensation with respect to any mortgage loan transaction.
- Broker shall not be eligible for any compensation on a loan until such transaction has closed and funded, and all other applicable conditions are met.

Section 5. Broker Representations and Warranties

By signing below, Broker agrees to make the following representations and warranties with respect to this Agreement, and for each mortgage loan application submitted to ClearEdge:

5.1. Authority and Good Standing

At all times during the term of this Agreement, Broker shall have and maintain the requisite power, authority, and legal capacity to enter into and perform its obligations under this Agreement. Broker has taken all necessary actions to authorize the execution, delivery, and performance of its duties under this Agreement. Further, Broker’s performance under this Agreement will not conflict with or result in a breach of any terms, conditions, or provisions of Applicable Laws or regulations, or of Broker’s articles of incorporation, charter, by-laws, partnership agreement, or other organizational documents, any agreement to which it is a party, or any court order, judgment or decree to which it is subject. Broker’s participation in this Agreement is in the ordinary course of Broker’s business.

5.2. Licensing

At all times during the term of this Agreement, Broker shall be duly organized, validly existing, and in good standing under the laws of the state governing its creation and existence and duly licensed to

transact business in the state(s) in which properties serving as security for any mortgage loan applications submitted by Broker are located. Broker and its employees, as required, possess all necessary licenses, permits, authorizations, registrations, and approvals to engage in the activities contemplated by this Agreement.

5.3 Material Litigation

There is no litigation, action, suit, proceeding, arbitration, inquiry, review, audit, or investigation pending or, to the best of Broker's knowledge, threatened, against Broker that, either in any one instance or in the aggregate, may result in any material adverse change in Broker's business, operations, financial condition, or reputation, which would draw into question the validity or enforceability of any loan, document, or any action taken or to be taken by Broker, or which would materially impair Broker's ability to perform all of its obligations under this Agreement.

5.4. Compliance with Laws

Broker has complied, and will comply, with any law, ordinance, requirement, regulation, rule, or order applicable to its business, the violation of which might adversely impact Broker's operations, reputation, or financial condition or the Broker's ability to submit Applications and Loans under this Agreement. In connection with the Applications and Loans, Broker has complied and shall continue to comply with all applicable federal, state, and local laws, regulations, and rules, including, without limitation, applicable state lending and licensing and/or registration laws (including but not limited to the SAFE Act), the Federal Fair Housing Act, Unfair Deceptive, Abusive Acts and Practices, RESPA, Regulation X, TILA, Regulation Z, Equal Credit Opportunity Act, Regulation B, Consumer Credit Protection Act, Flood Disaster Protection Act, Fair Credit Reporting Act, Home Mortgage Disclosure Act, and HUD regulations applicable to a loan correspondent all as amended from time to time (collectively, "Applicable Laws"). Broker shall, at a minimum, implement the following policies that meet federal and, as applicable, state regulatory requirements: 1) Anti-Money Laundering Program; 2) Customer Information/Data Security Program; 3) Quality Control Plan; and 4) Appraiser Independence Policy.

Additionally, Broker shall timely deliver a loan options disclosure, when required pursuant to anti-steering requirements, to each consumer applying for a mortgage loan, which shall satisfy the safe harbor requirements of the anti-steering regulations adopted by the CFPB as part of the Loan Originator Compensation Rules. The loan options disclosure (or similarly named document) shall be provided to ClearEdge by Broker as a part of every application package that is submitted.

5.5. True and Correct

Broker hereby represents and warrants that no statement, report, information, document, written materials, or financial statements Broker submits during the term of this Agreement, any Application, or any Loan contains any untrue statement of fact or omits to state a fact that would make the statements contained misleading. Each document Broker submits to ClearEdge is in every respect valid and genuine, being on its face what it purports to be. All information Broker submits to ClearEdge as part of a loan application is true, correct, and complete. Broker shall not submit any false, fraudulent, inaccurate or erroneous information or statement, or omit any material facts necessary to make any statements or information included in the Loan or Application true, correct, and complete. This representation and warranty shall apply where Broker: (a) knew or should have known of the fraud or misstatement of material fact; (b) failed to follow standard practices and procedures prevalent in the mortgage banking industry; or (c) has a non-arms-length business, financial or personal affiliation with, or financial interest in any third-party to the transaction.

5.6. Adverse Selection

Broker has not and will not use any adverse selection procedures in selecting which Applications or Loans to submit to ClearEdge from among the residential mortgage loan applications that are available to submit to ClearEdge. At all times, Broker shall comply with all applicable federal, state and local fair lending laws.

5.7. Fictitious Names

Broker has no fictitious name or “doing-business-as” names except those that are disclosed to ClearEdge in writing and registered in the Nationwide Mortgage Licensing System (“NMLS”).

5.8. Conflicts of Interest

At all times during the term of this Agreement, Broker shall conduct itself so as to avoid any actual or perceived conflicts of interest. Broker shall not have any direct or indirect ownership interest in any property serving as security for the Loan or any business or personal affiliation with, or direct or indirect ownership interest in, any third-party vendors providing services with respect to the Loan, including but not limited to, any settlement service providers, notary, credit reporting agencies, real estate agents, appraisers, or title or escrow agents involved in the Loan. Broker shall not act as the real estate agent representing the buyer or seller in connection any loan, or conduct any settlement services related to the loan transaction. Broker shall disclose to ClearEdge in writing any personal or monetary involvement relating in any way to a loan application.

5.9. Quality Control

In connection with Broker’s activities, and at the time of each Loan submission, Broker has in place a written quality control plan and procedures, a specific process for resolving quality control discrepancies, and a method for tracking any and all corrective actions taken. Broker shall submit a copy of its Quality Control Plan to ClearEdge as part of its application to become an approved broker.

5.10. Fair Lending

Without limiting any other provision of this Agreement, Broker shall not discriminate with respect to any loan application and related loan in violation of Applicable Laws. Broker acknowledges that ClearEdge: 1) has implemented a Fair Lending Plan (which is available on ClearEdge's website); and (2) will monitor loan submissions for fair lending performance in conformity with its internal Fair Lending Plan, and in compliance with applicable federal and state laws. ClearEdge reserves the right to terminate this Agreement for Broker's failure to comply with fair lending laws and regulations or ClearEdge's Fair Lending Plan.

5.11. Marketability

Broker has no knowledge of any circumstances or conditions with respect to any loan, the applicant(s), or the property securing a loan, that can reasonably be expected to: 1) cause any governmental or institutional secondary mortgage market investor to regard the purchase of the loan as an unacceptable investment; 2) cause any loan to become delinquent; or, 3) adversely affect the value or marketability of any such loan.

5.12. Performance of Services

Broker represents and warrants that for each loan transaction, it has fully performed the services required by federal, state and local laws and regulations to earn compensation as a mortgage broker, including all of the following services normally performed in the origination of a loan:

- (a) Taking information from the borrower and completing the application;
- (b) Analyzing the prospective borrower's income and debt and making a preliminary determination regarding the maximum loan amount that the applicant can afford;
- (c) Educating the prospective borrower in the home buying and finance process, advising the applicant about the different types of loan products available, and demonstrating how closing costs and monthly payments would vary under each product;
- (d) Collecting financial information (tax returns, bank statements) and other related documents that are part of the application process;
- (e) Initiating/ordering requests for mortgage and other loan verifications;
- (f) Assisting the borrower in understanding and clearing credit conditions;
- (g) Maintaining regular contact with the borrower, realtors, and ClearEdge between application and loan funding to apprise them of the status of the application and to gather any additional information as needed;
- (h) Ordering any required documents; and,
- (i) Participating in the loan closing as applicable and as needed.

No party other than Broker shall have performed such origination services.

5.13. Control of Documents

No borrower shall have had in its direct or indirect possession or Control any credit, income or deposit verification document submitted to ClearEdge with respect to any loan application

5.14. Solicitation Prohibited

Broker shall not directly or indirectly solicit any borrower to refinance a Loan within 180 days after ClearEdge funds such Loan. Notwithstanding the foregoing, it is understood and agreed that: 1) promotions undertaken by the Broker that are directed to the general public at large, including, without limitation, mass mailing based on commercially acquired mailing lists, newspaper, radio and television advertisements; and 2) customer retention communications to the borrower personally, by telephone or mail such as newsletters, birthday cards, and requests for referrals shall not constitute a violation of this subsection.

During the term of this Agreement, and for twelve (12) months following termination of this Agreement, Broker shall not directly or indirectly solicit for purpose of employment any employee of ClearEdge.

5.15. Fraud

Broker acknowledges that it is ClearEdge's policy and intent to support the elimination of mortgage loan fraud and misrepresentation within the residential lending industry. Broker is hereby advised that it bears responsibility for all actions performed in the course of business by its employees and representatives. The submission of a loan application containing false or misrepresented information is a crime. The consequences of mortgage loan fraud and/or misrepresentation are extensive and costly. Broker acknowledges and agrees that ClearEdge may vigorously pursue any and all remedies available to it in the event of any such fraud or misrepresentation or alleged fraud or misrepresentation including, without limitation, the remedies set forth in this Agreement, and reporting any instances of fraud or misrepresentation or alleged fraud or misrepresentation in connection with an application submitted by Broker to ClearEdge for funding to appropriate federal, state and local regulatory authorities or law enforcement agencies, including such authorities or agencies responsible for criminal or civil prosecution and/or revocation of licenses.

SECTION 6. ClearEdge Responsibilities**6.1 Underwriting of Loans**

ClearEdge or its designee shall underwrite every eligible and accepted application submitted pursuant to this Agreement. ClearEdge may close and fund Loans submitted by Broker that meet all criteria of ClearEdge's then-applicable underwriting guidelines and policies and procedures. ClearEdge shall have no obligation to issue a commitment for, or close, a loan that it determines, in its sole discretion, does not meet ClearEdge's or an investor's Guidelines. ClearEdge in its sole discretion may reject any application submission that does not comply with the terms of this Agreement or meet ClearEdge's or an investor's Guidelines. ClearEdge shall notify Broker promptly of any such decision.

6.2 Reliance on Information Submitted by Broker

ClearEdge and Broker agree that ClearEdge may rely on the information, authenticity, and accuracy of all signatures and information supplied by Broker for each loan application. ClearEdge's decision not to conduct an independent investigation with respect to the information, authenticity, and accuracy of all such signatures and information shall not affect or modify the representations and warranties made by Broker under Section 2 and 3 above or the rights available to ClearEdge for any breach of such representations and warranties.

6.3 Commitments

If ClearEdge determines that an application submitted by Broker meets company Guidelines, ClearEdge shall issue a commitment in its name to the borrower, setting forth the terms and conditions under which it will close the loan and provide funding. If ClearEdge determines that an application does not meet its Guidelines, ClearEdge will issue a notice of declination to the borrower in compliance with all state and federal laws and regulations. ClearEdge will have no obligation or liability to Broker for any decision to decline a loan, nor for any delays in determining whether a loan meets Guidelines.

6.4 Funding of Loans with Broker's Assistance

Upon the issuance of a commitment in ClearEdge's name to Borrower, ClearEdge shall proceed with the closing and funding of the loan under the terms and conditions of its commitment to the Borrower. The documents evidencing any such loan shall reflect SG Capital Partners LLC as the creditor, except for properties in California, where the documents shall reflect SG Capital Partners of California. Broker shall provide such assistance as required by ClearEdge to close the Loan in a timely and efficient manner.

SECTION 7. Remedies Available to ClearEdge

7.1. Early Payoff

If any loan submitted by Broker and funded by ClearEdge prepays in full within the first 180 calendar days after the funding date of the Loan, then Broker shall, within fifteen (15) calendar days after receiving notice from ClearEdge, refund to ClearEdge the amount of any ClearEdge-paid compensation previously paid to Broker by ClearEdge, or any credit used by the borrower to reduce or offset the borrower's settlement charges. The recapture of any ClearEdge-paid compensation to Broker or the reimbursement of any credit used by the borrower to reduce or offset costs and fees are strictly the obligation of Broker. Broker shall not seek to recover such fees from the borrower and such fees do not constitute a prepayment penalty applicable to the borrower by ClearEdge.

7.2 Loan Repurchase

In the event of a breach by Broker or repurchase demand by the investor, Broker shall repurchase any Loan submitted to ClearEdge under this Agreement within thirty (30) business days of receipt of written notice from ClearEdge as defined in Section 13.5 of this Agreement. Upon receipt of notice from ClearEdge of a repurchase obligation, if such repurchase is capable of being cured, Broker shall have a

period of thirty (30) days from the date of the notice in which to cure the circumstances giving rise to such repurchase.

If Broker fails to cure such circumstances within this time frame as determined by ClearEdge in its reasonable discretion, Broker shall repurchase the affected Loan by paying ClearEdge the related Purchase Price, as defined in Section 7.3, immediately after the conclusion of the cure period. With respect to any repurchase set forth in this Section that is not capable of being cured by Broker, Broker shall repurchase the affected mortgage loan by paying the Purchase Price within thirty (30) business days of receipt of written notice of a repurchase. Broker shall repurchase any loan submitted to and funded by ClearEdge if any loan becomes thirty (30) days or more delinquent during the first three (3) scheduled payments, and the loan is not brought current by the borrower within ninety (90) days of the date of delinquency. Broker shall not have the right to advance funds for or on behalf of a borrower for any delinquent payment or to otherwise make funds available to any borrower to avoid or cure a default by the borrower.

7.3 Purchase Price

The price to be paid by Broker ("Purchase Price") to ClearEdge for a loan subject to repurchase under this Agreement shall be:

- (a) The unpaid principal balance of such Loan; plus,
- (b) All interest accrued but unpaid on the principal balance of the Loan from the paid-to-date of the Loan through and including the last day of the month in which the purchase occurs; plus,
- (c) The amount of any ClearEdge-paid compensation previously paid to Broker by ClearEdge or any credit used by the borrower to reduce or offset the borrower's settlement charges with respect to such loan; plus,
- (d) All reasonable fees and expenses of ClearEdge in enforcing Broker's obligation to purchase such loan; plus,
- (e) All fees, interest, charges and expenses incurred by ClearEdge in connection with the warehousing of the loan; plus
- (f) Any unreimbursed advances made by ClearEdge with respect to such loan, including but not limited to taxes or insurance and other payments authorized by the loan documents or law to protect the security interest; less,
- (g) Any proceeds of mortgage insurance with respect to the loan collected by ClearEdge.

7.4 Wire Transfer

Broker shall complete such repurchase by wire transfer to ClearEdge of immediately available funds in an amount equal to the Purchase Price as set forth above. Upon receipt by ClearEdge of Broker's funds for the repurchase, ClearEdge shall release to Broker the related loan file and shall execute and deliver to Broker such instruments of transfer or assignment, in each case without recourse, as shall be necessary to vest in Broker, or its designee, title to such repurchased Loan(s). Broker shall assume the cost of recordation of assignments and all costs of transfer of any repurchased loan.

7.5 Set Off

After ClearEdge makes demand on Broker to indemnify ClearEdge or repurchase a loan under the terms of this Agreement, ClearEdge shall have the right to withhold any monies otherwise due Broker in connection with the loan(s) subject to the indemnification or repurchase obligation, or any other Loans, until Broker and ClearEdge agree that the indemnification or repurchase obligation is satisfied.

SECTION 8. Indemnification

(a) Broker hereby agrees to hold ClearEdge harmless and to defend and indemnify ClearEdge and its past, present and future directors, officers, shareholders, employees, attorneys, agents, representatives, subsidiaries, affiliates, successors and assigns (collectively, the "Indemnified Parties") from and against, and will reimburse the Indemnified Parties with respect to, any losses, liabilities, damages, demands, claims, costs and expenses including, without limitation, reasonable attorneys' fees and cost of investigation (collectively, "Losses"), from any cause whatsoever, that are directly or indirectly suffered or incurred at any time by any of the Indemnified Parties and that arise directly or indirectly out of or by virtue of, or are directly or indirectly connected with, (i) this Agreement; (ii) any breach by Broker of this Agreement, the Guide or any provision hereof or Broker's failure to perform any obligation herein; (iii) the inaccuracy or breach of any representation, warranty or covenant made by Broker herein; (iv) any acts or omissions of, or services provided by, Broker, its agents, employees, representatives, officers, directors, shareholders, managers, members, or partners, as applicable, in connection with this Agreement; (v) any claim by a Borrower resulting from ClearEdge's failure or refusal to fund a loan; (vi) mortgage fraud; or (vii) any claim by any third party that Broker is a joint venture, partner, representative, employee or agent of, or otherwise associated or affiliated with, ClearEdge.

(b) Broker acknowledges and understands that ClearEdge reserves to itself the right and option to sell the Loans it funds based upon Broker's representations to ClearEdge. As a result, in addition to any other remedies set forth herein and losses payable by Broker to ClearEdge hereunder, in the event ClearEdge is unable to sell a Loan into the secondary mortgage market or ClearEdge is required by or deems it advisable to repurchase a Loan from any party to whom a Loan has been sold because of any breach of this Agreement by Broker or fraud or misrepresentation in connection with a loan application, including without limitation, any event, action, inaction or breach on the part of Broker described in items (ii), (iii) or (iv) of Section 8(a) above, or any misleading, false or erroneous statements or information that is contained in any document submitted with or included as part of the Loan application (collectively, "Identified Fraud"), Broker agrees that, upon request by ClearEdge, Broker shall be obligated to repurchase such loan from ClearEdge at the then outstanding principal balance of such Loan, plus any accrued and unpaid interest thereon at the rate set forth in the Loan documents.

(c) If in connection with Identified Fraud in a loan file, the Broker agrees that losses payable by Broker to ClearEdge hereunder shall include, without limitation, losses resulting from: (i) the liquidation of any Loan or the security for any Loan the application of which was submitted to ClearEdge by Broker; and/or (ii) amounts owed by ClearEdge to a third party, including a party to whom the Loan was sold in the secondary mortgage market, resulting from any repurchase, indemnity or other obligations of ClearEdge to such party, including any damages or losses of such third party, refunds, early payoff or

prepayment fees or penalties, or administrative or legal fees owed such party by ClearEdge under the terms of the applicable loan purchase agreement or otherwise.

(d) Broker's obligations to fully indemnify ClearEdge under this Agreement shall not be affected by ClearEdge or any third party taking or failing to take any of the following actions, with or without notice to Broker: (i) liquidation, repayment, retirement, or sale or resale of any loan; (ii) foreclosure of any loan; or (iii) sale or resale of the property securing a loan.

(e) In addition to Broker's obligations to fully indemnify ClearEdge under this Agreement, including Broker's obligations set forth in Paragraph 8(c), Broker shall refund to ClearEdge any fees or compensation paid by ClearEdge to Broker in connection with a loan in the event such loan becomes the subject of an indemnity claim by ClearEdge.

SECTION 9. Record Retention

Broker shall maintain in its possession or control records evidencing compliance with Sections 2 and 3 of this Agreement with respect to every Loan Broker submits to ClearEdge. Broker shall maintain records evidencing Broker's compliance for each Application or Loan with the LO Comp Rule and anti-steering rules, including but not limited to originator compensation plans, ClearEdge rate sheets, borrower loan option disclosures, and payroll records for at least two years. ClearEdge, and any supervisory agents or examiners of a state or federal governmental agency having jurisdictions over ClearEdge, shall have the right, at any time and after reasonable notice to Broker and without charge, to: (i) examine and audit Broker's books of account, records, reports, compensation plans, payroll records and other documentation in any form, relating to Broker's compliance in connection with any Loan; (ii) make copies and extracts thereof; and (iii) discuss the affairs and accounts of Broker relating to such compliance with Broker's officers and employees, at such times and places and with such frequency as ClearEdge may reasonably request. Broker shall provide access to such records to ClearEdge for review, inspection and copying within three (3) business days of a written request.

SECTION 10. Term & Termination

10.1 Effective Date

This Agreement shall be effective on the Effective Date first written above.

10.2 Initial & Renewal Terms

The term of this Agreement shall be one year. The Agreement shall renew automatically for additional one-year periods, unless terminated as provided below.

10.3 Termination

Either party may terminate this Agreement upon written notice at any time, for any reason or no reason at all.

10.4 Suspension

During any pending investigation, in addition to any other right or remedy ClearEdge may have, ClearEdge has the right to suspend Broker's eligibility until such investigation is complete. During the period of suspension, ClearEdge may choose in its sole discretion to continue to underwrite loans without waiving any rights under this Agreement. Broker may also be suspended by ClearEdge if documents are not submitted timely for annual recertification as an approved Broker, as part of ClearEdge's on-going vendor due diligence.

SECTION 11. Privacy of Non-Public Personal Information

By signing below, both parties agree to fully comply with all federal, state and local laws, rules and regulations governing privacy rights regarding its performance under this Agreement, including the federal Gramm-Leach-Bliley Act ("**GLBA**"). Both parties shall implement and maintain such physical and other security measures as shall be necessary to (a) ensure the security and confidentiality of the "nonpublic personal information" of the "customers" and "consumers" (as those terms are defined in GLBA; (b) protect against any threats or hazards to the security and integrity of such nonpublic personal information; and (c) protect against any unauthorized access to or use of such nonpublic personal information. Both parties represent and warrant that they have implemented appropriate measures to meet the objectives of Section 501(b) of the GLBA and of the applicable standards adopted pursuant thereto, as now or hereafter in effect. Upon request with reasonable notice, either party will provide evidence to allow the other party to confirm that the providing party has satisfied its obligations as required under this Section. Without limitation, this may include reviews of audits, summaries of test results, and other equivalent evaluations of the providing party.

SECTION 12. Non-Disclosure of Confidential Information

Both parties acknowledge that due to the nature of this Agreement, it may have access to the confidential or proprietary information of the other party. Both parties agree to hold the other party's confidential and proprietary information as strictly confidential, and agree not to disclose it or allow it to be disclosed, directly or indirectly, to any person or entity, except as otherwise may be required by law or upon the prior written consent of such other party. Both parties further agree to return any confidential or proprietary information or other materials of the other party provided to it, together with any copies thereof, promptly upon the request of such other party or upon the termination of this Agreement. This paragraph shall survive the termination of this Agreement. Notwithstanding the foregoing, nothing herein shall be deemed to prohibit ClearEdge from disclosing information about Broker to appropriate federal, state or local authorities or agencies in the event of actual or suspected mortgage loan fraud or misrepresentation.

SECTION 13. General Provisions

13.1 Organization and Authority; Licenses

Each party represents and warrants that: (i) it is duly incorporated or organized, validly existing, and in good standing under the laws of its state of incorporation or organization and/or under the laws of the United States and has the requisite power and authority to carry on its business and operations; (ii) it has all requisite power and authority to enter into this Agreement and to consummate the transactions contemplated hereunder; and (iii) its execution and delivery of this Agreement, and the consummation of the transactions contemplated hereby, have been duly and validly authorized by all necessary corporate officers, board members, or other governing body or persons. Each party represents to and covenants that it has and will maintain all licenses necessary to comply with applicable law. Each party acknowledges and agrees that the other party has not provided any legal advice with respect to licenses that are required to be held to conduct its business or to receive payments hereunder.

13.2 Press Releases

Neither party shall issue a press release or make any public announcement related to this Agreement without the prior written approval of the other party.

13.3 Arbitration of Claims

Upon written request by either party that is submitted according to the applicable rules for arbitration, any claim, demand or cause of action, which arises out of or is related to this Agreement (collectively, “**Claims**”), shall be resolved by binding arbitration in the County of Orange, state of California in accordance with: (i) the Federal Arbitration Act; (ii) the Code of Procedure (“**Code**”) of the National Arbitration Forum; and (iii) this Agreement, which shall control any inconsistency between it and the Code. The decision of an arbitrator on any Claims submitted to arbitration shall follow applicable substantive law and be in writing setting forth the findings of fact and law and the reasons supporting the decision. Such decision shall be final and binding upon the parties. Judgment upon any arbitration award may be entered in any court having jurisdiction. The arbitrator has exclusive authority to resolve any dispute relating to the applicability or enforceability of this Agreement, including the provisions of this Section. After a demand for arbitration is made, each party may conduct a limited number of depositions (including the production of documents) by mutual agreement or as permitted by the arbitrator.

13.4 Limitation of Liability

EXCEPT AS SPECIFICALLY PROVIDED IN THIS AGREEMENT AND EXCEPT IN CONNECTION WITH A THIRD-PARTY CLAIM, NEITHER PARTY WILL BE LIABLE TO THE OTHER PARTY UNDER ANY CONTRACT, NEGLIGENCE, STRICT LIABILITY OR OTHER THEORY FOR ANY INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING WITHOUT LIMITATION LOST PROFITS OR LOSS OF BUSINESS OPPORTUNITY) WITH RESPECT TO ANY SUBJECT MATTER OF THIS AGREEMENT. EXCEPT FOR A PARTY’S INDEMNIFICATION OBLIGATIONS UNDER THIS AGREEMENT AND PAYMENT OBLIGATIONS HEREUNDER, AND EXCEPT RELATING TO A THIRD-PARTY CLAIM, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY UNDER THIS AGREEMENT FOR ANY AMOUNTS AGGREGATING IN EXCESS OF AMOUNTS PAID HEREUNDER IN THE TWELVE (12) MONTH PERIOD BEFORE THE CAUSE OF ACTION AROSE.

13.5 Notice

Any notice required hereunder may be given by personal delivery, by overnight courier with confirmation of receipt, by mail, or by e-mail. Notice will be effective upon receipt unless sent by mail in which it will be effective three (3) business days after mailing. Notice shall be sent to:

Clear Edge Lending
Attention: Steve Skolnik, CEO
65 Enterprise, Suite 360, Aliso Viejo, CA 92656
sskolnik@clearedgelending.com

[_____] *Broker Name*
[_____] *Broker of Record*
[_____] *Broker Address*
[_____] *Broker Email*

13.6 Assignment

Neither party may assign, transfer or otherwise convey its obligations under this Agreement to any other party without the prior written consent of the other party.

13.7 Independent Contractor Relationship

Both parties to this Agreement are independent contractors and no agency, partnership, joint venture or employee-employer relationship is intended or created by this Agreement. Nothing in this Agreement shall be construed to appoint Broker as a partner, employee, or representative of ClearEdge and Broker shall not hold itself out as such. Broker shall not use ClearEdge's name, logo, or service marks for any purpose without ClearEdge's written permission.

13.8 Third Party Beneficiaries

Nothing in this Agreement is intended to confer any right, remedy, obligation or liability upon any person or entity other than the parties hereto and their respective successors and permitted assigns.

13.9 Further Acts

The parties agree that each shall, at its own expense (unless otherwise herein provided), at any time and from time to time after the date hereof, upon the other's request, do, execute, acknowledge and deliver all such further acts, assignments, transfers, conveyances and assurances as may be required or reasonably advisable for the transactions provided for or contemplated by this Agreement.

13.10 Governing Law

This Agreement shall be deemed to have been made in and shall be construed under the laws of the State of California and the United States, without regard to conflicts of law provisions.

13.11 Attorneys' Fees

If any claim, legal action or any arbitration or other proceeding is brought for the enforcement of this Agreement or because of a dispute, breach, default or misrepresentation relating to any of the provisions of this Agreement, the successful or prevailing party shall be entitled to recover reasonable attorneys' fees and other costs incurred in that claim, action or proceeding, in addition to any other relief to which such party may be entitled.

13.12 Severability

If any term, clause or provision of this Agreement shall be deemed invalid or unenforceable for any reason, the remainder of this Agreement shall remain valid and enforceable in accordance with its terms.

13.13 Entire Agreement

This Agreement constitutes the entire agreement between the parties relating to this subject matter, and all prior negotiations and understandings, whether oral or written, are superseded. No modification or amendment of this Agreement shall be effective unless in writing and signed by the parties.

13.14 Headings

The section and paragraph headings used in this Agreement are inserted for convenience only and shall not affect the meaning or interpretation of this Agreement.

13.15 Incorporation of Exhibits

All Exhibits attached hereto, including any information contained therein, as revised from time to time, are incorporated into this Agreement by this reference.

13.16 No Waiver

No failure on the part of any party to exercise or delay in exercising any right, power or remedy will preclude the exercise of any other right, power or remedy. No express assent or waiver by any party to any breach of any term of this Agreement shall constitute an assent to or waiver of any succeeding breach in the same or any other term.

IN WITNESS HEREOF, both parties hereto have caused this Agreement to be executed by their respective duly authorized representatives, as of the date provided below:

Broker: _____

BY: _____

NAME: _____

TITLE: _____

DATE: _____

SG Capital Partners LLC DBA ClearEdge Lending:

BY: _____

NAME: _____

TITLE: _____

DATE: _____