



Wholesale Broker Application

We appreciate your desire to become an approved Wholesale Broker with Deephaven Mortgage! Please complete this Broker Application Package and provide all documents as requested on the Application Submission Checklist.

3530 Toringdon Way, Suite 200, Charlotte, NC 28277

704.628.4100

NMLS# 958425

www.deephavenmortgage.com

APPLICATION SUBMISSION CHECKLIST

Please return the completed Wholesale Broker Application, initialed and signed where indicated, as well as all required documentation listed in the checklist below. Applications must be submitted through Comergerence. For questions, please contact your Deephaven Mortgage Account Executive.

- _____ Completed Broker Application Package
- _____ W-9 Request for Taxpayer ID Number
- _____ Resumes for Owners and Senior Management/Key Employees
- _____ Financial Statements – Copies of your most recent financial statements (P&L and Balance Sheet) covering the last two years
- _____ Quality Control Plan
- _____ LO/Broker Compensation Plan or Policy
- _____ Company Resolution

BROKER COMPENSATION AGREEMENT

As part of its overall agreement with _____ (the “Broker”), Broker and **Deephaven Mortgage LLC** (“Deephaven”) enter into this Broker Compensation Agreement. All compensation paid to Broker (“Broker Compensation”) is subject to comply with the LO Compensation rules contained within Regulation Z of the Truth in Lending Act (12 CFR 226). By signing this Agreement, Broker attests that written compensation policies and procedures are in place for each employee of the firm and is fully compliant with all federal, state, and local laws and regulations. Broker additionally attests that all of its loan officers are compensated in compliance with the Loan Officer Compensation Requirements listed in Regulation Z 10206.36. As provided therein, loan officer compensation may be based on a percentage of the loan amount, but **may not** be based on terms of the transaction, including but not limited to interest rate, APR, LTV, loan program, etc.

Within this Agreement, Broker will make a Broker Compensation election to be accepted in Deephaven’s sole discretion. Deephaven and Broker agree that this Broker Compensation election will be effective for all mortgage loans registered and funded by Deephaven on or after receipt of the Broker Approval Letter. Any changes to this election must be made through the established Compensation Change Process. Deephaven requires that any Borrower Paid Compensation percentage elected not exceed the Lender Paid Compensation percentage selected in this agreement. As an example, if the Broker elects 2% Lender Paid Compensation, the maximum Borrower Paid Compensation Deephaven will allow on any of the Broker’s submitted loans will be 2%.

****Note for California Brokers/California Collateral:** Per California requirements, for California Higher Priced Mortgage Loans (as defined pursuant to applicable law), Borrower Paid Compensation must be equal to the same percentage elected for Lender Paid Compensation. Deephaven will only accept loan applications in which the agreed upon Borrower Paid Compensation percentage matches the compensation elected by the Broker for Lender Paid Compensation for these loans.

Lender Paid Compensation

All loans for which Lender Paid compensation is selected will follow the Lender Paid compensation election in place as of the date the loan is submitted to Deephaven. The fee structure must remain constant throughout the life of the application. The Broker is strictly prohibited from receiving any compensation other than as expressly allowed by this Agreement. Any receipt of additional or other compensation will result in the breach and immediate termination of this Agreement. Deephaven also reserves its right to pursue such other remedies as it deems appropriate and permissible under applicable law.

Deephaven limits the maximum Broker compensation per loan to 250 basis points. Broker must elect a compensation percentage to be paid by the Lender from the choices below:

- | | |
|--------------------------------|--------------------------------|
| <input type="checkbox"/> 0.75% | <input type="checkbox"/> 1.75% |
| <input type="checkbox"/> 1.00% | <input type="checkbox"/> 2.00% |
| <input type="checkbox"/> 1.25% | <input type="checkbox"/> 2.25% |
| <input type="checkbox"/> 1.50% | <input type="checkbox"/> 2.50% |

Note that Broker compensation is inclusive of all Broker fees, including, but not limited to, origination, processing, underwriting, application, administration, etc.

Deephaven allows Brokers to add a stipulation for the maximum dollar amount to be received on any loan in conjunction with the percentage elected above. While the percentage elected above will be the primary factor utilized for the determining compensation, all loans are also subject to a cap equal to the maximum dollar amount notated below, as applicable. Total compensation will always be equal to the lower of the compensation percentage selected above or the compensation cap set forth below. Deephaven does not allow for an election of a minimum dollar amount for compensation.

N/A \$ _____

Any and all compensation modifications are subject to the “Compensation Change Process” documented below. Please note that compensation periods are determined by Deephaven, and are subject to change. If adjustments are made to the dates listed above, Broker will be notified accordingly, and upon receipt of the announcement of the official change, Deephaven requests that you update your records to reflect the amended frequency.

Broker acknowledges that if any Loan funded by Deephaven is repaid in full within one-hundred eighty (180) days from the date of origination, the Broker will, upon request, reimburse Deephaven the full amount of compensation received by the Broker from Deephaven in connection with the loan. Broker shall reimburse Deephaven within ten (10) days after notice of early payoff. Deephaven, in its sole discretion, may waive a portion of the premium repayment if the Broker closes the new refinance application with Deephaven.

Borrower Paid Compensation

Deephaven limits the amount of compensation paid to the Broker by the Borrower to a maximum of 250 basis points. The Broker is required to submit the “Borrower Paid Compensation” election form to Deephaven with any Borrower Paid compensation level stated up to the maximum allowed. This form is required to be submitted upon the submission of the loan application to Deephaven. Borrower Paid compensation is an agreement solely between the Broker and Borrower that is agreed to by both parties prior to submission of the loan

application to Deephaven. This model requires that the Borrower bring their own funds to closing to cover this compensation. Seller concessions may also be used on purchase transactions only. Deephaven will not allow the Broker to reduce or otherwise change compensation under this Borrower Paid compensation plan.

Compensation Change Process

Changes to the Broker Compensation election may only be made quarterly (January 1, April 1, July 1, October 1). Compensation modification requests must be submitted with a minimum of ten business day advanced notice prior to the end of the quarter. All change requests must be submitted to your Account Executive, and must include an appropriate business justification. Deephaven reserves the right to accept or reject all compensation change requests to ensure compliance with all federal, state, and local laws and regulations as well as Deephaven’s guidelines. Approved Broker Compensation election changes will be provided in writing and go into effect on the first business day of the calendar quarter after the change request is received and approved.

If requested, Broker will provide Deephaven a copy of its Loan Originator Compensation Policy. This policy and operational procedures followed by the Broker must comply at all times with all federal, state, and local laws and regulations.

By signing below, the representative signing certifies that they are duly authorized to sign, thereby binding the Broker to all Broker Compensation Agreement terms.

BROKER

DEEPHAVEN MORTGAGE LLC

Signature: _____

Signature: _____

Typed Name: _____

Typed Name: F.M. Pinckney III

Title: _____

Title: General Counsel

Date: _____

Date: _____

BROKER RESPONSIBILITY AND REGULATORY COMPLIANCE

Broker is required to have policies and procedures in place to deliver complete and compliant loan applications to Deephaven and to comply with all applicable laws and regulations, defined as: applicable federal, state, and local laws and legal requirements (as set forth below and otherwise including statutes, rules, regulations, and ordinances), including but not limited to all usury, truth-in-lending, real estate settlement, integrated disclosures, consumer credit, equal credit opportunity, privacy, anti-predatory or abusive lending, or unfair and deceptive acts and practices laws; requirements and guidelines of each governmental agency, board, commission, instrumentality, and other governmental body or office having jurisdiction over a person and/or a mortgage loan, including, but not limited to, the CFPB and all state regulators; and judicial and administrative judgments, orders, stipulations, awards, writs, settlements, and injunctions to which the person is a party.

Regulation B – Equal Credit Opportunity Act
Regulation C – Home Mortgage Disclosure Act
Regulation G – S.A.F.E. Mortgage Licensing Act
Regulation N – Mortgage Acts and Practices – Advertising
Regulation P – Privacy of Consumer Financial Information
Regulation V – Fair Credit Reporting Act
Regulation X – Real Estate Settlement Procedures Act
Regulation Z – Truth in Lending Act

In addition to the federal regulations listed above, Brokers are also subject to Bank Secrecy Act / Anti-Money Laundering Legislation (BSA / AML). The Financial Crimes Enforcement Network (FinCEN) issues the BSA / AML regulations, and is enforced by the IRS. In order to comply with BSA / AML, Broker must have procedures in place to detect certain fraudulent, criminal, or suspicious activity, and file a Suspicious Activity Report (SAR) as warranted by the applicable statutes and regulations.

Due to the requirements placed upon financial parties from the CFPB and other agencies, Deephaven requires for our Brokers to understand and be responsible for their own regulatory compliance. By certifying with your signature, you are ensuring Deephaven that you have regulatory compliance controls and procedures in place that ensure compliance with all applicable laws and regulations.

The Broker also agrees, by signing this document, not to submit any requests for “table-funded loans”, as defined in Regulation X, to Deephaven. Broker understands that Deephaven Mortgage does not accept and will not provide any table-funded loans. All requests of this

nature will be rejected and/or denied and appropriate action will be taken, including potential termination of this Agreement.

DEEPHAVEN MORTGAGE RESPONSIBILITIES AND REGULATORY COMPLIANCE

Upon receipt of a complete Loan Application, Deephaven will issue all initial disclosures, including the Loan Estimate, as required by federal, state, and local laws. The Broker agrees that **all applications will be submitted to Deephaven within forty-eight (48) hours of the collection of the six pieces of information required to constitute a complete loan application (Name, Property Address, Social Security Number, Income, Loan Amount, and Estimated Property Value). There will be no exceptions to this requirement as it is critical to ensure Deephaven’s timely issuance of initial disclosures.** Deephaven will not allow Brokers to issue initial disclosures without prior written approval from Deephaven.

Deephaven may underwrite and approve or deny any loan application, or take other appropriate action, based on current program guidelines set internally within Deephaven and based on applicable regulations, in order to successfully follow day to day business practice while remaining compliant with all federal, state, and local regulations. Within this approval/denial underwriting process, Deephaven will not have liability to the Broker or Applicant(s) for failure to approve any loan that falls outside of guidelines, laws, and regulations.

All loan closings will be conducted in accordance with all regulations and per the Deephaven Mortgage Closing Instructions.

BROKER

Signature: _____

Typed Name: _____

Title: _____

Date: _____

BROKER LOAN APPLICATION SUBMISSION

Deephaven will issue all required mortgage loan disclosures. It is imperative that Broker submit all loan applications to Deephaven within 48 hours of obtaining the 6 pieces of information required to meet the definition of application under the TRID Rule in order for Deephaven to issue disclosures within the three-day requirement. Deephaven requires the following documents be submitted as part of the Loan Application Package:

Loan Application Package

1003 – Initial

Borrower/Broker Compensation Agreement (If Borrower Paid)

Broker Fee Sheet

Income Documentation

Purchase Agreement and Addendums (Purchase Only)

Appraisal (If Ordered for Another Lender, Acceptance by Deephaven

Mortgage is Subject to the Deephaven Mortgage LLC Appraisal Transfer Policy) *

Credit Explanation Letters *

Complete Bankruptcy Papers *

Divorce Decree or Separation Agreement *

Leases *

Payoff Statements *

Asset Statements **

Earnest Money Verification **

Gift Documentation **

Large Deposit Verification **

Retirement or Investment Statements **

Pre-Approval Only

1003 – Initial (Property Address MUST be “TBD”)

Paystubs (most recent) OR 24-Months Bank Statements

W-2s or 1099s

Complete Personal Tax Returns *

Complete Business Tax Returns *

Verification of PITIA for other REO

Asset Statements **

Award Letters **

*= as applicable

**= if obtained from client

AFFILIATED BUSINESS ARRANGEMENTS

Deephaven generally does not permit Real Estate Related Fees to be paid to affiliates of Mortgage Brokerage Companies at or before settlement. If your company has an affiliated business arrangement with a settlement service provider, you are required to disclose that relationship below using this form.

Deephaven must provide written approval prior to using any entity disclosed below. Failure to disclose affiliated businesses is a breach of the Mortgage Broker Agreement.

Affiliate Business

Company Name	Service Provided	Percent Ownership

BROKER

Signature: _____

Typed Name: _____

Title: _____

Date: _____

WHOLESALE BROKER AGREEMENT

THIS WHOLESALE BROKER AGREEMENT (hereinafter "Agreement") is entered into this _____ day of _____, 20____, by and between Deephaven Mortgage LLC ("Deephaven"), a Delaware corporation, having its principal office at 3530 Toringdon Way, Suite 200, Charlotte, NC 28277, and _____ ("Broker"), having its principal office at _____.

WHEREAS, Deephaven is a mortgage lender that originates and funds residential mortgage loans, in accordance with and subject to the terms, conditions, and warranties herein stated.

WHEREAS, Broker is in the business of taking loan applications from prospective Borrowers who are seeking residential real-estate secured mortgage loans, with the intention of brokering those loan applications to wholesale lenders.

WHEREAS, from time to time, Deephaven desires to consider acting, in its sole discretion, as a lender for such mortgage loans and to underwrite and fund such mortgage loans, subject to the terms of this Agreement.

WHEREAS, Broker desires to submit such mortgage loan applications to Deephaven subject to the requirements of this Agreement. Deephaven and Broker are entering into a nonexclusive relationship under which Broker may submit such loan applications and all supporting documentation to Deephaven for its consideration.

NOW THEREFORE, in consideration of the foregoing covenants made herein and for mutual consideration, the receipt, sufficiency, and adequacy of which are hereby acknowledged, the parties agree as follows:

Definitions

Applicable Laws: All federal, state, and local laws and legal requirements (including statutes, rules, regulations, and ordinances) applicable to a person or entity, including but not limited to all usury, truth-in-lending, real estate settlement, integrated disclosures, consumer credit, equal credit opportunity, privacy, anti-predatory or abusive lending, or unfair and deceptive acts and practices laws; requirements and guidelines of each governmental agency, board, commission, instrumentality, and other governmental body or office having jurisdiction over a person and/or a mortgage loan, including, but not limited to, the CFPB and all state regulators; and judicial and administrative judgments, orders, stipulations, awards, writs, settlements, and injunctions to which any person or entity is a party.

Applicant: The consumer(s) submitting an Application to a Broker for a mortgage loan.

Application: A request from an Applicant taken by the Broker submitted for underwriting to Deephaven to originate and fund if approved.

Borrower: An Applicant that receives a mortgage loan from Deephaven.

Broker: A properly licensed entity that submits an Application to Deephaven.

Pre-Approval: An initial estimate of a loan amount an Applicant may be qualified to borrow based on preliminary information provided that is not enough information to constitute a true Application under the TRID Rule which is in no way to be misconstrued or communicated to an Applicant as a formal approval.

Broker Responsibilities

- Provide Deephaven with, upon request, copies of all licenses and remain licensed as required per the National Mortgage Licensing System, SAFE Act and all Applicable Laws, updated financial statements as requested.
- Broker shall take all applications in its own name and only through its employees.
- Broker is responsible for providing complete and accurate applications, financial statements, real estate information, and all other supporting documents as required by Deephaven and its Guidelines from the Applicant and Broker for all loan applications submitted to Deephaven for underwriting, and potential approval, and/or funding.
- All applications submitted to Deephaven must be submitted no later than forty-eight hours (48 hours) after the six pieces of information required to constitute an application under the TRID Rule are received by the Broker.
- Broker shall have and continue to have contact with Applicant as needed throughout the origination life cycle of the loan.
- Assist Applicant in the mortgage process by helping Applicants understand the home buying process, informing the Applicant of all loan types available, explaining how closing costs and payments vary per product, and differentiating all requirements for documentation and other guidelines under each loan program.
- Comply with all Applicable Laws during the origination process.
- Maintain frequent contact with Applicant, Deephaven, and third-parties related to the loan as needed.
- Submit all information and documentation needed to complete the underwriting or closing of the loan as required by Deephaven.
- Order the appraisal in accordance with Appraisal Independence Requirements (AIR) and all Applicable Laws.
- Provide and/or assist Applicant in understanding all disclosures as needed once issued by Deephaven.
- In the event of a rescinded loan, Broker is to refund promptly any and all fees collected from a Borrower, and/or paid to it by Deephaven, including fees payable to a third-party, that were collected in conjunction with the mortgage loan that was rescinded.
- Maintain a sufficient document retention program as required by Applicable Law for all loans submitted to Deephaven.

Broker General Representations and Warranties

- Broker is currently and will continue to be a valid entity in good standing and properly licensed for the activity conducted under this Agreement under all Applicable Laws. Broker does not operate under “net branch” or similar arrangement wherein it does not hold the required license for the activities contemplated under this Agreement. Broker agrees to notify Deephaven immediately if it receives any adverse finding from any government or other agency or has any change in its current licensing status.
- Broker and its signing agent have required legal authority to enter into this Agreement.
- All statements made in this agreement and all documents or other information submitted hereunder are true, accurate and complete.
- Broker will be knowledgeable of and comply with all policies, practices, regulations, fair lending requirements, loan program guidelines, and all Applicable Laws.
- There is no threatened or pending legal action or arbitration against Broker or its employees.
- Broker has entered into a written origination agreement with Applicant as required by Applicable Law, including disclosure of all compensation to be paid to Broker.

- Broker attests that no loan officer compensation is based on the terms or conditions of the loan, such as interest rate, ltv, loan program, etc. All loan officer compensation is paid in compliance with 12 CFR 1026.36(d)(1).
- Broker agrees that all statements, documentation, and Applications provided to Deephaven are true and accurate in all respects, contain no material omissions, and are not misleading, fraudulent, or altered. Broker attests that any material information omitted constitutes fraud under the terms of this Agreement.
- Broker acknowledges that no Fair Lending Laws will be violated in the solicitation of Applicants or in the discussion and determination of pricing and terms.
- Brokers will comply with all Fair Credit Reporting Act and all regulations attached thereto, as required per Applicable Law.
- Notification will be provided to Deephaven within ten (10) business days of termination or resignation of any loan originator on Broker's staff.

Broker Loan Level Representations and Warranties

- Broker agrees not to proceed with any transactions that are not arms-length or that could potentially represent a conflict of interest with any party involved in the transaction.
- Broker will obtain authorization from each Applicant prior to ordering credit and will obtain reliable credit reports from credit reporting agencies at Broker's expense.
- Broker warrants that it has personally met with all Applicants and obtained written verification of all Applicant's identity as required per Title V of the Gramm-Leach-Bliley Act and all additional Applicable Laws.
- Broker will obtain written authorization from each Applicant to submit an Application, credit information, and all other information to Deephaven in conjunction with a mortgage loan.
- Broker agrees that no Applications will be submitted to Deephaven that meet the definition of High-Cost Mortgages as defined in Section 1026.32(a) of Regulation Z, or any other provision of Regulation Z, or that meet the definition of "high cost" or "covered" loan as defined by state or local predatory or abusive lending law, or as otherwise defined under Applicable Law.
- No fraud, error, omission, misrepresentation, negligence or similar occurrence with respect to the Application has taken place on the part of the Applicant or Broker, or any other Person, including, without limitation, any appraiser, title company, closing or settlement agent, realtor, builder, developer or any other party involved in the origination, or the sale of the mortgaged property. 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. No Applicant utilized a false identity and the Broker has reviewed all of the documents constituting the Application and has made such inquiries as it deems necessary to make and confirm the accuracy of the representations set forth therein.
- The Applicant is a natural person legally entitled to reside in the United States, or in the case of foreign nationals, legally entitled to enter the United States and own property or if such Applicant is not a natural person, then such Mortgage Loan has been personally guaranteed by a natural person legally entitled to reside in the United States or a foreign national legally entitled to enter the United States and own property.
- For all Applications other than business purpose, Broker has not received any information that conflicts with the Applicant's stated intention to occupy the subject property. For all business purpose Loans, Broker has not received any information that conflicts with the Applicant's stated intention to not occupy the subject property.

- Broker agrees to order the appraisal from an approved Appraisal Management Company (AMC) listed on the Deephaven Mortgage website, and must be ordered after the Loan Application is submitted to Deephaven Mortgage and Applicant has given their intent to proceed. The appraisal fee is to be paid by the Applicant to the Broker at the time the appraisal is ordered. All appraisal orders placed with AMCs will be returned to the Broker and to Deephaven. Deephaven will deliver a copy of all valuations to the Applicant per federal regulation requirements. It is the responsibility of the Broker to ensure that the appraisal is ordered and prepared in accordance with Applicable Law, complies with federal appraisal independence and loan program guidelines and requirements effective on the day the appraisal was ordered, not ordered or provided by the Applicant, realtor, or any other related party, completed by an appraiser licensed in the state of the property, and is signed by the licensed appraiser, and the supervisory appraiser, if applicable. Neither the Broker nor the Applicant can state the value needed or influence the appraiser in any way to have the Appraised Value of the subject property modified. If it is deemed that the Broker or Applicant acted in this manner, Deephaven will deem the appraisal invalid, in which case, a new appraisal will need to be ordered by a new appraiser at the cost of the Broker and/or Applicant or Deephaven may decline the Application or take other remedial action as appropriate. In addition to the above requirements, the appraisal must meet all of the standards and requirements of the Uniform Standard of Professional Appraisal Practice (USPAP) and Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA). The appraisal must be dated within one hundred and twenty (120) days of the note and mortgage date. The Broker must request a Recertification of Value or a new appraisal at the Applicant's cost if the appraisal in file will be older than one hundred and twenty (120) days old as of the note and mortgage date. Acceptance of a transferred appraisal from another financial institution or acceptance of an appraisal dated prior to the submission of a Loan Application to Deephaven will be solely at the discretion of Deephaven.
- Each loan has been originated in accordance with Deephaven's Wholesale Broker Program requirements. All documents and information submitted to Deephaven for any reason by the Broker must be true and accurate in all respects and in compliance with all terms and conditions of this Agreement.
- Broker must include on the fee sheet all amounts Broker will charge in connection with the loan, including all compensation amounts. Broker is not authorized to issue a Loan Estimate on an application submitted to Deephaven unless express written approval is granted prior to issuance of the Loan Estimate to the Applicant. Broker is not permitted to upcharge any Applicant in excess of an actual fee charged and shall not charge any Applicant a fee that is in excess of the applicable fee schedule as published by Deephaven from time to time. "Points and fees" are determined as defined under TILA and/or Applicable Law. No Applicant may be charged fees payable prior to closing except as permitted by Applicable Law. No Applicant may be charged "points and fees" in excess of Applicable Law threshold as defined in TILA or other Applicable Law. All points and fees charged must be accurately described and disclosed to Applicant. "Points and fees" is defined as per TILA and/or Applicable Law.
- Broker agrees that no loan applications will be submitted to Deephaven in violation of any Applicable Law nor using any predatory lending practice.
- Broker may not encourage or require an Applicant to choose a loan product that is a higher cost loan. No Applicant qualified for a lower cost product available to the Broker at the time of submission of the Application. Broker attests that Broker and all loan officers have followed all anti-steering regulations and all other Applicable Laws.
- Broker certifies that all loan applications submitted to Deephaven are originated by the Broker or its loan officers directly employed by Broker and not by anyone else. No Application was sourced as a TPO or third-party origination. There may not be any agreement between the Broker and any other person or entity for the payment of any kickback, referral fee, bonus, or any payment that will be made in conjunction with the Application, including but not limited to, the Applicant and the Broker or its principals.

- Broker agrees to forward all communication, documents, information, inquiries, remittances, and any other material regarding an application in process to Deephaven within three (3) days of receipt.
- Broker has the sole responsibility for insurance refunds or credits of any kind if Broker sold insurance in conjunction with the loan. In the event the loan is pre-paid, insurance is cancelled, or any other event occurs that triggers unearned premiums, the Broker is solely responsible for the refund/credit. In the event Deephaven is required to refund or credit any Applicant for the cancellation of such insurance, Broker shall reimburse Deephaven from Broker's own funds.
- The Broker has complied with all applicable anti-money laundering laws and regulations, including without limitation the USA Patriot Act of 2001 with respect to each Applicant and Application. All Applications comply with all regulations promulgated by the Office of Foreign Assets Control of the United States Department of the Treasury (the "OFAC Regulations") and no Applicant is subject to the provisions of the OFAC Regulations nor listed as a "blocked person" for purposes of the OFAC Regulations.

Remedies

- Early Loan Pay-Off: If a loan funded by Deephaven in which the Broker received Lender Paid compensation is repaid in full within 180 days following the Note Date of such loan, the Broker will reimburse Deephaven one hundred (100%) of the compensation that was paid to Broker by Deephaven. Broker will have ten (10) business days to reimburse Deephaven once notice of payoff is received. Deephaven, in its sole discretion, may waive a portion of the premium repayment if the Broker closes the new refinance application with Deephaven.
- Loan Purchase and Indemnification - Upon the occurrence of any Repurchase Obligation (as defined below), Broker shall be obligated to purchase the related Loan and indemnify Deephaven for such related loan(s) in accordance with the terms and conditions contained herein. At Deephaven's sole option, Deephaven shall have the right to require Broker to (i) purchase the related loan, (ii) indemnify Deephaven for such related loan or (iii) enter into an Indemnification Agreement (as defined below) in lieu of purchasing the related loan in accordance with the terms and conditions contained herein. Deephaven's prior knowledge of any fact, at any time, concerning the loan, or any delay by Deephaven in making demand or request for purchase or indemnification hereunder, shall neither impair Deephaven's rights nor constitute a waiver of Broker's obligations hereunder.
- Loan Purchase Obligations are defined as follows:
 - Deephaven determines the loan package or any related information contains evidence of fraud or misrepresentation.
 - Deephaven identifies and determines, at its sole discretion, Broker has failed to observe, perform, or has breached or allegedly breached, any of the loan level representations, agreements, warranties, or covenants in the Agreement.
- Request for Purchase – In the event of a Loan Purchase, at Deephaven's request, Broker agrees to repurchase the loan (or property in the event of foreclosure) within ten (10) days from Deephaven's written request. Broker will pay the amount equal to the Purchase Price, as defined below. The term "foreclosure" includes judicial foreclosure, deed in lieu of foreclosure, non-judicial foreclosure, or any other mechanism of obtaining title to the property.
- Purchase Price – The Purchase Price for any loan in which Deephaven has requested repayment will be equal to the sum of (i) the current unpaid principal balance of the loan at the time of repurchase (or at the time of the foreclosure sale date if the related loan has been foreclosed), (ii) accrued but unpaid interest on such principal balance at the note rate from the paid-to date of the loan through and including the last day of the month in which the Purchase Price is paid, (iii) all costs and expenses, including without limitation, reasonable attorneys' fees and expenses, incurred by Deephaven as a result of Broker's breach of this Agreement or enforcing the terms of this Agreement or Broker's obligation to repurchase the Loan,

(iv) all broker compensation paid by Deephaven to Broker at the time of origination if Deephaven has not sold the loan at the time of Broker's repurchase or if Deephaven has sold the loan and it is required to reimburse the purchaser, the premium that the purchaser paid to Deephaven, , (v) any unreimbursed advances made by Deephaven, including without limitation taxes or insurance or payments authorized by the note or the mortgage or Applicable Law to protect Deephaven's interest in the loan or securing property and (vi) any other fees, costs or amounts relating thereto. The Purchase Price shall be reduced by, if the loan has been foreclosed and the property has been sold to a third party, the proceeds of the sale price received by Deephaven net of all advances, costs and expenses, including but not limited to reasonable attorneys' fees and expenses, incurred by Deephaven in connection with such sale.

- Purchase Procedures - Upon Deephaven's receipt of the Purchase Price, Deephaven shall execute and deliver to Broker (i) an assignment of the mortgage, an endorsement to the note, and the related loan file and other loan documents, each without representation, warranty or recourse, and (ii) if Deephaven previously foreclosed the loan and at such time then owns the property, a deed to the property, without representation, warranty or recourse, and (iii) if Deephaven previously foreclosed the loan but either sold the property or a third party purchased the property at the foreclosure, an assignment of all deficiency obligations of the Mortgagor, without representation, warranty or recourse. With respect to the servicing of any loan purchased by Broker, Deephaven shall transfer such servicing, or cause such servicing to be transferred, to Broker or its designee. If the Broker is unable to service any loan or does not have a designee for such servicing, Deephaven may, at its sole option, service such loan via it's sub-servicer for a fee equal to Deephaven's current rate until such time as Broker is capable of servicing such loan or designates a successor servicer. All costs of transferring servicing of any purchased loan from Deephaven to Broker or its designee shall be borne by Broker and Broker shall reimburse Deephaven for any costs incurred in connection therewith. Broker's Loan Purchase Obligation with respect to a loan shall not be eliminated, reduced or otherwise modified as a result of any modification, workout or assumption of the loan, or other loss mitigation solution.
- Effect of Foreclosure - It is agreed by the parties that Broker's Loan Purchase Obligation with respect to a loan shall not be obviated by the fact that the property securing the loan has been foreclosed upon and said property has been acquired by Deephaven or a third party, it being understood that Broker's Loan Purchase Obligation encompasses the purchase of the property from Deephaven if Deephaven has acquired the property, or, if a third party has acquired the property, reimbursing Deephaven as set forth herein. Notwithstanding anything to the contrary, in no event shall a full credit bid made by Deephaven, its successors or assigns or any related party at a foreclosure sale of any loan affect in any way the rights and remedies of Deephaven or the obligations of Broker under this Agreement, including, without limitation, the obligations of Broker to repurchase and indemnify Deephaven as provided herein.

Indemnification

- Broker hereby agrees to protect, indemnify and hold Deephaven and its officers, directors, employees, agents, shareholders, affiliates and representatives harmless from and against any and all losses, liabilities, costs, and expenses, (including reasonable attorneys' fees), judgments, damages, claims, counterclaims, demands, actions or proceedings, by whomsoever asserted in whatsoever jurisdiction or forum, by any person or entity who prosecutes or defends any actions or proceedings as representatives of or on behalf of a class or interested group, or any governmental body, agency, department or commission having jurisdiction pursuant to any Applicable Law or the settlement or compromise of any of the foregoing relating to, arising out of or in connection with: (i) Broker's breach or alleged breach of any representation, warranty or covenant contained herein, or (ii) fraud, negligence or willful misconduct by the Broker of any third parties related to the origination of the loan.

- At Deephaven's sole option and in lieu of repurchasing the related Loan subject to a Loan Purchase Obligation, Deephaven may require the Broker to enter into a written indemnification agreement in a form acceptable to Deephaven (the "Indemnification Agreement") which requires the Broker to indemnify Deephaven, including, without limitation, reimbursing Deephaven for any losses or damages incurred by Deephaven as referenced in the paragraph above as a result of such Loan Purchase Obligation with respect to the related loan or Application.
- Broker understands and acknowledges that Deephaven may report information about any mortgage loan package that Deephaven believes to contain misrepresentations or violates Applicable Law to the appropriate governmental body or regulatory agency, HUD, the NMLS or any mortgage industry background database, including, but not limited to, databases operated by Mortgage Asset Research Institute, Inc., such as the Mortgage Industry Data Exchange ("MIDEX") or any cooperative industry database. Broker acknowledges the importance of Deephaven's right and necessity to disclose such information. Broker, for itself and its directors, officers and employees and their respective successors or assigns and Mortgage Asset Research Institute, Inc., indemnifies and holds Deephaven and its officers, directors, employees, shareholders, representatives, successors, assigns, agents and affiliates from any and all damage, loss, liability, cost, actions, causes of action, claims, demands or expense both direct and indirect (including without limitation reasonable legal and accounting fees and expenses actually incurred) that may arise from the reporting or use by any database subscriber or any governmental body or agency of any information submitted by Deephaven with respect to Broker and any owner, officer, agent or employee to any mortgage industry database, including MIDEX.
- In addition to any other rights and remedies available to Deephaven, including, without limitation, the rights and remedies of Deephaven under this Agreement, Deephaven shall have the right, at any time, and from time to time, without notice, to offset and to appropriate or apply any and all deposits of money or property or any other indebtedness at any time held or owing by Deephaven to or for the credit of the account of Broker against and on account of the obligations and liabilities of Broker under this Agreement or any other agreement between Broker and Deephaven or between Broker and any of Deephaven's parent entities, subsidiaries or affiliates, irrespective of whether or not Deephaven shall have made any demand hereunder and whether or not said obligations and liabilities shall have matured. For purposes of the right of offset, the determination as to whether Broker has any obligations and liabilities under this Agreement or any other agreement between Broker and Deephaven and the extent of such obligations and liabilities shall be made by Deephaven in its sole and reasonable discretion. Unless otherwise agreed by the parties, such offset shall not be construed as an accord and satisfaction of any obligation due from Broker to Deephaven.

Termination

Deephaven and Broker shall have the right to terminate or suspend this Agreement at any time for any reason, which termination or suspension shall be effective immediately upon the other party's receipt of written notice thereof. Notwithstanding any such termination or suspension, this Agreement shall continue to apply with respect to any loan applications which have been locked-in, submitted or otherwise committed to Deephaven under this Agreement. Notwithstanding anything to the contrary contained herein, this Agreement (including without limitation all of Broker's representations and warranties) shall survive any termination or suspension of this Agreement and shall remain in full force and effect with respect to each Loan brokered to or funded by Deephaven prior to the effective date of such termination or suspension. In the event Deephaven sells or transfers the loan, the provisions and obligations contained in this Agreement (including without limitation all of Broker's representations and warranties) shall survive any such sale or transfer and shall remain in full force and effect with respect to each such sold or transferred loan.

Notification of Change in Status or Adverse Information Related to any Loan

Broker shall immediately notify Deephaven of any of the following: (a) Any material change in the ownership, financial condition or management of Broker, including a change in control as defined by any jurisdiction from which it conducts business.

- (b) Broker changes the name or address under or from which it conducts business.
- (c) Broker is notified or has reason to believe that any loan submitted by Broker to Deephaven was originated in violation of Applicable Law or in breach of any term or provision of this Agreement.
- (d) Broker knows or has reason to believe that any information in any mortgage loan package or other document submitted to Deephaven is or becomes untrue or fails to state any material fact or constitutes a misrepresentation.
- (e) Broker is notified or has reason to know of any complaint by an Applicant or any federal, state or local regulatory agency related to any loan submitted by Broker to Deephaven, or is otherwise investigated, fined or sanctioned by any federal, state or local regulatory or governmental agency.
- (f) Broker is notified or has reason to know of an Applicant's request to rescind a Loan submitted by Broker to Deephaven.
- (g) Broker, Broker's owner or principal, or any entity owned by Broker or Broker's owner or principal files a bankruptcy petition or is a party to any similar proceeding.

Relationship of the Parties

Broker acknowledges that its relationship with Deephaven is that of an Independent Contractor. Broker is not an agent, affiliate or Branch of Deephaven. Broker shall not make representation to any party that it is an affiliate or an employee of Deephaven. Broker's use of Deephaven's logo or trademark is prohibited unless express written permission is granted prior to use by Deephaven.

Prohibited Statements

Broker shall not imply or state, in any form of communication, to borrowers or any related parties, that: (i) Deephaven will approve the loan or a loan is "approved" prior to Deephaven issuance of final approval, (ii)

Deephaven will make exceptions to underwriting guidelines, (iii) that the Broker has the capacity to approve or fund a loan, or (iv) that the time frame to perform any task or close on a loan is guaranteed.

Consumer Privacy

Broker will comply with all Applicable Law as related to consumer privacy and provide all safeguards to ensure "Non-Public Personal Information" is protected at all times in accordance with the privacy provisions of the Gramm-Leach-Bliley Act, 15 U.S.C. § 6801 et seq. and its implementing regulations. Broker agrees that Deephaven verifies information using third-party services. Broker agrees to hold Deephaven harmless for any liability arising from any acts or omissions by such third-party services, including liability of the Broker to the consumer.

Multiple Locations or Officers

Broker shall notify Deephaven in the event Broker intends to originate loans through multiple locations or branches or by multiple loan originators. Broker agrees to provide Deephaven with such information as Deephaven may reasonably request regarding such locations and loan originators. Notwithstanding anything to the contrary contained in this Agreement, Broker shall be liable for the acts and omissions of its officers, employees and agents, including, without limitation, its loan originators.

File Retention

Both parties to this Agreement agree to retain all applicable files and records for all loans, documentation, compensation, and Agreements for the periods required per all Applicable Laws.

Solicitation of Refinancing

Broker shall not indirectly or directly solicit or encourage the refinancing of a loan funded by Deephaven for a period of twelve (12) months immediately following the closing of such loan without the express prior written consent of Deephaven.

Rescission

If a loan is rescinded by the Borrower pursuant to TILA, Regulation Z, or any other Applicable Law, Broker must immediately reimburse Deephaven, if applicable, the full amount of any Broker fees paid to the Broker by Deephaven.

Non-Exclusive Agreement

This is a non-exclusive Agreement. Broker is not obligated to submit any or all loans to Deephaven.

Communication

Broker agrees that Deephaven may communicate with Broker and deliver information related to this Agreement or otherwise by any means legally permissible, including, but not limited to, telephone, e-mail, and fax.

Due Diligence and Information Related to Broker

Broker acknowledges and agrees that any information obtained by Deephaven from Broker or Applicant in connection with Deephaven's review on any loan may be provided by Deephaven to any of its parent entities, subsidiaries, or affiliates, as permitted by Applicable Law.

Confidentiality

Broker acknowledges and agrees that the terms of this Agreement shall be kept confidential and their contents shall not be given or stated to any party without Deephaven's prior written consent. Broker, nor any of its affiliates, will sell or re-use any Deephaven information including all intellectual property, logos, marketing materials, or any other property or contact information of Deephaven. Broker shall not disclose "Confidential Information" to anyone other than Broker's employees, officers, or agents who have an express business need to know the Confidential Information. Both parties agree to keep confidential any and all information obtained from either party and the parties will not use such information for any purpose other than those intended by this Agreement.

Modification to Agreement

Deephaven may modify or amend the terms of this Agreement and will provide Broker a copy via any applicable and legal delivery method.

Waiver

No waiver or any provision of this Agreement or the rights and obligations of the parties shall be effective unless in writing and signed by an authorized representative of the party.

Force Majeure

Deephaven is not liable for any default or delay in performance caused directly or indirectly by any “Force Majeure Event.” These Events include, but are not limited to, fire, flood, earthquake, elements of nature, acts of God, acts of terrorism, acts of vandalism, riots, civil disorders, revolutions, strikes or labor disruptions, nonperformance of a third party, or any other cause beyond the reasonable control of Deephaven. If an event of this type occurs, Deephaven will be excused from further performance of obligations for as long as the Force Majeure Event prevails. Deephaven will notify Broker as soon as possible regarding the occurrence if an event of this type occurs, and will notify the Broker, if known, the anticipated duration of the Force Majeure event.

Successors and Assigns

This Agreement may only be assigned by Deephaven in its sole discretion to its successors and assigns. Broker may only assign this Agreement with the written consent of Deephaven.

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 in force.

Governing Law; Waiver of Jury Trial

This Agreement shall be construed in accordance with the laws of the State of North Carolina and the obligations, rights and remedies of the parties hereunder shall be determined in accordance with the substantive laws of the State of North Carolina (without regard to conflicts of laws principles), except to the extent preempted by Federal law.

With respect to any claim or action arising hereunder, the parties (a) irrevocably submit to the nonexclusive jurisdiction of the court of the Mecklenburg County Superior Court and (b) irrevocably waive any objection which 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.

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 IN ANY WAY RELATED TO THIS PURCHASE AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY.

Notices.

All demands, notices and communications hereunder shall be in writing and shall be deemed to have been duly given if personally delivered at or delivered via a nationally recognized courier service with delivery tracking, or via email, to:

(a) In the case of Broker: _____

Attn: _____

Email: _____

(b) in the case of Purchaser: Deephaven Mortgage LLC

3530 Toringdon Way Suite 200

Charlotte, NC 28277

Attn: F.M. Pinckney III

Email: dpinckney@deephavenmortgage.com

or such other address as may hereafter be furnished to the Seller in writing by the Purchaser.

Execution.

The Agreement may be executed in one or more counterparts. Delivery of an executed counterpart of a signature page in Portable Document Format (PDF) shall be effective as delivery of a manually executed original counterpart of this Agreement. The original documents shall be promptly delivered, if requested.

IN WITNESS WHEREOF, the undersigned, by their respective authorized signatures, have executed this Agreement as of the date first written.

BROKER

Signature: _____

Typed Name: _____

Title: _____

Date: _____

DEEPHAVEN MORTGAGE LLC

Signature: _____

Typed Name: F.M. Pinckney III

Title: General Counsel

Date: _____