



BROKER APPLICATION CHECKLIST

Account Executive: _____

Date Submitted: _____

Required Documents:

- Broker Application (Rev. 06/03/04)
- Executed Loan Purchase & Sale Agreement (Rev. 02/14/06)
- Lock-In Policy & Pull-Through Addendum (Rev. 06/16/04)
- Executed Form 1098 Designation Agreement (Rev. 06/04/04)
- Last full year's Financial Statements for Fiscal Year End ____/____/____
 (Note: we require an audited financial statement for FHA approved brokers)
- Resumes of Principals
- Copy of Business Licenses:
 - State: _____ License # _____ exp. Date _____
 - State: _____ License # _____ exp. Date _____
 - State: _____ License # _____ exp. Date _____
 - State: _____ License # _____ exp. Date _____
 - State: _____ License # _____ exp. Date _____
- Executed Board Resolution (N/A for Sole Proprietorships & Partnerships) (Rev. 06/21/01)
- E-mail Request Form (Rev. 01/13/00)
- Fax Authorization Form (04/14/04)

Optional Documents (if applicable):

- Copy of HUD and/or VA Approval
- Corporate Supplemental Guaranty Addendum (Rev. 01/12/00)
- Personal Supplemental Guaranty Addendum (for Sole Proprietors & Partnerships) (Rev. 03/1/00)
- Executed W-9 (for Sole Proprietorships & Partnerships only)

Please deliver the completed application package to your Account Executive's attention or:

Baytree Lending Company
 Attn: Business Development
 1S. 443 Summit Avenue, Suite 201
 Oakbrook Terrace, IL 60181

Thank you for your application!

For BTLC Use Only Below This Line

| | | |
|---------------------------|----------------------------|----------------------|
| Broker Approval # _____ | Date Approved: _____ | By: _____ |
| Fraud Guard Ordered _____ | Fraud Guard Received _____ | Website Portal _____ |
| E-Magic _____ | FHA Connections _____ | VA Approval _____ |



Broker Application

General Information

1. **Company's Legal Name:** _____
Street Address: _____
City, State, Zip: _____
Telephone Number: (____) _____
Fax Number: (____) _____
E-Mail Address: _____ **Company** **Individual**

2. **Key Contacts List:**
Primary Contact Person: _____
Title: _____
Telephone Number: (____) _____
Cell Phone/Pager: (____) _____
E-Mail Address: _____ **Company** **Individual**

Secondary Contact Person: _____
Title: _____
Telephone Number: (____) _____
Cell Phone/Pager: (____) _____
E-Mail Address: _____ **Company** **Individual**
Web Address: _____

3. **Date Business Established:** _____ **Fiscal Year-end:** _____

4. **Type Of Organization:** (Check One)
 S-Corp C-Corp LLC Sole Proprietorship Partnership
Ownership of Company:
Name: _____ S.S. Number _____ % Owned _____
Name: _____ S.S. Number _____ % Owned _____
Name: _____ S.S. Number _____ % Owned _____
Name: _____ S.S. Number _____ % Owned _____

5. **Tax I.D. Number:** _____

6. **Owners and Officers authorized to execute legal documents and contracts:**

| Name | Title |
|-------|-------|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |



7. Compliance:

- A. Has your company or any principal thereof been suspended from Selling or Servicing Mortgages by an Investor? NO YES (If yes, attach explanation)
- B. Has your company or any principal thereof been suspended or denied participation in any Federal or State home mortgage program? NO YES (If yes, attach explanation)

8. References: (Investor, PMI Companies, Etc.)

- A. Company Name: _____
 Nature of association: _____
 Address: _____
 Contact Person: _____ Telephone #: (____) _____
- B. Company Name: _____
 Nature of association: _____
 Address: _____
 Contact Person: _____ Telephone #: (____) _____
- C. Company Name: _____
 Nature of association: _____
 Address: _____
 Contact Person: _____ Telephone #: (____) _____

9. Originations:

Please list your approximate closed loan volume year-to-date and over the previous 12 months

| | YTD 200__ | Last Calendar Year (_____) |
|-------------|-----------|----------------------------|
| Conforming: | \$ _____ | \$ _____ |
| Jumbo: | \$ _____ | \$ _____ |
| Gov't: | \$ _____ | \$ _____ |
| Sub-Prime: | \$ _____ | \$ _____ |
| Other: | \$ _____ | \$ _____ |

TOTAL: \$ _____ \$ _____

10. Government Sponsorship:

- A. FHA Sponsorship requested: YES NO
 If BTLC is an additional sponsor, provide HUD I.D. # _____
 If BTLC is to be your initial sponsor, contact your Account Executive.
- B. VA Lending Authority: YES NO
 Authorized Agent: VA I.D.# _____
 \$100 Check Enclosed payable to Veteran's Administration: YES NO (To Follow)



11. Closing Documents:

A. St Francis Mortgage to Close and Fund.

12. Branch Production Offices:

Location(s) and Addresses:

13. Affiliated Businesses owned by Broker or any Principal:

Name & Address

Name & Address

14. Primary Lending Areas:

List states in which you typically originate loans:

15. Certifications:

Please read all the certifications and sign below to certify your company/lending institution.

I hereby certify that all information contained in the application is true and correct.

I hereby certify that this company is properly licensed (or otherwise authorized) and in good standing to originate, or sell residential mortgages in the States(s) in which we transact business and that the Financial Statements provided are true and correct.

I hereby certify that this company has bond coverage meeting the applicable state licensing requirements and that none of our principal officers have been removed from coverage.

I hereby authorize Baytree Lending Company to verify any information contained herein with any other sources (including, but not limited to, Dun & Bradstreet or other business credit report), and I hereby waive any cause of action or claim I may have against such sources with respect to any information they may provide.

By: _____ Title: _____
(Authorized Signature)

(Print or type name) Date: _____



**BAYTREE LENDING COMPANY, ALSO D/B/A ST. FRANCIS MORTGAGE CORPORATION
LOAN PURCHASE AND SALE AGREEMENT**

(For Table-Funded Loans)

THIS AGREEMENT is made as of _____, by and between Baytree Lending Company (BTLC), also d/b/a St. Francis Mortgage Corporation (SFMC), an Illinois corporation, and _____, a _____ ("Seller").

WHEREAS, BTLC wishes to acquire mortgage loans that are made in accordance with its underwriting standards; and

WHEREAS, Seller wishes to take applications for mortgage loans with the comfort of knowing that if the loan applied for is consummated it will be able to sell that loan at a determined price,

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement, BTLC and Seller agree as follows:

1. **AGREEMENT TO BUY AND SELL.** Seller may sell to BTLC, and BTLC will purchase from Seller, loans or loan applications and loan credit packages pertaining to loans, as provided under this Agreement. This is a non-exclusive agreement.

2. **BTLC TO PROVIDE INFORMATION TO SELLER.** BTLC agrees to periodically provide Seller with timely information on the various loan types and loan plans offered by BTLC and subject to purchase under this Agreement, including borrower eligibility requirements and minimum and maximum loan amounts.

3. **GENERAL ELIGIBILITY AND REGISTRATION REQUIREMENTS.** (a) Loans eligible for purchase. To be eligible for purchase under this Agreement, a loan must:

(1) Meet applicable FHLMC/FNMA, FHA, VA, or GNMA underwriting criteria and credit documentation requirements or BTLC's underwriting guidelines, or both, for property and credit standards which BTLC may from time to time require for the applicable loan type;

(2) Be in an amount within the minimum and maximum loan amounts established from time to time by BTLC;

(3) Be secured by a first or second lien on one- to four-family residential real estate located in a state from time to time designated in BTLC's correspondent manual;

(4) Be registered with BTLC; and

(5) Be approved by BTLC in accordance with the terms of this Agreement.

(b) Third party originations. Nothing in this Agreement requires BTLC to accept or approve any loan credit package that has been developed or assembled by any person other than Seller. Third party originations may be accepted only from originators approved by BTLC in writing prior to submission of the loan credit package.

(c) Registration procedure. To register a loan with BTLC, Seller must provide BTLC with the information called for on BTLC's then-current loan registration form.

4. **LOCK-IN RATE, PRICE, AND FEES.** (a) Lock-in rate and price. When the loan is registered, BTLC will lock-in a rate and price for the period of time established by BTLC under the applicable loan program then in effect. BTLC may at its option extend the term of the lock-in at Seller's request, subject to such additional conditions as BTLC may establish from time to time. Once a loan is registered and funded by BLTC delivery of the loan is mandatory.



(b) Fees. (1) BTLC may charge Seller an underwriting fee for each loan registered with and submitted to BTLC under this Agreement. BTLC will from time to time advise Seller of any underwriting fee that may apply. Seller will pay BTLC any fee due under this section, at the time the loan credit package is submitted to BTLC under section 5 of this Agreement; however, BTLC may, at its sole discretion, permit Seller to delay payment of any such fee.

(2) BTLC may charge Seller an Administration Fee for each loan closed under this Agreement. BTLC will from time to time advise Seller of the Administration Fee that may apply. BTLC may withhold the fee from the funds provided at closing.

(3) BTLC may charge additional fees in connection with loans or loan application and loan credit packages subject to purchase under this Agreement. Those fees will be published from time to time in schedules that BTLC will make available to Seller and will apply only to loans that are part of loan credit packages submitted to BTLC after the date of the schedule.

5. PREPARATION AND SUBMISSION OF LOAN CREDIT PACKAGE. (a) Preparation of package; services provided by Seller. Seller will develop and assemble a loan credit package and deliver it to BTLC for underwriting. In connection with the preparation and processing of each package, Seller shall provide the following services to the loan applicant: (1) advise the loan applicant of mortgage loan products that are available and the eligibility requirements for such products; (2) take information from the applicant and fill out the application or a borrower's worksheet; (3) collect financial information and related documents that are part of the application process; (4) identify potential problems that may impair the applicant for mortgage loan financing and assist the applicant in clearing any potential credit problems; (5) order any necessary appraisal, verification of employment, or verification of deposit; (6) maintain regular contact with the applicant, realtors, and others between time of application and closing, to apprise them of the status of the application and to gather any additional information as needed; and (7) provide such other assistance as BTLC or the applicant may reasonably require in connection with processing of the application or the closing of the loan.

(b) BTLC's right to accept or reject. BTLC may accept or reject any loan credit package at its sole discretion.

(c) Contents of loan credit package. The loan credit package must include each of the following, unless otherwise agreed in writing by BTLC: (1) a completed and executed mortgage loan application on the standard FHLMC/FNMA form or such other form as may from time to time be approved by BTLC; (2) an appraisal prepared on a standard FHLMC/FNMA form by an appraiser approved by BTLC, in compliance with applicable regulations and BTLC appraisal policies; (3) completed and executed authorizations for verification of account and employment information for the two immediately preceding years, if applicable, together with completed current account, employment and credit reports; (4) in the case of self-employed individuals and individuals relying upon commission, bonus or rental income, a copy of the applicant's tax returns for each of the two preceding years if applicable, a current profit and loss statement, and a balance sheet; (5) evidence satisfactory to BTLC that appropriate disclosures required prior to the time that the loan credit package is submitted to Seller have been provided to the applicant as required by law, including but not limited to any disclosures required under the federal Truth-in-Lending Act and any good faith estimates required under the Real Estate Settlement Procedures Act; and (6) such other supporting documentation as may reasonably be requested by BTLC to act on the loan credit package.

(d) Property of BTLC. The loan credit package for each loan submitted to BTLC under this Agreement will be the sole property of BTLC until it is approved or rejected by BTLC.

6. ACTION ON LOAN CREDIT PACKAGE. (a) Action upon approval. If BTLC approves the loan, BTLC will send Seller a loan approval form. The form will evidence the approval and set out any conditions to which the approval may be subject.

(b) Action upon rejection. If after reviewing the completed loan credit package BTLC determines that it will not approve the loan:

(1) BTLC will promptly make the loan credit package available for pick-up by Seller or, upon Seller's request, return the loan credit package to Seller by mail or by other delivery system specified and paid for by Seller; and

(2) Seller will give any notices or provide any disclosures required under applicable law, including but not limited to the federal Equal Credit Opportunity Act, as a result of BTLC's rejection of the loan.



7. **PREPARATION OF COMMITMENT LETTER.** Upon receipt of the loan approval form, Seller will prepare a loan commitment letter to the applicant, in accordance with the terms and conditions set forth in the loan approval form. Unless otherwise specified in the loan approval form, the commitment will be issued in Seller's name and will indicate that the loan may be sold with servicing rights released.

8. **PRIVATE MORTGAGE INSURANCE.** If private mortgage insurance coverage is required, BTLC will make necessary determinations regarding the nature of coverage and selection of the private mortgage insurer. Any requirement to maintain private mortgage insurance will be subject to removal only in accordance with policies and procedures established by BTLC.

9. **COMPLETION ESCROWS.** Escrows for completion of improvements to the property securing the loan may be permitted only if: (a) the need for the escrow is weather-related; and (b) the escrowed funds will be held by, and the disbursement of the escrowed funds will be administered by, the title insurer.

10. **SCHEDULING OF LOAN CLOSING.** After BTLC has approved the loan and the applicant has accepted the loan commitment, Seller will schedule the loan closing. However, BTLC will not prepare any closing documents until all underwriter-to-clear conditions specified in the loan approval form have been satisfied. To allow adequate time to prepare for the closing, Seller should provide BTLC with at least 48 hours' notice of the intended closing. If BTLC agrees to close on less than 48 hours' notice, it may charge an additional fee for expedited preparation.

11. **LOAN CLOSING.** (a) Closing agent. The loan will be closed by a closing agent approved by BTLC. The fees of the closing agent, if any, will be paid by the borrower or Seller, but in no event will BTLC be responsible for such fees. BTLC may authorize Seller to serve as the closing agent. BTLC may exercise its discretion in approving a closing agent and may condition its approval upon the closing agent entering into a master closing agreement with BTLC on terms acceptable to BTLC.

(b) Closing instructions and forms. The loan will be closed in accordance with closing instructions provided by BTLC, on forms approved by BTLC. Forms will be completed for the closing by BTLC, Seller, or the closing agent, as directed by BTLC. BTLC will transmit closing instructions to Seller or the closing agent, as the case may be, in a timely manner.

12. **FUNDING.** If a loan approved by BTLC under this Agreement is closed in accordance with the terms of this Agreement and any conditions imposed under this Agreement, BTLC will fund the loan at closing, provided that the loan is closed in BTLC's name or is closed in Seller's name and immediately assigned to BTLC at closing. BTLC may withhold from such funds any unpaid fees or other sums payable to BTLC by Seller under this Agreement. Nothing in this Agreement requires BTLC to: fund or purchase any loan that has not been closed in accordance with the terms of this Agreement and any conditions imposed under this Agreement; or advance any fee or funds payable to Seller in connection with BTLC's purchase or funding of a loan, before all documents and information described in section 5(c) and section 13(b) of this Agreement have been delivered to BTLC.

13. **ACTIONS AFTER CLOSING.** (a) Recording. After a loan has been closed, Seller will, either directly or through the designated closing agent: (1) cause all conveyance and mortgage instruments and any applicable assignment documents to be expeditiously recorded with the appropriate public official, so as to perfect title to the property in the borrower's name and to perfect the required mortgage lien on the property in BTLC's name; and (2) provide for the recorded documents to be transmitted to BTLC upon recording.

(b) Delivery of original documents to BTLC. (1) Within two business days after the loan is closed, Seller will, either directly or through the designated closing agent, deliver to BTLC a loan document package containing: (i) the original documents executed in conjunction with the loan closing, except those documents that have been left for recording under subsection 13(a) above; (ii) photocopies of those documents that have been left for recording; and (iii) verification of the required recordings.

(2) If the loan document package and any additional documents required by BTLC in writing are not delivered to BTLC within two business days after closing, BTLC will not be obligated to purchase the loan from Seller at the price previously agreed upon under section 4 of this Agreement and may reprice the loan.



14. **CORRECTION OF ERRORS.** Seller agrees to take whatever action may be necessary to correct any deficiencies in documentation or mortgage security resulting from errors or omissions on the part of Seller. BTLC agrees to notify Seller in writing of any such deficiencies within 30 days after Seller has received the originals of all executed loan documents and the title policy covering lender's interest in the real estate securing the loan.

15. **SERVICING.** Unless otherwise evidenced by a separate Servicing Agreement between BTLC and Seller, all servicing rights to loans sold to BTLC under this Agreement will be released to BTLC.

16. **WARRANTIES AND REPRESENTATIONS.** (a) Warranties of BTLC. BTLC warrants and represents to Seller that:

(1) BTLC is duly organized and validly existing under the laws of the State of Illinois and has the requisite power and authority to enter into this Agreement and any other agreements contemplated by this Agreement.

(2) This Agreement has been duly authorized, executed and delivered by BTLC, and constitutes a valid and legally binding agreement of BTLC, enforceable in accordance with its terms.

(3) BTLC has no knowledge of: (i) any action, proceeding or investigation pending or threatened against it that questions the validity or prospective validity of this Agreement or any action to be taken by BTLC under this Agreement; or (ii) any suit, action, arbitration or other proceeding pending or threatened which impairs BTLC's abilities to perform under this Agreement.

(4) BTLC's execution of this Agreement and the performance of its obligations under this Agreement will not violate any provision of any charter, bylaw, agreement, instrument, decree, order, statute, rule or regulation pertaining to BTLC, nor does any such provision adversely affect BTLC's capacity to any such obligation.

(b) Warranties of Seller. Seller warrants and represents to BTLC that:

(1) Seller: (i) is duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is organized or incorporated; (ii) is duly licensed to the extent necessary for it to conduct its business in those jurisdictions in which it does business and in which it will originate loans that are subject to this Agreement; and (iii) has the requisite power and authority to enter into this Agreement and any other agreements contemplated by this Agreement.

(2) This Agreement: (i) has been duly authorized, executed and delivered by Seller in accordance with any articles of incorporation, bylaw, resolution, partnership agreement or limited partnership agreement or similar document that governs the conduct of Seller's business; and (ii) constitutes a valid and legally binding agreement of Seller, enforceable in accordance with its terms.

(3) Seller has no knowledge of: (i) any action, proceeding or investigation pending or threatened against it that questions the validity or prospective validity of this Agreement or any action to be taken by Seller under this Agreement; or (ii) any suit, action, arbitration or other proceeding pending or threatened which impairs Seller's abilities to perform under this Agreement.

(4) Seller's execution of this Agreement and the performance of its obligations under this Agreement will not violate any provision of any charter, bylaw, agreement, instrument, decree, order, statute, rule or regulation pertaining to Seller, nor does any such provision adversely affect Seller's capacity to any such obligation.

(5) As to each loan sold to BTLC under this Agreement: (i) the note evidencing the loan has been duly executed by the borrower; (ii) the mortgage securing the loan has been duly executed by the borrower, acknowledged, and recorded or submitted for recording in the proper jurisdiction; (iii) the note has been endorsed to BTLC or as directed by BTLC and any document necessary to assign to BTLC the loan and the mortgage securing the loan has been duly executed by Seller, acknowledged, and recorded; (iv) except for such escrows as may be held by BTLC or approved by BTLC in writing, the full original principal amount of the loan has been advanced to the borrower either by payment directly to the borrower or by payment made at the borrower's request or upon the borrower's approval; (v) all costs, fees, and expenses incurred in making and closing the loan and recording loan documents as necessary have been paid; (vi) the loan credit package submitted to BTLC under section 5 of this Agreement contains no misstatement or omission of material fact; (vii) no part of the mortgaged property has been released from any lien of the mortgage;



(viii) the terms of the note and mortgage have not been changed or modified, nor have verbal representations been made to the borrower that are inconsistent with the terms of the note, mortgage, or any other document; (ix) if the loan is required to be insured by private mortgage insurance or guaranteed by a governmental entity, it is so insured or guaranteed and that insurance or guarantee will inure to the benefit of BTLC; (x) as applicable, there is in force a paid-up title insurance policy issued by a financially responsible insurance company acceptable to BTLC insuring BTLC's first or second lien mortgage interest, subject only to exceptions acceptable to BTLC in an amount at least equal to the outstanding principal balance of the loan; (xi) fire and extended coverage insurance and such other hazard insurance required by BTLC, issued by a financially responsible insurance company acceptable to BTLC and insuring BTLC's interest in the property securing the loan, is in force at the time of the sale; (xii) there are no defenses, counterclaims, or rights of setoff affecting the loan or the validity or enforceability of any private mortgage insurance applicable to the loan or any guaranty or insurance provided by any state or federal agency, including but not limited to FNMA, FHA, or VA; (xiii) Seller has complied with any and all applicable conditions specified by BTLC in the loan approval form provided to Seller under this Agreement and with any and all closing instructions given by BTLC to Seller; (xiv) Seller is unaware of any fact or circumstance that may cause a secondary market investor to deem the loan an unacceptable investment or cause a mortgage guarantor or insurer to deem the loan uninsurable or not subject to guaranty or cause any investor or insurer to require BTLC to forego any benefit or provide any indemnification against potential loss; and (xv) Seller has not (and its employees, shareholders, officers directors, agents or assigns have not) made any promise or representation to the borrower that the loan may be refinanced without penalty or expense within the first 12 months after the first payment is due.

(6) As to each loan presented to BTLC under this Agreement, Seller has complied with all applicable state and federal statutes and regulations, including but not limited to the federal Equal Credit Opportunity Act, Truth-in-Lending Act, Flood Disaster Protection Act, and Real Estate Settlement Procedures Act.

(7) As to each loan sold to BTLC under this Agreement: (i) the total compensation received from all sources by Seller incident to the origination and sale of the loan does not exceed the value of the services it has actually performed; (ii) Seller has not accepted or paid any fee or compensation, except as permitted by applicable law and regulation; and (iii) Seller has disclosed to the applicant any fees it will receive in connection with the loan, to the full extent required by applicable law and regulation.

(c) Notice of breach of warranty; efforts to cure. If either party discovers a breach of any warranty contained in this Agreement, it will notify the other in writing. Within 30 days of its receipt of a notice of breach under this section, the breaching party will, to the extent possible, cure the breach in all material respects.

17. REPURCHASE OF LOANS. (a) When required. Upon BTLC's written request, Seller will repurchase any loan purchased under this Agreement if: (1) BTLC has given Seller notice in accordance with section 16(c) of this Agreement of a breach of a warranty or representation made by Seller in connection with the loan; and (2) that breach both (i) materially and adversely affects the interests of BTLC or any successor in interest to BTLC and (ii) remains uncured, or is incapable of being cured, in any material respect, within the time provided under section.

(b) Repurchase price. When repurchase is required under this section 17, the repurchase price will be an amount equal to the loan's then unpaid principal balance plus: (1) accrued interest and costs incurred by BTLC for action taken; and (2) any servicing released premium, premium pricing, or similar fee paid to Seller by BTLC in connection with BTLC's purchase of the loan.

18. INTENTIONALLY REMOVED



19. **REFINANCINGS AND PREPAYMENTS.** (a) If a first and/or second lien loan sold to BTLC or SFMC under this Agreement (or under any predecessor agreement between Seller and BTLC is refinanced by Seller within 120 days of its first payment date, Seller will, upon demand by BTLC (SFMC), return to BTLC or SFMC any service release premium, premium pricing, or similar fee paid by BTLC (SFMC) to Seller in connection with the origination and sale of the loan that has been refinanced, less any pre-payment penalty received by BTLC (SFMC) from the Borrower(s) on such loan which first shall reduce the amount due to BTLC (SFMC) from Seller.

(b) If a first lien and/or second loan sold to BTLC or SFMC under this Agreement (or under any predecessor agreement between Seller and BTLC is refinanced by a party other than Seller or prepaid within 120 days of its first payment date, BTLC (SFMC) at its sole discretion may, in its sole discretion, demand of Seller, and Seller will return to BTLC (SFMC), the total or partial amount of any service release premium, premium pricing, or similar fee paid by BTLC (SFMC) to Seller in connection with the origination and sale of the loan that has been refinanced or prepaid, less any pre-payment penalty received by BTLC (SFMC) from the Borrower(s) on such loan which first shall reduce the amount due to BTLC (SFMC) from Seller.

20. **INDEMNIFICATION.** Seller represents that it has knowledge of the various federal, state and local laws that apply to loans and the origination of the loans that it may sell to BTLC under this Agreement. Seller agrees that it will indemnify and hold BTLC harmless from any and all liabilities, claims or damages, including costs and attorney fees, arising from Seller's failure to comply with any such law. Seller will indemnify and hold BTLC harmless from any loss, cost, expense, liability or fee BTLC may incur to a secondary market investor arising from any loan sold to BTLC under this Agreement, except as arises solely due to BTLC's error or omission.

21. **ACCESS TO RECORDS AND FINANCIAL INFORMATION.** Upon BTLC's request, Seller will provide BTLC with a detailed statement of its financial condition and will afford BTLC or its authorized representative an opportunity to examine and photocopy Seller's books and records pertaining to any loan offered to BTLC under this Agreement or otherwise subject to this Agreement, at any time during regular business hours. Annually within 90 days of the end of its fiscal year, Seller will furnish BTLC with copies of statements of its financial condition as of the close of that fiscal year.

22. **PRIVACY POLICY.** Seller has adopted and provided BTLC with a copy of its privacy policy complying with federal and state law requirements and will provide BTLC with any future amendments or changes before such amendments or changes become effective. Seller will observe BTLC's privacy policy with respect to loans sold to BTLC.

23. **RELATIONSHIP BETWEEN BTLC AND SELLER.** Nothing in this Agreement shall be deemed or construed to create a relationship of employer and employee, principal and agent, co-partner, or joint venture between BTLC and Seller. Seller will at all times act as an independent contractor and will neither hold itself out as, nor represent itself to be, an agent, employee or partner of BTLC.

24. **NOTICES AND DEMANDS.** All notices, demands, and other communications that may or are required to be given under this Agreement must be in writing given by personal delivery, by commercial carrier such as Federal Express, or by mail, and will be deemed to have been given when personally delivered, left with the carrier for delivery with fees prepaid, or when deposited in the mail, first class postage prepaid, addressed to the respective party at the address indicated below or at such other address as may be designated by either party from time to time:



To BTLC at:

To Seller at:

Baytree Lending Company

1 S 443 Summit Avenue, Suite 201

Oakbrook Terrace, IL 60181

ATTN: President

ATTN: _____

25. ENDORSEMENT OF INSTRUMENTS. Seller irrevocably appoints BTLC as its attorney-in-fact for the purpose of authorizing and empowering BTLC to: (a) endorse any check, draft or other instrument in its possession which is made payable to Seller but is due BTLC under the terms of this Agreement; and (b) endorse mortgage notes to BTLC or its assignee and prepare assignments of mortgages in its possession.

26. TERMINATION. (a) Notice of termination; effect on loans in process. This Agreement may be terminated by either party as to the future acceptance of loans, at any time upon 10-days written notice to the other party. However, BTLC's and Seller's obligations under this Agreement will continue to apply to each loan in process that has been registered with BTLC prior to the date on which such notice is given. Upon delivery of notice or receipt of notice hereunder, BTLC may refuse to accept new credit packages.

(b) Effect of notice of termination on premium pricing. If written notice of termination is given by BTLC, BTLC may fund loan purchases at par and withhold payment of any unpaid premium from Seller, until such time as Seller has corrected any outstanding errors or deficiencies in any loans closed under this Agreement and BTLC has received all original executed loan documents and title insurance policy.

27. FAX SIGNATURES. This agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which shall together constitute one in the same instrument. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or other electronic means shall be effective as delivery of a manually executed counterpart of this Agreement. Delivery of manually executed counterparts of this Agreement shall follow immediately, delivery by telecopy or other electronic means, but the failure to deliver a manually executed counterpart shall not affect the validity, enforceability or binding effect hereof.

28. MISCELLANEOUS. (a) Entire agreement; amendments. This document, together with any and all written riders and addenda hereto, contains the entire agreement between BTLC and Seller and may not be modified in any respect except by an amendment in writing signed by each party.

(b) Assignment. This Agreement may not be assigned or transferred by Seller, without BTLC's prior written consent. A change in ownership, merger, or consolidation of Seller is considered an assignment for purposes of this Agreement. However, if Seller is the subject of a change in ownership, a merger, or a consolidation, this Agreement will remain in effect until terminated by the acquirer or BTLC in accordance with section 26 of this Agreement. Seller acknowledges that loans purchased by BTLC under this Agreement may subsequently be sold to third parties, and Seller agrees that the rights benefiting BTLC under this Agreement may be transferred and assigned by BTLC to any such third party.

(c) Severability. The invalidity or unenforceability of any portion of this Agreement will in no way affect the remaining portions of this Agreement.

(d) Setoff. BTLC may, at its option deduct from any payment due Seller any moneys paid by BTLC on behalf of Seller or due BTLC based on Seller's failure to perform under the terms of this Agreement.

(e) Remedies not exclusive. The remedies provided to BTLC or the Seller under the terms of this Agreement are in addition to any other legal or equitable remedies available to that party under applicable law.



(f) Counterparts. This Agreement may be executed in counterparts, each of which will be deemed to be an original as all of which will constitute one and the same agreement.

(g) Governing law. This Agreement will be governed by and construed and enforced in accordance with applicable federal law and the laws of the State of Illinois without giving effect to its principles of conflicts of law. Any action arising out of this Agreement or the transactions contemplated by this Agreement may be instituted in any state or federal court located in DuPage County, Illinois. Seller and BTLC each expressly waives any objection that it may have to the laying of venue of any such action, irrevocably submits to the jurisdiction of any such court, agrees to be fully bound by any final decision of that court.

(h) Survival. The respective obligations of BTLC and Seller under sections 13, 14, 17, 18, 19 and 20 of this Agreement, and the representations and warranties of BTLC and Seller contained in section 16 of this Agreement, will survive the termination of this Agreement.

(i) Waiver of jury trial. **To the fullest extent permitted by applicable law, BTLC and Seller each waive the right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated by this Agreement.**

IN WITNESS WHEREOF, BTLC and Seller have signed this Agreement as of the date first set forth above.

BTLC:

SELLER:

BAYTREE LENDING COMPANY

Signed: _____

Signed: _____

Print: _____

Print: _____

Title: _____

Title: _____

Date: _____

Date: _____

Attest: _____

Attest: _____



ADDENDUM TO LOAN PURCHASE AND SALE AGREEMENT

LOCK-IN POLICY

PRICING

Baytree Lending Company will set its prices at approximately 10:00 a.m. Central, Monday through Friday, excluding national holidays.

Once prices are set, they will be in effect until 7:00 a.m. Central the next business day for our Conventional Conforming Fixed Rate (130/125, 120, 115, 110, 132, 117, 525, & 723 product codes only) and Government products (FHA-230, FHA-215, FHA-201). All other products must be locked in by 3:00 p.m. Central each day. All lock-ins should be registered and locked in by completing and delivering a completed Loan Registration / Lock-in Form prior to the cutoff times listed above. After new rates are established, all lock-ins will be subject to the current prices regardless of application date.

Baytree Lending Company reserves the right to changes prices at any time during the day should excessive market movement dictate. Should any change occur, it will be effective immediately and will be communicated by fax.

FLOATS

All loans must be registered with Baytree Lending Company prior to receipt of the complete loan file for underwriting, by completing the Loan Registration / Lock-in Confirmation form and faxing it to Secondary Marketing. A loan number will be assigned at time of registration and a confirmation will be faxed to the Broker within 24 to 48 hours of receipt of registration.

LOCK-INS

Lock-ins must be faxed in to Secondary Marketing by using the Loan Registration / Lock-in Form at least 48 hours prior to scheduling a loan closing. No loan can be locked in unless the Broker/Correspondent has taken a complete application (i.e., Purchase transactions require that a sales contract has been executed) from the borrower(s). The Broker/Correspondent is responsible for maintaining a closing rate of 70% of all applications registered with Baytree Lending Company to maintain approval status. Unless otherwise notified, Baytree Lending Company will fax a lock-in confirmation within 24 to 48 hours of receipt of lock-in. It is the Brokers' responsibility to verify with Secondary Marketing if they do not receive their lock-in confirmation within 48 hours.

RELOCKS / EXTENSIONS

If a loan lock-in expires, the Broker is responsible for contacting Secondary Marketing to obtain a relock. Generally, relocks are only good for 15 days, therefore relocks can only be done when all conditions are cleared and the loan is scheduled to close. Advise Secondary Marketing of the closing date when you call for your relock or extension. The relock price will be the higher of the current market or previous price of the original lock-in, and may incur a re-pricing fee. Lock extensions requested BEFORE the lock has actually expired will be granted on a case by case basis and may require a lock extension fee. Please contact Secondary Marketing for ALL lock extension requests. All relocks and extensions must be received by 4:00 p.m. CST – No exceptions.



CANCELLATIONS

It is the responsibility of the Broker to notify Baytree Lending Company in writing of all cancellations/withdrawals in a timely manner, including registered loans as well as locked-in loans. Please include reason for cancellation. Any loan that is cancelled and re-opened will be relocked at the higher of the original terms or current market. Any change of property is considered a new loan and will lock at current market.

Acknowledged: _____
Broker / Correspondent Name

By: _____

Title: _____



FORM 1098

DESIGNATION AGREEMENT

This FORM 1098 DESIGNATION AGREEMENT (the “Agreement”) is entered into by and between _____ (“Seller”), and Baytree Lending Company (“BTLC”).

I. RECITALS

- A. Pursuant to that certain Loan Purchase & Sale Agreement entered into by and between Seller and BTLC, (the “Loan Purchase & Sale Agreement”), Seller has agreed to sell to BTLC, and BTLC has agreed to buy from Seller certain notes executed by borrowers secured by mortgages, deeds of trust, deeds to secure debt and security deeds encumbering real property located in the United States of America. (The purchase and sale of the Loans pursuant to the Loan Purchase & Sale Agreement is sometimes referred to below as the “Transaction”).
- B. Section 6050H of the United States Internal Revenue Code and the regulations promulgated thereunder (collectively, the “Reporting Requirements”) require an information return using Form 1098 to be made to the United States Internal Revenue Service, and a statement to be furnished to Payer of Record (as defined in the Reporting Requirements), in connection with the Transaction.
- C. Pursuant to the Reporting Requirements, Seller is the person responsible for filing the information return.
- D. Seller desires to designate BTLC as the “Reporting Person” (as defined in the Reporting Requirements) with respect to the Transaction as permitted by the applicable Revenue Procedure.

II. AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Seller and BTLC agree as follows:

- 1. BTLC is hereby designated as the Reporting Person for the Transaction. BTLC shall perform all duties that are required by the Reporting Requirements to be performed by the Reporting Person for the Transaction.
- 2. Seller represents to BTLC that Seller did not lend the points to be reported on Form 1098 to the Payer of Record as part of the overall transaction.



3. BTLC hereby requests Seller to furnish to BTLC the Payer of Record's correct taxpayer identification number and mailing address for each Loan and pursuant to such request, Seller hereby certifies to BTLC, under penalties of perjury, that Payer of record's correct taxpayer identification number and mailing address is as shown on the W-9 form executed by Payer of Record for each respective loan. Seller acknowledges that any failure by Seller to provide BTLC with Payer of Record's correct taxpayer identification number and mailing address may subject Seller to civil or criminal penalties imposed by law. Seller agrees to indemnify and hold BTLC harmless from all loss, damage, penalties, and fines, including reasonable attorney fees, incurred by or imposed against BTLC which are caused by Seller's providing incorrect information requested in this paragraph.

4. The names and addresses of the parties hereto are as follows:

Seller: _____

BTLC: Baytree Lending Company
 1 S. 443 Summit Avenue, Suite 201
 Oakbrook Terrace, IL 60181

5. This Form 1098 Designation Agreement shall apply to the tax year 2000 and subsequent years. This Form 1098 Designation Agreement shall apply to all subsequent years until such time as Seller or BTLC terminates this Form 1098 Designation Agreement in writing.

6. Each of the parties hereto shall retain this Agreement for a period of four years following the calendar year during which the date of closing of the Transaction occurs.

IN WITNESS WHEREOF, the parties have entered into this Agreement.

Seller: _____

Wholesaler:
 Baytree Lending Company

Signed: _____

Signed: _____

Print: _____

Print: _____

Title: _____

Title: _____

Date: _____

Date: _____



RESOLUTION OF BOARD OF DIRECTORS

OF _____
(Name of Broker / Correspondent Lender)

RESOLVED FIRST, that

_____ the _____ and
(Name of Officer) (Title)

_____ the _____ and
(Name of Officer) (Title)

_____ the _____
(Name of Officer) (Title)

of this corporation, or any one of them or their duly elected or appointed successors in office is hereby authorized and empowered in the name of and on behalf of this corporation and under its corporate seal from time to time to sell mortgage loans to Baytree Lending Company, and to execute any and all agreements, contracts, assignments, endorsements, and issuance of checks or drafts, reports, mortgage documents, and other papers in connection with documents, and furnish any information required or deemed necessary or proper by Baytree Lending Company in connection therewith.

I HEREBY CERTIFY that the foregoing is a true and correct copy of the resolution presented to and adopted by the Board of Directors of _____

at a meeting duly called and held at _____
on the _____ day of _____ 20____, at which a quorum was present and voted, and that such resolution is duly recorded in the minutes book of this corporation; that the officers named in said resolution have been duly elected or appointed to, and are the present incumbents of, the respective offices set after their respective names.

Name: _____

Title: _____



DAILY RATE SHEETS VIA E-MAIL

In keeping with St. Francis Mortgage's commitment to technology, we send our customers daily rate sheets and "hot" news via e-mail. In order to do this, we need to get from you those e-mail addresses of your employees (e.g., management, Loan officers) that you wish to have this information who can most benefit from this terrific production vehicle of the 21st century. *We will have daily rate sheets available via our web site, if you prefer, but since the Internet is here to stay, let's get on it together.*

Please complete the form. If the e-mail information is on your business cards, you can simply photo copy the cards and return them with your broker sign up package or better yet, e-mail the list to Secondary.Marketing@StFrancisMortgage.com

Thank You,

Gary Kurzynski
Vice President – Business Development
Baytree Lending Company

Broker

Name

Position

e-mail address

| Name | Position | e-mail address |
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IMPORTANT NOTICE

Because of new FCC regulations, Baytree Lending Company is asking for your consent to fax materials to you after August 25th, 2003. If you don't complete this consent form and return it to us, we will not be able to fax you rate sheets, loan program information, or other pertinent information after that date.

Please complete this form to receive information via fax.

CONSENT TO RECEIVE FAXES FROM BAYTREE LENDING COMPANY

CONSENT BY A COMPANY OR ORGANIZATION

Name of company or organization for which consent is being provided:

Name and title of person authorized to provide such consent and signing this form:

Fax numbers for which consent is being provided:

I understand that by providing the fax number(s) above, on behalf of the company specified above, I am authorized to and hereby consent for the company to receive faxes sent by or on behalf of Baytree Lending Company.

Signature: _____ Date: _____

CONSENT BY AN INDIVIDUAL

Name of individual for whom consent is being provided: _____

Fax number(s) for which consent is being provided: _____

I understand that by providing the fax number(s) above, I hereby consent to receive faxes sent by or on behalf of Baytree Lending Company.

Signature: _____ Date: _____