

JTI FUNDING

PO Box 3112, Warrenton, VA 20188

Office: 540-341-4180

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AFFILIATE PROGRAM TERMS AND CONDITIONS:

Updated October 03, 2006

Broker fees

Broker fees are limited to up to 2 points per deal. JTI Funding charges 3 pts.

Additional fees

JTI charges a mortgage broker fee of .25% + \$2,500

- **Hard Money Residential & Commercial Loans:** Broker fees are limited – (not to exceed 2 points per loan funded) JTI Funding charges 5 points (Brokers are compensated from the 5 points JTI Charges). Bottom Line: We keep 3 points. Brokers make 2 points.
- **TIER II & TIER III Residential Foreclosure bailout loans:** TIER II compensation is \$2,000 per deal closed. TIER III compensation is \$250 - \$500 per deal closed.
- **10% Down No Credit Check Residential Purchase & TIER III GAP Refi:** Compensation is limited to \$500 per deal closed.
- **Rehab “Fix –n- Flip” Loans:** Compensation is \$1,500 per closed deal.
- **APPRAISALS:** All appraisals MUST be in JTI Funding’s name.
- **Title & Settlement:** All Title & Settlement services are performed by Independent Settlement Services Company unless otherwise noted
- **Loan Processing:** All Loans received by JTI are processed by JTI unless otherwise noted.
- **NO OTHER WORK IS REQUIRED FROM YOU.** We take care of Processing, Title Underwriting and Closing. However, we do rely upon the cooperation of our Brokers whenever necessary with assisting us in gathering all requested documents from the Borrower(s) in order to complete the Underwriting process.
- Upon receipt of the Loan Submission Sheet, 1003, Trimerge Credit Report & Appraisal – (if you have one) we immediately give you a PreQual within 24-48 hrs which states all details of the loan.
- **If you are NOT AGREEABLE to working on this fee basis, please do not contact us since we cannot make any exceptions to this Broker fee arrangement.**
- We must be able to deal with the borrower directly and possibly work with him under our own agreement.
- **If purchasing a property or business, the borrower must have made an offer and have a written acceptance from the seller.**

If you wish to submit a loan for PreQual, please e-mail or fax the JTI Loan Submission Sheet, Completed 1003, Trimerge Credit Report & Appraisal – (if you have one – ALL Appraisals MUST be emailed and must include interior photos).

WE NOW HAVE OVER 700 BROKERS AND ASSOCIATES REFERRING PROSPECTS IN THE FIELDS OF COMMERCIAL MORTGAGE FINANCING, INCOME PROPERTY FINANCING, and LAND DEVELOPMENT.

MINIMUM LOAN AMOUNTS

BROKER SUBMITTED LOAN MINIMUM - ADD 20%

TO LISTED MINIMUM LOAN AMOUNT - Example: non-broker submitted \$250,000 minimum loan amount - Broker submitted \$300,000 minimum. (Does not apply to Land development loans)

- **COMMERCIAL MORTGAGE LOANS-ALL TYPES** - (non-land development) - \$250,000 minimum loan amount. Multi-family (apartments) must be 6 units or more.
- **RAW LAND LOANS** - \$300,000 minimum loan amount. Can be for non-development purpose.
- **LAND DEVELOPMENT FINANCING** - \$500,000 to \$1,000,000 minimum loan amount (Direct borrower or broker submitted). Minimum varies according to available lenders(s). This includes land purchase, infrastructure expenses and optional construction financing.
 - **SBA LOANS** - \$400,000 minimum loan amount.
- **OTHER BUSINESS LOANS** - Except receivable financing and leasing - \$400,000 minimum loan amount.
- **RECEIVABLE FINANCING (FACTORING)** - \$50,000 per month in GOOD (under 90 day old) accounts receivable.
 - **LEASING** - (Individual lease transaction) - \$35,000 minimum amount.
 - **RESIDENTIAL** - \$250,000 – (exceptions can be made down to \$150,000)

Preliminary underwriting is based upon a multi-tier strategy that allows us to provide your client the funding they require without the need for multiple lenders and multiple submissions. Here's how that works:

Tier One: Direct Lender (We fund in-house)

- As a direct portfolio lender we set the criteria for the loans we fund. We work creatively to make our loans financially viable.

Tier Two: Private Placement (We package loans to private investors)

- Upon submission, we present the loan to our in-house investors that have the ability to fund hard money loans ranging from \$100K to \$1M. These investors rely on our expertise and recommendations for funding loans.

Tier Three: Co-Op Lending (We act as a clearing-house/exchange)

- If we or our investors decide to pass on the loan, we initiate tier three procedures. This introduces your loan, without any further work from you, to our network of Hard Money Funding Institutions. These are organizations that have investors of their own and have given us access. This means that your loan may be submitted to as many as 5-10 organizations within our network. The advantage is clear: We have the knowledge of and access to the dozen or so direct hard money lenders in the US, know how to 'package' the loan and structure the deal, know where it has the best fit and can 'float' it, saving you both the time and trouble in the long run.

Because of this multi-tiered structure, we are more successful in providing a complete solution.

Definitions:

Affiliate commissions will be paid to Affiliate within 30 days from funding of the loan. Commissions are based on the total loan amount processed & closed by JTI and directly referred by you, the main affiliate per the above TIER Structure.

The definition of 'processed' or 'closed' is the completion of loan proceedings in which our Investors and/or Lenders secure the loan based on your referral. Not all referrals will turn into sales (successful loan closings).

*A potential applicant will have a cookie placed on their computer with your affiliate ID that will last for 30 days, allowing them to return up to **30 days** later to fill out the application form and giving you credit for the referral.*

Payment Schedule:

You will be paid via check once a month for any referral commissions you have earned. It is up to you, the affiliate, to pay any taxes on the income you receive from this program.

AFFILIATE AGREEMENT

In order to be compensated as an AFFILIATE for referring applicants to our site, you agree to the terms and conditions of this agreement. JTI Funding and AFFILIATE are entering into a simple business agreement in the best interests of both parties. AFFILIATE and JTI Funding are independent contractors, and nothing in this Agreement will create any partnership, joint venture, agency, franchise, sales representative, or employment relationship, or the relationship of principal and agent between the parties. All copyrighted material and trademarked names and logos used in accordance with this Agreement by either or both parties remain the exclusive intellectual property of the respective originating or issuing parties. No transference of intellectual property ownership or conveyance of rights is intended or conferred in this Agreement. Sales and interests in this Agreement may not be transferred or sold to any other entity and all business between the parties is subject to the terms of this Agreement. Both parties will be held to confidence in any matters of business with regards to this Agreement.

AFFILIATE shall indemnify and hold JTI Funding harmless from any and all legal actions, damages or liabilities incurred from the day-to-day operations of AFFILIATE. Under no circumstances will JTI Funding be liable whether in tort, contract or otherwise for indirect, incidental, consequential, special or exemplary damages (including but not limited to damages for any loss of revenue, profits, business interruption, loss of business information or data, loss of goodwill, work stoppage, hardware or software failure, or other pecuniary loss) arising from or relating to any provision of this Agreement or the program. Without limiting the foregoing, JTI Funding aggregate liability arising with respect to this Agreement will not exceed the total fees paid or payable to AFFILIATE under this agreement. JTI Funding will own all right, title and interest in and to all information that is created or collected in the operation of the JTI Funding (<http://djaapex.net>) site and reserves the right to amend or terminate this Agreement at any time, with or without notice to AFFILIATE.

It is the full responsibility of AFFILIATE to market these Products in a legal, ethical and honest fashion and AFFILIATE agrees that BW Group will be held harmless from any and all actions of AFFILIATE and AFFILIATE marketing and promotional programs. JTI Funding reserves the right to amend all pricing plans, commissions or conditions relative to this agreement BW Group reserves the right to terminate any affiliate with or without cause at the sole discretion of JTI Funding with or without notice.

Prohibition of SPAM/CAN-SPAM Compliance.

JTI Funding has a strict policy against unsolicited commercial e-mail (commonly referred to as "Spam"). Moreover, JTI Funding does not partner with companies or individuals that engage in Spam or fail to comply with the CAN-SPAM Act of 2003 (Public Law 108-187) or other laws regulating commercial email. You hereby affirm that all End Users contacted by you by e-mail as part of this Agreement are End Users that have subscribed to receive e-mail messages on an explicit, voluntary basis and that your sending of such e-mail under the terms of this Agreement cannot be reasonably interpreted as Spam or Spamming, a mobile service message as defined by the CAN-SPAM Act; and that you shall at all times comply with the CAN-SPAM Act or any other laws regulating commercial email. You agree to indemnify and hold JTI Funding its merchant customers and their respective affiliates, employees, officers, agents, directors and representatives harmless from any and all allegations, claims, actions, causes of action, lawsuits, damages, liabilities, obligations, costs and expenses (including without limitation reasonable attorneys' fees, costs related to in-house counsel time, court costs and witness fees) attributable to or arising out of or in connection with any third-party claim regarding an allegation of Spam or violation of the CAN-SPAM Act (or any other laws regulating commercial email) in connection with this Agreement.

The laws of the State of Virginia shall govern this Agreement and should there be any legal dispute between the parties, then both parties agree to take the matter before mediation in Prince William County, VA.

Accepted:

LENDER/BROKER: JTI Funding Date: _____

Broker's Name: _____

Accepted:

AFFILIATE: _____ Date: _____

LOAN FRAUD PREVENTION POLICY

It is the policy and intent of JTI Funding to support the eradication of loan fraud within the residential lending marketplace. All fraudulent files are turned over to the FBI and all other applicable state and local agencies. All information gleaned from fraudulent files is shared with other industry participants as well as industry databases. Loan Brokers should be advised that Broker bears responsibility for all actions performed in the course of business, of his or her employees or licenses. Additionally Broker should be aware of Broker's responsibility for the accuracy of all information submitted to JTI Funding never speaks to the Broker's borrower and relies on the Broker or their employees to interview borrower. JTI Funding expects Broker to probe into questionable statements or situations. The Broker acts as our eyes and ears. The push for production should never outweigh ethical considerations. Additionally Broker is responsible for choosing reputable licensed appraisers.

To All Loan Officers & Brokers: Please print and share with your respected individuals. This document has been prepared from the Fraud department and the following issues are very important. JTI has a ZERO Tolerance for Fraud and has made it very clear to all lenders that we will eliminate any branch that participates in it.

Do's and Don'ts of your Branch-

-Sending out multiple submissions to see what sticks- First of all you lose total respect of an AE when they realize that this deal was sent to multiple lenders at one time. And they do know when you do. Know your lenders and know their products. Submit one application at a time.

-Be in contact with your Borrower. Do not ignore your client. If there is nothing you can do, than advise so. Do not leave them hanging.

-Co-Brokering! You can NOT do it, the HUD1 must fully reflect JTI's name and no other company.

-Misrepresentation of Occupancy- More than half of all of mortgage fraud involves the misrepresentation of occupancy by the borrower. Here's how it often works: The borrower states that he or she will occupy the subject property as his or her primary residence. But the borrower never moves in. Many times these properties are put on the market of resale, are rented out of reinvestment purpose's or are used for illegal activities such as the purchase of the property by straw buyers. Occupancy fraud is costly to the industry because these borrowers default more often than legitimate borrowers, resulting in foreclosure actions by the lender. Misrepresentation of occupancy is a crime in all 50 states. While occupancy misrepresentation is the leading type of fraud, it is usually accompanied by other forms of fraud, including failure to disclose other liabilities, particularly other mortgages.

Borrowers of owner-occupied properties are required to occupy the property for at least 12 months in order to comply with the terms of the security deed. Failure to comply is considered a default of the security agreement and could result in foreclosure actions. At closing, JTI requires each borrower to attest to the nature of the property - whether it is a primary residence, a second home, or an investment property. JTI may independently verify that the property is being used for its intended purposes within 30 days of the closing. The borrower is clearly informed that any intentional or negligent misrepresentation of the information may result in civil liabilities and /or criminal penalties.

-Altered W2, paystubs, VOD, VOE, Bank statements etc. will not be Tolerated. We have informed every lender that we want those double checked. This calls for AVM's, Discco reports, pulling 4506T's and etc. Any branch caught submitting an altered/forged document will be terminated. All documentation will be forwarded to the appropriate Law Enforcement Agency, as well as the Licensing and Regulatory Department of the State. It is your responsibility to do your due diligence on your complete file. This means represent your applicant properly. Make sure you know the facts and they are correct.

-VOD's can not be given to the Borrower. Please read the 1st section of that form and it clearly states so. You must handle accordingly.

- 1st payment defaults are grounds for a buyback. Advise your borrower the importance of that 1st payment! You are fully responsible for any buybacks, this includes 100% of the deficiency balance.

-Pay your bills- You are fully responsible for your bills, i.e.; Loan Officers/appraisers/processors/rents/advertising etc. etc., JTI is not responsible for any of your costs. And for no reason shall JTI be on any invoice what so ever. If an invoice comes in past due, or a complaint from anywhere, we will investigate it and if determined, we will pay the bill out of your funds being processed.

-Problems with other branches, will not be tolerated. In most case, both branches will be terminated.

-No representative at any point can ask any borrower, present or past for funds upfront whether it is for any purpose. This includes Section 32 loans/high cost loans where the branches fees may be reduce at closing. It is illegal and your branch will be terminated and criminal charges will be placed.

-JTI's Branch Manager is fully responsible for the actions of there branch which includes any individuals they deal with, i.e., loan officers, processors, borrowers etc.

-Under no circumstances are you allowed to have an appraisal done that is not a COD. All appraisals must be paid ahead of time and at the door. If there is an invoice that comes in and we are holding onto funds from your branch, JTI will use those funds to pay that appraiser whether you closed the deal or not!. You are fully responsible for those fees. If you can not do the deal, and the customer has requested the appraisal, you are required to release the appraisal as long as they have paid for it. Then they can contact the appraiser to follow with them for any additional fees they may charge.

-Early loan pay offs, it is illegal to churn your clients, most all lenders have a early loan pay off penalty, if your loan pays off (normally with in 180 days or less) and there was a yield spread premium paid, Your branch will be deducted for the yield spread you originally made on that deal.

-Any Branch that has fraudulently originated a loan will be prosecuted to the fullest extent. We will gather all information about the case and submit that information to the local District Attorney. They in turn will file criminal charges against all persons involved.

-Signature discrepancies, will not be tolerated, we verify all signatures on all docs. We contact the borrower to confirm that these were done in accordance with Fannie Mae guidelines.

-Absolutely No Credit Cards/Checking Account in JTI's name. If we find out that a branch has opened up one, they will be terminated immediately along with criminal charges.

-Any loans that were declined due to a misrepresentation can not be resubmitted to another lender unless it has been cleared by the fraud dept.

-If a loan is placed in a Buyback status from a lender, the originating branch will have a hold placed on all incoming funds until the matter is resolved

-Understand that even if the loan is closed by a lender, and is sold on the secondary market, and the detect fraud, JTI mortgage/your Branch is still responsible for that loan.

-We have installed a Watchlist program for branches that have had an incident which warrants us to watch that branch. Normally if another incident occurs, that branch will be terminated.

JTI Funding has contacted every lender and advised them that we are requiring them to do a more thorough Underwriting on every file. We do not tolerate any forms of fraud and will terminate any branch that participates in it. It is your job as a Branch Manager to do your due diligence and submit each file without any misrepresentation.

THE SUBMISSION OF A LOAN APPLICATION CONTAINING FALSE OR MISREPRESENTED INFORMATION IS A FEDERAL CRIME

Although loan fraud or negligent misrepresentation may be perpetrated in many forms, some of the most common examples are shown below:

- *Submission of inaccurate information, including false statements on loan application(s) and falsification of documents purporting to substantiate credit, employment, deposit and asset information of personal information including identity, ownership/non-ownership of real property, etc.*
- *Forgery or misrepresentation of partially or predominantly accurate information.*
- *Inaccurate representations of current occupancy or intent to maintain required occupancy as agreed in the security instrument.*
- *Lack of due diligence or concern by broker, loan officer, interviewer or processor, including failure to obtain or divulge all information required by the application and failure to request further information as dictated by borrower's response to other questions.*
- *Acceptance of information or documentation which is known or suspected to be inaccurate or acceptance of information which should be known to be or suspected to be inaccurate.*

This includes:

- *Simultaneous or consecutive processing of multiple owner-occupied loans from a single applicant where information differs on each application.*
- *Permitting an applicant or interested third party to assist with the processing of the loan.*
- *Failure of broker to disclose any relevant or pertinent information.*

CONSEQUENCES OF LOAN FRAUD

The consequences of residential loan fraud are far-reaching and expensive. JTI Funding warrants the quality of our loan production to our investors. Fraudulent loans may not be sold in the secondary market for home mortgages. If a loan is discovered to be fraudulent after its sale, JTI Funding could be obligated to repurchase the loan from our investor. Fraudulent loans harm our reputation and strain our relationships with our investors and mortgage insurance carriers.

Following is a list of a few of the repercussions that may be experienced:

To the Broker:

- 1. Repurchase requests. Revocation of Broker's license.*
- 2. Loss of approved broker or correspondent lender status with JTI Funding.*
- 3. Inability to access lenders caused by the exchange of legally permissible information between lenders; mortgage insurance companies; FHLMC, FNMA and other investors; policy agencies; state and federal regulatory agencies; and industry databases.*
- 4. Civil action by JTI Funding.*
- 5. Civil action by applicant (borrower) and/or other parties to the transaction.*
- 6. Criminal prosecution which may result in possible fines and imprisonment.*

To the Borrower:

- 1. Adverse, long term effect on credit history.*
- 2. Acceleration of debt as mandated in the security instrument (Deed of Trust or Mortgage).*
- 3. Civil action by JTI Funding.*
- 4. Civil action by other parties to the transaction such as seller or real estate agent/broker.*
- 5. Forfeiture of any professional license.*
- 6. Termination of employment when employer is informed.*
- 7. Criminal prosecution which may result in possible fines and imprisonment.*

I have read the foregoing. I understand and accept JTI Funding Company's Policy on Loan Fraud.

SIGNATURE OF BROKER OF RECORD SIGNATURE OF PRINCIPAL OFFICER

IN WITNESS WHEREOF, the undersigned has executed this Agreement on the _____ day of _____, 2006.

AGREED TO AND ACCEPTED BY:
JTI Funding

Broker _____ Name: _____

Title: _____

Broker to Broker Agreement

This Agreement is dated as of _____, 20____ between **JTI Funding**, a Virginia corporation, , on behalf of itself, located at 661 Gold Cup Dr, Warrenton, VA 20186 (hereinafter known as (.**JTI.**)) and _____, Department of Real Estate Broker's License Number _____, located at _____ (Hereinafter known as (.**BROKER.**)).

This Agreement arose because:

A. **BROKER** and **JTI** are mortgage brokers that are and will remain licensed as such by the Virginia Department of Real Estate. Broker is and shall be, in originating any loans for funding by **JTI**, licensed under and in strict and full compliance with all applicable state and local law, statutes or regulations.

B. **BROKER** originates a wide variety of mortgage applications. It desires from time to time to submit mortgage applications (the .Applications.) from loan applicants (.Applicants.) to **JTI** for its consideration. Broker shall comply strictly with, and shall cause all personnel employed by Broker to comply with, all applicable federal, state and local laws, regulation, rules and ordinances of governmental authorities in connection with all activities of Broker and **JTI**, including without limitation, the laws mentioned in the preceding paragraph, The Real Estate Settlement Procedures Acts of 1974, as amended, the Equal Credit Opportunity Act, as amended, the Truth in Lending Act, as amended, the Fair Credit Reporting Act, as amended, and all other applicable laws and regulations.

C. The purpose of this Agreement is to serve as a master agreement governing all Applications **BROKER** submits to **JTI**. Broker shall provide all documentation, facts, information and other assistance as may be required or otherwise requested by **JTI**, relating to the origination, application, processing, funding, closing or sale in the secondary market of any loans originated by Broker. Broker must also, at the request of **JTI**, take all actions necessary, in a timely and accurate manner, to obtain corrections or additional information required by law or investor on a post closing basis.

D. Broker shall make prompt, full, accurate and truthful disclosure to **JTI** of all facts, information and documentation that Broker knows, suspects, or has notice of that could affect, or has affected, the eligibility, validity, collectability, collateral value, security, or enforceability of any loan application package submitted by Broker for funding consideration by **JTI**. All information set forth in mortgage application(s) prepared by Broker for submission to **JTI** included in a loan application package, including all written attachments thereto, is and shall be true, correct, currently valid and genuine. No error, omission, misrepresentation, negligence, fraud, or similar occurrence with respect to an application package or a loan has taken place on the part of any person or entity, including, without limitation, the Broker, and its officers, directors, employees, representatives and agents, the borrower, any appraiser, any builder or developer, any title agent or any person involved in the preparation and/or submission of a loan application package to **JTI**. Additionally broker agrees, first payment default, defined as borrower missing the first scheduled payment and all others afterward, will automatically be deemed a misrepresentation.

E. The parties agree that the covenants, representations and warranties set forth in this Agreement shall survive delivery of a Loan Application Package, funding of any related Loan and the termination of this Agreement. Broker agrees that within thirty (30) days of JTI's demand it will, in JTI's sole discretion, either cure to JTI's satisfaction any defect or repurchase any Loan that is not in compliance with this Agreement, including the representations, warranties and covenants set forth in this Agreement, any exhibit to this Agreement, any Approval Letter or JTI requirements. If JTI determines that Broker shall repurchase a Loan, the repurchase price shall be an amount equal to: (a) the principal balance of such Loan as of the repurchase date, as shown on the records of JTI; plus (b) accrued but unpaid interest up to and including the date of repurchase; all principal and interest advances, servicing advances, servicing fees and accrued ancillary income, all prepayment penalties if applicable and any Yield Spread Premium (YSP) paid to Broker; plus (d) any out-of-pocket expenses, including attorneys' fees, whether or not a lawsuit is filed, of JTI relating to such loan repurchase or enforcement of the repurchase obligations hereunder.

F. Broker shall indemnify and hold JTI harmless from any and all loss, injury, damage, and/or liability resulting, or claimed to have resulted by any person, from any breach of Broker's covenants, representations, or warranties under this Agreement, or otherwise arising from or relating to any acts or omissions, whether willful, negligent or otherwise, of Broker or its employees or agents in connection with any loan to be originated by Broker hereunder. Such indemnification shall include, but is not limited to, reasonable attorney's fees by counsel of JTI 's choice, appraiser's costs, investigator's fees, expert's fees, and such costs and disbursements as may be incurred by JTI in connection with such matters subject to indemnification by Broker.

2

Initial

G. Broker shall conduct its business with JTI in accordance with JTI 's loan procedures and guidelines, as may be provided to Broker from time to time.

H. Broker is an independent contractor, and that Broker shall not represent itself in any manner to be the agent, servant, employee, representative or partner of co-venture of JTI. Broker shall have no authority to solicit, bind, or commit JTI to any contract or transaction, whether for replacement of a loan or for any other purpose, and Broker shall not represent in any manner to anyone that Broker has any such authority.

I. Broker acknowledges that JTI, in its sole and absolute discretion, may elect to accept or reject any loan originated and submitted to it by Broker under this Agreement.

J. The relationship between JTI and Broker under this Agreement is non-exclusive. The Broker acknowledges that JTI has heretofore entered into arrangements with other brokers similar to the arrangements made hereunder, and that JTI intends to enter into, and shall not be restricted by this Agreement from entering into other arrangements similar to the arrangements set forth in this Agreements, with other brokers from time to time in sole discretion of JTI and without notice to the Broker.

K. This Agreement shall be in effect for a term commencing on the date of this Agreement and terminating immediately upon notice either by JTI or by Broker, in writing and actually delivered to the other party, stating that the party giving notice elects to terminate this Agreement. This Agreement shall terminate promptly upon the giving of such notice, without cause and without necessity for the stating of cause. Any such termination shall however, not affect the coverage of, or effectiveness of this Agreement with respect to any loans for which application packages have been delivered to and received by JTI prior to the receipt by the receiving party of the aforementioned notice to termination. This Agreement shall remain in full force and effect with respect to every loan originated under this Agreement, notwithstanding any later termination, with

respect to the representations, warranties and agreements of the Broker set forth herein, until the repayment in full or other final disposition of all of the loans originated under this Agreement.

L. The Broker shall not knowingly nor specifically solicit JTI 's customers, including any that were identified by Broker under the provisions of this Agreement, for the purpose of a "Loan Transaction" (defined as any execution, refinance, extension or other modification of a loan) if such customer closed a Loan Transaction through JTI, within one (1) year from the date of loan closing. This provision shall survive any termination of this Agreement. Both parties agree that this period of non-solicitation is reasonable given the nature of this Agreement. In the event Broker's breach of this covenant results in a new Loan Transaction, Broker agrees to reimburse JTI for its payment of broker premiums to Broker and all costs associated in connection with the Loan Transaction which was originally closed through JTI within twelve months of the new Loan Transaction. Additionally, in the event Broker breaches this covenant, Broker agrees to hold harmless JTI for any liabilities incurred by JTI as a result of Broker's actions.

M. In the event JTI refuses to grant credit to an applicant sourced by the Broker, the Broker agrees to inform the applicant of JTI 's credit decision within thirty (30) days of the date of such notice from JTI. The Broker does not have to notify the applicant if the loan is placed elsewhere within thirty (30) days of JTI 's denial.

N. Broker shall have no right to, and shall not, sell, assign or transfer any of Broker's rights arising hereunder, nor delegate any of Broker's duties and obligations undertaken hereunder.

3

Initial

O. In accordance with the Gramm, Leach Bliley Act of 1999 (GLBA), as amended from time to time, nonpublic customer information provided by JTI is to be regarded as confidential and private. Appropriate safeguards and protections shall be taken by Broker to maintain the private nature of the information. The use of the information shall be limited to that which was authorized by JTI's customers including conducting transactions within JTI's ordinary business. It is agreed that Broker will not use (and is hereby prohibited from using) any nonpublic information obtained by JTI, its affiliates or divisions, for purposes other than those that the information was provided. It is further agreed that Broker shall not share, distribute, sell, or otherwise cause anyone else to use nonpublic information provided by JTI, without the express written permission of JTI. It is agreed that Broker shall be responsible for the safeguarding of any customer information received from JTI. Furthermore, Broker shall indemnify JTI and hold JTI harmless against any other claim or action taken as the result of any breach in the confidentiality of customer information by Broker. No part of this Agreement may change or be modified except by written amendment signed by Broker or JTI.

This Agreement may be executed in multiple counterparts, and shall be effective on the date it is accepted by JTI.

NOW, THEREFORE, the parties agree as follows:

1. **Non-Exclusive Arrangement.** BROKER may submit and JTI will consider Applications for mortgage loans. BROKER shall have no obligation to submit Applications on an exclusive basis, but shall not submit any Application concurrently to more than one mortgage company. Likewise, JTI shall be free to obtain Applications from other sources. JTI shall, from time to time, supply BROKER with rate sheets and underwriting criteria to assist BROKER in selecting Applications that are likely to qualify for loans arranged by JTI.

2. **Contents of Applications.** Applications shall consist at a minimum of a completed loan application, credit report and property comparables. It shall be BROKER'S duty to perform due diligence on all information submitted. BROKER shall be solely responsible for all costs of its origination effort and the charges it incurs for credit report, loan officer compensation, marketing and other costs.

3. **Compliance with RESPA.** JTI and BROKER shall each provide in their disclosures an estimated disclosure of fees anticipated by each broker. In addition, each submittal to JTI shall constitute a representation and warranty that BROKER has performed sufficient

services to qualify for compensation under the safe harbor provisions of the Real Estate Settlement Procedures Act and Regulation X contained in the Statement of Policy 1999-1 Regarding Lender Payments to Mortgage Brokers, Federal Register Docket No. FR-4450-N-01 and Statement of Policy 2001-1 Clarification of Policy 1999-1 Regarding Lender Payments to Mortgage Brokers, Federal Register Docket No. FR 7414-N-01, including taking the application and providing at least five out of the other thirteen qualifying service categories:

- A. Initiating/ordering VOE.s (verification of employment) and VOD.s (verifications of deposits)*
- B. Initiating/ordering requests for mortgage and other loan verifications*
- C. Initiating/ordering appraisals*

Broker to Broker Agreement (continued)

D. Initiating/ordering inspections or engineering reports

E. Providing disclosures (truth-in-lending, good faith estimate, others) to the Borrower

F. Ordering legal documents

G. Determining whether the property was located in a flood zone or ordering such service

H. Analyzing the Applicant's income and debt and pre-qualifying the Applicant to determine the maximum mortgage that the prospective Borrower can afford

I. Educating the Applicant in the home-buying and financing process, advising the Applicant about the different types of loan products available, and demonstrating how closing costs and monthly payments would vary under each product

J. Collecting financial information (tax returns, bank statements) and other related documents that are part of the application process

K. Assisting the Applicant in underwriting and clearing credit problems

L. Maintaining regular contact with the Applicant, Realtors and Lender between application and closing to apprise them of the status of the application and to gather any additional information as needed

M. Participating in the loan closing

4. Compensation. *Contingent upon the closing of a loan on the submitted Application and the disbursement to JTI of its compensation in the transaction, JTI shall pay BROKER for individually negotiated fee for its services. The payment shall be paid directly from the loan escrow when feasible or if not, within 72 hours of JTI's receipt of such compensation. JTI shall have the absolute discretion as to the compensation to be charged on all loans it submits to lenders. If JTI, in its absolute discretion, allows a borrower to rescind a loan after it is funded, the parties shall return their compensation to the extent necessary to accomplish the rescission.*

5. Indemnification.

(a) By JTI. JTI shall indemnify and hold BROKER and its agent harmless from any and all demands, costs, judgments and claims of any kind (including attorneys fees and court costs) arising out of claims on an Application or resulting Loan arising from the acts or omissions of JTI or its personnel or agents after the submission of an Application to JTI.

(b) By BROKER. BROKER shall indemnify and hold JTI and its agents harmless from any and all demands, costs, judgments and claims of any kind (including attorneys fees and court costs) arising out of claims on an Application or resulting Loan arising from the acts or omissions of BROKER or its personnel or agents before the submission of an Application to JTI.

6. Compliance with Laws. *Both parties shall in all of their activities under this Agreement comply with the laws of the State of Virginia and the United States. All activities shall be conducted in strict accordance with the Virginia Real Estate Law applicable to real estate brokers. If either party's real estate broker's license ceases to be in good standing, that party shall immediately notify the other in writing.*

Broker to Broker Agreement (continued)

7. Arbitration Agreements with Applicants. *JTI shall require all Applicants to execute an arbitration agreement requiring the Applicant to arbitrate any and all claims the Applicant may have with JTI, the lender and any other broker in the transaction, including BROKER. If an Applicant initiates arbitration with JTI, BROKER stipulates to join in such arbitration if it is named in the claim or has a cross-claim against JTI.*

8. Arbitration of Disputes. *The parties agree that any dispute between them shall be decided by binding arbitration under the rules of the American Arbitration Association. The prevailing party shall be entitled to an award of its attorney and accounting fees from the losing party and arbitration costs. All hearings shall be in the County of Brandon unless otherwise agreed or ordered by the arbitrator(s). Limited discovery shall be conducted in the discretion of the arbitrator(s).*

9. Status of Parties. *The parties are independent contractors not the partners, joint ventures or agents of the other. Neither party has any power to bind or to represent the other. JTI is not the agent of any Applicant.*

10. Confidentiality. *The name of the Client and/or Private Investor Source, the identity of the particular project, and all information provided by the introducing Party and the Client and/or Private Investor Source shall be deemed confidential information, excepting only such information known to the public, or previously obtained by the Cooperating Party from nonconfidential sources. Notwithstanding the above, a Party may disclose confidential information to the Party's legal counsel, officers and employees provided the Party makes a reasonable good faith effort to protect against any unauthorized disclosure of the Confidential Information.*

11. Good Faith. *Both Parties will act in the utmost good faith at all times and will deal honestly and fairly with each other so that each Party may receive the reasonable benefits of this Agreement.*

12. Non-Circumvent. *The Cooperating parties shall not divert or otherwise take away, either directly or indirectly, the Introducing Party's Client and/or Private Investor Sources. The Cooperating Parties shall not interfere with the present or future economic relationship between the Introducing Party and the Client.*

13. Successors and Assigns. *This Agreement shall be binding upon and inure to the benefit of the heirs, successors and assigns of the Parties.*

14. Enforceability. *This Agreement shall be interpreted and governed by the laws of the State of Florida. If any court should find any provision unenforceable, the remaining provisions shall remain in full force and effect to the fullest extent permitted by law.*

15. Interpretation. *This Agreement shall not be interpreted for or against other Party by virtue of that Party, or its attorney, having drafted this agreement.*

16. Assignment. *Neither Party may assign this Agreement, or any payments or fees due, or delegate any duties without the written consent of the other Party.*

17. Notices. *All notices shall be in writing and may be delivered by any lawful means to the address stated on the first page. Any notice to Lender shall include a copy addressed to: JTI Funding, 661 Gold Cup Dr, Warrenton, VA 20186*

18. Termination. *Either Party may terminate this Agreement at any time with or without notice to the other Party. Notwithstanding termination, the rights and duties of the Parties under this Agreement shall remain in full force pending the conclusion of any Transaction then pending.*

Broker to Broker Agreement (continued)

19. **Waiver.** The waiver of any provision of this Agreement shall be invalid unless in writing signed by Party making the waiver. The waiver of, or failure to enforce, any provision of this Agreement shall not be a waiver of any further breach of such provision or of any other provision. The waiver by either or both Parties of the time for performing an act shall not be a waiver of the time for performing any other acts.

20. **Headings.** The headings in this Agreement are for convenience only and shall not be used to interpret this Agreement.

21. **Word Usage.** Unless the context clearly requires otherwise:

- A. the plural and singular numbers shall each be deemed to include the other;
- B. the masculine, feminine, and neuter genders shall each be deemed to include the others;
- C. .shall., .will. or .agree. are mandatory, and .may. is permissive;
- D. .or. is not exclusive; and
- E. .includes. and .including. are not limiting.

22. **Third Party Beneficiary.** This Agreement is made solely for the benefit of the Parties to this Agreement and their respective successors and assigns and no other person or entity shall have or acquire any right by virtue of this Agreement.

23. **Survival.** Except as otherwise expressly provided in this Agreement, all representations, warranties and covenants contained in, this Agreement shall survive the termination of this Agreement.

24. **Further Acts.** Each Party agrees to take such further action and to execute and deliver such further documents as may be necessary to carry out the purposes of this Agreement.

24. **Cooperation of Others.** Notwithstanding the restrictions of the paragraph 13, and upon the prior written approval of the other Party, either Party may solicit the cooperation of the others to facilitate a Transaction under the following conditions:

- A. The other cooperating person shall execute a copy of this Agreement;
- B. Any amounts owing or paid to the other cooperating person shall be paid from the Fees otherwise owing to the Party who solicited the other cooperating person;
- C. The Party who solicits the other cooperating person shall defend and indemnify the other Party (according to paragraph 21 of this Agreement) against claims or losses arising out of or in any way related to the other cooperating person;
- D. A Party's consent to use another cooperating person shall be deemed a one-time consent only; and
- E. The Parties shall consider the other cooperating person the same as a Client for purposes of the non-circumvention and confidentiality.

25. **Miscellaneous.** This Agreement constitutes an integrated agreement between the parties and supersedes all previous agreements and negotiations. It shall be construed as if drafted by both parties. This Agreement may only be modified or waived by an agreement in writing. This Agreement may be executed in one or more counterpart or signature pages, each of which shall be deemed an original and together which shall comprise one instrument. A facsimile of this Agreement bearing the signature of a party shall have the same legal effect as an original.

Broker to Broker Agreement (continued)

The parties have executed this Agreement to be effective on the date first set forth above.

BROKER:

a _____,
By _____
Its: _____.

Signature _____
Date _____

**DO NOT WRITE IN THIS SPACE
For JTI Funding Use Only**

JTI:
JTI Funding
a Virginia Corporation,
By Dex Johnson
Branch Manager

Signature _____
Date _____

Broker Information

Company Information

Company Name: _____

DBA: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone Number: _____ Fax Number: _____

Business Type: Sole Proprietorship Partnership Corporation Date Established: _____

Number of Employees: _____ Broker of Record: _____

State(s) licensed to do business. **Attach license(s) if applicable:** _____

Manager / Owner name(s):	Title:	% Ownership:
_____	_____	_____
_____	_____	_____
_____	_____	_____

Tax ID or Social Security Number: _____

List of Loan Officers and Processors

List name, title, and mailing address, (if different from above):

Information Release Authorization

The undersigned individual(s) and/or Company hereby authorizes the release to JTI Funding any information for the confidential use in compiling a business and/or personal credit file. This includes authorization to obtain personal and/or business credit reports.

X _____ Signature/Title	_____ Social Security Number	_____ Date
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X _____ Signature/Title	_____ Social Security Number	_____ Date
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Mortgage Broker Agreement

This agreement is entered into on the date set out below, between **JTI Funding Corp, (JTI)** and _____, (Broker).

1. Broker is an entity duly organized, validly existing and in good standing under appropriate state laws, and has full power and authority to own property and carry on its business as it is now being conducted, and is duly qualified to transact business as a foreign entity in all jurisdictions where such qualification is required.
2. Broker has the requisite authority and capacity to enter into this agreement. Broker's compliance with terms and conditions of this agreement will not violate any provisions of Broker's Articles Of Incorporation, its Bylaws or any other instrument relating to the conduct of its business, or any other agreement whatsoever to which it may be a party.
3. Broker has all necessary federal, state and/or local licenses, permits, authorizations and/or approvals required to conduct business as it is presently being conducted and to perform its obligation under the terms of this agreement.
4. Broker shall be responsible for the misfeasance, malfeasance and/or nonfeasance of its employees and/or agents.
5. Broker intends from time to time to offer JTI mortgage loans that it has originated.
6. The following are terms under which JTI will underwrite and close approved loans from applications offered by Broker;
 - 6.1 Broker warrants that any loan it submits to JTI for approval will contain accurate information and will be in compliance with all applicable federal, state and local statutes, ordinances and regulations including, but not limited to, the Real Estate Settlement Procedures Act, the Equal Credit Opportunity Act, the Truth in Lending Act, the Fair Credit Reporting Act and the Flood Disaster Protection Act.
 - 6.2 Broker warrants that in submitting applications to JTI it is in full compliance with all pertinent rules and regulations of the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation and such other requirements as JTI may determine necessary in the course of business.
 - 6.3 Broker understands that all loans submitted to JTI pursuant to this agreement will be underwritten in accordance with JTI's then current rules and that JTI will approve or decline loan applications in accordance with its own underwriting policies. JTI alone, in its sole discretion, shall make underwriting determinations.
 - 6.4 Upon submission of a file to JTI, Broker thereby assigns all right, title and interest in the file to JTI with the exception of the right to Broker's origination fee and the file becomes the property of JTI. JTI will close approved loans in its own name.
 - 6.5 Broker understands that JTI routinely conducts quality control and verbal audits to re-verify documentation and appraisals submitted by Broker. Broker understands that any discrepancies found by JTI during quality control and/or verbal audits are grounds for immediate cancellation of this agreement.
 - 6.6 This agreement may be canceled by either party and such cancellation shall be effective immediately.
7. The entire agreement between the parties is contained herein. Any further agreement or modification of this agreement shall be in writing.
8. The date of any notice sent shall be the date mailed to the addresses appearing on this agreement or such other address as shall be designated in writing at some future date.

Dated this _____ day of _____, 20_____.

JTI Funding Corp

_____, by
Company Name

Authorized Agent

Signature/Title

JTI Funding
661 Gold Cup Dr
Warrenton, VA 20186

Street Address: _____
City, State. Zip: _____



Consumer Direct Hard Money Loans

Interested in developing a niche in your market with HML?

Many brokers see the occasional loan that requires the HML solution. But you could be missing a great opportunity to develop a proactive and profitable niche in your community.

Making it easy to do business with JTI Funding Hard Money Residential & Commercial . . .

JTI Funding (“JTI”) is a niche lender – we offer Hard Money Loans (“HML”) based on the [value of the property](#) and the benefit to the borrower using conventional lending rules. JTI utilizes our formal underwriting guidelines typical for a “low doc” (SISA or stated income, stated assets) loan. While the typical Borrower may have severely impaired credit, Apex offers an “Out of the Box” Underwriting solution.

To close a loan in an expedient fashion, we must first know the value of the property and receive Borrower signed 1003 and disclosures acknowledging their understanding of the loan program. If a refinance, we also require assurance, in the form of a letter signed by the Borrower(s), stating the benefit to borrower in detail.

Process

Step 1:

Contact your Account Executive to discuss the details of your potential borrower’s situation to ensure that loan fits well within our program guidelines. If you are not already signed up as a broker your Account Executive will assist you through this simple process at this time also.

Step 2:

Submit a complete loan file to JTI (address below) following the submission form requirements. Make certain that your phone and fax numbers and e-mail address on the JTI Submission Form are legible to facilitate rapid communications with you. All documents must be fully completed – partial completion of the final typed 1003 is absolutely unacceptable.
NO FAX SUBMISSIONS WILL BE ACCEPTED.

Submissions:

JTI Funding
Attn: [Dex Johnson](#) -(Account Executive)
661 Gold Cup Drive
Warrenton, VA 20186

A clean and correct file will enable us to process your loan more quickly. Failure to submit a complete file may result in the file being returned.

Step 3:

After a file is received, it will be assigned to an Account Manager by state who is also your point of contact for any questions or follow up items on that loan.

Assuming you have submitted a complete and correct file, within 24 – 48 hours, your Account Manager will communicate any “*Pre-Underwriting*” conditions to you. Please submit the “*Pre-Underwriting*” conditions, if any, to the Account Manager who sent them to you.

Step 4:

After resolving any “*Pre-Underwriting*” conditions, the file is sent to Underwriting. Within 48 hours, your Account Manager will communicate any “*Underwriting*” conditions to you. Please direct questions or “*Underwriting*” conditions to the Account Manager who sent them to you.

Step 5:

When the file is cleared to close, you will be notified that all “prior to close” conditions have been satisfied. The Account Manager will send the file to the Closing Department for Doc Prep. We require 24 hours to prepare documents. The assigned closer will contact you to set a time and date for closing and remind you to submit any “*Prior to Doc*” or “*prior to Close*” conditions. Be certain your closer has the correct wiring instructions and the e-mail address from the title company where the documents are to be sent. Closing requires a HUD-1 from your title company before the docs are sent to title.

Step 6:

Funding will occur on the date and time requested provided we have sufficient time after receipt of the HUD-1 to wire funds to the title company. We will wire funds until 1:00 pm EST. Depending on the amount of activity within the Fed Funds system it may take 3 – 4 hour for your title company to receive funds. Be aware that if you are on the East Coast, wiring at 1:00 pm most likely means the funds will be received the next day.

Common Errors

Common 1003 mistakes: Each and every applicable box must be completed. Every item is subject to review at the underwriter’s sole and absolute discretion.

Page 1.

Sec. II. The Borrower(s)’ name(s) shown in Sec. II must match their names on the sales contract and title.

Sec. III. Two (2) years of residence history required.

Sec. IV. Two (2) years of employment history required with all information requested completed.

The requirements are the same as for a FNMA or FHLC submission. While we do not require a VOM, VOR, VOA or VOL for verification, any item may be subject to a quality control review

particularly with respect to reasonableness.

Page 2.

Sec. V. State the Borrower/Co-Borrower income (remember that S/E income is entered under "Base Empl. Income." The payments to be made for any and all subordinated liens must be reflected in the "Proposed" Monthly Expense column.

Sec. VI. For the cases where the Borrower does not have a specific asset, enter "0". If the Borrower does not have a checking account, enter "no accounts" and explain why. Complete all liabilities, except collection accounts over 12 months old. All judgments and liens on title must be shown.

Page 3.

Sec. VI. Show all real property owned by the Borrower(s).

Sec. VII must reflect any subordinated liens (2nd or 3rd mortgages) or gift equity. Copies of any existing 2nd or 3rd mortgages must be submitted with the file. Copies of any new second liens will be required Prior to Close.

Sec. VIII. Complete in full. For a permanent resident alien(s), we require a copy(ies) of the Borrower(s) "green card(s)." For a non-permanent resident alien(s), we require a copy(ies) of the Borrower(s) "passport(s)" – copy the first two pages showing his/her identification and photo and a copy of the Visa which permits him/her to legally work in the U.S. (such as H, L) Non-Permanent Resident Aliens are foreigners who reside in the United States on a temporary basis and have documentation of a government issues work visa.

Sec. XI. Sign and date (original application)

Sec. X. Complete all boxes.

Page 4.

Have the Borrower(s) sign and date. If blank, draw a "black" line diagonally across the page.

Other Helpful Instructions:

- Please ensure that you have the correct interest rates and lender fees on all of your loan submission documents. (*call your Account Executive*)
- E-mail the Borrower file from your LOS ; for Calyx, attach the *.brw file; if you do not use Calyx, please attach a Fannie Mae 3.2 or higher *.fnm file. Send to jtifunding@adelphia.net
- We require a Letter of Explanation (LOE) explaining the reasons (net tangible benefit to borrower) why the Borrower needs this type of loan included with the submission.
- E-mail the appraisal to (email address above) (we only accept electronic appraisal submission). We require at least two interior pictures, the appraiser's license and resume.
- You must assign Title and Appraisal to JTI Funding.

Fraud Statement

JTI Funding has "zero tolerance" for fraud. If a file is found to contain any fraudulent information, the Broker's right to do business with JTI will be terminated.

The Valuation Process

The valuation model is a key component to the Hard Money Loan (HML) product. There are two components to this process; the Appraisal and the Valuation Review.

Appraisal:

We strongly suggest choosing from one of the below national appraisal firms. This will expedite your loan. However, you may obtain an appraisal from any reputable firm. We require a copy of their license and resume. A trainee may not perform the appraisal without a supervisor appraiser signature. Please instruct them to provide a "fair market value" and at least two interior pictures. Please also remember to include the appraiser's license and resume.

Valuation Review:

The HML loan requires secondary supporting valuation. We underwrite each appraisal in house and also apply independent third party valuation methodologies, which will include one of the following: AVM, BPO, desk or field review, and for loan amounts greater than \$650,000 a second full appraisal, completed by an approved national appraisal firm.

JTI will apply the lower of these two values when calculating the final LTV.

Suggested Appraisal companies:

- Acranet (800) 435-7193
- LandSafe (888) 626-8451
- Nationwide Appraisal Services Corporation (800) 920-0050
- U.S. Property & Appraisal Services (800) 837-8450

Letter of explanation (LOE)

The importance of the Letter of Explanation should not be overlooked, especially in the situation of cash out and/or higher payments. We need to clearly establish the benefit to borrower.

An outline of key elements (in as much detail as possible):

- What happened to cause the current situation?
- What has or is being done to rectify the situation?
- How has the situation improved?
- How will the borrower be able to make payments?
- Cash out: In detail, what is the cash needed for and how will it improve the borrower's situation?
- Payment shock: Show the borrower's acknowledgement of the old and new payment and how the borrower will be able to make the new payment?
- How will this loan benefit the borrower?