

***BROKER AGREEMENT
OR, WA, ID, UT***

This AGREEMENT is entered into the State of _____ this ____ day of _____, _____, between Frontier Investment Co., dba Rainland Mortgage Company, hereinafter referred to as "RMC", and _____, hereinafter referred to as "Broker".

WHEREAS, the parties wish to establish a non-exclusive relationship between and for the benefit of RMC and Broker, Broker will submit to RMC, from time to time, selected and completed applications of eligible applicants for mortgage loans for review, underwriting and potential approval by RMC.

AGREEMENT

NOW, THEREFORE, in consideration of the promises, covenants and agreements hereinafter contained, the parties agree as follows:

1. **General Broker Responsibility:**

Broker shall perform all of the following duties and functions at Broker's sole expense and Broker agrees to truthfully provide and perform these conditions in addition to the other promises, representations and covenants contained herein:

- A. Submit to RMC completed mortgage loan application packages ("Packages") from applicants using such forms and under such programs, procedures and fee schedules as RMC periodically may establish.
- B. Furnish RMC the applicant's credit, financial and other information as RMC may require.
- C. Provide such additional information as RMC may reasonably request to assist RMC in marketing the mortgage loans to the secondary market. Broker understands that such a request may occur after the closing of the mortgage loan by RMC.
- D. Perform such other services as RMC shall require in order to close the mortgage loan.
- E. Provide a written evaluation of why any approved applicant fails to close a mortgage loan.
- F. Comply with all applicable local, state and federal laws, including but not limited to, Real Estate Settlement Procedures Act, the Equal Credit Opportunity Act, the Truth in Lending Act, the Fair Credit Reporting Act, the Fair Housing Act, the Home Mortgage Disclosure Act, the Financial Modernization Act of 1999 and any other governmental regulatory requirements relevant to brokerage of real property secured loan applications in each jurisdiction where the real property securing the promissory note is located.

2. **Broker's Warranties:**

Broker represents and warrants to RMC at the time any mortgage loan Package is submitted to RMC, at the time that any mortgage loan is funded and closed and at the time any mortgage loan is purchased by RMC, that:

- A. None of the statements or information contained in any mortgage loan Package will contain any untrue or erroneous statement or omission of a material fact that would, in any way, affect RMC's mortgage loan application review and approval. Broker understands that by making the warranty contained in this paragraph, it is warranting the accuracy of all information contained in any loan Package submitted to RMC, whether or not Broker has knowledge or reason to suspect any inaccuracy or omission. Broker acknowledges that the information in the Packages may be subject to RMC's independent verification, underwriting approval or quality control review but this shall not affect Broker's duties, responsibilities, representation and warranties hereunder and Broker shall not be entitled to rely on such actions of RMC to in any way relieve Broker of his responsibilities, representations and warranties herein.
- B. Unless otherwise exempt, Broker is in compliance with all business licensing requirements to do business in the state(s) in which Broker originates any mortgage loan and promises to maintain as valid, all necessary licenses, permits, and authority to engage in activities contemplated by this agreement.
- C. Unless disclosed to RMC in writing before the funding of any mortgage loan, Broker shall not receive any direct or indirect payment from any person other than the applicant with respect to the mortgage loan, including, without limitation, a payment involving escrow, appraisal or sale, and Broker (and Broker's agents, employees, officers and directors) shall have no direct or indirect ownership in any property intended as security for the mortgage loan being reviewed by RMC for purposes of purchase.
- D. Broker, if it is a corporation, is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation, and has full power and authority to own its assets and carry on its business as it is now being conducted, and is duly qualified to transact business where such qualification is required.
- E. All real estate appraisals made in connection with each mortgage loan shall have been performed in accordance with RMC's Underwriting Guidelines and in accordance with industry standards in the appraising industry in the area where the appraised property is located and accurately represents the value of the appraised property.
- F. That all mortgage loan applications submitted to RMC will be originated and prepared by trained employees of Broker, competent in all relevant aspects of mortgage lending activities and will be properly originated, prepared and completed in accordance with the procedures and guidelines of RMC which shall be known to Broker. Further, Broker agrees to deliver to RMC any and all exhibits or documents obtained or prepared by the Broker in connection with each loan submitted.
- G. Broker understands and agrees that the use and findings of the RMC website is limited to approved parties only. Broker understands that the graphic and textual materials (including screen displays and format) are the subject of copyrights owned by RMC and licenses under those copyrights are extended only to Broker for the submission of information to RMC.
- H. That Broker has the requisite authority and capacity to enter into this agreement.

6/5/2008

- I. Broker shall implement and maintain a sufficient document retention program for Packages submitted to RMC, regardless of whether such loan is actually funded by RMC. Such document retention program shall, at a minimum, satisfy all requirements of state and federal law related to the retention of documents related to real estate loans. To the extent Broker retains, or is required to retain, any document related to Packages submitted to RMC and RMC determines that it needs such document, Broker shall promptly provide such document to RMC upon request.
- J. Broker shall cooperate with RMC and provide all information, documents and reports requested during the conduct of any periodic or special review of Broker by RMC. Such information may include, but shall not be limited to, financial reports including the most recent audited financial statements and interim financial statements, copies of any required bonds or insurance coverages, and any approvals with applicable governmental agencies.

3. Broker is an Independent Contractor:

Broker acknowledges that nothing in this Agreement shall be construed to create a joint venture between Broker and RMC. In addition, nothing in this Agreement shall be construed to make Broker a partner, agent, representative, or employee of RMC, and Broker shall not hold itself out as such. Broker may not use RMC's name in any advertising medium. Broker agrees that it shall conduct any and all business activities as an independent contractor to RMC. As an independent contractor, Broker shall determine the method, details and means of performing of all services described within this Agreement.

4. Indemnification:

Broker shall agree to indemnify and hold harmless RMC and its shareholders, directors, officers, agents, attorneys, employees, successors and assignees from and against (and shall reimburse the same with respect to) any and all loss, damage, liability, cost and expense, including reasonable attorney's fees incurred by reason of, or arising out of, or in common with:

- A. Any breach of representation or warranty contained in this Agreement; or
- B. Broker's failure to perform any obligation hereunder; or
- C. Any claim by an applicant resulting from RMC's failure or refusal to fund a loan.

Without limiting the generality of the foregoing, in the event of any breach of any representation, warranty or covenant contained in this Agreement by Broker, Broker's indemnity shall extend to any third party to which RMC has sold any loan or to any assignee thereof.

5. RMC Obligation and RMC and/or its Contract Underwriter Has Sole Discretion to Approve Mortgage Loans:

RMC agrees to review all packages submitted to them by Broker; however, mortgage loan approval (or the purchase of the mortgage loan) shall be within RMC's sole discretion. Broker shall not represent that RMC has approved or will approve any mortgage loan until Broker is so informed by RMC in writing. Mortgage loans shall close in the name of RMC and RMC shall appear on the promissory note as beneficiary. In the event that a mortgage loan application is denied, RMC shall cause to be delivered to Broker a statement of credit denial, termination or change. Broker agrees to inform Applicant of the adverse action on the mortgage loan application in accordance with the regulations of the Equal Credit Opportunity Act.

6. Change in Underwriting Standards:

Broker agrees that RMC's underwriting standards may be amended at any subsequent time. Upon such change, Broker shall comply with all modified underwriting guidelines and modifications thereto. In the event RMC approves a mortgage loan which does not comply with guidelines, the exception must be pre-approved in writing by RMC and RMC may fund such loans at RMC's option and sole discretion; provided, however, that any such funding shall not constitute a waiver of any other guidelines, except as to that loan, and shall not obligate RMC to fund any other mortgage loans which do not strictly conform to said guidelines. All of RMC's approvals are subject to secondary market acceptability. RMC's loan programs may be altered or cancelled at any time. RMC reserves the right to cancel any approval or commitment to loan funds to any borrower where a breach of this agreement is deemed to have occurred by broker on the subject transaction or any other transaction submitted by Broker to RMC.

7. Early Pay-offs:

In the event any loan is paid in full before the receipt of five (5) scheduled monthly payments, Broker shall, within ten (10) days of notice, reimburse RMC for all fees and compensation paid by RMC in connection with said loan, whether credited to Broker or Borrower, including, but not limited to, all commissions, points, yield spread premiums and broker rebates, and Broker shall pay RMC an additional one and one half (1.5%) percent of the original loan balance. Broker shall also indemnify and hold RMC harmless from any and all liability, loss, damage, cost or expense, including attorney's fees, resulting there from.

8. Early Payment Defaults:

In the event the borrower fails to pay any of the first five (5) payments due on any loan, within sixty (60) days of the payment due date, Broker shall be obligated to repurchase such loan pursuant to the Repurchase Obligation set forth in paragraph 10 of this agreement. For the purposes of this paragraph 8, any payment made on any loan by a person other than the borrower named on the note shall be ignored for purposes of determining whether a monthly payment is sixty (60) days or more delinquent.

9. Misrepresentation:

In addition to any other remedy otherwise available, at RMC's sole discretion, upon discovery of any evidence of fraud, omission of any facts known to Broker, omission of any documentation that was delivered to or offered to be delivered to Broker by borrower or any third party, or misstatement of material fact in the origination of a Loan or in the sale of a Loan to RMC, which through commercially available and customary processes, Broker should have discovered evidence of such fraud or misstatement of material fact, or breach of any section of this agreement, RMC shall notify Broker and Broker shall have the opportunity to correct or cure such defect or breach within the time prescribed by RMC to the full and complete satisfaction of RMC. If, after receiving such notice, Broker is unable to correct or cure such defect within the prescribed time, then upon written notice, RMC shall have the right to demand that Broker repurchase such defective Loan pursuant to the Repurchase Obligation set forth in paragraph 10 of this agreement.

10. Repurchase Obligation:

Upon the occurrence of any Repurchase Obligation, Broker shall be obligated to repurchase the related Loan(s) and indemnify RMC for such related Loans(s) in accordance with the terms and conditions contained herein. At RMC's sole option, RMC shall have the right to require Broker to (i) repurchase the related Loan(s), (ii) indemnify RMC for such related Loan(s) and/or (iii) enter into an Indemnification Agreement (as defined below) in lieu

of repurchasing the related Loan(s), in any case, in accordance with the terms and conditions contained herein. Broker's Repurchase Obligation with respect to a Loan shall not be eliminated, reduced or otherwise modified as a result of RMC or any third party taking or failing to take any of the following actions, with or without notice to Broker: (i) modification, workout or assumption of the Loan; (ii) liquidation, repayment, retirement, or sale or resale of any loan; (iii) foreclosure of any loan; or (iv) sale or resale of the property securing a loan.

- A. Repurchase Price. The Repurchase Price shall be the total of: (i) the current outstanding principal balance of the loan at the time of repurchase (or at the time of the foreclosure sale date if the related Loan has been foreclosed), with accrued interest thereon from the Loan's paid to date through the date the repurchase price is paid by Broker to RMC; (ii) all advances made by RMC and all charges due from the borrower; (iii) the total amount, including but not limited to, accrued interest and other expenses, paid by RMC to any senior lien holder, if any, to secure a priority lien position; (iv) all reasonable and necessary expenses, losses and damages paid or incurred by RMC in connection with the loan, including but not limited to reasonable fees and expenses of counsel, incurred by RMC as a result of Broker's breach of this agreement or enforcing the terms of the Loan; (v) if RMC has not sold the Loan at the time of Broker's repurchase, any premium paid by RMC in excess of the principal balance of the Loan at the time of original funding of the loan, or if RMC has sold the Loan and it is required to reimburse the purchaser, the premium that the purchaser paid to RMC; and, (vi) any other fees, costs or amounts relating thereto.

The Repurchase Price shall be reduced by (i) any proceeds of mortgage insurance collected by RMC with respect to the Loan that have not been applied to the unpaid principal balance; and (ii) if the Loan has been foreclosed and the mortgaged property has been sold to a third party, the proceeds of the sale price received by RMC net of all advances, costs and expenses, including but not limited to reasonable fees and expenses of counsel, incurred by RMC in connection with such sale.

- B. Repurchase Procedures. Upon RMC's receipt of the Repurchase Price, RMC shall execute and deliver to Broker an assignment of the Mortgage, an endorsement to the Note, and the related Loan files and other loan documents, each without representation, warranty or recourse. If at the time of receipt of the repurchase price, RMC owns the subject property, whether through foreclosure, deed in lieu, or other means, RMC shall execute and deliver a deed to the mortgaged property, without representation, warranty or recourse. If RMC previously foreclosed the Loan and either sold the Mortgaged property or another buyer purchased the Mortgaged property at the foreclosure, RMC shall execute an assignment of any deficiency obligations of the Mortgagor, without representation, warranty or recourse.

With respect to the servicing of any Loan(s) repurchased by Broker, RMC shall transfer such servicing, or cause such servicing to be transferred, to Broker or its designee. All costs of transferring servicing of any repurchased Loan(s) from RMC to Broker or its designee shall be borne by Broker and Broker shall reimburse RMC for any costs incurred in connection therewith.

- C. Request for Indemnification. Upon the request of RMC, Broker hereby agrees to indemnify and hold RMC and its its past, present and future officers, directors, employees, agents, shareholders and representatives harmless from and against any and all claims, demands, liabilities, causes of action and expenses, including attorneys' fees actually incurred, relating to, arising out of or in connection with Broker's breach or alleged breach of any representation, warranty or covenant contained herein; provided, however, that Broker shall have no obligation to indemnify RMC to the extent the claim for indemnification is based on RMC's gross negligence or willful misconduct.
- D. Indemnification Agreement in lieu of Repurchase. At RMC's sole option and in lieu of repurchasing the related Loan(s) subject to a Repurchase Obligation, RMC may require the Broker to enter into a written indemnification agreement in a form acceptable to RMC (the "Indemnification Agreement") which requires the Broker to indemnify RMC, including, without limitation, reimbursing RMC for any losses incurred by RMC as a result of such Repurchase Obligation with respect to the related Loan(s).
- E. Full Credit Bid At Foreclosure Sale. Notwithstanding anything to the contrary, in no event shall a full credit bid made by RMC or any related party at a foreclosure sale of any Loan affect in any way the rights and remedies of RMC and/or the obligations of Broker under this Agreement, including, without limitation, the obligations of Broker to repurchase and indemnify RMC as provided herein.

11. Right of Offset

In addition to any other rights and remedies available to RMC, including, without limitation, the rights and remedies of RMC under this Agreement, RMC shall have the right, at any time, and from time to time, without notice, to offset and to appropriate or apply any and all deposits of money or property or any other indebtedness at any time held or owing by RMC to or for the credit of the account of Broker against and on account of the obligations and liabilities of Broker under this Agreement or any other agreement between Broker and RMC and/or between Broker and any of RMC's affiliates and/or subsidiaries, irrespective of whether or not RMC or its affiliates shall have made any demand hereunder and whether or not said obligations and liabilities shall have matured. For purposes of the foregoing right to offset, the determination as to whether Broker has any obligations and liabilities under this Agreement or any other agreement between Broker, RMC or its affiliates and the extent of such obligations and liabilities shall be made by RMC in its sole and reasonable discretion.

12. Inspection Rights of RMC:

Broker agrees to keep and maintain its books and records as to mortgage loans hereunder so as to meet and comply with Federal, State and local laws and regulations. Broker hereby grants permission and authority to RMC or its appointees to audit said files. Broker understands that RMC will maintain an active Quality Control System and that RMC will routinely update pertinent credit documentation and appraisals submitted by Broker even after a loan is closed or sold to RMC.

13. Notices:

All notices required herein shall be in writing and shall be deemed to have been given, made and received:

- A. One business day after the date of dispatch, if by facsimile with a confirmed transmission;
- B. One business day after deposit, if delivered by a nationally recognized courier service offering guaranteed, overnight delivery; or
- C. Three business days after deposit in the United States mail, certified mail, postage prepaid, return receipt requested, at the addresses appearing below.

All notices required to be given may be given by registered or certified mail addressed as follows:

If to RMC: Frontier Investment Co. dba
Rainland Mortgage Company
Attn: David Shirk, President
1200 Executive Parkway, Suite 430
Eugene, OR 97401

If to Broker:
Broker's address from RMC Wholesale Broker Application

Or at such other offices or addresses as either party shall inform the other in accordance with this paragraph.

14. No Assignment of Broker's Rights or Duties:

Broker shall not have the right to assign any of its duties, obligations, or rights under this Agreement without the prior written consent of RMC, which consent is subject to RMC's sole discretion.

15. Arbitration of Disputes, Attorneys Fees:

Any controversy, claim or dispute among the parties arising out of this contract, or the breach thereof, shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association in Lane County, Oregon and judgment upon the award rendered by the Arbitrator may be entered in any court having jurisdiction, including the Circuit Court of Oregon, County of Lane. The fees and cost incurred in any such arbitration (exclusive of each parties attorney's fees and costs) shall be borne equally between the parties. However, the prevailing party from such arbitration shall be entitled to recover its attorney's fees in addition to any other relief to which it may be entitled. Should either party fail or refuse to pay its share of the fees and costs, then the non refusing party may advance those fees and costs and the non paying party shall then be deemed to have waived their right to participate in the binding arbitration and shall be precluded from participating in the arbitration unless and until they have reimbursed the advancing party. Any such reimbursement must be at least 14 days prior to the Arbitration Hearing date in order to cure the default of the non-paying party.

16. Entire Agreement:

This Agreement constitutes the entire Agreement between the parties pertaining to the subject matter contained in it and supersedes all prior and contemporary Agreements, representations and understandings. No supplement, modification or amendment shall be binding unless executed by both parties, except where RMC has been specifically granted the right to do so hereunder. It is the intention of the parties hereto that this Agreement shall be construed under and according to the substantive laws of the state of Oregon and shall not be binding until executed by RMC. All questions regarding the validity, interpretation or performance of any of its terms, representations and warranties of any rights or obligations of the parties shall be governed by the laws of the State of Oregon.

17. Enforceability of Agreement:

If any provision of this agreement is held valid, void or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way.

18. Further Acts of Parties:

Each party shall perform further acts, execute and deliver any documents reasonably necessary to carry out the provisions of the Agreement.

19. Captions:

Any captions hereunder are for convenience or reference only and are not to be construed, confining or limiting in any way to the scope or intent of the provisions hereof.

20. Waiver:

The waiver of any breach, term, provision or condition of this Agreement shall not be construed to be a waiver of any other breach, term, provision or conditions. All remedies afforded by this Agreement, or breach hereof, shall be cumulative, that is, in addition to all other remedies provided herein at law or in equity.

21. Attorney-in-Fact:

Broker appoints RMC as their attorney-in-fact to do any and every act that Broker is obligated or required to do to effectuate the transfer and sale of mortgage loans to RMC. This shall include, but not be limited to, the right to sign or correct documents and do all those things necessary on behalf of Broker to carry out Broker's duties or obligations in any such transfer or sale.

22. Termination of Prior Agreements:

In the event of a prior agreement between parties; all Prior Agreements are hereby terminated and superseded by this Agreement. The termination of any such Prior Agreement shall not affect the vested rights of the parties there under. Any provisions of any Prior Agreement (including without limitation representations, warranties, covenants, indemnities and other obligations) which, under the terms of the Prior Agreement or applicable law, would survive the termination of the Prior Agreement shall continue to survive the termination of such Prior Agreement.

23. Term and Termination:

This agreement shall continue until terminated by either party. Broker may terminate without cause upon not less than fourteen 14 days notice to RMC. RMC may terminate without cause upon not less than fourteen 14 days notice to broker. RMC may terminate immediately upon receipt by broker of notice if broker breaches any term or condition of this agreement, including without limitation any provision of Page 9 [Zero Loan Fraud Tolerance], or if broker has falsely represented any material fact in entering into this agreement or in performance of broker's obligations hereunder. RMC's notice shall specify broker's breach.

BROKER: _____

**Frontier Investment Co. dba
Rainland Mortgage Company**

By: _____ its: _____ Date _____

By: David Shirk its: President Date _____

6/5/2008