

PARTICIPATION FINANCE AGREEMENT

This Participation Finance Agreement (the “Agreement”) is entered into on **DATE, 2020**, by and between AHP Servicing LLC, a Delaware limited liability company (the “Seller” and the “Servicer”), preREO LLC, a Delaware limited liability company, and **NAME** (the “Investor”).

Background

- I. The Seller is offering for sale financial rights and interests in the mortgage loan(s) described on Schedule A (the “Loan(s)”).
- II. The Servicer shall be the mortgage servicer of record for the Loan(s).
- III. preREO LLC is the provider of the technology and services which facilitate this transaction.
- IV. The Investor is seeking to purchase a Participation Interest in the Loan(s) from Seller.
- V. The Seller, Servicer, preREO LLC, and the Investor wish to set forth their understandings concerning the ongoing and final distribution of proceeds as well as the rights and responsibilities of each party to this Agreement related to the Loan(s).

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties to this Agreement mutually agree as follows:

1. **Ownership.**

1.1. **Asset Ownership.** Seller shall ensure that U.S. Bank Trust N.A. as Trustee of American Homeowner Preservation Trust Series AHP Servicing, (the “Owner”), subject to and in accordance with the Owner’s Organic Documents and all applicable law, is as of the Effective Date or, in the event further documentation is required to evidence ownership, shall promptly become, owner and holder of legal title to the Loan(s).

1.2. **Servicing.** The Servicer shall service the Loan(s) pursuant to the agreement between Owner and Servicer enclosed as Schedule B to this Agreement (the “Servicing Agreement”). The Seller is seeking to apportion to Investor its interests and authorities (the “Participation Interest”) related to the Loan(s) expressly delegated to it from the Owner’s Organic Documents and the Servicing Agreement, if applicable.

1.3. **Service Transfer.** Investor acknowledges and agrees that, if required by applicable state or federal law or regulation including but not limited to 12 CFR Part 1024.33 (Regulation X) regarding rules on service transfer, an interim period of up to forty-five (45) days may be required to ensure a compliant service transfer of the Loan(s) to Servicer prior to vesting of the Participation Interest in Investor. Seller and Servicer shall exert commercially reasonable efforts to minimize any such interim period.

1.4. **Diligence.** Investor has been urged, invited and directed to conduct such due diligence review and analysis of the Loan(s), together with such records as are generally available to the public from local, county, state and federal authorities, record-keeping offices and courts

including, without limitation, any relevant court records, if any, as the Investor deemed necessary, proper or appropriate in order to make a complete informed decision with respect to the purchase and acquisition of the Participation Interest. The Investor's decision to purchase the Participation Interest is based upon its own comprehensive review and independent expert evaluation and analysis of the Loan(s). The Investor has made such independent investigation as the Purchaser deems to be warranted into the nature, title, attachment, perfection, priority, validity, enforceability, collectability, and value of the Loan(s), the title, condition and value of any collateral securing the Loan(s), the market conditions and other characteristics of the places where any such collateral is located, and all other facts it deems material to the purchase of the Loan(s).

1.5. **Nature of the Sale.** The transactions contemplated by this Agreement do not involve, nor are they intended in any way to constitute, the sale of a "security" or "securities" within the meaning of any applicable securities laws, and none of the representations, warranties or agreements of any of the parties hereto shall create any inference that the transactions involve any "security" or "securities". The Investor acknowledges, understands and agrees that the acquisition of the Participation Interest involves a high degree of risk and they are suitable only for persons or entities of substantial financial means who have no need for liquidity and who can hold the Participation Interest indefinitely or bear the partial or entire loss of the value.

2. Definitions.

2.1. **Definitions.** The following definitions shall apply for purposes of this Agreement:

2.1.1. "Effective Date" means the closing date of this transaction as indicated in the caption above, or such other date as may be mutually agreed upon by the parties hereto.

2.1.2. "Foreclosure Sale" means, with respect to any Loan(s), the actual forced sale of Secured Property at a public auction after foreclosure or equivalent proceeding.

2.1.3. "Gross Proceeds" means, with respect to any Loan(s), (i) any payments received with respect to such Loan(s) from the borrower(s) or third parties on behalf of the borrower(s), including rents related to the Secured Property; (ii) the gross proceeds from the sale of such Loan(s); or (iii) the gross proceeds from the rental of the Secured Property or sale of real estate obtained from the Foreclosure Sale associated with the Loan(s).

2.1.4. "Net Proceeds" means (i) the Gross Proceeds received by the Seller with respect to any Loan(s) from time to time, minus (ii) all Standard Expenses with respect to all Loan(s).

2.1.5. "Organic Documents" means for any incorporated or unincorporated entity, the documents pursuant to which the entity was formed as a legal entity, as such documents may be amended from time to time.

2.1.6. "Participation Interest" means the cumulative rights in the Loan(s) purchased by Investor identified and granted by the terms of this Agreement.

2.1.7. "Purchase Price" means the agreed upon price of the Participation Interest as set forth in Section 3.4 below.

2.1.8. “REO” refers to the Secured Property after a Foreclosure Sale in which the Owner or other party authorized under this Agreement took title to the Secured Property.

2.1.9. “Representatives” means, with respect to either party, its and its affiliates’ respective employees, officers, directors, agents, counsel, accountants, auditors and advisors.

2.1.10. “Repurchase Price” means a price equal to the sum total amount of any funds paid by Investor to the Seller pursuant to this Agreement as of the date of repurchase, not inclusive of any payment for reimbursement of Standard Expenses other than those Standard Expenses recoverable from the borrower under the terms of the applicable Loan(s).

2.1.11. “Secured Property” means the real estate which secures the Loan(s).

2.1.12. “Standard Expenses” means, with respect to any Loan(s), Secured Property, or REO, (i) all fees and expenses paid to third parties with respect to such Loan(s), Secured Property, or REO, including but not limited to (A) legal fees, (B) accounting fees, (C) appraisal fees, and (D) commissions (whether for the sale of the Loan(s), the sale or rental of Secured Property or REO property received upon the foreclosure of the Loan(s), or otherwise), (E) servicing fees; (ii) interest payments associated with such Loan(s); (iii) real estate or property taxes and other governmental assessments; (iv) all other customary and reasonable "out of pocket" costs and expenses incurred in the performance by the parties of their obligations under this Agreement, including, but not limited to, the cost of (A) the preservation, restoration and protection of the Secured Property, (B) efforts to clear title defects or present and follow up on title claims relating to the Secured Property or REO, (C) any enforcement or administrative or judicial proceedings, including foreclosures and receiverships, (D) the management and liquidation of the Secured Property or REO, and all taxes, assessments, water rates, sewer rents and other charges which are or may become a lien upon the Secured Property or REO, fire and hazard insurance coverage, and (v) all other expenses directly associated with such Loan(s), Secured Property or REO, but not including the general overhead of the Seller, Servicer, or Investor.

3. Investor’s Participation Interest.

3.1. **Agreement to Purchase Participation Interest.** The Seller agrees to sell, and the Investor agrees to purchase, on the Effective Date and on the terms and conditions stated herein, a Participation Interest, as described in this Agreement, in the Loan(s) listed on the Mortgage Loan Schedule.

3.2. **Effective Date.** On the Effective Date, Investor shall pay the down payment to the Seller and the program fee to preREO LLC, no later than 4:00 p.m. (Central time zone), on the Effective Date, by ACH of immediately available funds according to the ACH Authorization Agreement attached hereto as Schedule C.

3.3. **Program Fee.** Upon the Effective Date, or as otherwise agreed upon by the parties, Investor shall pay a \$2,000.00 program fee to preREO LLC.

3.4. **Purchase Price for Participation Interest.** The total Purchase Price for the Participation Interest shall be the sum of **\$AMOUNT**.

3.5. **Down Payment.** In addition to any other amounts due under this Agreement, Investor shall pay to Seller a down payment on the Purchase Price; an amount totaling **\$AMOUNT**.

3.6. **Extension of Credit Towards Purchase Price.**

3.6.1. **Amount Financed.** The remaining amount of the Purchase Price net of the down payment shall be **\$AMOUNT** such amount to be financed, payable in monthly installments as specified below.

3.6.2. **Interest Rate on Amount Financed.** The principal amount outstanding under this Agreement shall bear interest at a fixed rate of twelve percent (12.0%) per annum. Interest accrual shall be calculated using the monthly accrual method. It is expressly stipulated and agreed to be the intent of Investor and Seller at all times to comply strictly with the applicable laws governing the maximum interest rate or amount of interest payable on the indebtedness evidenced by this financed obligation. If the applicable law is ever judicially interpreted so as to render usurious any amount (a) contracted for, charged, taken, reserved or received pursuant to this Agreement, or (b) Investor will have paid or Seller will have received by reason of any payment by Investor of this financed obligation, then it is Investor and Lender's express intent that all amounts charged in excess of the maximum rate allowed by such applicable law shall be automatically canceled and all amounts in excess of such maximum interest rate theretofore collected by Seller shall be credited on the principal balance of this financed obligation (or, if this financed obligation has been paid in full, refunded to Investor), and the provisions of this Agreement shall immediately be deemed reformed and the amounts thereafter collectible hereunder and thereunder reduced, without the necessity of the execution of any new document, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for hereunder and thereunder.

3.6.3. **Periodic Payments.** The initial, interest only periodic payments due under this Agreement shall be in the amount of **\${AMOUNT}**. Payments of interest only shall be payable in monthly payments beginning **{FIRSTPAYMENTDATE}** and continuing the same day of each month thereafter. All principal and accrued but unpaid interest, if not sooner paid, shall be due and payable on **{MATURITYDATE}** (the "Maturity Date"). If any monthly payment due under this Agreement is not received within ten (10) days of when due, there shall be a late payment fee charged of five percent (5%) of the monthly payment, or \$25.00, whichever is greater, which shall be due upon notice to Investor. Any principal reduction payments shall take effect with respect to calculation of the interest only periodic payment amount upon the next scheduled periodic payment due date after receipt.

3.7. **Method of Payment.** As additional inducement for Seller to enter into this Agreement, in order to satisfy Investor's obligations to pay the periodic payments specified above as they are periodically incurred under the Agreement, Investor authorizes Seller, Servicer, and preREO LLC to initiate electronic debit or credit entries through the Automated Clearing House ("ACH") system to any deposit account maintained by Investor, as identified in Schedule C hereto.

3.8. **Prepayment.** Investor may prepay any remaining portion of this financed obligation at any time without a prepayment fee.

3.9. **Balloon Payment.** If, upon the Maturity Date, any principal, interest, or other amounts due under this Agreement are still owed, any such amount shall become due on that date. Interest on unpaid principal shall continue to accrue on a monthly basis after the Maturity Date.

3.10. **Servicing Retained.** Servicer shall remain mortgage servicer of record, or servicing will be transferred to Servicer from current servicer within 45 days of the Effective Date, pursuant to the servicing agreement which shall continue to govern the terms of servicing for the Loan(s). Settlement, modification, or any other disposition of the Loan(s) through loss mitigation shall not be completed without express approval of Investor, such approval not to be unreasonably withheld, and except as otherwise required by applicable state, federal, or local law or court order.

3.11. **Participation Authorities.** In addition to a right to the Net Proceeds of the Loan(s), Seller hereby grants to Investor all authority to direct and manage the disposition of the Secured Property through Foreclosure Sale, and the REO after Foreclosure Sale, limited to the extent such direction and management is inconsistent with applicable law. With respect to the Loan(s), Secured Property, or REO as applicable, the authority granted as part of the Investor's Participation Interest shall consist of, and is subject to, the following listed authorities and limitations:

3.11.1. **Attorney Selection.** Investor agrees to retain Activist Legal LLP to manage the foreclosure or equivalent proceeding, receivership, eviction and/or any related legal actions, such actions to be carried out in the name of the Owner. Investor shall be responsible for and manage Activist Legal LLP's provision of legal services as it relates to the Loan(s).

3.11.2. **Property Preservation and Insurance.** Investor shall be responsible for property management and disposition services with respect to any Secured Property or REO, including analysis of sale potential, property management (including maintenance, repairs, and securing of such Secured Property or REO to render it compliant under local law and marketable in the future), payment of property taxes, hazard insurance, flood insurance, and any other insurance required by applicable law. In the event of actual or pending ineffectiveness of hazard insurance on the Secured Property, Servicer shall procure from an independent insurance provider at the expense of Investor commercially reasonable forced placed insurance. Investor shall submit requests for all such payments for taxes, insurance, or any other property preservation related expenses to be distributed by the Servicer. To ensure proper accounting, payment of any amounts by Investor outside of this process shall be solely the responsibility of the Investor absent express consent of Servicer. The Investor shall, either itself or through an agent selected by the Investor, manage, conserve, protect and operate the Secured Property or REO in the same manner that it manages, conserves, protects and operates other secured property or real estate owned for its own account, and in the same manner that similar property in the same locality as the Secured Property or REO is managed, so long as in compliance with applicable law.

3.11.3. **Property Disposition.** Any Secured Property or REO disposition shall be carried out by the Investor at such price and upon such terms and conditions as the Investor deems to be in the best interest of its Participation Interest. Investor shall be responsible for issuance of any foreclosure bidding instructions. Any final proceeds from the sale or other disposition of the Secured Property or REO shall be deposited in an account designated by the Seller and distributed to the Investor, net of any funds owed to the Seller under this Agreement. Investor shall be responsible for the expenses of such sale or other disposition and all Standard Expenses, including

amounts owed to third parties as a result of Foreclosure Sale, or as otherwise owed under applicable law.

3.11.4. **Bankruptcy.** If Investor has actual knowledge that an obligor to any Loan(s) is the subject of a proceeding under the Federal Bankruptcy Code or any other similar law, has made an assignment for the benefit of creditors or has had a receiver or custodian appointed for its property, Investor shall retain an attorney to pursue claims to payment on the Loan(s) and foreclosure on the Secured Property in the bankruptcy court in the name of the Owner.

3.11.5. **Vacant Property Registration.** Investor shall, at its own expense, either itself or through an agent selected by the Investor, undertake to fulfill any obligations for licensure, registration, property upkeep or other similar or associated requirements with respect to the Secured Property or REO under applicable law. Investor shall defend, indemnify and hold harmless from any liability incurred by or asserted against Seller, Servicer, preREO LLC, or Owner arising out of, in relation to, or based upon such vacant or abandoned properties, provided, however, that the indemnity for vacant or abandoned properties shall not be effective with respect to any liability directly and solely caused by the Servicer that would otherwise be imposed by reason of the Servicer's negligence, willful misfeasance or bad faith in the performance of or failure to perform duties under the applicable servicing agreement.

3.11.6. **Updates to Servicer.** Investor shall, on no less than a weekly basis, securely forward to the Servicer electronic copies or images of all documents mailed, delivered, filed, published, or otherwise issued by Investor or on behalf of Investor in relation to the Loan(s) for inclusion in the loan servicing record. Additionally, Investor shall, on no less than a weekly basis, securely forward to the Servicer a log of all Loan(s) related activity, broken down by loan number, detailing the date and description of activities conducted by Investor or Investor's authorized vendor. Investor shall maintain a clear record of expenses incurred and paid for, inclusive of invoices clearly detailing the amount paid, the product or service rendered, the date of the transaction, and the identity of the vendor providing the product or service. Failure to provide such records may result in non-recoverability of costs and expenses incurred.

3.11.7. **Servicing Activities Reserved.** Investor acknowledges certain activities shall be reserved to Servicer, including but not limited to phone calls with obligors, collections attempts, face to face meetings, loss mitigation activities, and any activity involving or related to any direct contact with the obligor or successor in interest to an obligor on any Loan(s). Any inadvertent or incidental contact between Investor and obligors shall be promptly reported to Servicer for inclusion in the mortgage servicing record.

3.11.8. **Bidding and Conveyance after Foreclosure Sale.** Investor agrees that bidding at Foreclosure Sale shall be conducted, and the Secured Property conveyed into, the name of the Owner or other entity as directed by Seller. Investor shall determine the parameters for bidding instructions. If such bid results in an award of legal title to the Secured Property through Foreclosure Sale, Seller shall ensure the REO is promptly deeded to the Investor upon fulfillment of any and all remaining Investor obligations under this Agreement.

4. **Advance for Standard Expenses; Delegation of Authority.**

4.1. **Standard Expenses: Foreclosure.** Investor hereby delegates authority to Servicer for payment of any Standard Expenses, including attorney or trustee fees and costs incurred in the execution of the foreclosure or equivalent process, such fees and costs not to exceed customary rates for such services in the relevant jurisdiction.

4.2. **Standard Expenses: Property Taxes.** Servicer shall provide to Investor at least seven (7) days of prior notice to Investor's designated contact prior to disbursement of funds for payment of property taxes due or coming due on the Secured Property. In the absence of timely, clear instruction to refrain from payment of property taxes from Investor, Servicer shall disburse funds for payment of said property taxes. If Investor elects and timely communicates to Servicer a directive to refrain from payment of property taxes, Investor thereby assumes responsibility for all penalties, losses, liabilities, claims, causes of action, damages, demands, additional taxes, fees, costs and expenses of whatever kind, arising out of or incurred in connection with such non-payment.

4.3. **Other Standard Expenses.** Investor hereby delegates authority to Servicer to advance payment for any Standard Expense if, in the commercially reasonable judgment of Servicer, the consequences of failure to advance such funds would have a material adverse effect with respect to a Loan or Secured Property. Servicer shall otherwise provide notice to Investor to Investor's designated contact and refrain from advancing such funds unless and until such time that Investor clearly communicates approval for advancement of funds.

4.4. **Payment of Standard Expenses.** The Seller or Servicer shall, on a monthly basis, issue an invoice to Investor for any unreimbursed Standard Expenses. Upon receipt of such invoice, Investor shall have a seven (7) day period to review the invoice and issue any good faith disputes of amounts due. All amounts invoiced and not contested in good faith shall become due and payable and shall be paid by Investor by check or certified funds to the notice address for Servicer below, by one-time ACH, or as otherwise agreed upon among the parties hereto. Investor understands and agrees that such ongoing payment amounts may vary as periodic payments, balloon payments, and Standards Expenses come due. A payment returned as non-sufficient or insufficient may be assessed a fee which will be added to the amounts due under the terms of this Agreement.

4.5. **Investor Information.** Investor shall designate in the form attached to this Agreement as Schedule C the Investor's ACH information along with other required information for contacting and communication between Seller, Servicer, preREO LLC and Investor.

5. **Distribution of Proceeds.**

5.1. **Distribution of Net Proceeds.** The Net Proceeds, as that term is defined above, shall be distributed within forty-five (45) days of receipt to the Investor, except with respect to proceeds from Foreclosure Sale or other final disposition of the Secured Property which shall be distributed within ten (10) days of receipt to the Investor.

5.2. **Holding Payments.** If the Seller or the Investor receives payments to which the other party is entitled pursuant to this Agreement, it shall hold such payments for the other party and

shall pay over such payments in accordance with section 5.1, if applicable, or promptly and within ten (10) days of receipt.

6. **Default.** The occurrence of any of the following events shall be deemed a default under this Agreement:

6.1. Failure of either party to pay any installment or to remit any funds due pursuant to this Agreement when due beyond any applicable cure periods;

6.2. Failure of either party to observe or perform any covenant or agreement set forth in this Agreement beyond the cure period prescribed herein;

6.3. Adjudication of Investor as bankrupt, written admission by Investor of an inability to pay the debts of Investor as they mature, assignment of the assets of Investor for the benefit of creditors, request or petition by Investor for the appointment of a receiver, trustee or conservator of the assets of Investor, other than such request or petition related to the Loan(s), or for reorganization or liquidation of Investor.

7. **Records.** The Seller shall maintain records of all transactions involving the Loan(s). The Seller shall provide to the Investor such additional reports as the Seller and the Investor shall mutually agree from time to time. The Investor shall provide such reports to the Seller or the Investor as the parties may mutually agree from time to time.

8. **Representations and Warranties.** Each party hereto represents and warrants to the other party as follows:

8.1. **Authorization.** The execution and delivery of this Agreement and any other documents to which it is a party, and performance and compliance with the terms of this Agreement and the other documents to which it is a party have been duly authorized by all necessary action and will not violate Organic Documents, or constitute a default under any indenture or loan or credit agreement or any other material agreement, lease or instrument to which it is a party or by which it or its properties may be bound or affected.

8.2. **Enforceability.** This Agreement constitutes a valid, legal and binding obligation, enforceable in accordance with the terms hereof, except as enforcement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally or by common law/principles of equity as determined by a court of law in a proceeding or action in equity or at law.

8.3. **No Material Pending Litigation or Claims.** No material litigation, investigation, claim, criminal prosecution, civil investigative demand, imposition of criminal or civil fines and penalties, or any other proceeding of or before any arbitrator or governmental authority is pending or, to the best knowledge of the party, threatened by or against any party or any of its subsidiaries which could reasonably be expected to have a material adverse effect. No permanent injunction, temporary restraining order or similar decree has been issued against any party or any of its subsidiaries which could reasonably be expected to have a material adverse effect.

8.4. **Property Vacancy.** The Secured Property is vacant, abandoned, or similarly categorized as lacking any inhabitants possessing legal right to the Secured Property.

8.5. **Loan Status.** Unless noted on the Loan Schedule, the Loan servicing record contains no record of any currently pending loss mitigation, currently pending or recent bankruptcy action, or other indications of the obligor's intent to cure the underlying default on the Loan.

8.6. **First Lien.** The Loan's related mortgage or security agreement is a valid, subsisting, enforceable and perfected first lien on the Secured Property, including all buildings on the Secured Property, subject only to:

8.6.1. the lien of current real property taxes and assessments not yet due and payable,

8.6.2. covenants, conditions and restrictions, rights of way, easements and other matters of the public record as of the date of recording acceptable to mortgage lending institutions generally in the area in which the Secured Property is located,

8.6.3. such other matters to which like properties are commonly subject that do not individually or in aggregate materially interfere with the benefits of the security to be provided by the Loan(s),

8.6.4. any generally applicable foreclosure moratoriums or delays,

8.6.5. any unrecorded mechanics liens to the extent having priority over the Loan(s) under applicable law upon their recordation.

9. Remedies, Right to Cure.

9.1. **Termination.** Unless otherwise agreed upon by the parties, and subject to the survival provisions under this Agreement, this Agreement shall terminate at the time the Loan is released, satisfied, or otherwise extinguished, or upon completion of the exercise of the buyback remedy listed below, if applicable.

9.2. **Buyback Provisions.** During the sixty (60) days after the Effective Date, upon discovery by the Investor of a breach of any of the foregoing representations and warranties which materially and adversely affects the value of the Loan(s) or the interest of the Investor therein, the Investor shall give prompt written notice to the other, along with evidence supporting the breach claim. Within sixty (60) days after Seller receives written notice of any breach of a representation or warranty which materially and adversely affects the value of any Loan(s) the Seller shall use commercially reasonable efforts to cure such breach in all material respects and, if such breach is not or cannot be cured, the Seller shall, at the Investor's option, repurchase Investor's Participation Interest in the affected Loan(s) at the Repurchase Price within forty-five (45) business days following the expiration of the related cure period. Any such repurchase pursuant to the foregoing provisions shall be accomplished by wire transfer of immediately available funds on the agreed upon repurchase date to an account designated in writing by the Investor. For the avoidance of doubt and notwithstanding anything in this Agreement to the contrary, the Investor acknowledges, understands, and agrees that it shall have no remedy with respect to fraud, misrepresentation, or omission in the origination or modification (other than modifications performed by the Servicer)

of any Loan(s), compliance or non-compliance with underwriting guidelines or other underwriting standards or protocols in the origination or modification (other than modifications performed by the Servicer) of any Loan(s), appraisal or valuation deficiencies in the origination or modification (other than modifications performed by the Servicer) of any Loan(s), or the existence or validity of any mortgage insurance policy related to any Loan(s).

9.3. **Cure period for Investor Default.** Upon discovery of default by Investor, Seller shall provide Investor with written notice of such default, and if not cured within thirty (30) days of providing such notice, Seller may terminate Investor's Participation Interest, declare all sums owed pursuant to this Agreement immediately due and payable and may commence proceedings to collect such sums and take such other actions or pursue such other remedies as provided by law or in equity. Upon such default Investor shall have no right to funds already remitted to Seller or Servicer pursuant to this Agreement. Seller shall be entitled to collect all expenses incurred in pursuing the remedies provided herein, including, but not limited to, reasonable attorneys' fees and costs.

9.4. **Cure period for Seller or Servicer Default.** Upon discovery of default by Seller or Servicer, Investor shall provide the defaulting party with written notice of such default, and if not cured within thirty (30) days of providing such notice, Investor may declare all sums owed pursuant to this Agreement immediately due and payable and may commence proceedings to collect such sums and take such other actions or pursue such other remedies as provided by law or in equity.

9.5. **Indemnification.** Each party agrees to pay, or reimburse the other, and to protect, defend, indemnify, save and hold harmless the other, and its agents, assigns, employees, officers, directors and advisors and contractors from and against any losses, liabilities, claims, causes of action, damages, demands, taxes, fees, costs and expenses of whatever kind, arising out of or incurred in connection with breach of any material term, representation, warranty, or covenant of this Agreement, or failure to comply with applicable laws, or perform obligations under this Agreement. The indemnification provided under this Section shall be with respect to losses involving third-parties and losses between Seller and the Investor. Each party shall immediately notify the other of any such claim or threatened claim that may exist. The provisions of this Section shall survive termination of this Agreement.

10. Confidentiality.

10.1.1. **Included Information.** In connection with this Agreement, each party may find it necessary to disclose certain financial, technical or business information to the other party that the disclosing party ("Disclosing Party") desires the receiving party ("Receiving Party") to treat as confidential. For purposes of this Agreement, confidential information ("Confidential Information") means any information disclosed to a Receiving Party by the Disclosing Party on or after the Effective Date, either directly or indirectly in writing, electronically, orally or by inspection of tangible objects, including, whether or not specifically identified as confidential, proprietary, or trade secret, and whether or not classified as a trade secret under applicable law, without limitation (i) financial information, disclosed and undisclosed business plans and strategies, financial data and analysis, data tapes, collateral documents, and borrower information, (ii) any and all confidential, trade secret, or proprietary information, including but not limited to

any information related to business processes, procedures, operational guidelines, proprietary formulas, proprietary methods, proprietary documents, proprietary strategies, or similar types of information, (iii) information relating to employees, contractors or customers, or mortgagors which, if released, would cause an unlawful invasion of privacy, and (iv) any compilation or summary information or data that contains or is based on Confidential Information.

10.1.2. **Non-Public Information.** Receiving Party understands that the Confidential Information may constitute Non-Public Information (“NPI”) as defined by and subject to the federal Gramm-Leach-Bliley Act, 15 U.S.C. §§ 6801 et seq., the Consumer Financial Protection Bureau’s Privacy Regulations, 12 CFR Part 1016, and Standards for Safeguarding Customer Information, 16 CFR Part 314 and other applicable federal and state privacy laws and regulations (collectively, the “NPI Rules and Regulations”) and agrees to comply with all applicable NPI Rules and Regulations and to cause all of its Representatives, to the extent possible, any other person or entity that receives the NPI to comply therewith.

10.1.3. **Excluded Information.** For purposes of this Agreement, the term “Confidential Information” shall not include information that (i) is or becomes publicly known; (ii) was received from any person or entity who, to the best of the recipient's knowledge, has no duty of confidentiality to the owner of the information; (iii) was already known to the recipient prior to the disclosure, as evidenced in writing prior to the date of the other party’s disclosure; or (iv) is developed by the recipient without any use of Confidential Information.

10.1.4. **Confidentiality Obligation.** The Receiving Party agrees that it shall take all commercially reasonable measures to avoid disclosure and unauthorized use of the Confidential Information. Without limiting the foregoing, the Receiving Party shall take at least those measures that it takes to protect its own Confidential Information. The Receiving Party agrees not to disclose any Confidential Information to third parties, except as necessary to such third parties which are under as strict a confidentiality obligation as the Receiving Party, and who have a need to know such Confidential Information in order to fulfill Receiving Party’s obligations under this Agreement in a commercially reasonable manner. Neither party shall use Confidential Information of the other party except as contemplated by this Agreement, nor disclose any such Confidential Information to persons other than its Representatives, including without limitation (i) its professional advisors, and (ii) employees or contractors with a need to know such Confidential Information and who have been advised of its confidential nature. Each party shall be liable for any disclosure or misuse of Confidential Information by its respective Representatives. Each party shall use reasonable efforts to protect the Confidential Information of the other party, but in no event less effort than it uses to protect its own Confidential Information.

10.1.5. **Disclosure Pursuant to Legal Obligation.** Notwithstanding the foregoing, in the event that the Receiving Party or any of its Representatives has a legal obligation to disclose any of the Confidential Information to comply with applicable law or regulatory requests (the “Legal Obligation”), then, to the extent legally permissible, the Receiving Party shall provide the Disclosing Party with (a) prompt notice of such Legal Obligation (to the extent permitted by applicable law or regulatory request) so that the Disclosing Party may seek a protective order or other appropriate remedy, and (b) reasonable cooperation, at the Disclosing Party’s sole cost and expense, in seeking such remedy or otherwise protecting the Disclosing Party’s rights in and to such Confidential Information. In the event Receiving Party is required to disclose Confidential

Information, Receiving Party shall only disclose that portion of the Confidential Information that its legal counsel advises it is required to be disclosed in order to comply with Receiving Party's Legal Obligation.

10.2. **Injunctive Relief.** The parties acknowledge that a breach of the Section 10 confidentiality provisions will cause the damaged party great and irreparable injury and damage, which cannot be reasonably or adequately compensated by money damages. Accordingly, each party acknowledges that the remedies of injunction and specific performance shall be available in the event of such a breach, in addition to money damages or other legal or equitable remedies.

11. **No Guaranty; Standard of Care.** The Seller does not guaranty any financial results to the Investor. The Investor is fully familiar with the business of investing in distressed mortgage loan(s) and the risks associated with such investments. The Seller is fully familiar with the business of investing in distressed mortgage loan(s) and shall seek to ensure the Loan(s) are managed using the same degree of care it uses to manage any other distressed mortgage loan(s), and none of the Seller, Owner, Servicer, or preREO LLC shall be liable to the Investor for any loss except a loss arising from the respective party's gross negligence or willful misconduct.

12. **Limitation of Liability, Claims.** NO PARTY SHALL BE LIABLE UNDER ANY CIRCUMSTANCES (EVEN IF THIS AGREEMENT IS TERMINATED) FOR ANY CONSEQUENTIAL, SPECIAL, INCIDENTAL, PUNITIVE OR INDIRECT DAMAGES (INCLUDING WITHOUT LIMITATION LOSS OF PROFIT, REVENUE, BUSINESS OPPORTUNITY OR BUSINESS ADVANTAGE), WHETHER BASED UPON A CLAIM OR ACTION OF TORT CONTRACT, WARRANTY, NEGLIGENCE, STRICT LIABILITY, BREACH OF STATUTORY DUTY, CONTRIBUTION, INDEMNITY OR ANY OTHER LEGAL THEORY OR CAUSE OF ACTION, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND EVEN IF A REMEDY FAILS ITS ESSENTIAL PURPOSE. SUCH LIMITATION IS AN ESSENTIAL ELEMENT OF THE BARGAIN BETWEEN THE PARTIES.

13. **Assignment of Interest.** Seller may assign all or any portion of its interest in this Agreement and the distributions under Section 5. Seller and Investor acknowledge and agree that all or a percentage of the Investor's Participation Interest in this Agreement may be sold or assigned by Investor subject to and only with the consent of Seller, such consent not to be unreasonably withheld.

14. **Miscellaneous.**

14.1. **Amendments; Waivers.** No amendment, modification, or waiver of any provision of this Agreement shall be binding unless in writing and signed by the party against whom the operation of such amendment, modification, or waiver is sought to be enforced. No delay in the exercise of any right shall be deemed a waiver thereof, nor shall the waiver of a right or remedy in a particular instance constitute a waiver of such right or remedy generally.

14.2. **Notices.** Any notice or document required or permitted to be given under this Agreement may be given by a party or by its legal counsel and shall be deemed to be given (i) one day after the date such notice is deposited with a commercial overnight delivery service with delivery fees paid, or (ii) on the date transmitted by electronic mail (unless the recipient can

demonstrated that the message was not delivered to the recipient’s inbox), to the following addresses or such other address or addresses as the parties may designate from time to time by notice satisfactory under this section:

Seller	AHP Servicing LLC Attention: Jorge Newbery 440 S. LaSalle St. Suite 1110 Chicago, IL 60605
Servicer	AHP Servicing LLC Attention: Jorge Newbery 440 S. LaSalle St. Suite 1110 Chicago, IL 60605
preREO LLC	preREO LLC Attention: Jorge Newbery 440 S. LaSalle St. Suite 1110 Chicago, IL 60605
Investor	NAME ADDRESS LINE 1 ADDRESS LINE 2

14.3. **Governing Law.** This Agreement shall be governed by the internal laws of Delaware without giving effect to the principles of conflicts of laws. Each party hereby consents to the personal jurisdiction of the Federal or Illinois courts located in or most geographically convenient to Chicago, Illinois, and agrees that all disputes arising from this Agreement shall be decided in such courts. Each party hereby agrees that any such court shall have in personam jurisdiction over such party and consents to service of process by notice sent by overnight delivery to the address set forth above and by any means authorized by Delaware law.

14.4. **Language Construction.** The language of this Agreement shall be construed in accordance with its fair meaning and not for or against any party. The parties acknowledge that each party and its counsel have reviewed and had the opportunity to participate in the drafting of this Agreement and, accordingly, that the rule of construction that would resolve ambiguities in favor of non-drafting parties shall not apply to the interpretation of this Agreement.

14.5. **Force Majeure.** Neither party shall be entitled to recover damages or terminate this Agreement by virtue of any delay or default in performance by the other party (other than a delay or default in the payment of money) if such delay or default is caused by Acts of God, wars, insurrections and/or any other cause beyond the reasonable control of the party whose performance is affected; provided that the party experiencing the difficulty shall give the other prompt written notice following the occurrence of the cause relied upon, explaining the cause and its effect in reasonable detail. “Acts of God” or “Force Majeure” shall mean strikes, lockouts, sitdowns, material or labor restrictions by any governmental authority, riots, explosions, earthquakes, fire, acts of the public enemy, wars, insurrections, and/or any other cause not reasonably within the control of the affected party, or which by the exercise of due diligence the affected party is unable wholly or in part to prevent or overcome. Dates by which performance obligations are scheduled

to be met will be extended for a period of time equal to the time lost due to any delay so caused. The parties shall make reasonable efforts to avoid the adverse impacts of a Force Majeure and to resolve the event or occurrence once it has occurred in order to resume performance.

14.6. **Payment of Fees.** In the event of a dispute arising under this Agreement, a prevailing party shall be entitled to recover reasonable attorneys' fees and costs, provided that if a party prevails only in part, it shall be entitled to an award of such fees and costs in accordance with the relative success of each party.

14.7. **Signatures.** This Agreement may be signed (i) in counterparts, each of which shall be deemed to be a fully-executed original; and (ii) electronically, *e.g.*, via DocuSign or HelloSign. An original signature transmitted by facsimile or email shall be deemed to be original for purposes of this Agreement.

14.8. **No Third Party Beneficiaries.** Except as otherwise specifically provided in this Agreement, this Agreement is made for the sole benefit of the parties. No other persons shall have any rights or remedies by reason of this Agreement against any of the parties or shall be considered to be third party beneficiaries of this Agreement in any way.

14.9. **Fiduciary Obligations.** The parties intend that neither this Agreement nor any course of dealing shall create fiduciary obligations.

14.10. **Binding Effect.** This Agreement shall inure to the benefit of the respective heirs, legal representatives and permitted assigns of each party, and shall be binding upon the heirs, legal representatives, successors and assigns of each party.

14.11. **Waiver of Jury Trial.** EACH PARTY HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

14.12. **Severability Clause.** Any part, provision, representation or warranty of this Agreement which is prohibited or which is held to be void or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof. Any part, provision, representation or warranty of this Agreement which is prohibited or unenforceable or is held to be void or unenforceable in any jurisdiction shall be ineffective, as to such jurisdiction, to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction as to any Loan(s) shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, the parties hereto waive any provision of law which prohibits or renders void or unenforceable any provision hereof. If the invalidity of any part, provision, representation or warranty of this Agreement shall deprive any party of the economic benefit intended to be conferred by this Agreement, the parties shall negotiate, in good-faith, to develop a structure the economic effect of which is nearly as possible the same as the economic effect of this Agreement without regard to such invalidity. The terms and provisions of this Section shall survive termination of this Agreement.

14.13. **Survival of Agreement.** All covenants, agreements, representations and warranties

made by the parties hereto shall be considered to have been relied upon by the parties in deciding to enter into this Agreement and shall survive the termination of this agreement for a period of three (3) years.

14.14. **Titles and Captions.** All article, section and paragraph titles and captions contained in this Agreement are for convenience only and are not deemed a part of the context hereof.

14.15. **Pronouns and Plurals.** All pronouns and any variations thereof are deemed to refer to the masculine, feminine, neuter, singular or plural as the identity of the person(s) may require.

14.16. **Days.** Any period of days mandated under this Agreement shall be determined by reference to calendar days, not business days, unless otherwise specified, except that any payments, notices, or other performance falling due on a Saturday, Sunday, or federal government holiday shall be considered timely if paid, given, or performed on the next succeeding business day.

14.17. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to its subject matter and supersedes all prior agreements and understandings.

{SPACE INTENTIONALLY LEFT BLANK}

IN WITNESS WHEREOF, the parties have executed this Agreement on the Effective Date.

AHP Servicing LLC as Seller

By: _____
Jorge Newbery, Manager, CEO

preREO LLC

By: _____
Jorge Newbery, Manager

AHP Servicing LLC as Servicer

By: _____
Jorge Newbery, CEO

NAME as Investor

By: _____
NAME

SAMPLE

SCHEDULE A

Loan(s)

SAMPLE

SCHEDULE B

Servicing Agreement

SAMPLE

SCHEDULE C

INVESTOR INFORMATION

AND ACH AUTHORIZATION AGREEMENT

By signing this Agreement, the undersigned Investor certifies they understand and agree to the terms of this ACH Automatic Drafting Authorization agreement.

Authorization: Investor hereby authorizes Seller, Servicer, and preREO LLC to debit one time or on a recurring monthly basis as called for by the terms of the Agreement, the below identified bank/credit union account for the amounts specified in this Agreement, and to initiate, if necessary, credit entries and adjustments for any debit entries in error to Investor's bank/credit union account. Furthermore, Investor authorizes the above referenced bank/credit union to credit and/or debit the referenced amount to facilitate these transactions.

Investor understands that because this is an electronic transaction, these funds may be withdrawn as soon as this authorization is submitted. Seller and Servicer will not give next day notice to Investor of receipt of an ACH item.

Investor understands that this authorization may be in effect until Investor notifies Seller and Servicer in writing of intent to discontinue automatic drafting in accordance with the contract termination provisions above.

Investor Tax Identification #:	
Investor Designated Contact Address:	
Investor Designated Email Address:	
Investor Designated Contact Phone Number:	
<u>ACH INSTRUCTIONS</u>	
Bank/Credit Union Name: Please Print	
Nine Digit ABA: Routing #	
Bank Account #:	