

Trust Accounting Center

Account Administration Policies and Procedures

Trust Accounting Center administers accounts in accordance with the policies and procedures described below. If any of these procedures are in conflict with your contract, these procedures supersede and have precedence over your contract. If you have questions regarding these procedures please contact us.

1. Definitions – We use the terms **Payor** and **Lender**. The **Payor** is the person or entity making the payments and the **Lender** is the person or entity receiving payments.

2. Account Establishment – An account may be established at the request of either Payor or Lender but must have the approval of the Lender. Establishing an account does not establish a True Escrow. Any documents in Trust Accounting's possession are held solely at the discretion of the person who deposited them. Services may be discontinued and documents withdrawn at any time upon written notice to us and to the other party. W-9 forms are required from both parties. Payments will not be posted until forms are received.

3. True Escrow – True Escrow is an optional account feature which results in an irrevocable delivery of documents or instructions to Trust Accounting. A separate True Escrow Agreement must be signed by the delivering parties and accepted by Trust Accounting to establish this type of account. Once established, documents or instructions cannot be withdrawn nor can the account be discontinued without the express written agreement of all parties.

4. Receipt of Payments – Payor will be instructed to make all payments to us. We will accept these payments for credit to the account and will maintain appropriate records of payments received. Unless we have specific written instructions to the contrary, we are authorized to accept all payments without regard to whether they are paid before or after they are due or whether the account has had prior delinquencies. Partial payments will either be returned to the Payor or held until the balance is received at which time both will be posted as one payment.

5. Deposit of Funds – Funds are deposited to our clearing account on the business day they are received or no later than one business day thereafter unless special instructions are in effect or there is some question as to our ability to accept the payment.

6. Insufficient Funds – If a payment is returned due to NSF, the Payor will be instructed to provide good funds including a fee to cover costs incurred in handling NSF payments. If the Payor fails to do so, the Lender becomes responsible for the return of funds disbursed for his benefit and payment of NSF fees. Lender agrees to replace such funds within 5 days of receiving notice. ACH debits that are returned for insufficient funds will also incur an NSF fee. If we receive any type of NSF payments, we may demand all future payments by certified check or money order.

7. Accounting Procedures – We will account for all payments in accordance with the terms of the agreement between Payor and Lender. In the event the language of the agreement is unclear, we may request further clarification or we may, at our option, interpret such language in light of our experience and generally accepted standards of loan accounting.

8. Calculation of Interest – We calculate on a daily (365) basis from date of payment to date of payment unless specific written instructions to collect on a straight amortization (monthly or 360) basis or an amortization schedule accompanies the set up information. If you are unsure as to the difference in these two methods, please contact us for more explicit information.

9. Late Charges – Late charges will be assessed if called for in the contract. They will be accrued or deducted from first funds received before credit is given to interest or principal whichever is stated in the contract.

10. Reserves – For an additional fee, we will collect reserves and disburse or hold them as requested. We will pay taxes and insurance but only if provided with statements. We will not assume responsibility for obtaining statements, notifying parties of non payment or reconciliation of reserve accounts held by another institution.

11. Disbursement of Funds – Funds are disbursed in accordance with written instructions and new written instructions are required to change disbursements. Funds are normally disbursed the same business day received or as soon thereafter as possible. Funds may be disbursed by check or electronic transfer. Posting to accounts and consequently disbursing from accounts may be delayed until we are certain the payments have cleared our bank. Lender agrees that if any interest or bank credit is earned, between the time the payment is deposited and disbursement clears, it may be retained by Trust Accounting.

12. Processing of Final Payments – Final payment funds will not be disbursed until we receive documents or authorization to release documents from the Lender or until we are satisfied that Lender has fulfilled his obligation to clear or transfer title. If the account is a True Escrow and the Lender has complied with all the True Escrow Agreement requirements, funds may be disbursed within 24 hours of receipt. Reconveyance, recording and closing fees are deemed to be the responsibility of the Payor.

13. Extent of Responsibilities – We will make every effort to administer accounts in accordance with the terms and conditions of the agreement between the parties and any written instructions. However, the ultimate responsibility for adhering to the terms of the contract lies with the Payor and Lender. We cannot assume responsibility for the performance of either party. Neither will we assume responsibility for any act (or omission) performed in good faith and not resulting from gross negligence or willful misconduct on our part.

We will not assume responsibility for: a.) The correctness, completeness or legal sufficiency of any document given to us to hold or deliver; b.) Performance or compliance with any term or

condition in any document; c.) Notifying any person of failure to perform or of any default; d.) Payment of insurance, taxes, or assessments unless specifically instructed and unless provided with invoices or statements; e.) Determining the status of any obligation not administered by us; f.) Recording or filing of any documents; g.) Any loss due to forgery or misrepresentation of others or the good faith exercise of our discretion in any matter; h.) Calculation of any rate or payment change based on an index; i.) Quoting an incorrect payoff based on information in Trust Accounting Center's possession at the time of the requested quote.

14. Right to Interplead. – If at any time a dispute arises or reasonable uncertainty exists as to any matter pertaining to the account, we can retain possession of all documents and funds without liability until the dispute or uncertainty is settled or, at our discretion, we may commence an interpleader action and deposit the documents and funds with the appropriate court.

15. Regular fees – We charge a one time Establishment Fee and an Annual Administration Fee in accordance with our current fee schedule. This schedule is subject to change from time to time. Administration fees are assessed on the first of the year and are deducted from the first or second payment received. Fees may be paid monthly if desired. Fees may be split between Payor and Lender. Year end reporting requires that an account with any activity during the year remain active for the entire year. The full administration fee is due regardless of how many payments have been processed during the year. Accounts may be withdrawn at any time provided all fees have been paid. No refunds are given.

16. Additional fees – We charge additional fees for services not covered by our Administration Fees. Such service may include: a.) Additional disbursements or account statements; b.) Accounting for reserves; c.) Change of Payor or Lender; d.) Replacement of coupon books; e.) Duplicate statements; f.) Processing more than one payment per month or twelve payments per year; g.) Audits or adjustments required for reasons not due to our error; h.) Correspondence or telephone calls instituted at the request of or on behalf of the Lender or Payor; i.) Costs incurred when proper documents are not available at time of final payments; j.) Unusual provisions or other circumstances requiring manual calculation or posting; k.) Requests for credit or income verification or payoff information; l.) Modification of note or contract.

Additional fees may be incurred as a result of our rendering any service not originally contemplated or when a stipulated condition is not promptly fulfilled or when any ownership interest is assigned or any modification to the agreement is made. Fees may be incurred, including attorney's fees, if litigation pertaining to this account is commenced in which we interplead, are made a part of, or intervene.