


UNITED STATES BANKRUPTCY COURT		Middle District of Florida, Jacksonville	PROOF OF CLAIM
Name of Debtor: Taylor, Bean & Whitaker Mortgage Corp.		Case Number: 3:09-bk-07047-JAF	
NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.			
Name of Creditor (the person or other entity to whom the debtor owes money or property): Seaside National Bank & Trust		<input checked="" type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim. Court Claim Number: <u>1101</u> (If known) Filed on: <u>03/09/2010</u>	
Name and address where notices should be sent: Foley & Lardner LLP, attn: Mark J. Wolfson PO BOX 3391, Tampa, FL 33601-3391			
Telephone number: (407) 423-7656			
Name and address where payment should be sent (if different from above): CLERK, U. S. BANKRUPTCY COURT MIDDLE DISTRICT OF FLORIDA		<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars. <input type="checkbox"/> Check this box if you are the debtor or trustee in this case.	
Telephone number:			
1. Amount of Claim as of Date Case Filed: \$ <u>8,634,616.21</u> If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4. If all or part of your claim is entitled to priority, complete item 5. <input checked="" type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.		5. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount. Specify the priority of the claim.	
2. Basis for Claim: <u>Agreement</u> (See instruction #2 on reverse side.)		<input type="checkbox"/> Domestic support obligations under 11 U.S.C. §507(a)(1)(A) or (a)(1)(B).	
3. Last four digits of any number by which creditor identifies debtor: <u>N/A</u> 3a. Debtor may have scheduled account as: <u>N/A</u> (See instruction #3a on reverse side.)		<input type="checkbox"/> Wages, salaries, or commissions (up to \$11,725*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier – 11 U.S.C. §507 (a)(4).	
4. Secured Claim (See instruction #4 on reverse side.) Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information. Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input checked="" type="checkbox"/> Other Describe: Value of Property: \$ <u>Unknown</u> Annual Interest Rate _____ % Amount of arrearage and other charges as of time case filed included in secured claim, if any: \$ _____ Basis for perfection: _____ Amount of Secured Claim: \$ <u>Unknown</u> Amount Unsecured: \$ <u>Unknown</u>		<input type="checkbox"/> Contributions to an employee benefit plan – 11 U.S.C. §507 (a)(5). <input type="checkbox"/> Up to \$2,600* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use – 11 U.S.C. §507 (a)(7). <input type="checkbox"/> Taxes or penalties owed to governmental units – 11 U.S.C. §507 (a)(8). <input type="checkbox"/> Other – Specify applicable paragraph of 11 U.S.C. §507 (a)(____). Amount entitled to priority: \$ _____	
6. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim.		*Amounts are subject to adjustment on 4/1/13 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.	
7. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (See instruction 7 and definition of "redacted" on reverse side.) DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING. If the documents are not available, please explain:			
Date: 05/27/2011		Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any. <div style="text-align: right;"> T. B & W Mortgage Corp.  03418 </div>	
Signature: <u>Jennifer Hays, Esq., Counsel for Seaside National Bank + Trust</u>			

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
JACKSONVILLE DIVISION

In re:)
)
) Case No. 3:09-BK-07047-JAF
TAYLOR, BEAN & WHITAKER)
MORTGAGE CORP.,)
)
Debtor,)
)

**SEASIDE NATIONAL BANK & TRUST'S
SUPPLEMENT TO AMENDED PROOF OF CLAIM**

Seaside National Bank ("Seaside") asserts it is owed **\$8,634,616.21¹** under the Loan Participation Sale Agreement (the "COLB Agreement"), and other related documents, a copy of the COLB Agreement along with notices related thereto are attached hereto as Composite Exhibit 1. Other supporting documents were filed with the Original Proof of Claim filed by Seaside (Claim No. 1101), or are available upon request. A Spreadsheet with a breakdown of the attached amounts is attached hereto as Exhibit 2. The amount asserted herein does not take into consideration the \$1,000,000 that was delivered to Seaside National Bank in the demand deposit account in the name of "Taylor Bean & Whitaker Corporation, Ocala Funding Collection Account".

Note, Seaside anticipates that it will be paid in full \$197,402.00 of the above amount, as referenced in Exhibit E to the Debtor's *Final Reconciliation Report of Debtor Taylor, Bean &*

¹ Per the Spreadsheet attached as Exhibit 2, Seaside was owed the total amount of \$8,779,276.87, but has already recovered \$144,660.66 from monies held in the Colonial accounts, which Seaside believes were effectively held in trust for Seaside, and Seaside anticipates it will also receive payment in full of the \$197,402.00, which as described herein, was also held in trust for Seaside.

Whitaker Mortgage Corp. dated July 1, 2010 (D.E. 1644), as a “‘Net’ Affected Fund[] as of April 30, 2010”, which per agreement with the Debtor and the Debtor’s representative, Fergel Stack with Navigant, will be paid in full to Seaside by the Debtor. It is Seaside’s understanding that the \$197,402.00 is not property of the Debtor, but rather, the Debtor was holding the money in trust for Seaside. At such time the \$197,402.00 is paid in full to Seaside, the outstanding claim will be in the amount of \$8,437,214.21.

Dated this 31st day of May, 2011.

/s/ Mark J. Wolfson
Mark J. Wolfson (FBN 0352756)
FOLEY & LARDNER LLP
100 North Tampa Street, Suite 2700
Tampa, FL 33602-5810
P.O. Box 3391
Tampa, FL 33601-3391
Telephone: 813.229.2300
Facsimile: 813.221.4210
mwolfson@foley.com
Attorneys for the Plaintiff

COMPOSITE EXHIBIT 1



August 7, 2009

VIA FACSIMILE, EMAIL AND CERTIFIED MAIL

Taylor, Bean & Whitaker Mortgage Corp.
315 N.E. 14th Street
Ocala, Florida 34470

Re: Notice of Exercise of Option to Purchase Retained Interest

Ladies and Gentlemen:

Pursuant to Section 18 of the Loan Participation Sale Agreement (COLB Wet & Dry Mortgage Loans Program) dated as of December 10, 2008 ("Seaside COLB Agreement"; all capitalized terms used herein but not defined herein shall have the meaning ascribed to them in the Seaside COLB Agreement), by and among Taylor, Bean & Whitaker Mortgage Corp. ("TBW"), and Colonial Bank, as a Buyer and as Agent and Custodian ("Colonial"), and Seaside National Bank & Trust ("Seaside" or "Buyer"), Colonial hereby notifies TBW that Colonial, as Agent, on behalf of Seaside, exercises the Buyer's option to purchase TBW's retained interest ("Retained Interest") in all of the Participated Mortgage Loans and its related rights (including servicing rights), interests and security documents (collectively, the "Participated Mortgage Loans"), listed in the attached Schedule 1 at a purchase price equal to the pro rata part that amount being \$1,045,873.31 ("Purchase Price"), effective immediately upon the tendering of payment from Colonial to TBW of such Purchase Price ("Effective Time") into TBW's Master Advance Account No. 8026069362.

All documents related to the Participated Mortgage Loans (excluding duplicate copies of essential servicing files needed by TBW to service the Participated Mortgage Loans) and all mortgagor payments in TBW's possession must be delivered by overnight courier and/or remitted to Colonial, as Agent for Seaside, to the account designated below immediately upon the Effective Time:

Colonial Bank
201 E. Pine Street, Suite 730
Orlando, Florida 32801
Attention: Mortgage Warehouse Lending Division
Phone: (407) 835-6700
ABA No. 062001319
Account No. 8026069354
Taylor, Bean & Whitaker Mortgage Corp. – Investor Funding Account

{M2839110;2}

Mortgage Warehouse Lending Division
201 E. Pine Street, Suite 730 • Orlando, FL 32801 • Telephone (407) 835-6700 • Fax (407) 835-6690
Member FDIC • www.colonialbank.com

Taylor, Bean & Whitaker Mortgage Corp.

Page 2 of 2

Re: Notice of Exercise of Option to Purchase Retained Interest

Upon the Effective Time, TBW shall have no interest in any of the Retained Interest or the Participated Mortgage Loans and Colonial, as Agent for the benefit of Seaside, shall be the sole legal and beneficial owner of such Retained Interest and the Participated Mortgage Loans entitled to all of the rights and benefits of an owner thereunder and in connection therewith, including all servicing rights. TBW's failure to comply with this request or any of the terms of the Seaside COLB Agreement shall not effect the Buyer's ownership interests and rights in the Retained Interest and the Participated Mortgage Loans. Consistent therewith, any collections and funds that TBW receives in connection with the Participated Mortgage Loans in the future shall be maintained in trust for the benefit of Colonial, as Agent for Seaside, until such collections and funds are remitted to Colonial (by deposit in Account No. 8026069354 unless otherwise notified by Colonial) immediately upon receipt thereof by TBW.

Colonial will advise further concerning the transfer of TBW's servicing duties under the COLB Agreement with respect to the Participated Mortgage Loans.

Should you have any questions, please do not hesitate to contact Sandra Jansky at (334) 676-5002. We appreciate your cooperation in this matter.

COLONIAL BANK, as Agent for Seaside
National Bank & Trust

By: Sandra W. Jansky
Name:
Title: SEVP

Enclosures

SCHEDULE 1

List of Participated Mortgage Loans

[Attached]

LOAN ID	LNAME
2032482	BARRIGA
2332882	ROLLINS
2678353	SAYERS
3092344	EDMONDS
3114785	HARTLEY
3186554	BARKLEY
3222950	MCCOY
3229737	STREIB
3234538	WAGNER
3237561	SHRADER
3253844	MANN JR
3259778	KEIL
3260509	BEST
3265768	PALMA RAMIREZ
3276403	BURNS
3277095	MARTINEZ
3281900	NAGY
3290665	PANKOWSKI
3297604	BURNS
3303380	CESARI
3309986	BROWN
3311429	MASSENGALE
3323911	HERARD
3324163	DOBBINS
3327005	HAYES JR
3333841	KRAUS
3334368	JOHNSON
3336850	GODFREY
3337220	BOOHER
3337346	SMITH
3339545	SHAHEEN
3339948	BLUME
3340525	JHUJ
3341750	HOLMAN
3342082	ROSENBLOOM
3344345	MIHELIC
3345447	MA
3348004	SMITH
3350279	HANSON
3351293	BENNETT JR.
3351815	BETANCOURT
3351929	MARTIN
3352594	BROWN
3353288	ANTWI
3358633	SPICER
3360960	LAROCCO
3362908	PERRIN
3363296	KINCAID

LOAN ID	LNAME
3363431	GREEN
3363936	TORRES
3364040	GABLER
3364185	PLOEGER
3364410	KNUTRUD
3364874	GIOLA
3364995	BUTLER
3365261	ASHLEY
3366543	HARRIS
3367565	HOPKINS
3368444	WATSON
3368713	KELLEY
3369500	EPPERSON
3369514	WOODS JR
3369677	GREEN
3369696	BONNIN
3371047	POWELL
3371152	SMITH
3371309	CLARK
3372218	MAXWELL
3372491	PARKER
3373894	HAYES
3374132	STRAUP, II
3374495	SELF
3375184	SMITH
3376134	SNYDER
3377083	WELLS
3377462	PALMER
3378976	WHITEHEAD
3379464	KILGORE
3379486	GOODSON
3379913	HANLON
3380065	REDDI
3380351	FIORENZI
3381383	MADERN
3381388	PINEDA
3381711	BORING
3381798	WOOTEN
3381818	SIMONS
3381870	TAHA
3382346	ANDERSON
3382411	TRAPANI
3382856	ANDERSON
3383245	DAVEY
3383259	NAYLOR
3383402	MOORE
3383747	BROWN
3384893	ZIEGLER

LOAN ID	LNAME
3385071	SWEENEY
3385550	LILLEY
3385622	BADON, JR.
3385831	PATEL
3386034	BLAKEMORE
3386474	HATCHER
3386476	WOLOWODIUK
3386495	FINGER JR
3386511	JOHNSON
3386779	GUO
3387476	MORSELL
3387812	BRADT
3388366	YEATRAKAS
3388765	BUSH
3388888	HUANG
3389277	HOLLENSHEAD
3389724	KELLEY
3390296	BALDELLI
3390638	MCCUISTION
3390642	LEWIS
3391230	COUSTAUT
3391490	SHEEHAN
3392277	MITHANI
3393060	MORRIS
3393320	PECK
3393448	SIRMANS
3393707	HEMMINGER
3394411	UTTON
3394540	SHERWOOD
3394784	CASTELLANO
3395294	WILSON
3395615	WESTLAKE
3396406	STEWART
3396591	NELSON
3396773	BRAY
3396835	STATEN
3396838	EASON
3397202	LASKOE
3397206	CARTER
3397490	GURMU
3398886	SWALESON
3398918	ROBERTS
3398996	FORQUER
3399642	TEZZO
3399971	HITCHCOCK
3399994	WARD
3400499	EVERINGHAM
3400627	WOODS

LOAN ID	LNAME
3401130	COLLINS
3401862	WEBB
3401884	LINK
3402109	SNELL
3402684	HALLINEN
3402926	KEATING
3402988	RILEY
3403017	PANICO
3403147	COKER
3403268	MATEJCEK
3403633	HUNT
3404611	DAVIS
3405283	SPRADLIN
3405358	BROWN
3405536	KROLL
3406485	LAQUINDANUM
3406549	CORRY
3406694	BINGAMAN
3406787	CASH
3407025	SPROUSE
3407269	FALLSTROM
3407329	PEREZ
3408346	DUBAY
3408804	ORDUNA
3409057	THOMPSON
3409072	LEIBIN
3409153	MILNER
3409377	BARKER
3410011	HOLLIFIELD
3410353	LARKIN
3410355	PROUTY
3410513	RADFORD
3410612	POWERS JR
3411107	FRENTRESS
3411399	REED
3411675	CROOKS
3411878	GONZALEZ
3411988	MCPARTLAND
3412747	KENNEDY
3412779	SONNICHSEN
3413024	CASEY
3413077	MELENDEZ
3413110	PATTEN
3413325	GORDON
3413573	BUCHANAN
3413890	DURBIN
3413997	CAREY JR
3414328	HADERLIE

LOAN ID	LNAME
3414927	WILLIAMS
3415175	MCKELLAR
3415368	PFEIL
3415393	FIORINO BARNETAS
3415744	CONLEY
3415777	WILLIAMS
3415860	SOYSTER
3416081	LAIR
3416241	GALLEGOS
3416258	HANLEY
3416427	MILLER
3416650	LECUYER
3416924	DUFFY
3417563	AVENDANO
3417839	KIM
3417990	CEDERHOLM
3418097	MEADOWS
3418292	MILLER
3418403	CAIN
3418540	MARLAR
3418705	KINYON
3418940	AKER
3419413	MCARDLE
3419877	EMERY
3420236	NOSS
3420644	OGLE
3420966	PENDERGRASS
3421146	SIECKHAUS
3421205	THOMAS
3421320	CALDERON
3421579	MOLINA
3421797	BROUSSEAU
3422202	VETTER
3422646	LUSSIER
3422850	STALEY
3423393	WILLIAMS
3423612	GENAO
3423833	LANGDON
3423925	SEWARD
3425724	PARENT
3426005	BARABINO
3426301	HABERLEIN
3426331	SEMPLE
3426406	DZUBAY
3426521	BORAN
3426685	MAYHUE SR
3427157	WESTON
3427219	GREGG

LOAN ID	LNAME
3428356	ROGERS
3428423	SIMON
3428887	DU
3428995	KLAYMAN
3428999	SOUDER
3429325	KIRBY
3429585	SILVA
3429907	TAVARES
3430158	FRYE
3430320	ZAMENSKI
3430859	FITZGERALD
3431251	REBIK
3431317	YODER III
3431422	PHILIPPS
3431499	GIBBONS
3432036	PROVANCHER
3432067	RYAN
3432258	MILLON
3432605	GORHAM
3432813	FLORIAN
3432886	CAVALCANTI COELHO
3432890	KANIUT
3433110	JOHNSON
3433440	MCMILLON
3433506	KELTGEN
3433589	HAYES
3433788	DAVIS
3433796	WALLIN
3434181	LIN
3434271	YARGER
3434435	MAURER
3435748	RUDELL
3435838	MURREN
3436049	ELDER
3436135	GOFF
3437889	TAYLOR
3438549	CREWSE
3438672	GLASGOW
3439202	STAHL
3439892	LARRABEE
3439986	BAYNE
3440075	ELLIS
3440645	FOX
3441182	WHITNEY
3441309	BRIDGES
3441349	HUMMEL
3441887	DILL
3442331	KING

LOAN ID	LNAME
3443095	WILDER III
3443197	SHAMMAMI
3443858	DODDS
3446177	KRAUSE
3446206	FROST
3448153	GOODROW
3448496	WILSON
3448696	DELEGAL
3448774	KITTS
3449095	KOJDER
3449415	DAVIS
3450055	GAUDETTE
3452110	HAWKINS
3454475	STIMMELL
3454828	JOHNSON
3456069	RODRIGUEZ
3456268	CREIGHTON
3456449	WRIGHT
3461347	PACKEVICZ
3462280	KENNER
3466747	STEELE
7133674	BOWEN
7135005	JOHNSON
7135832	MOSQUERA
7138254	WEID
7138696	MARTINEZ
7139500	SULAIMAN
7139521	BRYANT, JR.
7140191	DE LA VEGA
3160527	SUBRAMANIAN
3203948	HUMMEL
3236249	PATTERSON
3265906	BORDEN
3292696	BRYANT
3301440	ROBISON
3313787	D'ANGELO
3316498	PARK
3336315	KONKOL
3350364	JAIN
3352595	FAN
3353373	LAPLANTE
3355765	HAYSLIP
3357725	WALKER
3357859	CAMPBELL
3360778	DEFEO
3360872	CULLIVER
3361083	STEWART
3361143	SEERY-RICCI

LOAN ID	LNAME
3361777	MEHTA
3361902	SELVIG
3362033	BARDSLEY
3362851	WANG
3364404	DEY
3365271	CAMPAU
3365566	DUNCAN
3367258	STEELE
3367575	JUMONVILLE
3367750	EVANS
3367843	GATES
3368518	BALLARD
3368531	HOLT
3368671	LIN
3369217	VALERIO
3369900	CARY
3370609	CHRESTENSEN
3371590	KIRKPATRICK
3373446	HEARROLD
3374323	BOLINO
3374567	PARKER
3374661	SMITH
3374923	CRADDOCK
3375542	PERCIVAL
3376301	JACKSON
3376370	JESSUP
3376889	DYMENT
3377443	SANCHEZ
3377548	RILEY
3378934	BAGLEY
3379499	CHISHOLM
3380937	ZOELLNER
3381163	COX
3381180	BRAGG
3382260	BRADLEY
3382391	CLARK
3383204	RASH
3384375	KOKER
3384481	ELDREDGE
3384897	WHITE
3386628	NOLAN
3387630	DORILAS
3388496	WAITE
3388656	THOMAS
3389155	SHORT SR
3390837	WILLIAMS
3392335	BURROWS
3392600	LANG

LOAN ID	LNAME
3392938	BRANDENBURGER
3393284	RAUTER
3393878	DUBOIS
3394517	WARD
3394915	VALENCIA
3395258	SCOTT
3395398	BENNETT JR
3395461	SHANBHAG
3395695	SELIX
3395812	BUCKNER
3395965	THRASHER
3396043	GILBERT
3396309	MATTHEWS
3396608	RICHARDS
3397285	LEMIEUX
3397871	RIGGINS
3397888	GONSALVES
3397935	BROOKS JR
3397976	PACE
3398839	OMOLO
3399269	SOINE
3399549	MCCALLUM
3399589	FOWLER
3400373	ENOS
3400907	HUNTER
3401211	KOCI
3402042	PAVLIN
3402154	BONNER
3402395	POIRRIER
3402480	BROWN
3402898	RICHARDSON
3403312	QUELLHORST
3403681	DEMOREST
3404416	BAKER
3404831	GRANT
3404952	SULLIVAN JR
3405567	MCKENNEY
3405575	WILLIAMS
3405761	SCHRIJN
3405857	WEEKS
3405904	PORTWOOD
3406809	SHAH
3406988	FREEMAN
3407023	SCHULDHEISZ
3407723	KIMBROUGH
3407854	RIPP
3408217	WALTERS
3408309	SCHIERMAN

LOAN ID	LNAME
3411129	SCHNELL
3411836	HOFFECKER
3412398	SNEAD
3412460	MOORER
3413330	SUMMERFIELD
3413903	GALLOWAY
3414120	TRUJILLO
3414631	AGUILAR
3414698	PRICE JR
3414861	BRYANT
3414892	ROSE
3414999	TURNAGE
3415601	TAYLOR
3415892	CRISP
3416813	MCBRIDE
3416830	MACIEJEWSKI
3416957	MONGEAU
3417193	SMITH
3418893	CAMPBELL
3419094	CUTLER
3419949	MCCARTY
3421716	MANN
3421999	KIPP
3422061	PLEASANT JR
3423537	AMS III
3423628	MCCOY
3423741	BARTLETT
3426433	MCDOWELL
3427481	WHIPPLE JR
3427687	BROOK
3427828	HEINRICH
3427904	MCFARREN
3428021	HORD
3428158	HARTLY
3428208	MUKHERJEE
3428661	BUSTAMANTE
3428867	BOOLOOTIAN
3429693	DUSTON
3430614	SALVADOR
3431676	AZAR
3432907	JARAMILLO
3433147	NICKLAUS
3433227	MELTZER
3434226	HILTON
3436425	BILLINGSLEY
3437297	ANGELO
3437611	BENESTAD
3437669	SIMMONS

LOAN ID	LNAME
3438027	CONNOYER
3438210	SCHALLER
3440718	CAGLE
3441006	PEARSON
3442077	BARCELONA
3442821	SCHNEIDER
3442960	HEIDENRICH
3442992	KRAUSE
3443347	KISER
3443651	CARRINGTON
3444088	ROSFELD
3444190	SCHICKEL
3444786	MADDEN
3445299	LIKKEL
3445329	HERRON
3445505	TRUPPI
3445614	LETCHER
3445807	GUTIERREZ
3446357	SILVA
3446728	LUCIO
3448041	CHARLES
3450214	DILBECK
3451020	HEREDIA
3451330	HANNON
3454517	CHRESTMAN
3456534	GUTIERREZ
3457457	HOWARD
7131627	KICHLINE
7133502	GURULE
7139990	PACARIEM
7140116	THERKORN
3406954	WELLS
3407930	BARKER
3410371	FAHY
3416908	PORTER
3418394	BOEHRINGER
3431379	SCHAINEN
3433180	SADOWSKI
3439422	EHASZ
3439548	SCHULL
3441272	ROMAN
3452051	CORDELL
7136642	HANKS
3347912	JOHNSON
3398496	WELBORN
3406130	MARLOW
3414250	COOMES
3414705	TALLEY

LOAN ID	LNAME
3446142	MCMILLEN
3450979	BUSUKJA
7136776	WITT
7136909	GAMBLE
7138398	ALLEN JR
7138940	SAYED
7139263	BHARUCHA
7140074	ROWE
7140527	COSBAN
7140739	CASTELLANOS-PEREZ



August 7, 2009

VIA FACSIMILE, EMAIL AND CERTIFIED MAIL

Taylor, Bean & Whitaker Mortgage Corp.
315 N.E. 14th Street
Ocala, Florida 34470

Re: Notice of Termination of Servicing

Ladies and Gentlemen:

Pursuant to Section 9 and Section 18 of the Loan Participation Sale Agreement (COLB Wet & Dry Mortgage Loans Program) dated as of December 10, 2008 ("COLB Agreement"; all capitalized terms used herein but not defined herein shall have the meaning ascribed to them in the COLB Agreement), by and among Taylor, Bean & Whitaker Mortgage Corp. ("TBW") and Colonial Bank ("Colonial") and Seaside National Bank & Trust ("Seaside" or "Purchaser"), Colonial hereby notifies TBW that Colonial is terminating TBW's right to service the Participated Mortgage Loans listed in the attached Schedule 1, effective immediately. The servicing of the Participated Mortgage Loans will be transferred to a successor servicer to be identified by Colonial within 15 days from the date hereof. Colonial appreciates TBW's cooperation and coordination in the transfer of servicing to the successor servicer. TBW's servicing obligations under the COLB Agreement shall survive this termination and remain in effect with respect to a Participated Mortgage Loan until such duties are transferred to such successor servicer and assumed thereby. Notwithstanding anything herein to the contrary, the COLB Agreement shall remain in full force and effect until a successor servicer has assumed the obligations of servicing the Participated Mortgage Loan.

All servicing records, data and documents (except duplicate copies to be retained by TBW of essential servicing file items needed by TBW to service the Participated Mortgage Loans during the interim period) related to the Participated Mortgage Loans and all mortgagor payments and escrow funds in TBW's possession or held by TBW must be delivered by overnight courier and/or remitted to Colonial to the account designated below immediately:

{M2839826;1}

Mortgage Warehouse Lending Division

201 E. Pine Street, Suite 730 • Orlando, FL 32801 • Telephone (407) 835-6700 • Fax (407) 835-6690

Member FDIC • www.colonialbank.com

Taylor, Bean & Whitaker Mortgage Corp.
Page 2 of 2
Re: Notice of Termination of Servicing

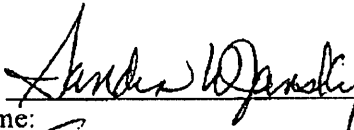
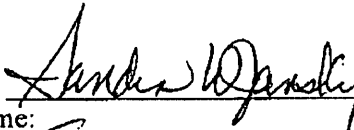
Colonial Bank
201 E. Pine Street, Suite 730
Orlando, Florida 32801
Attention: Mortgage Warehouse Lending Division
Phone: (407) 835-6700
ABA No. 062001319
Account No. 8026069354
Taylor, Bean & Whitaker Mortgage Corp. – Investor Funding Account

Any collections, proceeds and funds that TBW receives in connection with the Participated Mortgage Loans in the future shall be maintained in trust for the benefit of Colonial until such collections, proceeds and funds are remitted to Colonial (by deposit in Account No. 8026069354 unless otherwise notified by Colonial) immediately upon receipt thereof by TBW.

TBW's failure to comply with this request or any of the terms of the COLB Agreement shall not effect Colonial's right to transfer servicing of the Participated Mortgage Loans.

Should you have any questions, please do not hesitate to contact Sandra Jansky at (334) 676-5002. We appreciate your cooperation in this matter.

COLONIAL BANK

By: 
Name: 
Title: S.E.V.P.

Enclosures

Copy of executed
agreement

LOAN PARTICIPATION SALE AGREEMENT (COLB Program)

THIS LOAN PARTICIPATION SALE AGREEMENT (COLB Program) (the "Agreement") is made and entered into as of the 10th day of December, 2008, by and among TAYLOR, BEAN & WHITAKER MORTGAGE CORP., a Florida corporation, whose address is 315 N.E. 14th Street, Ocala, Florida 34470, as seller (the "Seller"), SEASIDE NATIONAL BANK & TRUST, a national banking association, whose address is 201 S. Orange Avenue, Suite 1350, Orlando, FL 32801 ("Seaside"), and COLONIAL BANK, an Alabama banking corporation f/k/a Colonial Bank, N.A., a national banking association, whose address is 100 Colonial Bank Boulevard, Montgomery, Alabama 36117 ("Colonial"), together with Seaside, each, a "Buyer" and collectively, the "Buyers", and Colonial, as Agent and custodian for the Buyers (in such capacities, the "Agent").

BACKGROUND

The Seller originates, acquires, markets, sells and services one-to-four family, residential real estate loans secured by a lien on the real property (and improvements) encumbered pursuant to such loans (collectively, the "Mortgage Loans"). The Seller wishes to sell, and the Buyers wish to purchase, undivided participation ownership interests (each, a "Participation Interest," and collectively, the "Participation Interests") in the Mortgage Loans (and all collections received or receivable from the Mortgage Loans and all escrow and reserve accounts and funds held on deposit therein) identified in the Participation Certificate(s) (as defined below) issued pursuant to this Agreement. This Agreement is intended by the parties to govern the sale, assignment and transfer by the Seller to the Agent, for the benefit of one or more Buyers (references herein to "for the benefit of a Buyer" shall be applicable whether there is one, or more than one, Buyer of a particular Participation Interest), of such Participation Interest(s) in the Mortgage Loans (and all collections received or receivable from the Mortgage Loans and all escrow and reserve accounts and funds held on deposit therein) identified in such Participation Certificate(s), including the percentage of the principal amount of such Mortgage Loans representing the undivided interest sold, the purchase price, the amounts payable to the Buyers, and the Seller's responsibilities for servicing and other incidents, including those of agency, with respect to the resulting Participation Interests.

The purchase price to be paid by a Buyer for the Participation Interest(s) sold under this Agreement will be set forth in the Participation Certificate(s) issued by the Seller to such Buyer from time to time pursuant to this Agreement.

The Seller will be retained as servicer ("Servicer") of the Participated Mortgage Loans (as defined below) because (i) the Seller (or one or more of its subsidiaries, affiliates or customers) originated the Participated Mortgage Loans in the ordinary course of its business, (ii) the Seller is familiar with servicing the Participated Mortgage Loans and the Servicing Standards, and (iii) the Seller has the administrative and other staff and agents necessary to most effectively service the Participated Mortgage Loans under the Servicing Standards. Accordingly, other entities could not comparably service the Participated Mortgage Loans as efficiently as the Seller and servicing the Participated Mortgage Loans by any entity other than the Seller could result in a diminution in the value of the Participation Interest.

In addition, the Buyers have agreed to retain the Agent to provide administrative and custodial services on behalf of the Buyers in connection with the Mortgage Loans, the Participation Interests therein, and any funds and proceeds derived therefrom.

AGREEMENT

1. Sale and Identification of Loan Participation Interest. The Seller hereby agrees to irrevocably sell to the Agent, which shall hold title for the benefit of each Buyer interested in purchasing, and each such Buyer, in its sole discretion, hereby agrees to purchase from the Seller, through the Agent (by paying the Agent the applicable purchase price), a Participation Interest(s) in the Mortgage Loans (and all collections received or receivable from the Mortgage Loans and all escrow and reserve accounts and funds held on deposit therein) identified in the participation certificate(s), in the form attached hereto as Exhibit A appropriately completed (as

amended, restated, supplemented from time to time, each, a "Participation Certificate"), issued by the Seller in the name of the Agent for the benefit of such Buyer from time to time pursuant to this Agreement (each, a "Participated Mortgage Loan," and collectively, the "Participated Mortgage Loans") for the purchase price set forth in the Participation Certificate. Notwithstanding the purchase price set forth in the Participation Certificate, the parties agree that, in the case of any Mortgage Loans which, at the time such Buyer purchases its Participation Interest in such Mortgage Loans from the Seller, are not covered by a master forward commitment of an end investor pursuant to the requirements of Section 4(ii)(c)(1) hereof, but which otherwise meet the requirements of Section 4(ii)(c)(2) hereof, such Buyer will pay to the Agent, who will promptly remit, upon receipt thereof of immediately available funds, such funds to the Seller either by wire transfer in accordance with written wire transfer instructions by the Seller, an additional purchase price for such Mortgage Loans at the time of closing of the sale of such Mortgage Loans to an end investor which such Buyer believes to be fair market value and adequate consideration for the difference between the purchase price initially paid by such Buyer for its Participation Interest in such Mortgage Loans and the purchase price that would have been payable by such Buyer to the Seller had such Mortgage Loans been covered by the end investor's commitment at the time of initial purchase by such Buyer of its Participation Interest. Each Participation Certificate shall specify, among other things, the percentage of the principal amount of the Mortgage Loans representing the undivided interest sold, the identification of the Mortgage Loans in which such Buyer has purchased the Participation Interest, and the purchase price paid by such Buyer. The Seller hereby sells, assigns, transfers and delivers to the Agent, for the benefit of the applicable Buyer, the percentage Participation Interest indicated in each Participation Certificate (as applicable, the "Buyer's Percentage" or "Percentage") of the Seller's ownership rights in and to the Participated Mortgage Loans and the indebtedness, promissory note or notes, collateral security (including, without limitation, where such term is used herein, the mortgage, deed of trust, deed to secure debt and any other form of security instrument used to create a lien or other encumbrance upon real property as security for such promissory note or notes), the end investor commitment, hedging arrangements, all escrow and reserve accounts and funds held on deposit therein and all other documents and instruments evidencing, securing or otherwise relating to such Participated Mortgage Loans. The Seller agrees that it is selling 100% of the servicing rights related to the Participated Mortgage Loans to the Agent, for the benefit of the applicable Buyer. The Agent shall not be obligated to pay the Seller the purchase price for the Participated Mortgage Loans unless and until the Agent has received such funds in immediately available funds. The Agent shall keep and maintain accurate records of each Buyer's ownership interest in each Participated Mortgage Loan. Notwithstanding the foregoing, so long as the Seller is acting as servicing agent on behalf of the Agent for the benefit of the Buyers hereunder, the Seller shall enforce any and all remedies, or exercise any defenses of setoff or otherwise, directly against any Obligor(s) (as defined below) under the Participated Mortgage Loans as are reasonably prudent under the circumstances and consistent with the Servicing Standards (as defined below). The Agent may, at any time in its sole discretion or at the direction of the applicable Buyer, terminate the Seller's authority to act as Servicer, at which time the applicable Buyer or its designee (or designee of the Agent in accordance with and subject to Section 9), shall become the Servicer of the Participated Mortgage Loans.

2. Ownership Interest. The parties hereto agree that, upon issuance of the Participation Certificate and the concurrent payment of the purchase price for the Buyer's Percentage of the Participated Mortgage Loans, which the Seller believes to be fair market value and adequate consideration for the Participation Interests purchased by a Buyer pursuant to this Agreement together with the servicing rights hereunder, the Agent for the benefit of such Buyer immediately shall become vested, to the extent of such Buyer's Percentage, with beneficial ownership of the Participated Mortgage Loans including, without limitation, the indebtedness, promissory note or notes, collateral security, the end investor commitment, hedging arrangements, all escrow and reserve accounts and funds held on deposit therein and all other documents and instruments evidencing, securing or otherwise relating to said Participated Mortgage Loans, together with all of the servicing rights related to the Participated Mortgage Loans, and all other rights, privileges and remedies applicable thereto and all representations and covenants made thereunder by Obligor in favor of the Seller and, except as otherwise provided hereunder, the Seller shall have no right or obligation to sell, pledge, repurchase, substitute other mortgage loans for, or otherwise dispose of, any of the Participated Mortgage Loans. Except as otherwise provided in this Agreement, the Seller shall continue to hold bare legal title to the Participated Mortgage Loans (in trust and as nominee for the benefit of the Agent for the benefit of the applicable Buyer to the extent of the Buyer's Percentage therein), and the Agent shall be the holder, subject to the terms of this Agreement and for the benefit of the applicable Buyer, of equitable title to the extent of the Buyer's Percentage of such Participated Mortgage Loans. The Seller shall not represent to any Person that the Seller owns any portion of the Participation Interest(s) sold to and paid for by the Buyers under this Agreement, and the Seller shall reflect the transaction(s) hereunder on its balance sheet and other financial statements as a sale of

assets by the Seller and the purchase of assets by the Agent for the benefit of the Buyers pursuant to United States generally accepted accounting principles as in effect from time to time ("GAAP") and as a sale for federal income tax purposes. It is the parties' intent that the transactions contemplated hereunder meet all of the requirements of sale accounting treatment under GAAP. The parties hereto acknowledge and agree that the transactions contemplated are bona-fide, arm's-length transactions among sophisticated parties who have reasonable knowledge of the relevant facts of the transactions hereunder and the consideration paid hereunder for the Participation Interests and the servicing rights related to the Participated Mortgaged Loans and the servicing compensation, and the parties are a willing seller and willing buyers, none of which was or is under any compulsion to sell or buy, and that the Seller is not an affiliate of any Buyer.

THIS LOAN PARTICIPATION IS A SALE BY THE SELLER TO THE AGENT, FOR THE BENEFIT OF A BUYER, AND A PURCHASE BY THE AGENT FROM THE SELLER, OF PARTICIPATION INTERESTS IN THE ABOVE REFERENCED MORTGAGE LOANS INCLUDING, WITHOUT LIMITATION, THE INDEBTEDNESS, PROMISSORY NOTE OR NOTES, COLLATERAL SECURITY AND ALL OTHER DOCUMENTS AND INSTRUMENTS EVIDENCING, SECURING OR OTHERWISE RELATING TO SUCH MORTGAGE LOANS, AND ALL OF THE SERVICING RIGHTS, AND NO AMOUNT PAID BY A BUYER TO THE AGENT HEREUNDER, FOR REMITTANCE TO THE SELLER TO PURCHASE SUCH PARTICIPATION INTERESTS, SHALL IN ANY WAY BE CONSTRUED AS A LOAN OR AN EXTENSION OF CREDIT BY THE AGENT OR SUCH BUYER TO THE SELLER, AND THE PARTICIPATION INTEREST BEING PURCHASED HEREUNDER SHALL NOT BE A PART OF THE ESTATE OF THE SELLER IN THE EVENT OF BANKRUPTCY, REORGANIZATION, ARRANGEMENT, INSOLVENCY OR LIQUIDATION PROCEEDING, OR OTHER PROCEEDING UNDER ANY FEDERAL OR STATE BANKRUPTCY OR SIMILAR LAW, OR THE OCCURRENCE OF ANOTHER SIMILAR EVENT OF, OR WITH RESPECT TO, THE SELLER. THE PARTIES TO THIS AGREEMENT HEREBY ACKNOWLEDGE THAT THE "CREDIT RISK" OF THE PARTICIPATED MORTGAGE LOANS CONVEYED HEREUNDER SHALL BE BORNE BY EACH BUYER TO THE EXTENT OF SUCH BUYER'S PERCENTAGE, AND THAT THE SELLER HAS NOT MADE ANY REPRESENTATIONS TO ANY BUYER CONCERNING THE COLLECTABILITY OF THE PAYMENTS DUE UNDER THE PARTICIPATED MORTGAGE LOANS NOR HAS THE SELLER MADE ANY REPRESENTATIONS TO SUCH BUYER CONCERNING THE EXPECTED RETURN ON SUCH BUYER'S INVESTMENT IN THE PARTICIPATED MORTGAGE LOANS.

The term "Business Day" as used herein shall mean any day, other than a Saturday or Sunday, or a day on which banking and savings and loan institutions in the State of Alabama are authorized or obligated by law or executive order to be closed.

The term "Person" as used herein shall mean any corporation, natural person, firm, joint venture, partnership, limited liability company, trust, unincorporated organization, government or any political subdivision, department, agency or instrumentality of any government.

The parties hereto acknowledge and agree that, and have entered into this Agreement and will enter into each transaction hereunder in consideration of and in reliance upon the fact that, all of the transactions hereunder constitute a single business and contractual relationship, have been made in consideration of one another, and the Agent is purchasing, for the benefit of the Buyers, and the Seller is selling, Participation Interests in a group of Participated Mortgage Loans, notwithstanding that individual Participated Mortgage Loans included in the group may be evidenced by a separate Participation Certificate.

3. Participation in Collateral. The Participation Interest purchased by the Agent, for the benefit of a Buyer, from the Seller in each Participated Mortgage Loan hereunder shall be proportionately secured (in an amount equal to the Buyer's Percentage) by any collateral securing such Mortgage Loan in accordance with the provisions of the applicable collateral security documents and, notwithstanding designation of the Seller as the mortgagee or secured party thereunder, the Agent for the benefit of the applicable Buyer shall have all rights, privileges and benefits of the mortgagee or secured party, to the extent of the Participation Interest, with respect to such Participated Mortgage Loans. The Seller hereby acknowledges and agrees that the Participation Interest in each Participated Mortgage Loan purchased by the Agent for the benefit of a Buyer shall also be proportionately secured (in an amount equal to the Buyer's Percentage) by Seller's interest in the Obligor's escrow and reserve

accounts and the funds held on deposit therein, and that all such accounts shall be held by the Seller in trust, segregated from and not commingled with its own funds and be deemed Trust Funds (as defined in Section 8A hereof). The provisions of Section 8A hereof shall apply to such escrow and reserve accounts. For purposes of the foregoing, the Seller, in its capacity as the mortgagee or secured party, shall act as the representative and collateral agent for the Agent on behalf of the Buyers with respect to obtaining, perfecting, protecting and maintaining the collateral security for the Participated Mortgage Loans.

4. **Requirements for Participated Mortgage Loans.** Each Mortgage Loan in which the Agent for the benefit of a Buyer purchases a Participation Interest hereunder: (i) shall be one of the following types of Mortgage Loan (each a "**Type**"): a Conforming Mortgage Loan (as defined below), a Non-Conforming Mortgage Loan (as defined below) or an A Quality Second/HELOC Mortgage Loan (as defined below); (ii) shall, (a) if sold by the Seller to an end investor on a "best efforts" basis, be covered by a bona fide current, unfilled and unexpired commitment of an end investor, issued in favor of and owned by the Seller, under which such end investor agrees to purchase such Mortgage Loan at a specified price and which commitment is not subject to any term or condition that is not customary in commitments of like nature or that, in the reasonably anticipated course of events, cannot be fully complied with prior to the expiration thereof, or (b) if sold on a "mandatory delivery" basis, be covered by a bona fide current, unfilled and unexpired commitment of an end investor, issued in favor of and owned by the Seller, under which such end investor agrees to purchase such Mortgage Loan at a specified price and which commitment is not subject to any term or condition that is not customary in commitments of like nature or that, in the reasonably anticipated course of events, cannot be fully complied with prior to the expiration thereof and is also covered by a valid and binding hedging agreement entered into by the Seller which eliminates any interest rate risk of such Mortgage Loan to the Seller, and (iii) shall meet each of the other requirements as set forth in Exhibit C attached hereto. The Seller shall not sell, or offer to sell, a Participation Interest in any Mortgage Loan to the Agent for the benefit of a Buyer hereunder unless such Mortgage Loan meets the requirements set forth in this Section 4. THE PARTIES HERETO AGREE THAT THE REQUIREMENTS SET FORTH IN THIS SECTION AND THE EXISTENCE OF THE END INVESTOR'S PURCHASE COMMITMENT DESCRIBED IN CLAUSE (ii) OF THIS SECTION ARE A MATERIAL INDUCEMENT FOR THE AGENT AND THE BUYERS AGREEING TO ENTER INTO THIS AGREEMENT AND PURCHASING A PARTICIPATION INTEREST IN THE MORTGAGE LOANS FROM THE SELLER.

As used herein, the following definitions shall apply:

"**Agency**" shall mean Fannie Mae, Freddie Mac, Ginnie Mae, FHA or VA, or any successor thereto.

"**A Quality Second/HELOC Mortgage Loan**" shall mean either a (i) second-priority Mortgage Loan that encumbers property that is owner-occupied and is not investment or rental property, that conforms to all underwriting and other requirements of the end investor and that conforms to the Credit Quality Guidelines, except that Mortgage Loans rated below "A" shall be ineligible, or (ii) second-priority Mortgage Loan that encumbers investment property or rental property, that conforms to all underwriting and other requirements of the end investor and that conforms to the Credit Quality Guidelines, except that Mortgage Loans rated below "A" shall be ineligible.

"**Credit Quality Guidelines**" shall mean either (i) in the case of a Mortgage Loan that is subject to a commitment issued by an Agency, the credit quality guidelines utilized by such Agency, or (ii) in the case of a Mortgage Loan that is subject to a commitment issued by any other end investor, the credit quality guidelines utilized by *Fitch Inc.* as set forth in Exhibit D attached hereto or such other nationally recognized credit ratings agency or firm as specified by the Agent from time to time.

"**Conforming Mortgage Loan**" shall mean a first-priority Mortgage Loan that is fully underwritten (using either an automated underwriting system such as Loan Prospector ("**LP**") or Desktop Underwriter ("**DU**") or a manual underwriting process) in conformity with the underwriting standards of Fannie Mae or Freddie Mac in effect at the time of such underwriting and that conforms to the Credit Quality Guidelines, except that Mortgage Loans rated below "A" shall be ineligible.

"**Fannie Mae**" shall mean the Federal National Mortgage Association, or any successor thereto.

"**FHA**" shall mean the United States Federal Housing Administration, or any successor thereto.

"Freddie Mac" shall mean the Federal Home Loan Mortgage Corporation, or any successor thereto.

"Ginnie Mae" shall mean the Government National Mortgage Association, or any successor thereto.

"HUD" shall mean the United States Department of Housing and Urban Development, or any successor thereto.

"Non-Conforming Mortgage Loan" shall mean a first-priority Mortgage Loan that encumbers property that is owner-occupied and is not investment or rental property, that conforms to all underwriting and other requirements of the end investor and that conforms to the Credit Quality Guidelines, except that Mortgage Loans rated below "B" shall be ineligible.

"VA" shall mean the United States Department of Veterans Affairs, or any successor thereto.

5. **Delivery of Loan Documentation.** Upon the purchase by the Agent for the benefit of a Buyer of a Participation Interest in any Mortgage Loans, the Seller concurrently therewith shall deliver a Participation Certificate in the name of the Agent for the benefit of such Buyer identifying the particular Mortgage Loans in which the Agent for the benefit of such Buyer is purchasing a Participation Interest and specifying the Buyer's Percentage of such Mortgage Loans and the other matters set forth in Section 1 hereof. Thereafter, the Seller shall deliver to the Agent as custodian for such Buyer the following documents and instruments pertaining to each such Participated Mortgage Loan, (x) in the case of the documents and instruments referenced in subsection A below (the **"Required Documents"**), as soon as said documents and instruments are available, and (y) in the case of the documents and instruments referenced in subsection B below (the **"Additional Required Documents"**), upon request by the Agent from time to time:

A. **Required Documents.**

(i) Information related to the end investor commitment delivered via electronic means or such other means acceptable to the Agent;

(ii) Original promissory note or other evidence of debt signed by loan debtor(s) (the **"Obligor(s)"**), endorsed in blank by the Seller, and, if applicable, with an interim endorsement from the originating mortgage company to the Seller;

(iii) Copies of the collateral security documents (including, without limitation, the mortgage, deed of trust, deed to secure debt and any other form of security instrument used to create a lien or other encumbrance upon real property as security for such promissory note) including, with respect thereto, any modification agreements;

(iv) Copy of any interim assignments, if applicable;

(v) Original unrecorded assignment in blank of the collateral security documents or, if applicable, the Mortgage Electronic Registration Systems, Inc. (**"MERS"**) designation;

(vi) Closing Agent certification (if required by the Agent at any time);

(vii) Copies of other supporting documentation, if applicable (such as Power of Attorney (containing a power of substitution), Guardianship, Trust Agreement, etc.); and

(viii) Copies of all material documents and items received by the Seller pursuant to or in connection with the Participated Mortgage Loans.

B. **Additional Required Documents.**

(i) Investor Commitment Certification (whole loan investor commitment information or weekly secondary market report, if Mortgage Loan is sold on a mandatory delivery basis);

- (ii) Original or certified copy of HUD-1 Settlement Statement;
- (iii) Copy of the title insurance binder or certificate (including an attorney approval letter) covering at least the face amount of the promissory note, with the original policy of title insurance insuring the mortgage (or deed of trust, deed to secure debt, etc.) as a first-priority lien (or in the case of an A Quality Second/HELOC Mortgage Loan only, a second-priority lien) on the real property and improvements encumbered thereby (the "Property") written by a title company and containing exceptions satisfactory to the Agent;
- (iv) Evidence of the applicable FHA commitment for insurance with respect to each FHA-insured promissory note, or VA commitment for guaranty with respect to each VA-guaranteed promissory note, and of the applicable commitment for private mortgage insurance with respect to each conventional promissory note having a loan-to-value ratio in excess of 80%;
- (v) Evidence of fire and extended coverage insurance in an amount not less than the lower of the following: (a) the amount of the Mortgage Loan, and (b) 100% of the insurable value of the Property. Such insurance shall be written by a company satisfactory to the Agent, with form and content subject to the Agent's approval. The Agent reserves the right to obtain a loss payable endorsement in favor of the Agent for the benefit of the applicable Buyer, if the Agent or such Buyer so desires, and the cost of such endorsement shall be borne by the Seller;
- (vi) Evidence of Notice to Customer and Rescission required by the federal Truth-in-Lending Law and Federal Reserve Regulation Z;
- (vii) Copy of the appraisal of the Property;
- (viii) Survey(s) of the Property;
- (ix) Termite treatment report of the Property;
- (x) Copies of the Obligor(s) financial statement(s) and written credit report(s);
- (xi) Copy of underwriting summary (LP or DU approval, etc.);
- (xii) End investor commitment; and
- (xiii) Any other records and documentation as the Agent reasonably may deem appropriate including, without limitation, documentation necessary to fulfill the requirements of the end investor commitments.

It is the understanding of the parties that the Seller, as collateral agent for the Agent for the benefit of the Buyers, shall retain possession of all Additional Required Documents and any Required Documents not requested by the Agent, unless the Agent requests, as aforesaid, that such Additional Required Documents be delivered to and held by the Agent, in which case, the Seller shall promptly deliver same to the Agent to hold and maintain as custodian for the applicable Buyer. To the extent that the Seller retains possession of any documents hereunder relating to the Participated Mortgage Loans, the Seller shall keep all such documents in segregated files appropriately marked to show that a Participation Interest therein has been sold to the Agent for the benefit of the applicable Buyer. Likewise, the Seller shall segregate and separately mark each Participated Mortgage Loan on its systems used in the origination and servicing of such Mortgage Loans to show that a Participation Interest therein has been sold to the Agent for the benefit of the applicable Buyer. In addition, if required by the Agent at any time in order to maintain, preserve and protect the Participation Interest(s) in the Participated Mortgage Loans, the Seller immediately shall record the assignment referenced in subsection A(v) above of this Section 5 in favor of the Agent for the benefit of the applicable Buyer in the applicable recording office and pay all recording fees, charges and taxes in connection therewith.

6. **Expenses, Etc.** All out-of-pocket expenses for preparation and recording of any documents including, without limitation, any assignments or registrations necessary to reflect ownership by the Agent for the benefit of the Buyers of the Participation Interest(s) in the Participated Mortgage Loans or any precautionary UCC-1 filings contemplated by Section 23E hereof to reflect the transaction(s) hereunder, shall be borne by the Seller. The Seller shall prepare all documents including, without limitation, the Participation Certificates, necessary to reflect the Participation Interest(s) in the Participated Mortgage Loans held by the Agent for the benefit of the Buyers.

7. **Record Inspection Rights.** The Agent and each Buyer, or their respective agents or representatives or, if applicable, their successors or assigns, and their respective examiners or supervisory agents, shall have the right at any reasonable time during normal business hours to request, have access to and examine, any and all books, records and documents relating to any Participated Mortgage Loan or to any matters covered by this Agreement.

8. **Servicing of Participated Mortgage Loans.**

A. Subject to the limitations set forth in this Section, and unless the Agent has notified the Seller of the transfer servicing of the Participated Mortgage Loans as set forth in Section 9 hereof (and in such case, subject to the further limitations on the term for servicing any Participated Mortgage Loan set forth in Section 18A hereof), the Seller shall be solely responsible for the servicing of the Participated Mortgage Loans in accordance with the Servicing Standards as a fiduciary on behalf of the Agent for the benefit of the Buyers. The Seller is hereby authorized and directed to act as agent, custodian and bailee for the Agent for the benefit of the Buyers and in such capacity shall manage, service, administer and make collections on the Participated Mortgage Loans, and strictly perform all services and take all actions required to be taken by the Seller under this Agreement. The Seller's servicing duties shall include, without limitation, billing, collection and posting of all payments, responding to inquiries of Obligors, investigating delinquencies, sending invoices to Obligors, accounting for collections, making distributions, disbursements and withdrawals from the trust described in the second paragraph of this subsection A and the Agent's accounts described in the second paragraph of this subsection A as provided in this Agreement, and furnishing periodic statements to the Agent for the Buyers with respect to all such distributions, disbursements and withdrawals, and performing the other duties specified herein. In performing its duties under this Agreement, the Seller shall exercise due care and discretion and agrees to service the Participated Mortgage Loans in a manner the Seller reasonably believes to be in the best interest of the Agent and the Buyers and in accordance with customary and usual procedures of institutions which service one-to-four family, residential real estate loans secured by a lien on the real property (and improvements) encumbered pursuant to such loans, promissory notes, loan agreements and other similar types of property comparable to the Mortgage Loans and, to the extent more exacting, the degree of skill and attention that the Seller exercises from time to time with respect to all comparable such contracts that it services for itself or others (the "**Servicing Standards**"). In consideration of the servicing responsibilities performed hereunder and, as long as the Seller is servicing the Participated Mortgage Loans, the Seller shall be entitled to a servicing fee calculated monthly by taking the product of: (A) the average outstanding principal balance of all Participated Mortgage Loans (prior to any reductions for any principal payments received during the preceding calendar month) as of the preceding due date and (B) the positive difference between the (i) dollar weighted average interest rate payable under such Participated Mortgage Loans, (ii) the Reference Rate as defined and set forth in the Participation Certificate in Exhibit A hereto and (iii) the Agent Fee (as defined below) and (C) the Buyer's Percentage in the Participated Mortgage Loans hereunder and (D) a fraction, the numerator of which is the actual number of days in the month and the denominator of which is 360. The servicing fees shall be payable (and retained by the Seller) from interest collected on the Participated Mortgage Loans. In addition, the Seller shall be entitled to retain all ancillary income such as late payment charges, insufficient funds fees, prepayment penalties or fees, modification fees, extension fees, assumption fees, optional insurance administration fees and other incidental fees and charges related to such Participated Mortgage Loans as additional servicing compensation. The servicing fees and additional servicing compensation shall be payable (and retained by the Seller) from interest and other excess amounts collected on the Participated Mortgage Loans. The Seller, the Buyers and the Agent agree that the servicing fee and additional servicing compensation payable hereunder is fair market value and adequate consideration for the servicing duties performed hereunder. The Servicer shall not engage any subservicers without the prior written consent of the Agent, which may be withheld in the Agent's sole and absolute discretion.

All payments of principal and interest and all fees and other income and proceeds (other than the Seller's ownership interest in such payments and the servicing fee and additional servicing compensation due the Seller) received by the

Seller with respect to a Participated Mortgage Loan shall be held by the Seller in trust (the "Trust Funds"). The Seller shall not commingle the Trust Funds with its own funds, and shall, at all times, keep the Trust Funds segregated from its own funds by placing the Trust Funds in a separate trust or escrow account titled as follows: "Escrow Servicing Account, Taylor, Bean & Whitaker Mortgage Corp., as servicing agent for Colonial Bank, as Agent for the benefit of the Buyers". The Seller shall have the authority to withdraw funds deposited in the escrow account to (i) pay any funds deposited in such escrow account in error, (ii) pay its servicing fee and additional servicing compensation and its share of the collections on deposit therein based on its ownership interest in such collections, in each case, to the extent not retained by the Seller pursuant to the first sentence of this paragraph, or (iii) transfer funds payable to other purchasers. The escrow account and Trust Funds therein will not be property of the estate of the Seller as that term is defined in Section 541 of the United States Bankruptcy Code, U.S. Code Title 11, as amended (the "Bankruptcy Code") in the event of the Seller's bankruptcy. The Trust Funds shall be deposited in the escrow account on the same day of receipt thereof by the Seller. The Agent shall have the authority to withdraw funds from the escrow account at any time and the Seller shall make arrangements to provide the Agent such access or, at the Agent's request, the Seller shall immediately remit any funds from the escrow account to an account designated by the Agent for the benefit of the Buyers. Each escrow account shall be subject to the control of the Agent for the benefit of the Buyers. In the event that any escrow accounts are not maintained with the Agent, then the Seller shall enter into, and require that the depository institution in which such accounts are held shall enter into, a deposit account control agreement with the Agent in such form and substance satisfactory to the Agent. On the 2nd day of each calendar month (or if such day is not a Business Day, on the succeeding Business Day), the Agent shall submit to the Seller a statement of the total scheduled payments (net of the Seller's retained ownership interest, its servicing fee and additional servicing compensation) due under the Participated Mortgage Loans for the preceding calendar month. The Seller shall immediately make such payments to the Agent for the benefit of the Buyers from amounts in the escrow account representing collections and proceeds received with respect to the Participated Mortgage Loans in accordance with Section 15 hereof. As an administrative convenience to the Seller in servicing the Participated Mortgage Loans, the Seller shall advance to the Agent any scheduled payments not made by Obligor if the Seller deems such advance to be recoverable from the applicable Obligor. The Seller shall have the right to seek reimbursement from the Agent on behalf of the Buyers, and the Agent, upon receipt from the Buyers, shall promptly reimburse the Seller, for any advances the Seller has made in connection with any Participated Mortgage Loan if any such amounts are not subsequently recovered from the applicable Obligor.

Upon request of the Agent from time to time with respect to any Participated Mortgage Loan, the Seller shall promptly deliver to the Agent, for the Buyers, a report, in form and substance acceptable to the Agent regarding such Participated Mortgage Loan's current status, the collections and proceeds received as of the date of such request or such other date, any current and prior unreimbursed advances made by the Seller, and a reconciliation of the escrow account accounting for all withdrawals from and deposits made into the escrow account.

B. The Seller agrees to indemnify the Agent and each Buyer, and their respective successors and assigns (collectively, the "Indemnitees"), for any and all liabilities, obligations, losses, damages, payments, costs or expenses of any kind whatsoever which may be imposed on, incurred or asserted against any of the Indemnitees as the result of any act or omission by the Seller relating to the servicing, maintenance and custody of the Mortgage Loans, the Required Documents, and the Additional Required Documents; provided, however, that the Seller will not be liable to any Indemnitee for any portion of any such amount resulting from the gross negligence, fraud or willful misconduct of such Indemnitee. An Indemnitee may, at its option, net any amount owed to it pursuant to this Section 8B against any amount owed to the Seller upon the sale of the Participated Mortgage Loans to end investors under Section 14C.

C. Except as otherwise set forth in Section 9 hereof, the Seller shall retain full power and authority and the reasonable discretion to administer the Participated Mortgage Loans and to take or omit to take any action whatsoever in respect thereof as the Seller deems prudent, reasonably necessary and/or desirable to preserve the value thereof and to maximize the proceeds to be realized therefrom; provided, however, the Seller, in all cases, shall act in good faith and in accordance with the Servicing Standards, other usual practices employed by the Seller in the servicing of Mortgage Loans for its own account, and customary industry practices; and further provided, however, the Seller shall not without the prior consent of the Agent, who shall have obtained the prior written consent of each of the affected Buyers:

(i) make or consent to any amendments, modifications or extensions in the terms and conditions of any Participated Mortgage Loan, or in the terms of the promissory note or notes evidencing such Mortgage Loan, or in any collateral security documents securing such Mortgage Loan;

(ii) waive or release any claim against any Obligor and/or against any co-maker, guarantor or endorser under any Participated Mortgage Loan;

(iii) make or consent to any release, substitution, exchange or subordination of any collateral for any Participated Mortgage Loan;

(iv) accelerate payment under any Participated Mortgage Loan and/or under any promissory note or notes evidencing such Mortgage Loan;

(v) commence any type of collection proceeding against any Obligor and/or against any co-maker, guarantor or endorser under any Participated Mortgage Loan; and/or

(vi) seize, sell, transfer, assign, foreclose or attempt to exercise any other remedy against any collateral securing any Participated Mortgage Loan.

D. Notwithstanding subsection C above of this Section 8 (except for the Seller's standard of care which shall remain applicable), if the Seller, in its reasonable judgment, determines that it is necessary to take, any of the actions described in subsection (C)(iv) through (C)(vi) above because such action is warranted to prevent a substantial loss in the value of the Participated Mortgage Loan and is unable to obtain the Agent's prior consent in a timely manner, then the Seller may take such action but shall simultaneously notify the Agent of the action taken and the reason(s) therefor, together with evidence of the Seller's attempt(s) to first obtain the Agent's prior consent to such action.

E. If the Seller requests the consent of the Agent to any action in respect of a Participated Mortgage Loan, the Agent shall respond within ten (10) Business Days after the Seller's request. If the Agent fails to respond within such time period, the Agent (and the affected Buyer) shall be deemed to have agreed to the action referenced in the Seller's request. If the Agent responds after the expiration of such time period but prior to any action taken by the Seller, then the Seller shall honor the Agent's response.

F. The Seller shall deliver any written servicing, maintenance or custodial policies, together with any amendments thereto, related to the Servicing Standards to the Agent, for the Buyers, with reasonable promptness after adoption of same. The Seller, upon written notice to the Agent on behalf of the Buyers, may at any time change its customary standards, policies and procedures; provided, however, that any such change shall not vary from the Servicing Standards and shall not impair the collectability of any of the Mortgage Loans nor the Seller's ability to perform its obligations under this Agreement, the Required Documents, and the Additional Required Documents.

G. The Seller shall promptly report to the Agent on behalf of the Buyers any failure by the Seller to service the Mortgage Loans in accordance with the provisions hereunder and shall promptly take appropriate action to remedy any such failure.

9. **Transfer of Servicing of the Participated Mortgage Loans.** Upon (i) the termination of this Agreement as set forth herein, (ii) the occurrence of a material default by the Seller of its obligations hereunder which remains uncured for fifteen (15) days after written notice of such default is delivered to the Seller by the Agent, (iii) the exercise by the Agent for the benefit of the Buyers of any of its rights under Section 17E hereof or (iv) the delivery by the Agent of thirty (30) days prior written notice to the Seller, which notice the Agent may elect to give, or shall give at the request and direction of the applicable Buyer, to the Seller at any time and for any reason whatsoever (each, a "**Servicing Termination Event**"), then the applicable Buyer(s) may designate, within thirty (30) days of such notice (the "**Servicer Designation Period**"), a successor servicer that is mutually acceptable to such Buyer(s) for some or all of the Participated Mortgage Loans in which such Buyer(s) has a Participation Interest and shall promptly thereafter notify the Agent of the designation of such successor servicer and the proposed servicing transfer date. If the Buyers cannot agree as to the designation of a successor servicer, then the Agent shall

have the right to designate within thirty (30) days of the Servicer Designation Period the successor servicer, and such designation shall be binding on the Buyers. The Seller shall remain servicing such Participated Mortgage Loans until the servicing transfer date as determined by the applicable Buyer(s) or the Agent in accordance with the terms of this Section. The designated successor servicer shall act as a fiduciary and agent of the such Buyer(s) and shall be paid a servicing compensation mutually acceptable to such Buyer(s) and such successor servicer but such servicing compensation shall not exceed the servicing fees and servicing compensation provided hereunder. The designated successor servicer shall and shall work diligently with the Seller, who shall cooperate fully with the successor servicer, to take over the servicing for such Participated Mortgage Loans and the collection of all payments thereunder. The designated successor servicer shall assume the duties of servicing set forth hereunder and shall service such Participated Mortgage Loans in accordance with the Servicing Standards and other applicable servicing provisions set forth hereunder or such other servicing standards as the Buyers may deem necessary and appropriate. If the applicable Buyer is not able to designate a successor servicer, then the Agent shall have the right to designate a successor servicer to assume the servicing duties hereunder within thirty (30) days of the Servicer Designation Period. Upon the occurrence of a Servicing Termination Event, the Seller, or if the Seller fails to do so within five (5) days following the occurrence of such Servicing Termination Event, then such Buyer(s), shall immediately notify the Obligor(s) of the transfer of the servicing to the successor servicer, directing the Obligor(s) to, consistent with applicable laws, forward principal and interest payments under the Participated Mortgage Loans directly to the successor servicer, in sufficient amounts to satisfy the Buyer's Percentage in such Mortgage Loans. The Seller shall deliver to the Obligors and any other applicable parties all such notices of the transfer of servicing that may be required by applicable law. The Seller shall transmit or cause to be transmitted to the applicable taxing authorities and insurance companies (including primary mortgage insurers, if applicable) and/or agents, not less than fifteen (15) days prior to the date the servicing transfer shall occur, notification of the transfer of the servicing to the successor servicer and instructions to deliver all notices, tax bills and insurance statements, to the successor servicer from and after the date the servicing transfer is scheduled to occur. The Seller shall promptly provide the successor servicer with copies of all such notices. The Seller shall be obligated to pay all mortgage insurance premiums with respect to FHA and/or VA Mortgage Loans until such notice is received by HUD and/or the VA. The Seller shall timely file all IRS forms which are required to be filed in relation to the servicing and ownership of the Participated Mortgage Loans. The Seller shall provide copies of such forms to the successor servicer upon request thereof and shall reimburse such Buyer(s) and/or the successor servicer, as applicable, for any costs or penalties incurred by any of them due to the Seller's failure to comply with this paragraph. In addition, the Seller shall cooperate with and deliver immediately, but in no event later than ten (10) days after a servicing transfer date, to the successor servicer all mortgage files, computer programs, tapes, discs, cards, accounting records and other books, records, information and data of the Seller which are necessary or helpful to the successor servicer in performing the administration and servicing duties in connection with such Participated Mortgage Loans. The Seller shall forward by wire transfer to a bank account designated by the successor servicer, with the approval of the Buyer, on or before the servicing transfer date, all payments received by the Seller from Obligors of Participated Mortgage Loans, prepayments or pay aheads and net escrow payments, suspense balances and all loss draft balances associated with the Participated Mortgage Loans prior to the servicing transfer date to the successor servicer. The Seller shall forward the amount of any payments received by the Seller from Obligors after the servicing transfer date to the successor servicer by overnight mail on the date of receipt. The Seller shall notify the successor servicer of the particulars of the payment, which notification requirement shall be satisfied (except with respect to Participated Mortgage Loans then in foreclosure or bankruptcy) if the Seller forwards with its payments sufficient information to the successor servicer. Not less than five (5) days prior to the servicing transfer date, the Seller shall perform a reconciliation and provide a detailed report of the Participated Mortgage Loan balances, payments and escrows and make any monetary adjustments reasonably required by the successor servicer. Any such monetary adjustments will be transferred between the Seller and the successor servicer, as appropriate. The Seller shall assume full responsibility for the necessary and appropriate legal application of Obligor payments received by the Seller after the servicing transfer date with respect to Participated Mortgage Loans then in foreclosure or bankruptcy; provided, however, necessary and appropriate legal application of such Obligor payments shall include, but not be limited to, endorsement of an Obligor payment to the successor servicer with the particulars of the payment such as the account number, dollar amount, date received and any special mortgage application instructions. Thereafter, the applicable Buyer or the successor servicer, as applicable, shall deal directly with the Obligor(s) in servicing and collecting payments on the Participated Mortgage Loans. Unless otherwise provided herein, the remaining terms and conditions of this Agreement shall survive the election by the applicable Buyer or the successor servicer to take over the servicing of the Participated Mortgage Loans. Such remaining terms and conditions of this Agreement shall continue to apply until such time as each Participated Mortgage Loan either is paid in full or the Participation Interest in such

Mortgage Loans held by the Agent for the benefit of the Buyers is repurchased by the Seller as provided in Section 17 hereof. In no event shall any Buyer, other than the Agent if the Agent is a Buyer, have any rights hereunder with respect to acting as Servicer of the Participated Mortgage Loans.

10. **Representation and Warranties by the Seller.** The Seller represents and warrants to the Agent and to each Buyer that the statements contained below are true and correct as of the date hereof and each date such Buyer purchases a Participation Interest in a Mortgage Loan hereunder:

A. The Seller is a {corporation} {limited liability company}, duly organized and validly existing in good standing under the laws governing its organization and has all licenses necessary to carry on its business as now being conducted and, if required by applicable law, is licensed, qualified and in good standing in each state where it conducts business.

B. The Seller has full power and authority to execute, deliver and perform this Agreement, including authority to sell, assign and transfer good and marketable title to, and, if applicable, to repurchase the, Participation Interest(s) in the Mortgage Loans hereunder.

C. All necessary {corporate} {limited liability company}, regulatory or other similar action has been taken to authorize and empower the Seller, and the officers or representatives acting on its behalf, to execute, deliver and perform this Agreement.

D. The execution and delivery of this Agreement by the Seller and the performance of or compliance with the terms and conditions hereof by the Seller do not or will not conflict with or result in, as the case may be, a material breach of any of the terms and conditions or provisions of the articles of incorporation or organization, as applicable, or bylaws or operating agreement (or regulations), as applicable, of the Seller or any provisions of any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award presently in effect to which the Seller or its properties or assets are subject.

E. The execution and delivery of this Agreement by the Seller and the performance of or compliance with the terms and conditions hereof by the Seller do not and will not conflict with or result in, as the case may be, a material breach of any of the terms, conditions or provisions of or constitute a material default under any indenture, loan or credit agreement or any other agreement, or instrument to which the Seller is a party or by which it or its properties or assets may be materially affected.

F. Assuming due authorization, execution and delivery by the Buyers and the Agent, this Agreement constitutes a legal, valid and binding obligation of the Seller enforceable against the Seller according to its terms and conditions set forth herein.

G. No consent, approval, authorization or order of any court or governmental agency or body is required for the execution, delivery and performance by the Seller of or compliance by the Seller with this Agreement, the sale of the Participation Interest(s) in such Mortgage Loan to the Agent for the benefit of the Buyers or the consummation of the transactions contemplated by this Agreement or, if required, such approval has been obtained prior to the closing date.

H. There is no action, suit, administrative or other proceeding of any kind pending or, to the best knowledge of the Seller, threatened against or materially affecting the Seller or the properties or assets of the Seller before any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign that would prohibit the Seller from executing and delivering this Agreement and performing its obligations hereunder or would materially or adversely affect the legality, binding affect, validity or enforceability of the sale of the Participation Interest to the Agent for the benefit of the Buyers, or the ability of the Seller to service such Mortgage Loan in accordance with the terms hereof.

I. Such Mortgage Loan, as of the purchase date but prior to such purchase, is 100% owned and held by the Seller, free and clear of all liens, encumbrances and claims of any kind, and neither such Mortgage Loan nor any interest therein previously has been sold, assigned, transferred, encumbered or otherwise disposed of by the Seller.

J. Such Mortgage Loan has been made or acquired and serviced by the Seller pursuant to and in compliance with all applicable federal and state laws, rules and regulations, as from time to time in effect, and in accordance with Fannie Mae, Freddie Mac or other customary and accepted servicing guidelines and industry practices.

K. The Seller has used the same underwriting procedures, has applied the same underwriting standards and has made the same underwriting decision with respect to such Mortgage Loan, in each case, that the Seller would have used, applied or made had the Seller elected to retain full ownership of such Mortgage Loan for its own account.

L. The Seller used no selection procedures that identified any Mortgage Loan as being less desirable or valuable than other comparable assets in the Seller's portfolio on the Purchase Date; no Mortgage Loan has a higher risk of default or loss than similar Mortgage Loans which the Seller sells to other participants or investors or retains for its own account; and no Mortgage Loan was selected on any basis intended to have a material adverse effect on the Agent and/or the Buyers.

M. The documents and instruments evidencing, securing or otherwise relating to the Participated Mortgage Loans have been duly and validly executed and delivered by the Obligor(s) as well as, to the extent applicable, by the co-maker(s), guarantor(s) and/or endorser(s) under such Mortgage Loan.

N. Such Mortgage Loan meets and complies in all respects with the Credit Quality Guidelines and all of the other requirements set forth in Section 4 that are applicable to such Type of Mortgage Loan (including, but not limited to, the requirements set forth in Exhibit C hereof). In addition, the Seller has received a copy of and is familiar with the applicable end investors' underwriting and other requirements for purchasing such Mortgage Loan under its commitment (the "Purchase Requirements") and such Mortgage Loan meets the applicable end investors' Purchase Requirements.

O. The Seller has provided the Agent, for the Buyers, with the originals or copies (certified, where required), as applicable, of the Required Documents and, if requested by the Agent in accordance with Section 5, the Additional Required Documents, relating to such Mortgage Loan.

P. The Seller, if requested by the Agent, additionally has provided the Agent with copies of all relevant credit and other underwriting information currently in the possession of the Seller that was used by the Seller as a basis for its decision to make such Mortgage Loan to the Obligor(s) and all such information is accurate and complete in all material respects.

Q. To the extent required under applicable law, the Seller has taken (and/or will take, and or will continue to take) whatever additional actions may be necessary and proper to obtain, perfect, protect and maintain a valid and enforceable lien on and security interest in the collateral securing such Mortgage Loan.

R. The Seller is not insolvent and will not be rendered insolvent immediately prior to and after the purchase of a Participation Interest in the Participated Mortgage Loans and has adequate capital to conduct its business as presently conducted and as contemplated by this Agreement.

S. The Seller is not entering into the transactions contemplated hereby with the intent of hindering, delaying or defrauding its creditors and the transactions contemplated hereby do not constitute a fraudulent, preferential, or voidable conveyance.

T. If the Seller is a member of MERS, the Seller is in good standing and will comply in all material respects with the rules and procedures of MERS in connection with the servicing of any such Mortgage Loan that is registered with MERS for as long as such Mortgage Loan remains registered therewith. If the Seller is a member of MERS, the Seller has complied with all rules and procedures of MERS in connection with registering the Agent for the benefit of the applicable Buyer as the beneficial owner of such applicable Mortgage Loan on the MERS system.

U. No such Mortgage Loan is a "commercial mortgage loan" within the meaning of Section 101(47)(B) of the Bankruptcy Code.

V. The Seller has valid business reasons for the sale and assignment of the Participation Interests to the Agent for the benefit of the Buyers rather than the Seller obtaining a secured loan with the Participated Mortgage Loans as collateral.

W. The transactions contemplated by this Agreement are in the ordinary course of business of the Seller.

X. The transfer of the Participation Interests by the Seller to the Agent for the benefit of the Buyers was not made in consideration of any pre-existing debt or obligation.

Y. The Seller is not, and never has been, an insider or affiliate (as such terms are defined in Regulation C of the Securities Act of 1933, as amended (the "Securities Act")) of the Agent or the Buyers.

Z. The Seller is an entity that would in an insolvency proceeding be subject to the Bankruptcy Code.

11. Representations and Warranties by the Agent and Buyers. The Agent and each Buyer hereby represents and warrants to the Seller:

A. The Agent is an Alabama banking corporation, duly organized, validly existing and in good standing under the laws of the State of Alabama and has all of the licenses necessary to carry on its business as now being conducted and, if required by applicable law, is licensed, qualified and in good standing in each state where it conducts business. Each Buyer is a national banking association, or a state banking corporation, duly organized, validly existing and in good standing under the laws of the United States or the State of its incorporation, and has all of the licenses necessary to carry on its business as now being conducted and, if required by applicable law, is licensed, qualified and in good standing in each state where it conducts business.

B. The Agent and each Buyer has full power and authority to execute, deliver and perform this Agreement, including authority to purchase the Participation Interest(s) in the Mortgage Loans hereunder.

C. All necessary corporate, regulatory or other similar action has been taken to authorize and empower the Agent and each Buyer, and the respective officers or representatives acting on their behalf, to execute, deliver and perform this Agreement.

D. The execution and delivery of this Agreement by the Agent and each Buyer and the performance of or compliance with the terms and conditions hereof by the Agent and each Buyer do not or will not conflict with or result in, as the case may be, a material breach of any of the terms and conditions or provisions of the articles of incorporation or bylaws of the Agent or any Buyer or any provisions of any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award presently in effect to which the Agent or any Buyer or their respective properties or assets are subject.

E. The execution and delivery of this Agreement by the Agent and each Buyer and the performance of or compliance with the terms and conditions hereof by the Agent and each Buyer do not or will not conflict with or result in, as the case may be, a material breach of any of the terms, conditions or provisions of or constitute a material default under any indenture, loan or credit agreement or any other agreement, or instrument to which the Agent or any Buyer is a party or by which any of them or their respective properties or assets may be materially affected.

F. Assuming due authorization, execution and delivery by the Seller, this Agreement constitutes a legal, valid and binding obligation of the Agent and each Buyer enforceable against the Agent and each Buyer according to its terms and conditions set forth herein.

G. No consent, approval, authorization or order of any court or governmental agency or body is required for the execution, delivery and performance by the Agent or any Buyer of or compliance by the Agent or any Buyer with this Agreement, the purchase of the Participation Interest(s) in the Participated Mortgage Loans by Agent for the benefit of the Buyers or the consummation of the transactions contemplated by this Agreement or, if required, such approval has been obtained prior to the closing date.

H. There is no action, suit, regulatory or other proceeding of any kind pending or threatened against or materially affecting the Agent or any Buyer or their respective properties or assets before any court or governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, which, if determined adversely to the Agent or any Buyer, would prohibit the Agent or such Buyer from executing and delivering this Agreement and performing its respective obligations hereunder.

I. The Agent and each Buyer is a sophisticated and knowledgeable financial institution, both generally and with respect to investments of this type, and is familiar with the Seller and its business and has been given reasonable opportunity to make inquiries of the Seller and to consider the suitability of the investment hereunder.

J. Each Buyer is purchasing, through the Agent, the Participation Interest(s) for its own account and not with a view to or in connection with any subdivision, resale or distribution thereof in violation of the Securities Act or the terms of this Agreement, and can bear the economic risk related to the purchase of same.

K. The transactions contemplated by this Agreement are in the ordinary course of business of the Agent and each Buyer.

L. Each Buyer has valid business reasons for the sale and assignment of the Participation Interests to the Agent for the benefit of such Buyer rather than such Buyer making a secured loan to the Seller with the Participated Mortgage Loans as collateral.

12. **Covenants of the Seller.** The Seller covenants and agrees with the Agent and each Buyer as follows:

A. The Seller shall take all action necessary or desirable to obtain, properly perfect, by recording or otherwise, protect and maintain all collateral securing the Participated Mortgage Loans as a first-priority lien (or in the case of an A Quality Second/HELOC Mortgage Loan only, a second-priority lien) on the Property encumbered thereby.

B. The Seller shall keep all collateral security for the Participated Mortgage Loans insured against loss, damage, theft and other risks customarily covered by insurance, and such other risks as the Agent may reasonably request, and the Seller shall ensure all insurance premiums and applicable taxes related thereto are paid promptly when due.

C. The Seller shall not knowingly use or permit to be used any collateral security for the Participated Mortgage Loans unlawfully or in violation of any provision of this Agreement or any applicable law, rule or regulation or any policy of insurance covering such collateral security.

D. The Seller shall appear at and defend, at the Seller's cost and expense, any action or proceeding that may affect its title to or the Buyers' Participation Interest(s) in the Participated Mortgage Loans, including, but not limited to, efforts to recharacterize the sale of a Participation Interest hereunder as a loan.

E. The Seller shall keep accurate and complete records of the Participated Mortgage Loans which shall clearly indicate that a Participation Interest in the Participated Mortgage Loans has been sold to the Agent for the benefit of the applicable Buyer and shall provide the Agent with such records and such reports and information relating to such Participated Mortgage Loans as the Agent may reasonably request from time to time.

F. The Seller shall deliver to the Agent copies of all material document and items received by the Seller pursuant to or in connection with the Participated Mortgage Loans.

G. The Seller shall immediately notify the Agent, and the Agent shall promptly notify the affected Buyer, should the Seller learn or have any knowledge of the following with respect to any Participated Mortgage Loan:

(i) any change in the financial condition of the Obligor(s), or of any co-maker, guarantor or endorser under the Participated Mortgage Loan, which may have a material adverse affect upon continuation of payments under the Participated Mortgage Loan or the ultimate collectability thereof;

(ii) any material change in the value of collateral securing the Participated Mortgage Loan;

(iii) any material change in lien status as affecting the collateral securing the Participated Mortgage Loan;

(iv) any request by the Obligor(s), or any co-maker, guarantor or endorser under the Participated Mortgage Loan, for any change in terms and conditions of the Participated Mortgage Loan, or in the terms of any note or notes evidencing the Participated Mortgage Loan, or in any mortgage or security agreement or instrument securing the Participated Mortgage Loan;

(v) any request by the Obligor(s), or by any co-maker, guarantor or surety under the Participated Mortgage Loan, for release, substitution or exchange of any collateral securing the Participated Mortgage Loan;

(vi) any request by the Obligor(s), or by any co-maker, guarantor or endorser under the Participated Mortgage Loan for the release of any personal obligation of any such party under the Participated Mortgage Loan;

(vii) any failure by the Obligor(s) to pay principal and/or interest payments under the Participated Mortgage Loan when due (considering applicable grace periods, if any);

(viii) any failure to carry hazard and flood insurance to keep the Property fully insured and/or to pay taxes or assessments timely; and

(ix) the occurrence of any other event which would constitute an event of default under the Participated Mortgage Loan or under any collateral security for the Participated Mortgage Loan.

(H) Further, as long as the Agent for the benefit of the Buyers continues to have a Participation Interest in any Participated Mortgage Loan and the Seller continues to act as servicing agent on behalf of the Agent for the benefit of the Buyers with respect thereto, upon request, the Seller agrees to provide the Agent with current credit related and other information concerning the Obligor(s), the Participated Mortgage Loan and the collateral security for the Participated Mortgage Loan including, without limitation, copies of:

(i) current financial statements of the Obligor(s), as well as of all co-makers, guarantors and sureties under the Participated Mortgage Loan;

(ii) any other financial information submitted by the Obligor(s) to the Seller in connection with the Participated Mortgage Loan;

(iii) any information and/or documents in possession of the Seller applicable to the existence, value and lien status of the collateral securing the Participated Mortgage Loan; and

(iv) any additional information and/or documents in the possession of the Seller bearing upon the continuing credit worthiness of the Obligor(s).

(I) The Seller agrees that any setoff funds and benefits realized in connection with the Participated Mortgage Loans against the Obligor(s) shall be shared ratably (in accordance with each Buyer's Percentage) with the Agent for the benefit of the applicable Buyers.

(J) If the Seller uses MERS in connection with the registration or recordation of mortgages, the Seller shall execute and deliver to the Agent, upon the Agent's request, an Electronic Tracking Agreement in form and substance satisfactory to the Agent.

(K) The Seller shall comply to the fullest extent with all of its obligations hereunder.

(L) If there is a material change in the value of the Property securing the Participated Mortgage Loan, then, at the request of the Agent, in its discretion or if requested by the Buyers, the Seller shall promptly obtain an appraisal of such Property and provide a copy of same to the Agent.

13. Securitization Transaction. EACH OF THE SELLER, AGENT AND THE BUYERS AGREES THAT, WITH RESPECT TO THE POOLING OF THE PARTICIPATED MORTGAGE LOANS AND ANY PARTICIPATION INTEREST IN THE PARTICIPATED MORTGAGE LOANS SOLD PURSUANT TO THIS AGREEMENT, SUCH POOLING AND SALE SHALL BE DEEMED TO CONSTITUTE A "SECURITIZATION TRANSACTION" AS DEFINED IN THE ALABAMA ASSET-BACKED SECURITIES FACILITATION ACT, ALA. CODE 35-10A-1 ET. SEQ. IN ADDITION, EACH OF THE SELLER, AGENT AND THE BUYERS AGREES THAT ANY SALE OF A PARTICIPATION INTEREST IN ANY PARTICIPATED MORTGAGE LOAN PURSUANT TO THIS AGREEMENT BY THE SELLER SHALL BE SUBJECT TO THE PROVISIONS OF THE ALABAMA ASSET-BACKED SECURITIES FACILITATION ACT, ALA. CODE 35-10A-1 ET. SEQ., ALL OF WHICH ARE SPECIFICALLY INCORPORATED HEREIN AND MADE A PART HERETO BY THIS REFERENCE.

14. Sale of Participated Mortgage Loans.

A. Upon written request of the Servicer, the Agent in its sole and absolute discretion may release to the Seller documentation related to the Participated Mortgage Loans against a trust receipt executed by the Seller in form acceptable to the Agent. The Seller hereby represents and warrants to the Agent and each Buyer that any request by the Servicer, for release of the Participated Mortgage Loans pursuant to this subsection A shall be solely for the purposes of correcting clerical or other non-substantive documentation problems in preparation for the ultimate sale or exchange of such Participated Mortgage Loans.

B. The Agent shall, at the applicable Buyer's written direction, release documentation related to the Participated Mortgage Loans to end investors or other purchasers for purchase. Any transmittal of documentation for the Participated Mortgage Loans in the possession of the Agent in connection with the sale thereof to an end investor or other purchaser shall be under cover of a bailment letter in form acceptable to the Agent and the Buyer, except in connection with the sale thereof to Fannie Mae, Freddie Mac or Ginnie Mae, in which case transmittal of such documentation shall be accompanied by such other forms, duly executed, if necessary, by the Seller in lieu of the foregoing that Fannie Mae, Freddie Mac or Ginnie Mae may require. In each case of transmittal of documentation related to the Participated Mortgage Loans pursuant to this subsection B, the recipient thereof shall be required to return such documentation to the Agent if such Participated Mortgage Loans are not purchased and the proceeds therefor paid in accordance with subsection C below within forty-five (45) days after such recipient's receipt of such documentation or, if earlier, the expiration of the applicable end investor commitment. In such case, the Agent on behalf of the applicable Buyer shall promptly send a "bailee violation letter" to such investor or other purchaser and, if the documentation is then not promptly returned to the Agent or the purchase and payment of such Participated Mortgage Loans is then not promptly completed, the Seller, if required by the Agent, shall immediately be obligated to repurchase such Participated Mortgage Loan in accordance with Section 17 hereof.

C. All proceeds or other amounts payable on account of the sale of the Participated Mortgage Loans shall be paid directly by the investor or other purchaser (and the Seller shall so notify each investor and/or purchaser, as applicable, of this requirement) by wire transfer to such account maintained with the Agent for the benefit of the Buyers as may be designated by the Agent for such purpose, pursuant to the Agent's wire transfer

instructions provided by the Agent to the Seller, accompanied by a copy of the investor's or other purchaser's, as applicable, written purchase advice. At no time shall Seller instruct any such investor or purchaser to remit the sale proceeds directly or indirectly to Seller or accept any such proceeds directly or indirectly from any such investor or purchaser and shall immediately notify such investor or purchaser and the Agent of the attempted remittance and the wire transfer instruction information related to the account maintained with the Agent into which such proceeds shall be remitted. Such wire, among other things, shall specify the Obligor's(s') name(s) and the loan number(s) for the applicable Participated Mortgage Loan(s). Unless such wire is received by the Agent on or prior to 1:00 p.m. (Montgomery time) on the date of closing of the sale of such Participated Mortgage Loan(s), for purposes of calculation and payment of the amounts due to the applicable Buyer on its Participation Interest, the proceeds of such sale shall be deemed to have been received by the Agent on the next succeeding Business Day. All such proceeds or other amounts payable on account of the sale of Participated Mortgage Loans by the Seller shall be applied in the manner set forth in Section 15 hereof. Unless the sale of such Participated Mortgage Loans is reversed, avoided or otherwise nullified for whatever reason, and subject to the provisions and limitation set forth in Section 14B hereunder, upon receipt, acceptance and final confirmation of such proceeds or other amounts payable on account of the sale of Participated Mortgage Loans by the Agent for the benefit of the applicable Buyer, the Agent shall cease to own, for the benefit of the applicable Buyer, a Participation Interest in such Participated Mortgage Loans automatically without further action on the part of any Person.

15. **Application of Payments.** All principal and interest payments and other collections under any Participated Mortgage Loan hereunder and, except as provided in Section 16C hereof, all proceeds or other amounts payable on account of the sale or other disposition of such Participated Mortgage Loan, in each case, net of servicing fees and additional servicing compensation due to the Seller which shall be retained by the Seller and net of any accrued and unpaid fees payable to and expenses incurred by the Agent in performing the services prescribed hereunder, shall be applied on a pro rata basis in accordance with the Participation Interests owned by each party. The Agent shall, and is hereby authorized by each Buyer to, record each purchase of a Participation Certificate and determine and calculate the Reference Rate and amounts due to each Buyer hereunder and thereunder and record each payment made by the Seller in connection therewith and such other information with respect thereto, and any such determination, calculation or recordation by the Agent, absent manifest error, shall be conclusive and binding and constitute prima facie evidence of the accuracy of the information so recorded.

16. **Default Under Participated Mortgage Loan; Administration After Default.**

A. Upon the occurrence of any default under any Participated Mortgage Loan, the Seller shall give prompt notice thereof to the Agent (who shall promptly notify the affected Buyer) and, time permitting (i.e., absent the risk of imminent loss or diminution in value of the collateral securing the Participated Mortgage Loan), shall consult with the Agent (who shall consult with the affected Buyer) to determine a mutually acceptable course of action with respect to such default, and then, shall promptly and diligently pursue such course of action; provided, however, unless the Agent on behalf of the affected Buyer otherwise agrees (after consulting with the affected Buyer), in no event shall the Seller file suit to foreclose the collateral security for such Participated Mortgage Loan or accept a deed in lieu of foreclosure or other transfer of title to the Property securing such Participated Mortgage Loan or, following any such foreclosure or acceptance of a deed in lieu of foreclosure or other transfer of title to said Property which has been agreed to by the Agent, sell, lease or otherwise dispose of such Property or other collateral without, in each instance, giving the Agent at least thirty (30) days' prior written notice of its intention to do so.

B. In the event that time does not so permit, then, for the benefit of each party, the Seller shall exercise the rights, powers, privileges, remedies and interests, if any, that reasonably may be exercised or otherwise enforced under the circumstances in a manner consistent with and otherwise permissible under the documents and instruments evidencing, securing or otherwise relating to such Participated Mortgage Loan, with the Seller determining in good faith and in accordance with prudent and customary market practice the specific actions to take or omit to take from time to time, subject, however, to the limitations placed on certain actions of the Seller by Section 8C hereof and Section 9 hereof and, further, to the provisions of Section 18 hereof. In the event that time does so permit and the Agent and the Seller cannot mutually agree upon what course of action to take, then the Agent's decision shall control.

C. All proceeds or other amounts realized from any sale or other disposition of any of the Property securing a Participated Mortgage Loan shall be applied first, to the repayment of any accrued and unpaid fees and any expenses incurred by the Agent in performing the services prescribed hereunder; second, to the repayment of the Participated Mortgage Loan in the manner set forth in Section 15 hereof; third, to the reimbursement of any reasonable costs and expenses of collection (including reasonable attorneys' fees and costs); fourth, if legally permitted pursuant to the terms of the collateral security documents, to the repayment of any other amounts then due and owing by the Obligor(s) to the Seller or the Buyers; and fifth, if any such proceeds are remaining after application in the manner set forth in clauses first, second, third and fourth above, to the applicable Obligor(s). In the event any of the Property securing a Participated Mortgage Loan is acquired through foreclosure, deed in lieu of foreclosure or otherwise, the Seller and the Agent for the benefit of the applicable Buyer shall each have an undivided interest in the Property so acquired pursuant to the proportionate interest in such Participated Mortgage Loan owned by the Agent for the benefit of such Buyer and the Seller.

D. Unless otherwise reimbursed to the Seller in accordance with the provisions of subsection C of this Section 16, each Buyer shall pay its pro rata part, based on the Buyer's Percentage, of all reasonable attorneys' fees and other expenses incurred by the Seller in connection with the enforcement of the obligations of the Obligor(s) under any Participated Mortgage Loan, and each Buyer shall be entitled to its pro rata part of any payments subsequently received by the Seller with respect to such fees and expenses.

E. In the event Seller ceases to service the Participated Mortgage Loans, its administrative and servicing rights under this Section 16 shall terminate.

17. Repurchase of Participation Interest(s) by the Seller.

A. The Seller shall repurchase a Buyer's Participation Interest in any Participated Mortgage Loan at the Repurchase Price (as hereinafter defined) within five (5) Business Days of the Seller's receipt of the Agent's notice to repurchase such Participation Interest, which notice may be given by the Agent on behalf of the applicable Buyer in its discretion (or shall be given by the Agent on behalf of the applicable Buyer if requested by such Buyer) to the Seller upon the occurrence of any of the following (each, a "Repurchase Event"): (i) if such Participated Mortgage Loan does not meet all of the requirements set forth in Section 4 hereof applicable to the Type of such Mortgage Loan (including, but not limited to, the requirements set forth in Exhibit C hereof) at the time of sale by the Seller to the Agent for the benefit of the applicable Buyer under this Agreement of a Participation Interest therein; (ii) if such Participated Mortgage Loan proves to be counterfeit, fraudulent, forged, fictitious, nonexistent or pledged or assigned by the Seller to any third party; (iii) if there is any material misrepresentation or fraudulent conduct by the Seller or its officers, directors, servants, agents or employees, whether of commission or omission, arising out of the making of such Participated Mortgage Loan or the sale of any Participation Interest therein to the applicable Buyer; or (iv) if the Seller breaches any representation or warranty set forth in Section 10 applicable to such Participated Mortgage Loan or fails to comply with any covenant applicable to such Participated Mortgage Loan set forth in Section 12. In the event that the Obligor(s) default(s) in the first payment due and payable under any Participated Mortgage Loan following the date of sale by the Seller to a Buyer under this Agreement of a Participation Interest therein, it shall be presumed that a Repurchase Event has occurred and the Seller shall repurchase such Buyer's Participation Interest in such Participated Mortgage Loan as set forth above; provided, however, if within thirty (30) days following the repurchase of such Buyer's Participation Interest in such Participated Mortgage Loan, the Seller provides written information to the Agent that demonstrates to the Agent's and to such Buyer's reasonable satisfaction such first payment default by the Obligor(s) did not result from a Repurchase Event, then the Agent, for the benefit of such Buyer, shall promptly purchase from the Seller, in accordance with Section 2 hereof, the Buyer's Percentage of such Participated Mortgage Loan previously owned thereby. Notwithstanding anything herein to the contrary, it shall not be a Repurchase Event if the failure to meet all of the requirements set forth in Section 4 hereof is due to Obligor defaults or the credit risk of the Participated Mortgage Loan resulting from events that occur after the Agent for the benefit of such Buyer purchases the Participation Interest in the Participated Mortgage Loan, including, but not limited to, the death of the Obligor, the diminution of the Obligor's financial condition and the diminution of the value of the Collateral.

B. Each repurchase of such Participation Interest by the Seller upon a Repurchase Event shall be accomplished by the Seller's payment to the Agent for the benefit of the applicable Buyer of the full amount of the Repurchase Price. Such repurchase shall be without recourse and without any representation or warranty on

part of the Agent or the applicable Buyer which owns the Participation Interest as the re-seller, except that the Agent and such Buyer shall represent and warrant to the Seller that such Buyer is reconveying such Participation Interest free and clear of liens and encumbrances. The term "Repurchase Price" shall mean with respect to any such Participation Interest (i) one hundred percent (100%) of the amount paid by the Agent on behalf of the applicable Buyer for such Participation Interest less any payments received by the Agent for such Buyer (or held in the escrow account for the Agent on behalf of such Buyer) in reduction of the purchase price paid for such Participation Interest, *plus* (ii) any accrued and unpaid interest at the Reference Rate less interest advanced by the Seller to the date of the repurchase, *plus* (iii) any reasonable fees and expenses charged by third parties relating to the reassignment or redelivery of the Participated Mortgage Loan, including reasonable attorneys' fees and costs.

C. Upon the repurchase by the Seller of a Participation Interest in a Participated Mortgage Loan hereunder, the Agent on behalf of the applicable Buyer shall arrange for the reassignment to the Seller of such Participation Interest in such Participated Mortgage Loan which, except as otherwise set forth in subsection B above of this Section 17, shall be without recourse and without representation or warranty of any kind, by delivering to the Seller, (a) all of the documents and instruments evidencing, securing or otherwise relating to such Participated Mortgage Loan which are in the possession of the Agent; and (b) the original Participation Certificate and/or other evidence that the Participation Certificate has been repurchased by the Seller so as to vest the Seller with one hundred percent (100%) of the interests in and to the reassigned Participated Mortgage Loan. The Agent shall execute such other documents and instruments as may reasonably be necessary to accomplish such repurchase by the Seller.

D. In order to secure the prompt payment and performance by the Seller of each of its obligations under this Agreement, including the prompt payment in full of each Repurchase Price as and when due hereunder and the Seller's obligations under Sections 18A and 18B hereof, the Seller hereby pledges, assigns and delivers to the Agent for the benefit of the Buyers, and grants to the Agent for the benefit of the Buyers a security interest in, all of the Seller's right, title and interest in (i) each Participated Mortgage Loan, including, without limitation, the indebtedness, all collections received or receivable from the Mortgage Loan(s) and all escrow and reserve accounts and funds held on deposit therein, promissory note or notes, collateral security, the end investor commitment and all other documents and instruments evidencing, securing or otherwise related to each such Participated Mortgage Loan, together with all of the rights, privileges and remedies applicable thereto, (ii) each account referred to in Section 8A hereof or Section 14C hereof and the funds therein, and (iii) all proceeds of each of the foregoing (collectively, the "Collateral").

E. In the event that the Seller fails to pay the Repurchase Price as and when due hereunder under Section 17A above in respect of any Participated Mortgage Loan, or if the Seller fails to assign its interests in the Participated Mortgage Loans under Section 18A hereof or take the actions required in connection therewith under Section 18B hereof, or in the event that any proceeding under the Bankruptcy Code, either voluntary or involuntary, is commenced by or against the Seller, then, in any such case, the Agent on behalf of the Buyers may, and upon direction by all of the Buyers acting jointly shall, from time to time and at any time, do any of the following:

(i) exercise, with respect to the Collateral, any and all of the rights and remedies of a secured party under the Uniform Commercial Code in effect in any applicable jurisdiction, including, without limitation, the right to sell, liquidate or otherwise dispose of any or all of the Collateral by public or private proceedings at such time and place, by such methods, in such manner and on such terms as the Agent shall elect subject to applicable law, without recourse to judicial proceedings, and without right of demand, appraisal or redemption, all of which are expressly waived by the Seller;

(ii) exercise any and all of its other rights and remedies under this Agreement;

(iii) declare all payment and performance obligations of the Seller hereunder, including its obligations under Sections 18A and 18B hereof, to be accelerated;

(iv) declare this Agreement to be terminated as to all or some of the Participated Mortgage Loans; and

(v) take such other actions or proceedings at law or in equity as the Agent deems necessary or advisable to collect or enforce or to protect its and the Buyers' interest in the Collateral.

The Agent may exercise such options individually, sequentially or in concert, all such remedies being cumulative, the exercise of one not being deemed a waiver of any of the others. No delay or omission by the Agent in exercising any right hereunder shall operate as a waiver of such right or of any right under this Agreement. Additionally, in the event of a Seller default as provided in this Section 17E that remains unremedied beyond the applicable cure periods, the Agent, at its option may elect, without notice to the Seller, to have all amounts overdue to the Agent, for itself and the benefit of the Buyers, under this Agreement related to such default accrue interest thereon for each day that such amounts are overdue at a rate per annum equal to Prime Rate *plus* 3.00%; provided, however, if any such amounts are overdue for a period in excess of ten (10) days, the Agent, at its option may elect to, or at the direction of the Buyers shall, without notice to the Seller, have all such overdue amounts accrue interest for each day that such amounts are overdue (after as well as before judgment) at a rate per annum equal to the maximum non-usurious rate of interest that, under Alabama law, the Agent is allowed to charge. For purposes hereof, "Prime Rate" shall mean the rate per annum announced by the Agent from time to time as its Prime Rate (which interest rate is only a benchmark, is purely discretionary and it not necessarily the best or lowest rate charged borrowing customers of the Agent); provided, however, in no event shall the Prime Rate be less than the floor rate per annum equal to 5.50%. In addition to and not in limitation of all rights of offset that the Agent and each Buyer may have under applicable law, for so long as any default has occurred and is continuing and whether or not the Agent has made any demand, the Agent on its behalf and on behalf of the Buyers shall have the right to appropriate and apply to the payment of the amounts due hereunder all deposits (general or special, time or demand, provisional or final) then or thereafter held by, and other indebtedness or property then or thereafter owing to the Seller by, the Agent and the Buyers, whether or not related to this Agreement or any transaction hereunder. In addition to the foregoing, any funds held on deposit with the Agent may be transferred by the Agent to a separate reserve account in the name of the Agent, for the benefit of the Buyers, in the Agent's sole and absolute discretion.

F. With respect to the Collateral, the Seller shall be liable for, and shall pay on demand, all reasonable expenses of retaking, holding, preparing for sale, sale, or the like, and all reasonable attorneys' fees and other expenses incurred by the Agent in connection with the collection of the obligations secured hereunder and the enforcement of the Agent's rights under this Agreement, the payment of all of which expenses and fees shall constitute additional obligations secured by this Agreement. The Seller will execute and deliver, or cause to be executed and delivered, such instruments, documents, assignments, waivers, certificates and affidavits and supply or cause to be supplied such further information and take such action as the Agent shall reasonably require in connection with such sale.

G. The Seller acknowledges and agrees that the Participated Mortgage Loans constituting the Collateral may decline speedily in value and are of a type customarily sold on a recognized market, and, accordingly, the Seller is not entitled to prior notice of any sale of such Collateral by the Agent, except any notice that is required under applicable law and cannot be waived. If and to the extent such notice is required under applicable law, the Seller hereby agrees that five (5) calendar days' prior notice of any sale of Collateral shall constitute reasonable notice. The Agent for the benefit Buyers shall have the right to liquidate and sell any of the Collateral pledged hereunder, subject to the conditions and limitations contained herein. The Agent will not be obligated to make any sale of such Collateral if it shall determine not to do so, regardless of the fact that notice of the sale may have been given. The Agent may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for sale, and such sale may, without further notice, be made at the time and place to which the sale was so adjourned.

H. The Seller recognizes that the Agent may be unable to effect a public sale of any or all of the Collateral for reasons which may include certain prohibitions contained in the Securities Act and applicable state securities law, but may be compelled to resort to one or more private sales thereof to a restricted group of purchasers who will be obliged to agree, among other things, to acquire such assets for their own account for investment and not with a view to the redistribution or resale thereof. The Seller acknowledges and agrees that any such private sale may result in prices and other terms less favorable to the applicable Buyer than if such sale were a public sale and, notwithstanding such circumstances, agrees that any such private sale shall be deemed to have been made in a commercially reasonable manner. The Agent shall be under no obligation to delay a sale of any of the Collateral for

the period of time necessary to permit the Seller to register such assets for public sale under the Securities Act or under applicable state securities laws, even if the Seller were to agree to do so.

18. **Purchase by the Buyers of the Seller's Retained Interest in Participated Mortgage Loans.**

A. Notwithstanding any other provisions of this Agreement, the Agent, for the benefit of the Buyers, shall have the absolute and unconditional right, but shall be under no duty or obligation, unless requested by the Buyers to purchase on the Buyers behalf and cost at any time the retained interest of the Seller hereunder in any Participated Mortgage Loan, exercisable upon written notice to the Seller and effective upon payment to the Seller of its pro rata part of such Participated Mortgage Loan, following which, the Seller shall have no further rights or interests in respect of said Participated Mortgage Loan, including no further rights to service such Participated Mortgage Loan unless the Seller is engaged by the applicable Buyer(s) to continue acting as its or their servicing agent pursuant to Section 18C below. In such case, the Seller shall assign the Participated Mortgage Loan and each and all of the documents and instruments evidencing, securing or otherwise relating to such Participated Mortgage Loan to the Agent for the benefit of the Buyers, without recourse, unless any of the matters set forth in clauses (i) through (iv), inclusive, of subsection A of Section 17 hereof has occurred, in which case, the Seller shall indemnify the Agent and Buyers and hold the Agent and Buyers harmless from and against any actual loss or expense suffered or incurred by the Agent or any Buyer resulting therefrom, and without representation or warranty, except that the Seller shall represent and warrant to the Agent and Buyers each of the matters set forth in Section 10 hereof, and further, shall represent and warrant to the Agent and Buyers the amount due on the Participated Mortgage Loan and that the Seller has not previously sold, assigned or encumbered its pro rata interest in such Participated Mortgage Loan.

B. Upon any purchase by the Agent, for the benefit of the Buyers, of the Seller's retained interest in a Participated Mortgage Loan hereunder, the Seller shall endorse over, assign, deliver and transfer to the Agent, for the benefit of the Buyers, the interests of the Seller in such Participated Mortgage Loan which, except as otherwise set forth in subsection A above of this Section 18, shall be without recourse and without representation or warranty of any kind, by delivering to the Agent, (a) each and all of the documents and instruments evidencing, securing or otherwise relating to such Participated Mortgage Loan with appropriate completed endorsements so as to vest the Agent, for the benefit of the Buyers, with one hundred percent (100%) of the interests in and title to the assigned Participated Mortgage Loan; and (b) the entire Mortgage Loan file (including, without limitation, the Additional Required Documents) relating to the Participated Mortgage Loan and in the possession, or coming into the possession, of the Seller. The Seller shall execute such other documents and instruments as may reasonably be necessary to accomplish the foregoing purchase.

C. Upon any purchase by the Agent, for the benefit of the Buyers, of the Seller's retained interest in a Participated Mortgage Loan hereunder, the applicable Buyer(s) may engage the Seller to continue to act thereafter as its or their servicing agent in connection with the Participated Mortgage Loans and the parties may enter into a separate servicing agreement consistent with the Servicing Standards and other applicable servicing provisions set forth hereunder or such other servicing standards as the Buyers may deem necessary and appropriate, in form and substance that is mutually acceptable, setting forth the servicing requirements and the servicing fee to be charged by the Seller in connection therewith.

19. **Retention of Counsel.** In the event of actual or threatened litigation affecting any Participated Mortgage Loan hereunder or the collateral security for the Participated Mortgage Loan with respect to which litigation the Agent or the affected Buyer is of the opinion that the services of an attorney should be retained for the protection of the interest of the Agent or the applicable Buyer, the Agent may, and upon the request of the affected Buyer shall, following five (5) Business Days prior written notice to the Seller, employ counsel to represent the Seller, the Agent and the affected Buyer with respect to such Participated Mortgage Loan.

20. **Dispute Resolution.** Any party may give the other party written notice of any dispute that arises under this Agreement and is not resolved in the normal course of business. Within fifteen (15) days after delivery of the notice, the receiving party shall submit to the other a written response. The notice and the response shall include (i) a statement of each party's position and a summary of arguments supporting that position, and (ii) the name and title of the executive who will represent that party, as well as the name of any other Person who will accompany that executive. Within thirty (30) days after delivery of the disputing party's notice, the executives of both parties shall

meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary to attempt to resolve the dispute. Consideration shall be given to all reasonable requests for information made by one party to the other.

21. Arbitration. Any dispute arising out of or relating to this Agreement or the breach, termination or validity hereof that has not been resolved in the manner set forth in Section 20 hereof within ninety (90) days of the giving of notice as set forth in Section 20 hereof, shall be determined by binding arbitration administered by the American Arbitration Association ("AAA") in accordance with the Commercial Arbitration Rules of the AAA. Any arbitration shall be conducted in Montgomery, Alabama pursuant to the laws of the State of Alabama. The parties request that the AAA exercise its best efforts to select arbitrators with a basic understanding of the mortgage lending industry. Any award of the arbitrators shall be accompanied by a statement of the reasons upon which such award is based, a determination of the prevailing party and an award of reasonable attorney's fees and costs to the prevailing party. Each side shall equally divide and shall be equally responsible for the costs of arbitration. Any award in arbitration is deemed binding upon the parties unless appealed within thirty (30) days to any court of competent jurisdiction by filing a complaint disputing the arbitration award.

22. The Agent.

A. Appointment. Each Buyer hereby irrevocably designates and appoints Colonial as Agent and custodian for such Buyer under this Agreement for the term hereof and each such Buyer irrevocably authorizes, and each subsequent holder of a Participation Certificate by acceptance thereof shall be deemed irrevocably to authorize, that (a) its Participation Interest be issued to the Agent for the benefit of such Buyer, and (b) Colonial as Agent and custodian for such Buyer (i) take possession of and safe keep the Participation Certificate(s), the Required Documents and Additional Required Documents, (ii) hold and maintain all funds received from the Seller with respect to a Participation Interest in one or more deposit accounts for the benefit of the applicable Buyer, (iii) take such action on such Buyer's behalf under the provisions of this Agreement and the Mortgage Loans and exercise such powers and perform such duties as are expressly delegated to the Agent by the terms of this Agreement and the Mortgage Loans, and (v) shall have such other powers as are reasonably incidental thereto. The Agent agrees to act as such contractual representative upon the express conditions contained in this Section 22. The duties of the Agent shall be mechanical and administrative in nature. Notwithstanding any provision to the contrary elsewhere in this Agreement or in the Participation Certificate(s), the Agent shall not have any duties or responsibilities, except those expressly set forth herein and therein, or any fiduciary relationship with any Buyer, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or otherwise exist against the Agent. Any reference to the Agent in this Section 22 shall be deemed to refer to the Agent solely in its capacity as Agent and not in its capacity as a Buyer.

B. Delegation of Duties. The Agent may execute any of its duties under this Agreement by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by the Agent with reasonable care.

C. Exculpatory Provisions. Neither the Agent nor any of its officers, directors, employees, agents, attorneys-in-fact, subsidiaries or affiliates shall be (1) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with this Agreement or the Mortgage Loans (except for actions occasioned solely by its or such Person's own gross negligence or willful misconduct), or (2) responsible in any manner to any of the Buyers for any recitals, statements, representations or warranties made by the Seller or any of its subsidiaries or any officer thereof contained in this Agreement or the Mortgage Loans or in any certificate, report, statement or other document referred to or provided for in, or received by the Agent under or in connection with, this Agreement or the Mortgage Loans or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or the Mortgage Loans or for any failure of the Seller or any of its subsidiaries to perform its obligations hereunder or thereunder. The Agent shall not be under any obligation to any Buyer to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement, or to inspect the properties, books or records of the Seller or any of its subsidiaries. Notwithstanding anything to the contrary in this Agreement, in no event shall the Agent or any of its officers, directors, employees, agents, attorneys-in-fact, subsidiaries or affiliates be liable hereunder to the Seller, the Buyers or any other Person for consequential loss or consequential damage of any kind whatsoever (including but not

limited to loss of profits), even if Agent has been advised of the likelihood of such loss or damage and regardless of the form of action.

D. Reliance by the Agent. The Agent shall be entitled to rely, and shall be fully protected in relying, upon any note, writing, resolution, notice, consent, certificate, affidavit, letter, cablegram, telegram, telecopy, telex or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to the Seller), independent accountants and other experts selected by it. The Agent shall be fully justified in failing or refusing to take any action under this Agreement unless it shall first receive such advice or concurrence of the Buyers as it deems appropriate or as required hereunder or it shall first be indemnified to its satisfaction by the Buyers against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action except for its own gross negligence or willful misconduct. The Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement in accordance with a request of a Buyer or the Buyers acting jointly, and such request and any action taken or failure to act pursuant thereto shall be binding upon all future holders of the related Participation Certificate.

E. Notice of Default. The Agent shall not be deemed to have knowledge or notice of the occurrence of any default (except with respect to defaults in the payment of principal, interest and fees required to be paid to the Agent for the account of the Buyers) unless it has received notice from a Buyer or the Seller referring to this Agreement, describing such default and stating that such notice is a "notice of default". In the event that the Agent receives such a notice, it shall promptly give notice thereof to the Buyers. The Agent shall take such action with respect to such default as shall be reasonably directed by the affected Buyer (or, when expressly required hereby, all of the Buyers acting jointly); provided, that unless and until the Agent shall have received such directions, the Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such default as it shall deem advisable in the best interests of a Buyer or the Buyers, as the case may be, except to the extent that other provisions of this Agreement expressly require that any such action be taken or not be taken only with the consent and authorization or the request of the applicable Buyer or all of the Buyers, as applicable.

F. Indemnification. The Buyers agree to severally indemnify the Agent in its capacity as such and as custodian (to the extent not reimbursed by the Seller and without limiting the obligation of the Seller to do so), ratably according to the respective amounts of their respective Participation Interests in the Participated Mortgage Loans from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever which may at any time be imposed on, incurred by or asserted against the Agent in any way relating to or arising out of this Agreement or the Mortgage Loans, or any documents, reports or other information provided to the Agent or any Buyer or contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by the Agent under or in connection with any of the foregoing including, without limitation, the Agent's ownership of the Mortgage Loans; provided, that no Buyer shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting solely from the Agent's gross negligence or willful misconduct. The agreements in this Section 22F shall survive the payment of the Participation Certificates and all other amounts payable hereunder and the termination of this Agreement.

G. The Agent in its Individual Capacity. The Agent and its subsidiaries and affiliates may make loans to, accept deposits from and generally engage in any kind of business with the Seller as though the Agent was not the Agent or custodian hereunder. With respect to any Participation Interest(s) purchased by it, the Agent shall have the same rights and powers under this Agreement as any Buyer and may exercise such rights and powers as though it were not the Agent, and the terms "Buyer" and "Buyers" shall include the Agent in its individual capacity.

H. Resignation of the Agent; Successor Agent. Subject to the appointment and acceptance of a successor as provided below, the Agent may resign at any time by giving notice thereof to the Buyers and the Seller. Upon any such resignation, the Buyers shall have the right to appoint a successor Agent, which successor shall have minimum capital and surplus of at least One Hundred Million Dollars (\$100,000,000). If no successor Agent shall have been so appointed by the Buyers and shall have accepted such appointment within thirty (30) days

after the Agent's giving of notice of resignation, then the Agent may, on behalf of the Buyers, appoint a successor Agent. Upon the acceptance of any appointment as Agent hereunder by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations hereunder. After any retiring Agent's resignation hereunder as Agent, the provisions of this Section 22H shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as Agent.

I. Agent Appointed Attorney-in-Fact. Each Buyer hereby appoints the Agent its attorney-in-fact, with full power of substitution, for the purpose of carrying out the provisions hereof and taking any action and executing any instruments which the Agent may deem necessary or advisable to accomplish the purposes hereof, which appointment as attorney-in-fact is irrevocable and coupled with an interest.

J. Right of Inspection. The Agent shall permit any officer, employee or agent of any Buyer, upon written request by such party to the Agent, to visit and inspect the premises on which the administrative and custodial duties of the Agent hereunder are performed at a time which is reasonably satisfactory to the Agent and such requesting party, and allow such requesting party to examine the books and records of the Agent which pertain to such custodial duties, take copies and extracts therefrom, and discuss the performance of such custodial duties with the officers, accountants and auditors of Agent that are responsible therefor, all at such reasonable times and as often as any Buyer may desire.

K. Fees and Expenses of the Agent. The Agent shall from time to time notify the Seller of all fees, expenses and charges incurred by it related to the performance of the duties and obligations as the Agent and custodian under this Agreement, and such fees, expenses and charges, except those incurred by the Agent under Section 22B, shall be paid promptly by the Seller. The Agent may employ, at the Seller's expense, such legal counsel and other experts as it reasonably deems necessary in connection with entering into this Agreement and performing its duties and obligations under this Agreement. The Agent shall be entitled to a processing fee applicable to each Mortgage Loan equal to \$15 per Mortgage Loan (the "Agent Fee"), which shall be paid by the Seller monthly in accordance with Section 15 and Section 16C hereof.

23. Miscellaneous.

A. Governing Law. This Agreement, and the sale of any Participation Interests in the Participated Mortgage Loans hereunder, shall be governed by and construed under the laws of the State of Alabama, including the Asset-Backed Securities Facilitation Act, Ala. Code 35-10A et. seq., without reference to its conflict of law provisions, and the obligations, rights and remedies of the parties hereunder shall be determined in accordance with such laws.

B. Binding Effect. This Agreement shall be binding upon the parties hereto, as well as their respective legal representatives, successors and assigns.

C. Notices. All notices under this Agreement shall be in writing and mailed (and faxed) to the respective parties at the following addresses:

As to the Seller:

Taylor, Bean & Whitaker Mortgage Corp.
315 N.E. 14th Street,
Ocala, Florida 34470
Attention: Lee B. Farkas
Facsimile: (352) 867-1190

As to the Agent:

Colonial Bank
100 Colonial Boulevard
Montgomery, Alabama 36117
Attention: Mary Lou Bathen
Facsimile: _____

With a copy to:

Colonial Bank
201 East Pine Street
Orlando, Florida 32801
Attention: Catherine L. Kissick
Facsimile: (407) 835-6690

D. Purchase of Additional Participation Interests. The Seller, at its option, may offer to sell Participation Interest(s) in additional Mortgage Loans to the Buyers from time to time, and shall supply the Agent with any information requested with respect to those interests. The Buyers may (but shall not be obligated to) purchase any such additional Participation Interest(s) upon the terms and conditions set forth in this Agreement and in the related Participation Certificate negotiated by the parties. If the parties come to an agreement on the purchase and sale of such additional Participation Interest(s), a Participation Certificate in the form attached as Exhibit A shall be appropriately and completely filled out by the Seller in the name of the Agent for the benefit of the applicable Buyer, executed by both parties and delivered to the Agent. The applicable Buyer shall thereupon remit payment for its Participation Interest in the principal amount of the Mortgage Loans as shown by such Participation Certificate to the Agent, who shall promptly, upon receipt of such payment in immediately available funds, remit such payment to the Seller by wire transfer in accordance with written wire transfer instructions provided by the Seller.

E. Interpretation of Agreement. The parties hereto reconfirm that each transaction contemplated by this Agreement is intended to be and shall be construed as a sale of payment intangibles (as that term is defined in Article 9 of the Uniform Commercial Code as in effect in the Seller's state of organization from time to time). For all purposes this Agreement and the transactions conducted pursuant to this Agreement shall be interpreted and governed in accordance with such intent. However, out of an abundance of caution, in case any such transaction were for any reason determined by a court of law as being a loan instead of a sale, then the Seller hereby grants to the Agent for the benefit of the Buyers as of the date hereof a first priority perfected security interest in the applicable Participated Mortgage Loan(s), all escrow and reserve accounts and funds held on deposit therein, Trust Funds and any other funds collected pursuant to this Agreement, and this Agreement shall constitute a security agreement under applicable law. THE SELLER HEREBY AUTHORIZES THE AGENT TO FILE FROM TIME TO TIME IN THE SELLER'S STATE OF ORGANIZATION ANY AND ALL PRECAUTIONARY UCC-1 FINANCING STATEMENTS AND/OR UCC-3 AMENDMENTS DEEMED NECESSARY OR DESIRABLE BY THE AGENT TO REFERENCE THE SALE OF THE PARTICIPATION INTEREST AND OTHER TRANSACTION(S) CONTEMPLATED HEREUNDER AND TO PERFECT, IF REQUIRED, THE INTEREST OF THE AGENT FOR THE BENEFIT OF THE BUYERS IN THE PARTICIPATED MORTGAGE LOANS.

F. Survival of Representations and Warranties. Each of the representations, warranties, covenants and agreements of the Seller and the Buyers contained in this Agreement shall be absolute and unconditional, shall survive the execution and delivery hereof, and shall remain and continue in full force and effect until all Participation Interest(s) in all Participated Mortgage Loans have been repurchased by the Seller or otherwise paid in full to the Buyers.

G. Indemnity. In addition to any repurchase obligations the Seller may have as set forth herein, the Seller hereby agrees, on demand, to defend, indemnify, and hold harmless each of the Buyers, the Agent and their respective affiliates, employees, agents and representatives, from and against any all harm, liabilities, judgments, damages, claims, demands, costs, expenses (including reasonable legal fees and expenses) or losses (each, a "Claim") suffered or incurred by reason of: (i) any representation or warranty made by the Seller in this Agreement having been untrue, incorrect, false or misleading in any material respect when made or deemed made or the breach or alleged breach by the Seller of any covenant or agreement made by it herein (whether or not the Seller had knowledge (a) that such representation or warranty was untrue, incorrect, false or misleading or (b) of the facts or circumstances giving rise to such breach or alleged breach), (ii) any fraudulent conduct by the Seller or its officers, directors, servants, agents or employees, whether of commission or omission, arising out of the servicing or administration of the Participated Mortgage Loans or (iii) the occurrence of any of the matters set forth in clauses (i) through (iv), inclusive, of subsection A of Section 17 hereof.

H. Consent To Jurisdiction; Venue. ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT SHALL BE BROUGHT IN THE FEDERAL COURTS LOCATED IN THE MIDDLE DISTRICT OF ALABAMA AND BY EXECUTION AND DELIVERY OF THIS AGREEMENT,

EACH OF THE SELLER, THE AGENT AND THE BUYERS CONSENTS, FOR ITSELF AND IN RESPECT OF ITS PROPERTY, TO BE SUBJECT TO THE EXCLUSIVE JURISDICTION OF SUCH COURTS. EACH OF THE SELLER, THE AGENT AND THE BUYERS IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING ANY OBJECTION TO THE DETERMINATION OF VENUE OR BASED ON THE GROUNDS OF FORUM NON CONVENIENS, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY ACTION OR PROCEEDING IN SUCH JURISDICTION IN RESPECT OF THIS AGREEMENT. FURTHER, EACH OF THE SELLER, THE AGENT AND THE BUYERS WAIVES PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER PROCESS, WHICH MAY BE MADE BY ANY OTHER MEANS PERMITTED BY ALABAMA LAW (OTHER THAN BY PUBLICATION).

I. Waiver of Jury Trial. EACH OF THE SELLER, THE AGENT AND THE BUYERS WAIVES ITS RESPECTIVE RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY, IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY OF THE PARTIES AGAINST ANY OTHER PARTY OR ANY AGENT, RELATED PERSON, PARTICIPANT OR ASSIGNEE, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE. WITHOUT LIMITING THE FOREGOING, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT.

J. Assignability. The Seller may not assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of the Agent on behalf of the Buyers. The Seller acknowledges and agrees that any Buyer may at any time and from time to time sell, assign, transfer, pledge or convey all or any portion of its rights and/or delegate all or any portion of its obligations under this Agreement (including, without limitation, Participation Interests in specific Mortgage Loans) to any other Person, including, without limitation, affiliates of each of the Buyers (each, an "Assignee"), without notice to or consent by the Seller or any other Person and without restriction or any claim whatsoever on the part of the Seller or any other Person; except that written notice of such transfer or pledge shall be given by such Buyer to the Agent along with the original conveyance document, in a form and substance acceptable to the Agent, executed by the Assignee and such Buyer. The Seller hereby agrees that upon any such sale, assignment, transfer, pledge, conveyance or delegation by a Buyer, the Assignee shall have, to the extent of the terms of such sale, assignment, transfer, pledge, conveyance or delegation, the same rights and benefits as it would have if it were a Buyer under this Agreement, unless otherwise provided therein; provided that the Seller shall have no duty to recognize the Assignee absent receipt by it of notice of such sale, assignment, transfer, pledge, conveyance or delegation from the Agent and receipt of a copy of the original conveyance document from the applicable Buyer to such Assignee. The Seller authorizes the Agent and each of the Buyers to disclose to any Assignee and to any prospective Assignee, any and all information in the Agent and/or such Buyer's possession concerning the Seller, the Participation Interests or the Mortgage Loans.

K. Effect of Article and Section Headings. The Article and Section headings herein are for convenience only and shall not affect the construction of this Agreement.

L. Counterparts. This Agreement may be executed in counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

M. Document Contains Entire Agreement. This document, together with each Participation Certificate issued hereunder, contains the entire agreement between the parties hereto and supersedes all other negotiations, understandings and representations (if any) made by and between such parties with respect to the subject matter hereof, and cannot be modified in any respect except by mutual agreement in writing.

N. Reform. Should any provision of this Agreement be deemed invalid or unenforceable as contrary to applicable law, the parties hereto agree that such provision shall automatically be deemed to be reformed as to be consistent with applicable law.

O. Amendments. The provisions of this Agreement may not be amended, supplemented, waived or changed, other than by a writing signed by all of the parties hereto; provided, however, that the purchase price for the Buyer's Percentage in any Participated Mortgage Loan shall not be amended or changed.

P. Seller Default. Upon a default of the Seller of any provisions hereunder, at the request of the Agent, the Seller shall consent to a court order directing that all future payments on account of the Participated Mortgage Loans by Obligor be made to a new collection account designated and held by the Agent for the benefit of the Buyers.

Q. Bankruptcy Safe Harbors; Waiver of Automatic Stay. This Agreement and each of the transactions entered into hereunder are intended by the parties to be "securities contract" and a "master netting agreement" within the meaning of Sections 741(7) and 101(38A), respectively, of the Bankruptcy Code. The Agent's right, for the benefit of the Buyers, to liquidate the Participated Mortgage Loans delivered to it in connection with the transactions hereunder or to exercise any other remedies provided hereunder, is a contractual right to liquidate, terminate or accelerate such transactions as described in Sections 362(b)(6), 546(e), 555 and 561 of the Bankruptcy Code. The Agent, on behalf of the Buyers, and the Seller agree that it is their mutual intent that the transactions executed under this Agreement shall qualify for safe harbor treatment provided by the above referenced sections of the Bankruptcy Code and, to that end, the Seller agrees that, from time to time upon the written request of the Agent, the Seller will prepare, execute and deliver any supplements, modifications, addendums or other documents as may be necessary or desirable, in the Agent's good faith discretion, in order to cause this Agreement and the transactions contemplated hereby to qualify as, comply with the provisions of, or otherwise satisfy, maintain or preserve the criteria for safe harbor treatment under such sections of the Bankruptcy Code; provided, however, that the Agent's failure to request, or the Agent's or the Seller's failure to execute, such supplements, modifications, addendums or other documents does not in any way alter or otherwise change the intention of the parties hereto that this Agreement and the transactions hereunder are safe harbored under the Bankruptcy Code. The Agent's contractual right (on its behalf or on behalf of the Buyers) to liquidate, terminate or accelerate this Agreement because of a condition of the kind specified in Bankruptcy Code § 365(e)(1) may not be stayed, avoided, or otherwise limited by operation of the Bankruptcy Code. If, notwithstanding the foregoing, the Agent's (on its behalf or on behalf of the Buyers) enforcement of any right or remedy is stayed by operation of the Bankruptcy Code, the Seller hereby agrees, as further consideration to induce the Buyers and the Agent to enter into this Agreement, that, in the event a proceeding under the Bankruptcy Code, either voluntary or involuntary, is commenced by or against the Seller, the Seller hereby consents to and agree that the Seller will not oppose or object to any motion or other pleading by the Agent seeking relief from the automatic stay imposed by 11 U.S.C. § 362 to enforce any right or remedy the Agent and/or the Buyers have with respect to the Participation Interests and Trust Funds, whether under this Agreement or otherwise. In addition, the Seller hereby consents to and agrees that the Seller will not oppose any motions filed by the Agent regarding possession, control or servicing of the Participation Interests including, but not limited to, a motion by the Agent seeking an order (a) directing turnover and/or disbursement of Participation Interests and Trust Funds to Agent for the benefit of the Buyers, and (b) directing continued performance by the Seller of the terms of this Agreement and any related servicing agreement.

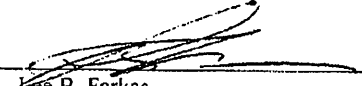
R. Power of Attorney. The Agent is hereby appointed the attorney-in-fact of the Seller for the purpose of carrying out the provisions of this Agreement on its behalf and on behalf of the Buyers, and taking any action and executing any instruments or documents that the Agent may deem reasonably necessary or advisable to accomplish the purposes hereof, which appointment as attorney-in-fact is irrevocable and coupled with an interest, and with the power of substitution, although the Agent agrees not to exercise its rights under this power of attorney unless, in its opinion, it is reasonably necessary to carry out and effectuate the actions to be taken by the Agent on behalf of itself, the Buyers and the Seller as contemplated under Sections 14B and 17E of this Agreement and under the Option Agreement. In such case, the Agent shall have the right and power to sell, assign, transfer and/or pledge the Seller's retained interest in the related Participated Mortgage Loan(s), to receive, endorse, collect and control all checks or instruments made payable to the order of the Seller and all other forms of payment to the Seller that represent any payment on account of the principal of or interest on or proceeds from any of the Participated Mortgage Loans and to give full discharge for the same, and to do any and all things reasonably necessary to carry out and effectuate the actions to be taken by the Agent on behalf of itself, the Buyers and the Seller as contemplated under Sections 14B and 17E of this Agreement and under the Option Agreement. Notwithstanding anything contained herein, in no event shall the Agent be required to make any presentment, demand or protest, or give any notice, and the Agent need not take any action to preserve any rights against any

prior party or any other Person in connection with the Obligations or with respect to the Participated Mortgage Loans.


[Signatures follow on next page]

IN WITNESS WHEREOF, each party has caused this Agreement to be executed on its behalf by its duly authorized representative as of the day and year first above written.

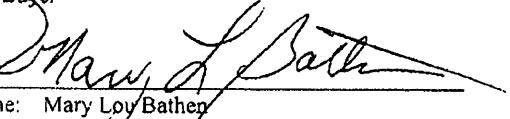
**TAYLOR, BEAN & WHITAKER MORTGAGE
CORP., as Seller**

By: 
Name: Lee B. Farkas
Title: Chairman of the Board

**COLONIAL BANK,
as Agent**

By: 
Name: Mary Lou Bathen
Title: Senior Vice President

**COLONIAL BANK,
as a Buyer**

By: 
Name: Mary Lou Bathen
Title: Senior Vice President

**SEASIDE NATIONAL BANK & TRUST,
as a Buyer**

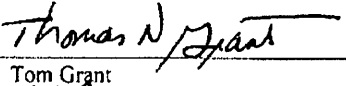
By: 
Name: Tom Grant
Title: S.V.P.

EXHIBIT A

PARTICIPATION CERTIFICATE

Number _____

TO: COLONIAL BANK, as agent (the "Agent") for the benefit of SEASIDE NATIONAL BANK & TRUST,
as Buyer (the "Buyer")

FROM: TAYLOR, BEAN & WHITAKER MORTGAGE CORP., as Seller (the "Seller")

THIS CERTIFIES that, pursuant to the Loan Participation Sale Agreement (COLB Program) (the "Agreement") dated as of December 10, 2008, by and among the Seller, the Buyer and COLONIAL BANK, as a buyer and as Agent and custodian (in such capacity, the "Agent"), the Seller has received from the Agent, on behalf of the Buyer, the total purchase price of the following Mortgage Loans in accordance with paragraph (a) and/or paragraph (b) below.

(a) **CONFORMING:** in the case of the Mortgage Loans set forth on the Schedule attached hereto and made a part hereof which are Conforming Mortgage Loans (if applicable), the purchase price in the amount of \$_____, and the Seller hereby sells, conveys, assigns, transfers, and issues to the Agent for the benefit of the Buyer, an undivided participation interest in all such Mortgage Loans equal to _____%, subject to the terms and conditions of the Agreement. In the case of Mortgage Loans which, at the time the Buyer purchases its Participation Interest in such Mortgage Loans from the Seller, are not covered by a master forward commitment of an end investor pursuant to the requirements of Section 4(ii)(c)(1) of the Agreement, but which otherwise meet the requirements of Section 4(ii)(c)(2) of the Agreement, the Buyer will pay to the Agent, who will promptly remit such funds to the Seller either by wire transfer in accordance with written wire transfer instructions by the Seller, an additional purchase price for such Mortgage Loans at the time of closing of the sale of such Mortgage Loans to an end investor which the Buyer believes to be fair market value and adequate consideration for the difference between the purchase price initially paid by the Buyer for its Participation Interest in such Mortgage Loans and the purchase price that would have been payable by the Buyer to the Seller had such Mortgage Loans been covered by the end investor's commitment at the time of initial purchase by the Buyer of its Participation Interest.

(b) **NON-CONFORMING:** in the case of the Mortgage Loans set forth on the Schedule attached hereto and made a part hereof which are Non-Conforming Mortgage Loans or A Quality Second/HELOC Mortgage Loans (if applicable), the purchase price in the amount of \$_____, and the Seller hereby sells, conveys, assigns, transfers, and issues to the Agent for the benefit of the Buyer, an undivided participation interest in all such Mortgage Loans equal to _____%, subject to the terms and conditions of said Agreement.

It is agreed that the Agent, for the benefit of the Buyer, shall be entitled to receive periodic remittances of principal and interest and other collections with respect to each Participated Mortgage Loan in an amount equal to the principal and interest and other collections paid under such Participated Mortgage Loans multiplied by the Buyer's Participation Interest. It is further agreed that the Agent, for the benefit of the Buyer, shall receive from the Seller as to each Mortgage Loan an Agent Fee equal to \$15.

So long as the Seller is servicing the Participated Mortgage Loans pursuant to the Agreement, the Seller shall be entitled to receive a servicing fee calculated in accordance with Section 8A of the Agreement, and for purposes of such calculation the Reference Rate shall be equal to LIBOR Rate plus 300 basis points (3%) per annum.

For purposes hereof, "**Prime Rate**" shall mean the rate per annum announced by the Agent from time to time as its Prime Rate (which interest rate is only a benchmark, is purely discretionary and it not necessarily the best or lowest rate charged borrowing customers of the Agent); provided, however, in no event shall the Prime Rate be less than the floor rate per annum equal to 5.50%.

For purposes hereof, "**LIBOR Rate**" shall mean the rate that appears on the display designated as Reuters Screen LIBOR01 Page (or such other page as may replace this page) as of 11:00 a.m., Montgomery time, on each banking date or, if not so reported on such service, as otherwise quoted by the Agent from time to time, as the 30 day LIBOR Rate, adjusted daily with each change in the 30 day LIBOR Rate; provided, however, in no event shall the LIBOR Rate be less than the floor rate per annum equal to 2.50%.

The rights and obligations of the parties to this Participation Certificate are governed by the above-described Agreement, which is fully incorporated herein by reference. Capitalized terms used herein and not otherwise defined herein shall have the meaning given to them in the Agreement.

IN WITNESS WHEREOF, each party has caused this Participation Certificate to be executed and delivered on its behalf by its duly authorized officer as of this 9th day of December, 2008.

SELLER:

TAYLOR, BEAN & WHITAKER MORTGAGE CORP.

By: [Signature]
Name: E. B. Farkas
Title: Chairman

AGENT:

**COLONIAL BANK, as Agent for the benefit of
SEASIDE NATIONAL BANK & TRUST**

By: [Signature]
Name: Mary L. Balten
Title: Senior Vice President

SCHEDULE OF MORTGAGE LOANS

<u>Loan Number</u>	<u>Obligor</u>	<u>Note Date</u>	<u>Note Amount</u>	<u>Note Rate</u>	<u>Unpaid Principal Balance</u>	<u>Commitment Price</u>	<u>{Purchase Price}</u>	<u>{Participation Interest (%)}</u>

(A) List above information for each Conforming Mortgage Loan below:

(B) List above information for each Non-Conforming Mortgage Loan and/or A Quality Second/HELOC Mortgage Loan below:

EXHIBIT B

Pre-Approved End Investors

[TO BE PROVIDED BY SELLER]

EXHIBIT C

Participated Mortgage Loan Requirements

In order for a Mortgage Loan to qualify to be a Participated Mortgage Loan, such Mortgage Loan must meet each of the following requirements on the Purchase Date:

a) such Mortgage Loan is a binding and valid obligation of the obligor(s) thereon, is in full force and effect and is enforceable in accordance with its terms;

b) such Mortgage Loan is secured by a first-priority mortgage (or deed of trust) on the Property encumbered thereby; provided, however, if such Mortgage Loan meets the requirements of an A Quality Second/HELOC Mortgage Loan, it may be secured by a second-priority mortgage (or deed of trust) on the Property encumbered thereby;

c) unless otherwise approved by the Agent on behalf of the Buyers from time to time, in its sole discretion and in writing, the improvements on the Property encumbered by such Mortgage Loan shall consist of any one of the following: (i) a detached, one-family dwelling, (ii) a detached two-to-four family dwelling, (iii) a one-family dwelling in a condominium project, or (iv) a detached one-family dwelling in a planned unit development, none of which (x) is a cooperative or a mobile or manufactured home unless, in the case of a mobile or manufactured home, it is affixed to the real property and is encumbered by a first-priority mortgage (or deed of trust) both on such real property and on such mobile or manufactured home that has priority over any other lien on such mobile or manufactured home, whether or not arising under applicable real property law; (y) does not constitute real property under applicable state law, or (z) contains any commercial operations (other than in the nature of an in-home office);

d) such Mortgage Loan is genuine, in all respects, as appearing on its face or as represented in the books and records of the Seller, and all information set forth therein is true and correct;

e) such Mortgage Loan is free of any default (other than as permitted in subsection (f) below) of any party thereto (including the Seller or any prior owner or holder of such Mortgage Loan), counterclaims, offsets and defenses and from any rescission, cancellation or avoidance, and all rights thereof, whether by operation of law or otherwise and whether arising out of the Mortgage Loan or otherwise;

f) no payment under such Mortgage Loan is more than thirty (30) days past due the payment due date set forth in the underlying promissory note and mortgage (or deed of trust);

g) the interest rate payable with respect to such Mortgage Loan is in excess of the Reference Rate payable to the applicable Buyer under the Participation Certificate or, the weighted average interest rate of the pool of Mortgage Loans (based on the aggregate unpaid principal balance of such Mortgage Loans) in which such Mortgage Loan is a part is in excess of the weighted average Reference Rate payable to the applicable Buyer under the applicable Participation Certificate;

h) such Mortgage Loan contains the entire agreement of the parties thereto with respect to the subject matter thereof, has not been modified or amended in any respect and is free of concessions or understandings with the obligor thereon of any kind not expressed in writing therein;

i) such Mortgage Loan is in all respects as required by and in accordance with all applicable laws and regulations governing the same, including the Federal Consumer Credit Protection Act and the regulations promulgated thereunder and all applicable usury laws and restrictions; and all notices, disclosures and other statements or information required by law or regulation to be given, and any other act required by law or regulation to be performed, in connection with such Mortgage Loan have been given and performed as required;

j) all advance payments and other deposits on such Mortgage Loan have been paid in cash by the related Obligor, and no part of such sums has been loaned, directly or indirectly, by the Seller to the Obligor thereon;

k) such Mortgage Loan is free and clear of all liens, encumbrances, charges, rights and interests of any kind (other than investor commitments), except in favor of the Agent for the benefit of the Buyers hereunder;

l) the Property securing such Mortgage Loan is insured against loss or damage by fire and all other hazards normally included within standard extended insurance coverage (including flood plain insurance if such Property is located in a federally designated flood plain) in accordance with the provisions of such Mortgage Loan with the Seller named as a loss payee thereon;

m) the Property encumbered by such Mortgage Loan is free and clear of all liens except liens in favor of the Seller, subject only to (i) liens junior in priority to the lien of the Seller (and in the case of an A Quality Second/HELOC Mortgage Loan only, the lien in favor of the first mortgagee); (ii) the lien of real property taxes and assessments not yet due and payable; (iii) covenants, conditions and restrictions, rights of way, easements and other matters of public record, as of the date of recording, being acceptable to mortgage lending institutions generally and specifically referred to in a lender's title insurance policy delivered to the originator of the Mortgage Loan and (A) referred to or otherwise considered in the appraisal made for the originator of the Mortgage Loan or (B) that do not materially adversely affect the appraised value of such Property as set forth in such appraisal; and (iv) other matters to which like properties are commonly subject that do not materially interfere with the benefits of the security intended to be provided by the Mortgage Loan or the use, enjoyment, value or marketability of the related real property;

n) with respect to conventional Mortgage Loans, in the event the loan-to-value ratio of such Mortgage Loan exceeds eighty percent (80%), such Mortgage Loan is the subject of a private mortgage insurance policy issued in favor of the Seller by an insurer approved by Fannie Mae, Freddie Mac and Ginnie Mae or an approved investor or other buyer issuing the investor commitment for such Mortgage Loan;

o) if such Mortgage Loan is insured by the FHA or is guaranteed by the VA, such insurance or guaranty is at all times in full force and effect (or is eligible for such insurance or guaranty and said insurance or guaranty has been or will be applied for within 30 days from the date of closing of such Mortgage Loan);

p) except for the existence of a commitment to sell such Mortgage Loan on a servicing-released basis, such Mortgage Loan is not subject to any servicing arrangement with any Person other than the Seller nor are any servicing rights relating to such Mortgage Loan subject to any lien, claim, interest or negative pledge in favor of any Person other than as permitted hereunder;

q) the Property securing such Mortgage Loan is improved by completed improvements;

r) none of the Mortgage Loans is counterfeit, fraudulent, forged, fictitious, or nonexistent or has been pledged or assigned to any third party;

s) none of the Mortgage Loans was originated or serviced pursuant to or under material misrepresentations or fraud by the Seller or any of its officers, directors, servants, agents or employees;

t) none of the Properties securing any of the Mortgage Loans is the subject of any pending or threatened foreclosure action or other similar action;

u) the terms of the promissory note and the collateral security documents related to a Mortgage Loan have not been impaired, waived, altered or modified in any respect, except by written instruments which have been recorded, if necessary to protect the interests of the applicable Buyer, and which have been delivered to the Agent for the benefit of the applicable Buyer;

v) none of the collateral security related to the Mortgage Loans has been satisfied, canceled, subordinated, or rescinded, in whole or in part, and the related Property has not been released from the lien of such collateral security, in whole or in part, nor has any instrument been executed that would effect any such release, cancellation, subordination or rescission;

w) to the best of the Seller's knowledge, after reasonable inquiry and investigation, the assignment of the collateral security documents is in recordable form and is acceptable for recording under the laws of the jurisdiction in which the Property is located;

x) there are no delinquent taxes, ground rents, water charges, sewer rents, assessments, insurance premiums, leasehold payments, including assessments payable in future installments or other outstanding charges affecting the related Property;

y) to the best of the Seller's knowledge, after reasonable inquiry and investigation, the Property is free of damage and waste and there is no proceeding pending for the total or partial condemnation thereof;

z) the proceeds of the Mortgage Loan have been fully disbursed and there is no requirement for future advances thereunder (except as may be applicable in the case of a home equity loan which qualifies to be a Participated Mortgage Loan under subsection (b) above) and any and all requirements as to completion of any on site or off site improvement and as to disbursements of any escrow funds therefor have been complied with; and

aa) the Mortgage Loan is covered by a lender's title insurance policy acceptable to either Fannie Mae or Freddie Mac, issued by a title insurer acceptable to either Fannie Mae or Freddie Mac and qualified to do business in the jurisdiction where the Property is located, insuring (subject to certain exceptions) the Seller, its successors and assigns as to the first priority lien (or, in the case of an A Quality Second/HELOC Mortgage Loan, the second priority lien) of the collateral security in the original principal amount of the Mortgage Loan; additionally, such lender's title insurance policy affirmatively insures ingress and egress, and against encroachments by or upon the Property or any interest therein and the Seller is the sole insured of such lender's title insurance policy, and such lender's title insurance policy is in full force and effect and will be in full force and effect upon the consummation of the transactions contemplated by this Agreement; no claims have been made under such lender's title insurance policy, and no prior holder of the related mortgage, including the Seller, has done, by act or omission, anything which would impair the coverage of such lender's title insurance policy.

EXHIBIT D

Fitch Inc. Credit Quality Guidelines

A Credit Quality

- Maximum of one 30-day mortgage delinquencies in past 12 months
- No 60 day mortgage delinquencies in past 12 months
- Maximum of one 30-day installment debt delinquencies in past 12 months
- Maximum of two 30 -day revolving debt delinquencies in the past 24 months.
- Minor derogatory items explained
- No bankruptcy/notice of default in five years
- No judgments/chargeoffs over \$1,000 in the last two years
- Owner-occupied maximum OLTV 80%
- Non-owner occupied maximum OLTV 70%-75%
- Verifiable income past 24 months
- Debt/income ratio $\leq 45\%$

B Credit Quality

- Maximum of three 30-day mortgage delinquencies in past 12 months
- No 60-day mortgage delinquencies in past 12 months
- Maximum of two 60-day installment debt delinquencies in past 12 months
- Maximum of one 60-day revolving debt delinquencies in the past 24 months.
- No foreclosures in the past four years
- No major derogatory items
- Bankruptcy/notice of default discharged with good credit for the past three years
- No judgments/chargeoffs over \$1,000 in the last year
- Owner-occupied maximum OLTV 80%
- Non-owner occupied maximum OLTV 70%
- Verifiable income past 24 months
- Debt/income ratio $\leq 50\%$

C Credit Quality

- Maximum of six 30-day mortgages delinquencies in past 12 months
- Maximum of two 60 day mortgage delinquency in past 12 months
- One 90 day mortgage delinquency in past 12 months
- No foreclosures in the past year
- Maximum of two 90-day installment debt delinquencies in past 12 months
- Maximum of one 90-day revolving debt delinquencies in the past 24 months.
- Bankruptcy/notice of default discharged with good credit for the past two years
- No judgments/chargeoffs allowed with explanation
- Owner-occupied maximum OLTV 70%-75%
- Non-owner occupied maximum OLTV 60%-70%
- Verifiable income past 24 months
- Debt/income ratio $\leq 55\%$

- Fitch incorporates each lender's program into the above guidelines.

EXHIBIT 2

Seaside National Bank & Trust
TBW Losses/Expenses to date
Thru 12/31/10

Description	Check Date	Check Amount
Losses/Expenses:		
Principal shortfall on last payment from Colonial after purchase 100%- 33 loans	06-Aug-09	\$31,648.93
Principal collected by TBW prior to RP servicing loans (we purch 100% orig prin)	thru 9/1/09	\$51,699.50
Interest collected by TBW at closing & prior to RP servicing loans	thru 9/1/09	\$189,846.75
Principal shortfall on Kenneth Johnson loan payoff from closing agent-loan never closed	09-Nov-09	\$2,137.69
Loss on Bharuca loan (fraudulent closing)		\$386,715.00
Wet fund loans (6 loans) net recovery difference to orig principal	separate schedule	\$22,928.25
HUD insurance premiums paid by Bank directly to FHA	separate schedule	\$144,594.17
Late Fees and Interest on FHA premiums remitted by TBW late		\$3,265.47
Tax Service Fees \$55/per loan		\$29,590.00
MERS fees		\$794.59
Round Point Services to get loans insured, including VA premiums		\$175,467.31
Round Point Monthly Servicing Fees (thru 11/30/10)		\$229,793.32
Estimated Servicing Fees (12/1/10-remaining term of loans)		\$200,000.00
Losses on sales to AmeriFirst- 2 conventional pools	2009	\$32,616.02
Losses on sales to Mutual Fed Savings- 2 conventional pools	Oct & Dec 2010	\$48,420.06
Escrow advances funded by Seaside (thru 11/30/10)	mo. Remittance	1,230,542.93
203k Advances - construction/rehab loans	separate schedule	\$272,748.88
BOMC Management Fee		\$415,934.22
Loss - Charged-off TBW loans (short sales, foreclosures, and in process foreclosures)	chg off schedule	\$555,922.94
RSM McGladrey Valuation-required by OCC		\$13,000.00
Swaption premium-hedge interest rate risk		\$1,282,900.00
Swaption fair value remaining-hedge interest rate risk		(\$442,119.00)
MTM Loss on Unwinding FHLB advances (as of 12/31/10)		\$1,656,000.00
Foley & Lardner Legal bills (thru 12/31/10)		\$116,322.84
Estimated Foley & Lardner Legal bills (after 12/31/10)		\$75,000.00
Core Logic expenses-doc gathering support (thru 12/31/10)		\$22,748.00
Estimated Core Logic expenses-doc gathering support (after 12/31/10)		\$20,000.00
Estimated future Loan Losses on TBW loans - Reserves on Remaining TBW portfolio		\$1,590,759.00
Estimated future Losses on Loans Sold w/ repurchase obligation - Reserves for Putback Risk		\$420,000.00
Total Losses/Expenses-gross		<u>\$8,779,276.87</u>
Recoveries to date:		
Escrow recovery received by Seaside on 11/30/10 - from Colonial Accounts		(144,660.66)
Total Losses/Expenses-net		<u>\$8,634,616.21</u>