

APPLICATION

Customer (Company) Name: _____

Start Date of Business: MO _____ YR _____ Doing Business As: _____

Affiliated or Parent Company Name: _____

Physical Address (site inspection address):

City: _____ State: _____ ZIP: _____ How long? ____ yrs ____ mths.

Contact Phone: (____) _____ Business Phone: (____) _____ Business Fax: (____) _____

Is this a residential address? _____ Yes _____ No

E-Mail: _____ Website: _____

Billing Address (if different): _____

Business Credit References:

Landlord / Mtg. Company: _____ Phone: (____) _____

Company: _____ Contact: _____ Phone: (____) _____

Indicate Business Structure (check one): Corporation LLC Sole Proprietorship Partnership**Complete for Corporation:** Federal Tax ID #: _____

Officer Name: _____ Title: _____

Signature: _____ Date: _____

Officer Name: _____ Title: _____

Signature: _____ Date: _____

Complete for LLC, Sole Proprietorship or Partnership:

Owner Name: _____ SS#: _____

Resident Address: _____

Signature: _____ Date: _____

Owner Name: _____ SS#: _____

Resident Address: _____

Signature: _____ Date: _____

I certify, on behalf of Customer, that the information on this application is true. I understand by signing below I am authorizing American Reporting Company, LLC to pull a personal and business credit report on the officers or owners of Customer, as applicable, in connection with approval of this application. Please note a personal credit report is not applicable to Corporations unless they have been in business for less than 1 year.

Signature: _____ Date: _____

Printed Name: _____



AMERICAN REPORTING COMPANY

SERVICES AGREEMENT

This Services Agreement (this “**Agreement**”), dated _____, 20__ (the “**Effective Date**”), is made and entered into between American Reporting Company, LLC (“**ARC**”) and _____ (“**Customer**”). ARC and Customer may each individually be referred to as a “party” and together as the “parties.”

RECITALS

Customer is in the business of _____ (i.e., bank, credit union, mortgage bank, mortgage broker, leasing company, auto dealership, etc.) (the “**Business**”).

ARC provides various services related to the closing and settlement of residential real estate transactions, including appraisals, appraisal-related services, and credit reports (collectively, the “**Services**”).

Customer desires to receive from ARC, and ARC desires to provide to Customer, one or more of the Services described above.

AGREEMENT

The Parties agree as follows:

ARTICLE I DEFINITIONS

1.1. The following capitalized terms shall have the meaning specified in this Article 1. Other terms are defined in the text of this Agreement; and, throughout this Agreement, those terms shall have the meanings respectively ascribed to them:

“**Confidential Information**” means all business, marketing and technical information of each party considered by each to be trade secrets or otherwise valuable proprietary information, designated or marked as such by either party, or orally disclosed by one party to the other party as proprietary and followed by a written notice of such designation within thirty (30) days of the oral disclosure indicating the information was confidential. Confidential Information shall not include information that (i) is now or later becomes generally known to the computer industry (other than as a result of a breach of this Agreement); (ii) is independently developed by the receiving party; (iii) the receiving party lawfully obtains from any third party without restrictions on use or disclosure; or (iv) is required to be disclosed pursuant to court order or operation of law.

“**End Consumer**” means the individual or individuals who are (i) customers of Customer and requires one or more of the Services in order to complete the transaction(s) for which they are receiving the assistance and services of Customer.

“**Report**” means a report prepared by ARC and delivered to Customer, whether an appraisal, credit report, Tax record verification report or flood report.

“**Service Request**” means a request from Customer to ARC to provide one or more of the Services, which Service(s) request shall (i) specify the type of Service(s) that the Customer desires (e.g., credit report, appraisal and/or appraisal related services), (ii) identify the End Consumer and the parcel of real property about which the Services relate and (iii) be delivered to ARC in writing (including orders placed on ARC’s website, as well as email, fax, US Mail and hand delivery).

“**Services**” has the meaning set forth in the Recitals to this Agreement.

ARTICLE II SERVICES

2.1 Services. Upon receipt of a Service Request from Customer, ARC shall provide one or more of the Services described below. Each of the Services offered by ARC is further described in Exhibits attached to this Agreement, and if such Service is contracted for by Customer, the related Exhibit shall be signed by each party. The parties may add Exhibits to this Agreement after the Effective Date to contract for additional Services by attaching the appropriate Exhibit, signed by each party, to this Agreement.

2.1.1 Credit Reporting Services. Based upon information provided by any one of Experian, Equifax, Trans Union or Fair, Isaac and Company, or any successor(s) thereto, ARC will use its best efforts to deliver to Customer credit reports on the End Consumer(s) specified in the Service Request in a timely manner. However, ARC will have no liability to Customer for any delay in providing such credit report due to issues reasonably beyond ARC’s control. The credit reporting services, policies and requirements are further described in Exhibit A to this Agreement, and are incorporated herein by this reference.

2.1.2 Appraisal and Appraisal-Related Services. ARC shall provide to Customer the appraisal, or appraisal-related services further described in Exhibit B to this Agreement. Any changes or cancellations may result in additional fees associated with the appraisal or appraisal-related service. ARC will make best efforts to provide appraisal and appraisal-related services in a timely manner; delays will be communicated with Customer. Appraisal Independence Safeguards will be in place to assure Customer that the appraisal, or the appraisal-related service, was performed free of value influences to be compliant with secondary and/or regulatory requirements. Appraisal and appraisal-related services policies and requirements are further described in Exhibit B.

2.1.3 Verification of Tax Record and/or Employment - ARC shall provide to Customer the verification service in a timely and professional manner. Any delays will be communicated to client and ARC will do its best to complete the transaction in a timely manner. Timelines may be impact due to situations beyond ARC's control. Any changes or cancellations may result in additional fees associated with the verification service. Employers may require ARC to use a third party employment verification source which may require additional fees.

2.1.4 Automated Valuation Model (AVM) - ARC shall provide to Customer the selected AVM in a timely and professional manner. Any delays will be communicated to client and ARC will do its best to complete the transaction in a timely manner. Timelines may be impact due to situations beyond ARC's control. Any changes or cancellations may result in additional fees associated with the verification service. Employers may require ARC to use a third party employment verification source which may require additional fees. Exhibit C is specific to a sublicense agreement between ARC and Customer for the use of Freddie Mac's HVE product.

ARTICLE III FEES AND PAYMENT

3.1 With respect to each response to a Service Request (including a Report or a response of 'no record' with respect to either the End Consumer or the parcel of property about which the Service Request relates), Customer will pay ARC a fee equal to ARC's standard charge for the Service or Services as published by ARC from time to time on its website: www.arcreports.com. ARC reserves the right to change its standard charges at any time during the Agreement by giving Customer twenty (20) days written notice.

3.2 ARC will deliver an invoice to Customer every month reflecting the fees due under this Agreement for the Services. Except as otherwise set forth in the next sentence, payment is due upon receipt and Customer agrees to pay accordingly; no carry-over of billing to the next month is allowed. Customer hereby authorizes ARC to bill the credit card account provided in the Credit Card Billing Authorization (the "**Account**"), which is attached hereto and made a part hereof, for any outstanding balance of Customer not paid within 30 days of the billing statement date.

3.3 In addition to the payments made in accordance with Section 3.2 above, Customer further agrees to pay, within ten (10) calendar days of ARC's notice to Customer that Customer's outstanding balance for Services rendered by ARC exceeds \$_____ (the "**Notice**"), by check or electronic transfer of funds to ARC, the amount indicated in the Notice. If such amount is not paid within ten (10) calendar days of the Notice, Customer hereby authorizes ARC to bill the Account.

3.4 Any Customer checks that are returned to ARC will be charged back to Customer along with a service fee of \$25.00 for each check returned. The amount of such returned check as well as the service fee shall be charged to the Account.

3.5 Accounts past due shall accrue interest at the rate of 1.75% per month. Any Customer account becoming sixty (60) days delinquent shall, at ARC's discretion, be placed on hold resulting in the discontinuance of all Services, including work in progress. Any account placed on hold will be subject to a \$75 re-activation fee payable prior to the service being activated. Furthermore, this Agreement may be terminated at the election of ARC in accordance with Section 6.2.1 hereof should the account become delinquent in the payment of monthly charges or in the payment of excess charges as set forth in the Credit Card Billing Authorization.

3.6 When an account has unpaid balances aged ninety (90) days or more, ARC, in its sole discretion, may classify the account as in "Collections Status." "Collections Status" shall mean that ARC will no longer provide Services to Customer and that the balance is due immediately. ARC may refer the account to a collections agency and/or attorney to pursue payment and at such time a 25% collection fee will be added to the balance due. Interest will continue to accrue as set forth in Section 3.5. Customer agrees to pay all reasonable attorney and/or collection fees incurred by ARC in pursuit of full payment of Customer's charges. Customer also agrees to assume financial responsibility and guarantee payment from any affiliated net branch in the event such net branch defaults on payment.

ARTICLE IV REPRESENTATIONS AND WARRANTIES

4.1 ARC's Representations and Warranties. ARC hereby represents and warrants that: (i) it has full right, power and authority to enter into this Agreement and to perform its obligations hereunder; (ii) its execution of this Agreement and performance of its obligations hereunder do not and will not violate any agreement to which it is a party or by which it is bound; and (iii) when executed and delivered, this Agreement will constitute the legal, valid and binding obligation of ARC, enforceable against it in accordance with its terms.

4.2 Customer's Representation and Warranties. Customer hereby represents and warrants that:

4.2.1 It has the full right, power and authority to enter into this Agreement, and to perform its obligations hereunder; (ii) its execution of this Agreement and performance of its obligations hereunder do not and will not violate any agreement to which it is a party or by which it is bound; (iii) when executed and delivered, this Agreement will constitute the legal, valid and binding obligation of Customer, enforceable against it in accordance with its terms.

4.2.2 If requesting credit reporting or appraisal or appraisal-related Services, Customer shall adhere to all laws, regulations and rules related to the use of information provided by ARC to Customer about the End Consumers, including, but not limited to, the Gramm-Leach Bliley Act, the Fair Credit Reporting Act ("FCRA") and all rules and regulations promulgated under each of the foregoing acts. Customer agrees that all information received from ARC will be held in the strictest confidence and will be for the Customer's exclusive use. Further restrictions on Customer's use of such information are set forth in Exhibit A to this Agreement. Customer hereby acknowledges that the information contained

in Reports received from ARC includes personal financial information about End Consumers and, as such, requires that Customer treat such information responsibly and take reasonable steps to assure that such information is not misused by any of Customer's employees, agents, or brokers.

ARTICLE V CONFIDENTIALITY

5.1 **Confidentiality.** In addition to complying with all applicable laws, rules and regulations regarding the use of information about End Consumers, each party agrees that it shall not use or disclose any Confidential Information supplied by the other party under this Agreement except as authorized in writing by the disclosing party in advance of such disclosure. Each receiving party shall safeguard all Confidential Information provided by the disclosing party under this Agreement in the same or more restrictive manner as the receiving party safeguards its own Confidential Information. Each receiving party agrees not to disclose the Confidential Information to any third party or to anyone within the receiving party who does not have a need to know the Confidential Information in order to perform under this Agreement. In the event a receiving party is required to disclose a disclosing party's Confidential Information pursuant to a valid order by a court or other governmental body or as otherwise required by law, prior to such compelled disclosure, the receiving party will (i) notify the disclosing party of the legal process, and allow the disclosing party to assert the privileged and confidential nature of the Confidential Information against the third party seeking disclosure, and (ii) cooperate fully with the disclosing party in protecting against any such disclosure and/or obtaining a protective order narrowing the scope of such disclosure and/or use of the Confidential Information. In the event that such protection against disclosure is not obtained, the receiving party will be entitled to disclose the Confidential Information, but only as to the extent necessary to legally comply with such compelled disclosure.

ARTICLE VI TERM AND TERMINATION

6.1 **Term.** The term of this Agreement shall commence on the Effective Date set forth above, and continue until either party terminates the Agreement within thirty (30) days' prior written notice.

6.2.1 **For Failure to Meet Payment Obligations.** Notwithstanding Section 6.1 above, ARC may immediately terminate this Agreement if Customer fails to meet any payment obligation under this Agreement and this failure continues for ten (10) days following receipt of written notice and demand from ARC.

6.2.2 **Acceleration of Payment.** Upon termination of this Agreement by ARC under Section 6.2.1, the due dates of all outstanding invoices to Customer for the Services will automatically be accelerated so that they become due and payable on the effective date of termination, even if longer terms had been previously granted or allowed.

- 6.2.3 Survival of Terms. Termination of this Agreement shall not relieve either party of any obligations arising under this Agreement prior to the date of termination. Any provisions of this Agreement that by their nature extend beyond the termination of this Agreement, including specifically obligations owing under Articles III, IV, V, VII, VIII and IX hereof, will survive and remain in effect until all obligations are satisfied.
- 6.2.5 Compliance. Any failure in compliance with law or violation of this agreement shall constitute breach of contract and result in termination of services with ten (10) days written notice.

ARTICLE VII LIMITATION OF LIABILITY; NO WARRANTY

7.1 **LIMITATION ON LIABILITY.** IN NO EVENT SHALL ARC BE LIABLE TO CUSTOMER, OR TO ANY OF CUSTOMER'S END CONSUMERS, BRANCHES, NET BRANCHES, LICENSEES OR SUBLICENSEES FOR ANY SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO LOST OR ANTICIPATED PROFITS, LOST OPPORTUNITY OF ANY TYPE, LOSS OF USE OR LOSS OF DATA, WHETHER UNDER CONTRACT, TORT, WARRANTY OR OTHERWISE, ARISING IN ANY WAY OUT OF THIS AGREEMENT OR ANY RELATED AGREEMENT, REGARDLESS OF WHETHER ARC WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

7.2 **WARRANTY DISCLAIMERS.** THE SERVICES ARE PROVIDED "AS IS" AND WITH ALL FAULTS AND ARC MAKES NO WARRANTY OR CONDITION OF ANY KIND, WHETHER EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, INCLUDING WITHOUT LIMITATION ANY WARRANTY OR CONDITION OF MERCHANTABILITY FITNESS FOR A PARTICULAR PURPOSE, OR ARISING FROM A COURSE OF DEALING, TITLE, USAGE OF TRADE OR COURSE OF PERFORMANCE. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, CUSTOMER EXPRESSLY DISCLAIMS ANY WARRANTY OR CONDITION, EXPRESS OR IMPLIED, CONCERNING THE SERVICES, INCLUDING THE ACCURACY OF THE INFORMATION REGARDING THE END CONSUMERS.

ARTICLE VIII INDEMNIFICATION

8.1 Indemnification by Customer. Customer agrees to and shall indemnify, defend and hold harmless ARC and its directors, officers, agents, consumer reporting agency (Equifax, Experian, TransUnion), members, managers and employees against any and all third party claims, liabilities, damages, costs and expenses, including reasonable attorneys' fees, arising out of (i) Customer's misuse of the Services to End Consumers, (ii) any specification, documentation, or other intellectual property provided by Customer to ARC that gives rise to any claim of infringement and (iii) a breach or alleged breach of any representation or warranty made by Customer. Customer's forgoing rights and obligations of indemnity are conditioned on (i) prompt written notification from ARC to the Customer of the claim for which indemnity is sought; (ii) sole control by the Customer of the defense of any action and all negotiations for settlement and compromise; and (iii) cooperation and assistance from ARC, including reasonable disclosure of information and authority necessary to perform the above. ARC shall be responsible for the costs and fees of its own counsel if it desires to have separate legal representation in any such action.

8.2 General Indemnification by ARC. ARC agrees to and shall indemnify, defend and hold harmless Customer and its directors, officers, agents and employees against any and all third party claims, liabilities, damages, costs and expenses, including reasonable attorneys' fees, arising out of a breach or alleged breach of any representation or warranty made by ARC in this Agreement. ARC's rights and obligations of indemnity set forth above are conditioned on (i) prompt written notification from Customer to ARC of the claim for which indemnity is sought; (ii) sole control by ARC of the defense of any action and all negotiations for settlement and compromise; and (iii) cooperation and assistance from Customer, including reasonable disclosure of information and authority necessary to perform the above. Customer shall be responsible for the costs and fees of its own counsel if it desires to have separate legal representation in any such action.

ARTICLE IX GENERAL

9.1 Independent Contractor. The parties are independent contractors and neither party shall be deemed an employee or agent of the other. Nothing in this Agreement is intended to, or shall be deemed to, constitute a partnership or joint venture between the parties

9.2 Scope of Agreement. This Agreement, including any and all exhibits hereto, contains the complete agreement between the parties and shall, as of the Effective Date, supersede all other agreements between the parties. The parties stipulate that neither of them has made any representation with respect to the subject matter of this Agreement or the execution and delivery hereof except such representations as are specifically set forth herein. Each of the parties hereto acknowledges that they have relied on their own judgment in entering into this Agreement.

9.3 Amendment. No waiver or modification of this Agreement or of any covenant, condition, or limitation herein contained shall be valid unless in writing and duly executed by both parties, and no evidence of any waiver or modification shall be offered or received in

evidence in any proceeding, arbitration, or litigation between the parties hereto arising out of or affecting this Agreement, or the rights or obligations of the parties hereunder, unless such waiver or modification is in writing, duly executed both parties. The parties further agree that the provisions of this section may not be waived except as set forth herein.

9.4 No Waiver. Forbearance or neglect on the part of either party to insist upon strict compliance with the terms of this Agreement shall not be construed as or constitute a waiver thereof.

9.5 Limitation of Actions. No action arising out of this Agreement, regardless of its form, may be brought by either party more than one (1) year after termination of this Agreement.

9.6 Choice of Law/Jurisdiction. This Agreement will in all respects be governed by and construed in accordance with the laws of Washington, without regard to choice of law provisions. The parties agree that all disputes arising in any way out of this Agreement will be heard exclusively in, and all parties irrevocably consent to jurisdiction and venue in, the state and Federal courts of Washington.

9.7 Attorney Fees. If either party employs attorneys to enforce any rights arising out of or relating to this Agreement, the prevailing party shall be entitled to recover reasonable costs and attorneys' fees.

9.8 Agreement Binding on Successor. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of the respective parties.

9.9 Assignment. ARC reserves the right to assign its legal rights and obligations arising under this Agreement to any third party at any time for any purpose. Customer may not assign this agreement without the express written consent of ARC, provided however, such consent shall not be unreasonably withheld by ARC.

9.10 Force Majeure. Neither party shall be liable for any delay in performance due to force majeure, including strikes, accidents, acts of God, or other delays beyond its control. If timely completion of any obligation herein is prevented by any cause of force majeure, or any act of the other party, then such failure or delay shall not constitute default. Notwithstanding the foregoing, lack of funds or causes resulting from lack of funds shall not be deemed to be a cause beyond the control of either party, and this provision shall not operate to excuse either party from the prompt payment of any monies required by this Agreement.

9.11 Compliance with Laws. Customer represents and warrants that it shall comply at its own expense with all applicable laws, rules and regulations of governmental bodies and agencies, including all laws, rules and regulations affecting or governing exports, in its performance under this Agreement.

9.12 Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, illegal or unenforceable for any reason, the remaining provisions shall remain in full force and effect as if this Agreement had been executed with the invalid portion eliminated. The parties further agree to substitute for the invalid provision, a valid provision that most closely approximates the intent and economic effect of the invalid provision.

9.13 Notice. Unless otherwise agreed to by the parties, all notices required under this Agreement will be deemed effective when received and made in writing to the respective parties indicated below by either (i) registered mail, (ii) certified mail, return receipt requested, (iii) overnight mail, or (iv) telephone facsimile.

9.14 Headings. The headings in this Agreement are provided for reference only and shall not be used in interpreting or construing this Agreement or any document attached hereto and referenced herein.

9.15 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Dated this ____ day of _____, 20__.

American Reporting Company, LLC

By: _____
(signature)

Print or Type Name

Address:
6628 212th Street SW
Suite 100
Lynnwood, WA 98036

Customer

By: _____
(signature)

Print or Type Name

Address:



AMERICAN REPORTING COMPANY

EXHIBIT A**CREDIT REPORTING SERVICES,
POLICIES AND REQUIREMENTS****A. ORDERING CREDIT REPORTING SERVICES:**

Please provide all required information and place your order on ARC's website at:

<https://Secure.ARCReports.com>

B. SERVICE FEES:

Please visit ARC's website at www.arcreports.com to determine current fees. Any three bureau 'infile' will be credited towards the cost of a Residential Mortgage Credit Report (RMCR) provided the RMCR is ordered within thirty (30) days of the infile order date. Customer acknowledges that services performed on 'infile' credit reports will be billed in addition to the cost of the infile credit report according to the effective pricing established by ARC.

C. COMPLIANCE WITH LAWS:

1. Due to new credit bureau requirements, all physical business locations including, but not limited to branch and "net" offices of Customer, will require a physical site inspection by a bureau-approved, independent, third party vendor. The cost of the onsite inspection is \$75 per location and will be billed to Customer's account. Customers that are located in a residential setting (home, condominium, apartment etc.) are subject to an annual site inspection of \$75 completed by a bureau-approved, independent, third party vendor.
2. The federal Gramm-Leach-Bliley Act, 15 U.S.C.A. Section 6801 *et. seq.* (2000), ("GLB Act") was enacted to protect the use and disclosure of non-public personal information, including, in certain instances, the use of identifying information and the GLB Act provides limited exceptions under which such information may be used. Customer represents and warrants that if fraud prevention products are used through ARC, then customer must comply with provisions within GLB Act (Gramm-Leach-Bliley). Any fraud products ordered will be solely used for internal customer use and for fraud prevention only, Customer further warrants adherence to the provisions of GLB Act.
3. Customer represents and warrants that it has a "permissible purpose" under the FCRA to obtain the information derived from the Equifax/Beacon Model, Trans Union/Empirica Model and Experian/Fair, Isaac Model

(collectively “Scores”). Customer requests the Services of ARC for the following permissible purpose(s) (check the appropriate boxes):

- a) In connection with a mortgage transaction involving the End Consumer and regarding the extension of credit to, or review or collection of an account of, the End Consumer; or
- b) For employment purposes; or
- c) As a potential investor or servicer, or current insurer, in connection with a valuation of, or assessment of the credit or prepayment risks associated with, an existing credit obligation; or
- d) For a legitimate business need for the information, either:
 - (1) in connection with a business transaction that is initiated by the End Consumer; or
 - (2) to review an account to determine whether the End Consumer continues to meet terms of the account; or
- e) In connection with a tenant screening application involving the End Consumer.
- f) In connection with a non-profit housing counseling involving the End Consumer

4. The Fair Credit Reporting Act requires Customer to provide their consumer a copy of a Credit Score Information Disclosure Form, Notice to Home Loan Applicant and the Risk Based Pricing Disclosure. These disclosures must be sent for every credit report generated and sent within 3 days of the credit report order date. The information will relay to the consumer their credit score and derogatory information which contributed to their score. If customer chooses to have ARC provide this service then customer will be billed \$2.25 per Credit Score Information Disclosure. The service will include postage, processing and a monthly report for audit purposes.

ARC to provide services _____ (initial)

Customer agrees to provide services _____ (initial)

5. Customer shall not obtain Reports for any other use. Failure to comply with the applicable law, including FCRA, can result in state or federal enforcement actions, as well as private lawsuits. In addition, any person who knowingly and willfully obtains a consumer Report under false pretenses may face criminal prosecution.

6. Customer acknowledges credit reports and scores will be obtained for the purposes identified within this Exhibit. Customer further accepts Experian, Equifax and TransUnion audit requirements for verifying permissible purposes (e.g. borrower authorization forms, 1003 application etc.)
7. Customer will ensure that prior to procurement of a Report, they will have attained proper authorization and consent from the End Consumer. ARC suggests Customer obtain authorization in writing before ordering a credit Report for an End Consumer.
8. Customer agrees to limit its use of the Scores solely for its own business with no right to transfer or otherwise sell, license, sublicense or distribute said Scores to third parties and acknowledges its responsibilities under FCRA as explained on the forms provided with this agreement.
9. Each Customer shall maintain internal procedures to minimize the risk of unauthorized disclosure of Scores and agrees that such Scores will be held in strict confidence and disclosed only to those of its employees with a “need to know” and to no other person
10. Customer warrants that neither it nor its employees, agents or subcontractors shall use the trademarks, service marks, logos, names, or any other proprietary designations, whether registered or unregistered, of Equifax, Trans Union, Experian, and Fair, Isaac or Company, or the affiliates of any of them, or of any other party involved in the provision of the Scores without such entity’s prior written consent. Customer further warrants that neither it nor its employees, agents or subcontractors shall attempt in any manner, directly or indirectly, to discover or reverse engineer any confidential and proprietary information developed or used by Equifax, Trans Union, Experian, or Fair, Isaac and Company in generating the Scores.

REQUIREMENTS OF THE FCRA

Although the FCRA primarily regulates the operations of consumer credit reporting agencies, it also affects you as a user of information. A copy of the FCRA may be viewed from within our web site (<http://www.arcreports.com>) under frequently asked questions and also under the Federal Trade Commission's Internet web site (<http://www.ftc.gov>). We suggest that you and your employees become familiar with the following sections in particular:

- § 604. Permissible Purposes of Reports
- § 607. Compliance Procedures
- § 615. Requirement on users of consumer reports
- § 616. Civil liability for willful noncompliance
- § 617. Civil liability for negligent noncompliance
- § 619. Obtaining information under false pretenses
- § 621. Administrative Enforcement
- § 623 Responsibilities of Furnishers of Information to Consumer Reporting Agencies

Each of these sections is of direct consequence to users who obtain Reports on consumers.

As directed by the law, credit Reports may be issued only if they are to be used for extending credit, review or collection of an account, employment purposes, underwriting insurance or in connection with some other legitimate business transaction such as in investment, partnership, etc. It is imperative that you identify each request for a Report to be used for employment purposes when such report is ordered. Additional state laws may also impact your usage of Reports for employment purposes.

ARC strongly endorses the letter and spirit of the FCRA. We believe that this law and similar state laws recognize and preserve the delicate balance between the rights of the consumer and the legitimate needs of commerce.

In addition to the FCRA, other federal and state laws addressing such topics as computer crime and unauthorized access to protected databases have also been enacted. As a prospective user of consumer Reports, we expect that you and your staff will comply with all relevant federal statutes and the statutes and regulation of the states in which you operate.

We support consumer reporting legislation that will assure fair and equitable treatment for all consumers and users of credit information.

E. ACCESS SECURITY REQUIREMENTS

For the purposes of this Section E, “you” and “your” refer to Customer. We must work together to protect the privacy and information of consumers. The following information security measures are designed to reduce unauthorized access to consumer information. It is your responsibility to implement these controls. If you do not understand these requirements or need assistance, it is your responsibility to employ an outside service provider to assist you.

Capitalized terms used herein have the meaning given in the Glossary attached hereto. The credit reporting agency reserves the right to make changes to Access Security Requirements without notification. The information provided herewith provides minimum baselines for information security. In signing this Exhibit A to the Agreement, Customer, and its employees agree to comply with the following measures:

1. Implement Strong Access Control Measures

- 1.1 Do not provide your credit reporting agency Subscriber Codes or passwords to anyone. No one from the credit reporting agency will ever contact you and request your Subscriber Code number or password.
- 1.2 Proprietary or third party system access software must have credit reporting agency Subscriber Codes and password(s) hidden or embedded. Account numbers and passwords should be known only by supervisory personnel.
- 1.3 You must request your Subscriber Code password be changed immediately when:
 - any system access software is replaced by system access software or is no longer used; or
 - the hardware on which the software resides is upgraded, changed or disposed of.
- 1.4 Protect credit reporting agency Subscriber Code(s) and password(s) so that only key personnel know this sensitive information. Unauthorized personnel should not have knowledge of your Subscriber Code(s) and password(s).
- 1.5 Create a separate, unique user ID for each user to enable individual authentication and accountability for access to the credit reporting agency's infrastructure. Each user of the system access software must also have a unique logon password.
- 1.6 Ensure that user IDs are not shared and that no Peer-to-Peer file sharing is enabled on those users' profiles.
- 1.7 Keep user passwords Confidential.
- 1.8 Develop strong passwords that are:
 - Not easily guessable (i.e. your name or company name, repeating numbers and letters or consecutive numbers and letters); and
 - Contain a minimum of seven (7) alpha/numeric characters for standard user accounts.
- 1.9 Implement password protected screensavers with a maximum fifteen (15) minute timeout to protect unattended workstations.
- 1.10 Active logins to credit information systems must be configured with a 30 minute inactive session, timeout.
- 1.11 Restrict the number of key personnel who have access to credit information.
- 1.12 Ensure that personnel who are authorized access to credit information have a business need to access such information and understand these requirements to access such information are only for the permissible purposes listed in the Permissible Purpose Information section of your membership application.
- 1.13 Ensure that you and your employees do not access your own credit reports or those reports of any family member(s) or friend(s) unless it is in connection with a credit transaction or for another permissible purpose.

- 1.14 Implement a process to terminate access rights immediately for users who access credit reporting agency credit information when those users are terminated or when they have a change in their job tasks and no longer require access to that credit information.
- 1.15 After normal business hours, turn off and lock all devices or systems used to obtain credit information.
- 1.16 Implement physical security controls to prevent unauthorized entry to your facility and access to systems used to obtain credit information.

2. Maintain a Vulnerability Management Program

- 2.1 Keep operating system(s), Firewalls, Routers, servers, personal computers (laptop and desktop) and all other systems current with appropriate system patches and updates.
- 2.2 Configure infrastructure such as Firewalls, Routers, personal computers, and similar components to industry best security practices, including disabling unnecessary services or features, removing or changing default passwords, IDs and sample files/programs, and enabling the most secure configuration features to avoid unnecessary risks.
- 2.3 Implement and follow current best security practices for Computer Virus detection scanning services and procedures:
 - Use, implement and maintain a current, commercially available Computer Virus detection/scanning product on all computers, systems and networks.
 - If you suspect an actual or potential virus, immediately cease accessing the system and do not resume the inquiry process until the virus has been eliminated.
 - On a weekly basis at a minimum, keep anti-virus software up-to-date by vigilantly checking or configuring auto updates and installing new virus definition files.
- 2.4 Implement and follow current best security practices for computer anti-Spyware scanning services and procedures:
 - Use, implement and maintain a current, commercially available computer anti-Spyware scanning product on all computers, systems and networks.
 - If you suspect actual or potential Spyware, immediately cease accessing the system and do not resume the inquiry process until the problem has been resolved and eliminated.
 - Run a secondary anti-Spyware scan upon completion of the first scan to ensure all Spyware has been removed from your computers.
 - Keep anti-Spyware software up-to-date by vigilantly checking or configuring auto updates and installing new anti-Spyware definition files weekly, at a minimum. If your company's computers have unfiltered or unblocked access to the Internet (which prevents access to some known problematic sites), then it is recommended that anti-Spyware scans be completed more frequently than weekly.

3. Protect Data

- 3.1 Develop and follow procedures to ensure that data is protected throughout its entire information lifecycle (from creation, transformation, use, storage and secure destruction) regardless of the media used to store the data (i.e., tape, disk, paper, etc.).
- 3.2 All credit reporting agency data is classified as Confidential and must be secured to this requirement at a minimum.
- 3.3 Procedures for transmission, disclosure, storage, destruction and any other information modalities or media should address all aspects of the lifecycle of the information.
- 3.4 Encrypt all credit reporting agency data and information when stored on any laptop computer and in the database using AES or 3DES with 128-bit key encryption at a minimum.
- 3.5 Only open email attachments and links from trusted sources and after verifying legitimacy.

4. Maintain an Information Security Policy

- 4.1 Develop and follow a security plan to protect the Confidentiality and integrity of personal consumer information as required under the GLB Safeguard Rule.
- 4.2 Establish processes and procedures for responding to security violations, unusual or suspicious events and similar incidents to limit damage or unauthorized access to information assets and to permit identification and prosecution of violators.
- 4.3 The FACTA Disposal Rules requires that you implement appropriate measures to dispose of any sensitive information related to consumer credit reports and records that will protect against unauthorized access or use of that information.
- 4.4 Implement and maintain ongoing mandatory security training and awareness sessions for all staff to underscore the importance of security within your organization.

5. Build and Maintain a Secure Network

- 5.1 Protect Internet connections with dedicated, industry-recognized Firewalls that are configured and managed using industry best security practices.
- 5.2 Internal private Internet Protocol (IP) addresses must not be publicly accessible or natively routed to the Internet. Network address translation (NAT) technology should be used.
- 5.3 Administrative access to Firewalls and servers must be performed through a secure internal wired connection only.
- 5.4 Any stand alone computers that directly access the Internet must have a desktop Firewall deployed that is installed and configured to block unnecessary/unused ports, services and network traffic.
- 5.5 Encrypt Wireless access points with a minimum of WEP 128 bit encryption, WPA encryption where available.
- 5.6 Disable vendor default passwords, SSIDs and IP Addresses on Wireless access points and restrict authentication on the configuration of the access point.

6. Regularly Monitor and Test Networks

- 6.1 Perform regular tests on information systems (port scanning, virus scanning, vulnerability scanning).
- 6.2 Use current best practices to protect your telecommunications systems and any computer system or network device(s) you use to provide Services hereunder to access credit reporting agency systems and networks. These controls should be selected and implemented to reduce the risk of infiltration, hacking, access penetration or exposure to an unauthorized third party by:
 - protecting against intrusions;
 - securing the computer systems and network devices; and
 - protecting against intrusions of operating systems or software.

Record Retention: *The FCRA at Section 1681 states: “An action to enforce any liability created under this title may be brought in any appropriate United States district court, without regard to the amount in controversy, or in any other court of competent jurisdiction, not later than the earlier of (1) 2 years after the date of discovery by the plaintiff of the violation that is the basis for such liability; or (2) 5 years after the date on which the violation that is the basis for such liability occurs.” Accordingly, client agrees to preserve all written or recorded application information for a period of five (5) years.*

“Under Section 621 (a) (2) (A) of the FCRA, any person that violates any of the provisions of the FCRA may be liable for a civil penalty of not more than \$2,500 per violation.”

F. SCORE MODEL USE REQUIREMENTS

1. Customer hereby acknowledges and agrees that in using ARC credit reporting Services it will comply with the following:
 - a) Customer warrants that it has a “permissible purpose” under the FCRA, as it may be amended from time to time, to obtain the information derived from the Equifax/Beacon Model, Trans Union/Empirica Model and Experian/Fair, Isaac Model (collectively “Score Models”). The FCRA, 15 USC 1681 et seq. is set forth in full at the Federal Trade Commission’s Internet web site (<http://www.ftc.gov>).
 - b) The Customer agrees to limit its use of the Consumer Report, Scores (as defined in Section C.2 of this Exhibit A) and reason codes solely to use in its own business with no right to transfer or otherwise sell, license, sublicense or distribute said Consumer Report, scores or reason codes to third parties;
 - c) A requirement that each Customer maintain internal procedures to minimize the risk of unauthorized disclosure and agree that such Scores and reason codes will be held in strict confidence and disclosed only to those of its employees with a “need to know” and to no other person.

- d) Notwithstanding any contrary provision of this Exhibit A to the Agreement, Customer may disclose the Scores provided to Customer under the Agreement and this Exhibit A to End Users, when accompanied by the corresponding reason codes, in the context of bona fide lending transactions and decisions only.
- e) Customer shall comply with all applicable laws and regulations in using the Scores and reason codes purchased from ARC;
- f) Customer and its employees, agents or subcontractors shall not use the trademarks, service marks, logos, names, or any other proprietary designations, whether registered or unregistered, of Equifax, Trans Union, Experian, and Fair, Isaac and Company, or the affiliates of any of them, or of any other party involved in the provision of the Scores without such entity's prior written consent;
- g) Customer shall not, in any manner, directly or indirectly, discover or reverse engineer any confidential and proprietary criteria developed or used by Equifax, Trans Union, Experian, or Fair, Isaac and Company in generating the Scores;

2. Warranties.

- a) Equifax, Trans Union, Experian, and Fair, Isaac and Company warrant that the Score Models are empirically derived and demonstrably and statistically sound and that to the extent the population to which the Score Models are applied are similar to the population sample on which the Score Models were developed, the Score Models score may be relied upon by Customer to rank consumers in the order of the risk of unsatisfactory payment such consumers might present to Customers. Equifax, Trans Union, Experian, and Fair, Isaac and Company further warrant that so long as they provide the Score Models, they will comply with regulations promulgated from time to time pursuant to the Equal Credit Opportunity Act, 15 USC Section 1691 et seq. **THE FOREGOING WARRANTIES ARE THE ONLY WARRANTIES EQUIFAX, TRANS UNION, EXPERIAN, AND FAIR, ISAAC AND COMPANY HAVE GIVEN BROKER AND/OR CUSTOMERS WITH RESPECT TO THE SCORE MODELS AND SUCH WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, EQUIFAX, TRANS UNION, EXPERIAN, AND FAIR, ISAAC AND COMPANY MIGHT HAVE GIVEN BROKER AND/OR CUSTOMERS WITH RESPECT THERETO, INDLUCING, FOR EXAMPLE, WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.**
- b) Further, the aggregate liability of Equifax, Trans Union, Experian, and Fair, Isaac and Company to each Customer is limited to the lesser of the fees paid by ARC to Equifax, Trans Union, Experian, and Fair, Isaac and Company for the Score Models resold to the pertinent Customer during the six (6) month period immediately preceding the Customer's claim, or the fees paid by the pertinent Customer to ARC under this Agreement during said six (6) month period, and excluding any liability of Equifax, Trans Union, Experian, and Fair, Isaac and Company for incidental, indirect, special, or consequential damages of any kind.

G. APPLICABLE STATE LAWS AND REQUIRED CONSENTS –

(this consent is for any borrower who's residency is in the State of Vermont. This consent is required for Vermont residents who purchase/refinance properties in any state)

Vermont Fair Credit Reporting Statute, 9 V.S.A. § 2480e (1999)

§ 2480e. Consumer consent

- (a) A person shall not obtain the credit report of a consumer unless:
- (1) the report is obtained in response to the order of a court having jurisdiction to issue such an order;
- or
- (2) the person has secured the consent of the consumer, and the report is used for the purpose consented to by the consumer.
- (b) Credit reporting agencies shall adopt reasonable procedures to assure maximum possible compliance with subsection (a) of this section.
- (c) Nothing in this section shall be construed to affect
- (1) the ability of a person who has secured the consent of the consumer pursuant to subdivision (a)(2) of this section to include in his or her request to the consumer permission to also obtain credit reports, in connection with the same transaction or extension of credit, for the purpose of reviewing the account, increasing the credit line on the account, for the purpose of taking collection action on the account, or for other legitimate purposes associated with the account; and
 - (2) the use of credit information for the purpose of prescreening, as defined and permitted from time to time by the Federal Trade Commission.

Vermont Rules * Current through June 1999*** Agency 06, Office of the Attorney General**

Sub-Agency 031, Consumer Protection Division, Chapter 012. Consumer Fraud--Fair Credit Reporting Rule CF 112 Fair Credit Reporting, CVR 06-031-012, CF 112.03 (1999)

Cf 112.03 Consumer Consent

(a) A person required to obtain consumer consent pursuant to 9 V.S.A. §§ 2480e and 2480g shall obtain said consent in writing if the consumer has made a written application or written request for credit, insurance, employment, housing or governmental benefit. If the consumer has applied for or requested credit, insurance, employment, housing or governmental benefit in a manner other than in writing, then the person required to obtain consumer consent pursuant to 9 V.S.A. §§ 2480e and 2480g shall obtain said consent in writing or in the same manner in which the consumer made the application or request. The terms of this rule apply whether the consumer or the person required to obtain consumer consent initiates the transaction.

(b) Consumer consent required pursuant to 9 V.S.A. §§ 2480e and 2480g shall be deemed to have been obtained in writing if, after a clear and adequate written disclosure of the circumstances under which a credit report or credit reports may be obtained and the purposes for which the credit report or credit reports may be obtained, the consumer indicates his or her consent by providing his or her signature.

(c) The fact that a clear and adequate written consent form is signed by the consumer after the consumer's credit report has been obtained pursuant to some other form of consent shall not affect the validity of the earlier consent.

Initial: _____

California Civil Code - Section 1785.14(a) (this consent is for any borrower who's residency is in the State of California. This consent is required for California residents who purchase/refinance properties in any state)

Section 1785.14(a), as amended, states that a consumer credit reporting agency does not have reasonable grounds for believing that a consumer credit report will be used only for permissible purposes unless all of the following requirements are met:

Section 1785.14(a)(1) states: "If a prospective user is a retail seller, as defined in Section 1802.3, and intends to issue credit to a consumer who appears in person on the basis of an application for credit submitted in person, the consumer credit reporting agency shall, with a reasonable degree of certainty, match at least three categories of identifying information within the file maintained by the consumer credit reporting agency on the consumer with the information provided to the consumer credit reporting agency by the retail seller. The categories of identifying information may include, but are not limited to, first and last name, month and date of birth, driver's license number, place of employment, current residence address, previous residence address, or social security number. The categories of information shall not include mother's maiden name."

Section 1785.14(a)(2) states: "If the prospective user is a retail seller, as defined in Section 1802.3, and intends to issue credit to a consumer who appears in person on the basis of an application for credit submitted in person, the retail seller must certify, in writing, to the consumer credit reporting agency that it instructs its employees and agents to inspect a photo identification of the consumer at the time the application was submitted in person. This paragraph does not apply to an application for credit submitted by mail."

Section 1785.14(a)(3) states: "If the prospective user intends to extend credit by mail pursuant to a solicitation by mail, the extension of credit shall be mailed to the same address as on the solicitation unless the prospective user verifies any address change by, among other methods, contacting the person to whom the extension of credit will be mailed."

SUBSCRIBER CERTIFICATION OF COMPLIANCE

In compliance with Section 1785.14(a) of the California Civil Code, _____ ("Subscriber") hereby certifies to American Reporting Company, LLC ("ARC") as follows:

Subscriber _____ is _____ is **not** a retail seller, as defined in Section 1802.3 of the California Civil Code ("Retail Seller") and issues credit to consumers who appear in person on the basis of applications for credit submitted in person ("Point of Sale").

Subscriber also certifies that if Subscriber is a Retail Seller, who conducts Point of Sale transactions, Subscriber will, beginning on or before July 1, 1998, instruct its employees and agents to inspect a photo identification of the consumer at the time an application is submitted in person.

Subscriber also certifies that it will only use the appropriate subscriber code number designated by ARC for accessing consumer reports for California Point of Sale transactions conducted by Retail Seller.

If Subscriber is not a Retail Seller who issues credit in Point of Sale transactions, Subscriber agrees that if it, at any time hereafter, becomes a Retail Seller who extends credit in Point of Sale transactions, Subscriber shall provide written notice of such to ARC prior to using credit reports with Point of Sale transactions as a Retail Seller, and shall comply with the requirements of a Retail Seller conducting Point of Sale transactions as a Retail Seller, and shall comply with the requirements of a Retail Seller conducting Point of Sale transactions, as provided in this certification. Such notice should be directed to: American Reporting Company, 6628 212th St. Sw. Ste. 100, Lynnwood, WA 98036

Initial: _____

Dated this _____ day of _____, 20____.

American Reporting Company, LLC

By: _____
(signature)

(signature)

Print or Type Name

Print or Type Name

ADDRESS:

6628 212th Street SW
Suite 100
Lynnwood, WA 98036

[SIGNATURE PAGE TO EXHIBIT A]



AMERICAN REPORTING COMPANY

EXHIBIT B

APPRAISAL RELATED SERVICES

A. ORDERING APPRAISAL SERVICES:

Please provide all appraisal information and place your order on ARC's website at the website below or a custom secure website provided under separate cover:

<https://Secure.ARCReports.com>

B. SERVICE FEES:

ARC will provide client with a custom fee schedule under separate cover. ARC Standard Schedule of Fees is listed on www.arcreports.com.

C. ARC's Appraisal Related Services include the following Services

- Management of Customer's Appraiser list, including verification of licensure and updating as necessary
- Ordering of appraisals, including all statutorily-required language
- Storage of completed appraisals
- Delivery to GSE Portal
- Facilitation of appraisal process, including communicating status of appraisal to all parties
- Provide a compliance review of appraisal or assignments
- Vendor payment in agreed upon timeline
- Verification that appraisal has provided a response to questions or concerns raised by Customer pursuant to the appraisal process
- Facilitating communication between Customer and appraisal provider until responses satisfactorily answer questions or concerns raised by Customer
- Delivery of Appraisal, GSE documentation and other applicable documents to Client

- D. The Consumer Finance Protection Bureau through the Dodd-Frank Act requires Customer to provide a copy(ies) of all valuation reports used in the lending process. These valuation reports must be sent prior to the loan funding date. Access to ARC Services will allow electronic or mail delivery service to Customer's Borrower based on the information provided by client. If customer chooses to have access to ARC service, then customer will be billed \$5.00 per valuation report sent through electronic means (\$10 per valuation report if mailed). The service will include postage, processing and a monthly report for audit purposes.

Access to ARC Service _____ (initial)

Customer agrees to provide services _____ (initial)

- E. Customer hereby acknowledges and agrees that, with respect to Customer's use of ARC's Appraisal Services, no employee or agent of Customer, or any other third party working on of the Customer, shall influence the development, reporting, result, or review of an appraisal through coercion, compensation, inducement, or in any other manner including but not limited to:
1. Withholding timely payment for an appraisal report.
 2. Communicating a predetermined, expected, or qualifying estimate of value, or a loan amount or target loan-to-value ratio to an appraiser or person performing an evaluation.
 3. Specifying a minimum value requirement for the property that is needed to approve the loan or as a condition of ordering the valuation.
 4. Conditioning a person's compensation on loan consummation.
 5. Failing to compensate a person because a property is not valued at a certain amount.
 6. Implying that current or future retention of a person's services depends on the amount at which the appraiser or person performing an evaluation values a property.
 7. Excluding a person from consideration for future engagement because a property's reported market value does not meet a specified threshold.
 8. Conditioning the ordering of an appraisal report or the payment of an appraisal fee on the valuation to be reached, or on a preliminary value estimate requested from an appraiser.
 9. Requesting that an appraiser provide a desired valuation in an appraisal report prior to the completion of the appraisal report, or requesting that an appraiser provide estimated values or comparable sales at any time prior to the appraiser's completion of an appraisal report.
 10. Providing to an appraiser an anticipated or desired value for a subject property or a target amount to be loaned to the End Customer, except that a copy of the sales contract for purchase

transactions may be provided.

11. Any other act or practice that impairs or attempts to impair an appraiser’s independence, objectivity, or impartiality or violates law or regulation, including, but not limited to, the Truth in Lending Act and Regulation Z, or the USPAP.

F. Customer hereby acknowledges and agrees that, with respect to Customer’s use of ARC’s Appraisal Services, all members of Customer’s loan production staff, as well as any person (i) who is compensated on a commission basis upon the successful completion of a loan or (ii) who reports, ultimately, to any officer of Customer not independent of the loan production staff and process, shall be forbidden from:

1. selecting, retaining, recommending, or influencing the selection of any appraiser for a particular appraisal assignment or for inclusion on a list or panel of appraisers approved to perform appraisals for Customer or forbidden from performing such work; and
2. having any substantive communications with an appraiser or appraisal management company, including ARC, relating to or having an impact on valuation, including ordering or managing an appraisal assignment.

Dated this _____ day of _____, 20____.

Customer Name: _____ American Reporting Company, LLC

By: _____
(signature) *(signature)*

Print or Type Name Date Print or Type Name Date

ADDRESS:

6628 212th Street SW
Suite 100
Lynnwood, WA 98036

EXHIBIT C

HVE – FreddieMAC Value Explorer

Sublicense/End User Agreement

THIS END USER AGREEMENT (the "Agreement") made this _____ day of _____, 20__ (the "Effective Date") by and between **American Reporting Company, LLC**, a **Washington State Corporation**, with its principal place of business located at **6628 212th Street SW, Lynnwood WA 98036** ("Service Provider") and, _____, a _____, with its principal place of business located at _____ ("End User").

RECITALS

WHEREAS, Service Provider has licensed certain automated valuation products (the "Products") developed and owned by the Federal Home Loan Mortgage Corporation ("Freddie Mac") the terms of which sublicense impose obligations upon the Service Provider; and

WHEREAS, End User desires to sublicense the Products identified in End User Exhibit A, the Product List, to obtain certain information generated by the Products in response to a Query ("Model Result"). References to the term "Products" includes the term "Model Result."

NOW, THEREFORE, in consideration of the foregoing, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Definitions. The following definitions will apply to this Agreement.
 - (a) "**Bona Fide Test**" means a commercially reasonable test conducted on behalf of or by an End User for the sole purpose of evaluating the Products.
 - (b) "**Confidential Information**" refers collectively to Freddie Mac Information and End User Information.
 - (c) "**End User Information**" means Property Street Address, City, State and Zip Code, and non-Freddie Mac Loan Number that End User provides to Freddie Mac or to the Service Provider solely in connection with its use of the Products.
 - (d) "**Freddie Mac Information**" means all information previously provided, or that in the future is provided, to End User by Freddie Mac or by the Service Provider in connection with use of the Products under this Agreement, whether delivered orally or in writing and whether or not it is specifically marked or designated confidential. Freddie Mac Information also includes all materials that End User prepares based on Freddie Mac Information, including, without limitation, notes, reports or test data End User develops in connection with the use of the Products, or discussions with Freddie Mac employees. Without limiting the foregoing in any way, the following information constitutes Freddie Mac Information: all Freddie Mac analytic models and algorithms and any non-public information relating to Freddie Mac's Products.
 - (e) "**Proprietor**" means the party that discloses Confidential Information to the other party.
 - (f) "**Recipient**" means the party that receives Confidential Information from the other party.
2. Term.
 - (a) Limit on Term. The term of this Agreement may not exceed the term of Freddie Mac's agreement to license any the Products.
 - (b) Termination for Convenience. In the event Freddie Mac terminates its agreement to license any of the Products, Service Provider will terminate this Agreement effective thirty (30) days from the date Service Provider receives written notice of such termination.

3. Grant of Sublicense. Service Provider grants to End User a limited, non-exclusive, non-transferable sublicense to use the Products for End User's internal business purposes only. End User agrees it will not sublicense the Products or transfer or disclose the Products except as provided in this Agreement
4. Third Party Beneficiary. Freddie Mac, as owner of the Products, is a third party beneficiary to this Agreement and has an independent right of action to enforce the provisions of this Agreement.
5. Disclaimer.
 - (a) THE PRODUCTS ARE PROVIDED TO END USER "AS IS" AND "AS AVAILABLE," AND ALL USES OF THE PRODUCTS ARE AT END USER'S SOLE RISK. FREDDIE MAC DOES NOT GUARANTEE THE ACCURACY OR RELIABILITY OF THE PRODUCTS OUTPUT OR FREDDIE MAC INFORMATION. ALL WARRANTIES CONCERNING THE PRODUCTS AND THE UNDERLYING DATA AND PROCESSES, BOTH EXPRESS AND IMPLIED, ARE HEREBY EXPRESSLY DISCLAIMED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY, ACCURACY AND/OR FITNESS FOR A PARTICULAR PURPOSE.
 - (b) IN NO EVENT WILL FREDDIE MAC, OR ANY ENTITY FREDDIE MAC USES TO PROVIDE ACCESS TO THE PRODUCTS OR DATA SERVICES RELATED THERETO ("ACCESS PROVIDER"), BE LIABLE TO END USER OR ANY OTHER INDIVIDUAL OR ENTITY FOR DIRECT, INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES OF ANY TYPE WHATSOEVER, INCLUDING, WITHOUT LIMITATION, LOST PROFITS, ARISING OUT OF OR RELATING IN ANY MANNER TO THIS AGREEMENT, THE TERMINATION OF THIS AGREEMENT OR THE PERFORMANCE OR NONPERFORMANCE OF FREDDIE MAC'S OBLIGATIONS HEREUNDER, WHETHER UNDER A CONTRACT, TORT OR ANY OTHER THEORY OF LIABILITY, EVEN IF FREDDIE MAC IS AWARE OF THE POSSIBILITY OF SUCH DAMAGES.
 - (c) IN NO EVENT WILL SERVICE PROVIDER BE LIABLE TO END USER OR ANY OTHER THIRD PARTY FOR INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES AND LOST PROFITS, ARISING OUT OF OR RELATING IN ANY MANNER TO THIS AGREEMENT.
 - (d) NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS AGREEMENT, IN NO EVENT WILL THE AGGREGATE LIABILITY OF FREDDIE MAC, ITS ACCESS PROVIDER OR THE SERVICE PROVIDER ARISING OUT OF, RELATING TO OR IN CONNECTION WITH THIS AGREEMENT WILL NOT EXCEED TEN THOUSAND DOLLARS (\$10,000) FOR PURPOSES OF THIS SECTION, THE TERM AGGREGATE LIABILITY WILL INCLUDE, WITHOUT LIMITATION, ATTORNEYS FEES.

6. Uses, Disclosure and Copying of Confidential Information.

- (a) End User will treat all Freddie Mac Information as strictly confidential. Without limiting the foregoing:
- (i) End User will not use Freddie Mac Information except to the extent necessary to use the Products under this Agreement.
 - (ii) End User will keep the results of the Products, including any notes, files or reports it creates during its use of the Products, confidential unless otherwise provided in this Agreement or Freddie Mac agrees otherwise in writing.
 - (iii) End User will not disclose Freddie Mac Information, except to its employees who need to know such Freddie Mac Information to use the Products and who are legally obligated to maintain the confidentiality of Freddie Mac Information and to use Freddie Mac Information only as permitted by this Agreement.
- (b) Freddie Mac and Service Provider will treat all End User Information as strictly confidential. Without limiting the foregoing:
- (i) Neither Freddie Mac nor Service Provider will use End User Information except in connection with performance of services related to the Products.
 - (ii) Neither Freddie Mac nor Service Provider will disclose End User Information, except: (A) to their respective employees who need to know such End User Information in connection with performance of services related to the Calibrator service and who are legally obligated to maintain the confidentiality of End User Information and to use End User Information only as permitted by this Agreement; and (B) to third parties assisting Freddie Mac or Service Provider in connection with performance of services related to the Calibrator service who have agreed to keep End User Information confidential and to use End User Information only as permitted by this Agreement (which agreement may be in an agreement that does not specifically mention End User Information as long as End User Information is covered by the agreement).
- (c) Each party as a Recipient will exercise at least the same degree of care to preserve the confidentiality of Proprietor's Confidential Information that Recipient exercises to protect its own Confidential Information of a similar level of sensitivity, but in no event less than a reasonable standard of care. The parties further agree in their use of the other parties' Confidential Information to comply with applicable privacy provisions of the Gramm-Leach-Bliley Act of 1999 (Public Law 106-102, 113 Stat. 1138), as it may be amended from time to time (the "GLB Act"), and the applicable regulations promulgated thereunder, as such regulations are amended from time to time.
- (d) In the event Recipient anticipates that it may be required for any reason to release or disclose Confidential Information outside its organization, except as otherwise permitted by this Agreement or except when disclosed in accordance with Section 7 of this Agreement (to comply with legal requirements), Recipient will promptly notify Proprietor and will make reasonable efforts to provide Proprietor with a meaningful opportunity to seek a protective order or otherwise respond in such manner as Proprietor deems appropriate.
- (e) Nothing in this Confidentiality Agreement will grant to Recipient any rights in Proprietor's Confidential Information, including, but not limited to, any patent, copyright, trade secret and other intellectual property rights related thereto.

7. Exclusions. Neither party's obligations under this Confidentiality Agreement will extend to Confidential Information to the extent such information: (i) is publicly known at the time in question without a breach of this Agreement provided that End User's obligations will apply with respect to any data provided by Freddie Mac, notwithstanding the fact that the data may include or consist of information that may otherwise be publicly available; (ii) is provided to Recipient on a non-confidential basis by a third party that is not itself under any confidentiality obligation with respect to the information; or (iii) is independently developed by Recipient without use of or reference to Proprietor's Confidential Information. However, notwithstanding the fact that a portion of Confidential Information is or becomes non-confidential, Recipient's obligations under this Agreement will continue to apply to all other Confidential Information. This Agreement will not prevent Recipient from disclosing Confidential Information to the extent required by a government agency or court of competent jurisdiction, provided that Recipient complies with the requirements of Section 6(d) or Section 7, whichever applies. End User acknowledges that, notwithstanding any other provision of this Agreement, Freddie Mac may disclose End User Information to Freddie Mac's conservator, Freddie Mac's auditors and governmental entities with regulatory or oversight authority over Freddie Mac without restriction and without prior notice to End User.

8. Market Sectors and Permitted Uses; Restrictions on Use.

(a) End User only may disclose or use the data generated by or provided in connection with the Products in accordance with the following permitted and prohibited uses. **Home Value Explorer[®]**

Permitted Uses:

- Activities associated with the granting of loans backed by the value of the collateral, such as first or second lien mortgages, home equity loans and home equity lines of credit;
- To support typical lending functions, such as underwriting, quality control, and portfolio analysis;
- Activities associated with the purchase, sale or construction of homes; and
- As part of the process of evaluating home insurance needs if End User is a hazard insurance provider.

Prohibited Uses:

- Any use other than a "permitted use" is a "prohibited use" unless Freddie Mac consents to the use in writing. The following are two examples of prohibited uses.
- Any application that could be construed as "predatory lending" such as generating high-rate/high cost loans covered by the Home Ownership and Equity Protection Act of 1994 (HOEPA); and
- Uses associated with identifying potential customers, including but not limited to generating marketing or mailing lists for solicitation purposes.

Home Value Calibrator[®]

Permitted Use:

- Home Value Calibrator may be used for pre funding and post funding quality control and to identify potential home mortgage customers, including but not limited to generating marketing or mailing lists for solicitation purposes.

Prohibited Use:

Any use other than a permitted use is prohibited unless Freddie Mac consents to the use in writing. The following are two examples of prohibited uses.

- Any application that could be construed as "predatory lending" such as generating high-rate/high cost loans covered by the Home Ownership and Equity Protection Act of 1994 (HOEPA).
- Uses associated with identifying potential customers unrelated to home mortgages, including but not limited to generating marketing or mailing lists for solicitation purposes.

- (b) The Products and Model Results must be clearly identified as a Freddie Mac Product and cannot be presented as any other brand or merged with a model result from any non Freddie Mac Product.
 - (c) The following additional storage and disclosure restrictions apply:
 - (i) End User may not store values derived from the Products in a database or other electronic format for the purpose of facilitating retrieval of values in aggregate form or calculating new automated property valuation estimates.
 - (ii) End User may not make the Products available or disclose the Products to a Restricted Entity (as defined in the attached Exhibit C) except that the Model Result may be disclosed to Fannie Mae or a Federal Home Loan Bank in connection with the sale of a loan backed by the value of the collateral or to support a typical lending functions, such as underwriting, quality control, and portfolio analysis.
9. **Bona Fide Test.** Any testing or use of the Products that could be construed as “predatory lending” such as generating high-rate/high cost loans covered by the Home Ownership and Equity Protection Act of 1994 (HOEPA) is strictly prohibited. As an End User, you represent that you will test the Products solely for uses that in some way help people afford and/or wisely manage their home ownership. The Products were developed by Freddie Mac to support its mission in the secondary mortgage market. Use of the Products by any business not obviously in line with and supporting our mission is not permissible; therefore, End User hereby represents that it will not use the Products to compromise a borrower's investment in a home. Subject to the prior paragraph, Service Provider hereby grants End User a limited right to use the Products for the sole purpose of Bona Fide Testing.
- (a) Bona Fide Tests must contain a minimum of 1,000 and a maximum of 50,000 address records unless Freddie Mac has given its prior written consent. Any tests consented to by Freddie Mac that contain more than 50,000 address records will be subject to a fee established by Freddie Mac from time to time for each additional record.
 - (b) Bona Fide Tests will be limited to a maximum of two (2) requests per End User in a twelve (12) month period unless Freddie Mac has given its prior written consent. Additional requests agreed upon by Freddie Mac will be subject to a fee established by Freddie Mac from time to time.
 - (c) Bona Fide Test results may not be merged or commingled with results from third party applications.
 - (d) Freddie Mac will return all Bona Fide Test results directly to End User.
 - (e) Bona Fide Test requests are typically processed within three (3) to five (5) business days.
 - (f) All summaries of Bona Fide Test results performed by or on behalf of End User, including benchmarks and cascades, must be forwarded to the appropriate Freddie Mac relationship manager. All third party test results must be unidentifiable.
 - (g) Upon the earlier of (A) two (2) years of receipt of the Bona Fide Test results, or (B) written demand by Freddie Mac, End User will destroy all Bona Fide Test results and all copies thereof and, within five (5) business days certify the destruction of Bona Fide Test results in writing to Freddie Mac.
10. **Use of Testing Subcontractor.** Notwithstanding anything in this Confidentiality Agreement to the contrary, End User may subcontract its obligations under this Confidentiality Agreement to a subcontractor approved by Freddie Mac in writing (“Testing Subcontractor”) to perform a Bona Fide Test(s) on behalf of End User, provided that:
- (a) Freddie Mac may approve or disapprove of a proposed Testing Subcontractor in its sole discretion and may revoke approval of a Testing Subcontractor in its sole discretion;
 - (b) End User will remain responsible for all obligations and services performed by Testing Subcontractor to the same extent as if End User’s employees had performed such obligations and services;
 - (c) End User will serve as Testing Subcontractor’s sole point of contact for Bona Fide Test(s) unless End User requests (via Freddie Mac’s Relationship Manager) and Freddie Mac agrees to send test results directly to the Testing Subcontractor with whom End User has contracted to perform the Bona Fide Test(s); and

- (d) End User will not disclose Freddie Mac Information to Testing Subcontractor unless and until Testing Subcontractor has agreed in writing to protect the confidentiality of the Freddie Mac Information in a manner equivalent to that required of End User under this Confidentiality Agreement.

11. Compliance with Legal Requirements. End User may disclose the Products to the extent, and only to the extent, necessary to comply with orders or subpoenas issued by a court of competent jurisdiction or with regulatory examiners with jurisdiction over End User, or to the extent otherwise required by applicable law (the "Legal Requirements") provided that prior to any particular such disclosure:
- (a) End User provides to the Service Provider and to Freddie Mac reasonable notice of the Legal Requirement and takes such actions as may be necessary or reasonably requested by the Service Provider, and/or Freddie Mac to provide the Service Provider and Freddie Mac with a reasonable opportunity to seek either a protective order or otherwise to minimize the required disclosure; and
12. End User notifies all auditors and regulators and any other recipients of the Products in writing that the Products may not be copied or used for any purpose other than review or examination of End User except to the extent ordered by a court of competent jurisdiction, and, further, that the Products are proprietary to Freddie Mac and their use strictly limited under this End User Agreement. Audit. Upon request, End User will allow Service Provider, Freddie Mac or any regulatory agency with jurisdiction over Service Provider or its customers to review or audit End User's records, files, processes and controls related to this Agreement and will promptly respond to requests of Service Provider, Freddie Mac or a regulatory agency for information, legal and accounting opinions and other documentation related to this Agreement. End User will make its personnel and facilities available and otherwise cooperate reasonably in connection with any such review or audit and will promptly consider any reasonable process improvement suggested in such audit. Upon request, End User will provide financial statements on a yearly basis to Service Provider, who may disclose them to Freddie Mac upon request.
13. Price and Payment.
- (a) The transaction fees for the Products will be set out in the pricing schedule with the Service Provider. The Service Provider may change the pricing schedule on thirty (30) days notice to End User.
- (b) End User will pay the Service Provider transaction fees for the model results obtained during the prior month within thirty (30) days after receipt of the Service Provider's invoice.
14. Intellectual Property Rights.
- (a) The Products are the sole and exclusive property of Freddie Mac. Freddie Mac reserves all rights in the Products. The Products are not being sold under this Agreement and End User will have no title or ownership interest in the Products or in any copies.
- (b) End User may not reverse engineer, modify, summarize, add to or delete information from the Products or create derivative products from the Products. Nothing in this Agreement will be deemed to transfer to End User any rights in any Freddie Mac trademark, patent, copyright or other intellectual property.
- (c) In the event Freddie Mac or Service Provider receives notice of any claim that any of the Products violate or infringe on any patent, trade secret, copyright or other proprietary right of any third party, Freddie Mac may elect to suspend or terminate this Agreement, which action will in no event be deemed to give rise to any claim against Freddie Mac or Service Provider.
15. Governing Law. This Agreement will be construed, and the rights and obligations of the parties hereunder determined, exclusively in accordance with the substantive law of the Commonwealth of Virginia, excluding provisions of Virginia law concerning choice-of-law that would result in the law of any state other than Virginia being applied. However, the Uniform Computer Information Transactions Act (or any substantially similar law enacted by Virginia) will not apply to this Agreement or the performance of it, and instead the law of Virginia as it exists without reference to the Uniform Computer Information Transactions Act will apply. Each party hereby submits to the personal jurisdiction of said Court and consents to the dismissal of any action related to this Confidentiality Agreement that is brought in any other forum.

- (a) **Compliance.** Freddie Mac has the right to confirm that certain marketing guidelines are followed. End User agrees to comply with the Market Sectors and Permitted Uses set out in Exhibit B and if requested by Freddie Mac will certify its compliance.

17. The Service Provider may temporarily cease making the Products available to End User pending inquiry into any evidence of or allegations that End User has breached this Agreement. In the event the inquiry reveals that a breach is likely to have occurred, the Service Provider will, in addition to all other rights available under applicable law, have the right, at its sole option, to immediately terminate this Agreement and all duties and obligations of the Service Provider hereunder. **Notices.** All notices required or permitted hereunder will be in writing and will be deemed to have been properly given: (i) upon delivery if delivered personally or by a courier or overnight delivery service; or (ii) five (5) business days after mailing by certified mail, postage prepaid, return receipt requested, to the parties at the following addresses (or to such other address of which either party may notify the other in a notice that complies with the provisions of this section):

If to End User:

 Attn: _____

If to Service Provider:

American Reporting Company, LLC
 6628 212th Street SW Suite 100
 Lynnwood WA 98036
 Attn: Compliance Dept.

If to Freddie Mac:

Freddie Mac
 1551 Park Run Drive
 Mail Stop D2G
 McLean, VA 22102
 Attn: SIS Relationship Manager

With a copy to:

Freddie Mac
 8200 Jones Branch Drive
 Mail Stop 202
 McLean, VA 22102
 Attn: Managing Associate General Counsel,
 Corporate Affairs

18. **No Agency.** The Service Provider is not an agent of Freddie Mac and Freddie Mac is not responsible for any acts or omissions of the Service Provider.
19. **No Assignment.** End User may not assign this Agreement without the prior written consent of the Service Provider. This Agreement and each of the provisions relating to confidentiality in Sections 6 and 7 will, however, be binding upon and inure to the benefit of the parties and their successors and assigns and will be binding upon each party's agents, consultants, subcontractors, directors, officers, partners, principals and employees.
20. **Remedies.** Any breach of those provisions of this Agreement relating to confidentiality in Sections 6 and 7 may cause substantial and irreparable harm to Proprietor for which an award of monetary damages would be an inadequate remedy. Accordingly, in the event of any such breach or threatened breach, Proprietor may seek injunctive relief in addition to all other rights and remedies available at law and in equity.

21. **Survival.** The following provisions of this Agreement will survive the expiration or termination of this Agreement with the Service Provider: Section 3 (second sentence only), sections 4, 5, 6, 7, 8, 10, 11, 13, 14, 15, 16, 17, 18, 19, 20, 21 (second sentence only) 22, 24, and 25.
22. **End User Warranty.** End User represents and warrants that it has not developed and is not in the process of developing an automated collateral valuation tool for commercial use. End User also represents and warrants that it will use the Products only for the permitted purposes identified in this Agreement and in the attached Marketing Guidelines and Permitted Uses.
23. **Waivers.** No modification or waiver of any provision of this Agreement will be valid unless such modification or waiver is in writing and signed by the party against whom it is sought to be enforced. No waiver at any time of any provision of this Agreement will be deemed a waiver of any other provision of this Agreement at that time or at any other time.
24. **Integration.** This Agreement constitutes the only agreement relating to End User's use of the Products and relating to the confidentiality of Confidential Information exchanged in connection with such use. The provisions of this Agreement expressly supersede any prior Agreement relating to the confidentiality of information exchanged between the parties as it relates to any use of the Products by End User.
25. **Severability.** If any provision of this Agreement is held for any reason to be invalid, illegal or unenforceable, such invalidity, illegality or unenforceability will not affect any other provisions of this Agreement, and this Agreement will be construed as if such invalid, illegal or unenforceable provision had not been contained herein.
26. **Indemnification.** End User will indemnify Freddie Mac and Service Provider and their respective directors, officers, employees, successors and assigns and hold each harmless from and against any and all liabilities, losses, claims, damages, costs and expenses, including reasonable attorneys' fees, arising directly or indirectly out of the breach of any of End User's obligations hereunder, whether such breach arises out of its own action or inaction or the action or inaction of End User and its directors, officers, employees, subcontractors, partners, principals and agents, successors and assigns.

IN WITNESS WHEREOF, each party has executed this Agreement effective as of the date first above written.

 American Reporting Company, LLC
 6628 212th Street SW Suite 100
 Lynnwood WA 98036

 a (state) (entity type) ("End User")

Signature: _____

Signature: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Date: _____

Date: _____