

LOAN PURCHASE AGREEMENT

This Wholesale Lending Loan Purchase Agreement (“LPA”), dated _____ (Effective Date) between Western Bancorp, a California corporation (“Western”), whose principal place of business is located at 5671 Santa Teresa Blvd., Suite 100, San Jose , CA 95123, and _____ a _____ (the “Seller”), whose principal place of business is located at _____,

WHEREAS, Western and Seller have agreed to enter into an arrangement under which Seller will, depending upon the terms of the Mortgage Loan, the type of Mortgage Loan, the loan program under which the Mortgage Loan is originated, the jurisdiction in which the Mortgage Loan is originated, and the statutes, regulations and licensing requirements applicable to each particular Mortgage Loan, and other circumstances: sell Mortgage Loans to Western in the secondary market; assign Mortgage Loans to Western at closing; and/or act as a mortgage broker which solicits prospective borrowers for Eligible Mortgage Loans (defined below). Such Mortgage Loans may, depending on these factors, close in Western’s name or in Seller’s name. All references to “Seller,” the “sale,” “selling,” or “purchase” of Mortgage Loans, or Mortgage Loans “sold” to Western, in this Loan Purchase Agreement, any addenda hereto, and in Western’s Sellers Guide, shall refer and be applicable to any and all of the business arrangements described in this paragraph;

WHEREAS, the purpose of this Loan Purchase Agreement is to set forth the duties, responsibilities, and obligations of each party;

NOW, THEREFORE, in consideration of the promises set forth in this Loan Purchase Agreement and for other good and valuable consideration, this Loan Purchase Agreement sets forth the terms and conditions upon which the Seller agrees to sell to Western Bancorp, and the parties agree as follows:

I. The Sellers Guide

- (a) The Seller has reviewed Western’s Sellers Guide, as may be amended or revised from time to time (the “Sellers Guide” or “Guide”).
- (b) The parties agree: that Western may, in its sole and absolute discretion, amend or revise the Sellers Guide at any time, with notice to the Seller; that each Mortgage Loan sold by Seller to Western shall be governed by the version of the Sellers Guide in existence on the date of the Closing (as that term is defined in the Sellers Guide) of each Mortgage Loan; and that Sellers sale of a Mortgage Loan to Western constitutes Sellers acceptance of and agreement with each and every provision of the version of the Sellers Guide in effect at the Closing of each Mortgage Loan.
- (c) Seller further acknowledges that it has been provided electronic access to the Sellers Guide; that such electronic access allows Seller to access the current version of the Sellers

Guide; and that such electronic access provides full, accurate, and complete notice of any amendments or revisions to the Sellers Guide.

- (d) The parties agree that the Sellers Guide, along with this Loan Purchase Agreement and any amendments to this Loan Purchase Agreement, constitute the complete agreement between the parties as to the sale by the Seller to Western of Mortgage Loans.
- (e) Any capitalized term used in this Loan Purchase Agreement that is not otherwise defined shall have the meaning set forth in the Sellers Guide.
- (f) In the event of any express conflict between the provisions of this Loan Purchase Agreement and the provisions of the Sellers Guide, the provisions of this Loan Purchase Agreement shall control.

II. Commitments

- (a) The Seller will offer for sale all of its rights, title and interest (including servicing rights) in Eligible Mortgage Loans to Western. An “Eligible Mortgage Loan” means a Mortgage Loan that satisfies all of the requirements contained in the Sellers Guide and the standards for the applicable program contained in the Sellers Guide under which Seller is offering the Mortgage Loan. Western may, in its sole and absolute discretion, issue a written Commitment to Seller to purchase the Eligible Mortgage Loan. Seller is under no obligation to sell loans exclusively to Western. Western is under no obligation to purchase a specific number of Eligible Mortgage Loans under this Loan Purchase Agreement.
- (b) Notwithstanding anything in this Loan Purchase Agreement to the contrary, Western is only obligated to purchase an Eligible Mortgage Loan if:
 - i. a Commitment was issued by Western,
 - ii. the Seller and Eligible Mortgage Loan strictly conform with the terms of the Commitment, the Sellers Guide, and this Loan Purchase Agreement,
 - iii. the Eligible Mortgage Loan is salable to Fannie Mae, Freddie Mac, or a prudent investor in the recognized secondary market, or, if underwritten by Western, conforms with all of Western’s underwriting requirements, and
 - iv. all documents relating to the Eligible Mortgage Loan are complete and acceptable to Western in its sole and absolute discretion.

III. Purchase Price

The purchase price for each Eligible Mortgage Loan sold by the Seller to Western shall be determined as set forth in the Sellers Guide. The Purchase Price will be shown on the Commitment relating to the Eligible Mortgage Loan. Western agrees to guarantee the Purchase Price for the Eligible Mortgage Loan for the time period shown on the

commitment confirmation and the Seller agrees to close the Eligible Mortgage Loan and deliver it to Western within the designated time period.

IV. Compensation

The compensation paid to the Seller shall be paid in accordance with the Sellers Guide.

V. Fees

In the event the Seller does not comply with the loan delivery procedures contained in the Sellers Guide, the Seller shall pay Western the applicable late delivery, late correction or buyout fees as provided for in the Sellers Guide. The Seller grants Western the Rights of Offset and Western may deduct any fees or other sums owed to Western by the Seller under the terms of this Loan Purchase Agreement and the Sellers Guide from any amounts otherwise payable by Western to Seller, such as, without limitation, any compensation payable to the Seller and the Purchase Price for Eligible Mortgage Loans being purchased by Western from the Seller pursuant to this Loan Purchase Agreement and the Sellers Guide.

VI. Representations and Warranties

The Seller hereby makes all representations, warranties and covenants set forth in the Sellers Guide as such are amended from time to time, with the following amendment: The following language is inserted at the start of the first sentence in Sellers Guide Section 19, subsection 1, 23, 26 and 28:

“To the best of Seller’s knowledge after complying with reasonable mortgage loan origination standards”.

VII. Specific Performance

- (a) The Seller recognizes that Western will rely on its commitments from the Seller; that Western will without notice to the Seller, make binding commitments in reliance thereon; that actual delivery of the Eligible Mortgage Loans under each Commitment is the essence of this Loan Purchase Agreement and is required within the delivery period as set forth in the Sellers Guide.
- (b) The Seller acknowledges and agrees that Western shall be entitled, therefore, in addition to the remedies set forth in the Sellers Guide, to specific performance if the Seller fails to perform any of the Seller’s commitments because money damages will not adequately compensate Western for its losses and Western may be unable to effect cover to satisfy its commitments with third parties.

- (c) Upon the Seller's insolvency, repudiation or failure in Western's sole judgment to perform its obligations, Western may proceed immediately by its own acts, order or seizure, or such other remedy as may be available at law or equity to take possession of all documents relating to a Mortgage Loan belonging to the Seller which could qualify for sale to Western pursuant to the Seller's commitments.

VIII. Notices

Any notice or demand that is required or permitted to be given by a provision of this Loan Purchase Agreement or the Sellers Guide shall be deemed to have been sufficiently given if (a) in the case of notice from Western to the Seller, such matter is set forth in the Sellers Guide or any amendment or revision to the Sellers Guide, or (b) either served personally or sent by prepaid first class, registered, or certified mail, addressed to the party at its address set forth below.

SELLER:

WESTERN

Attn: _____

Western Bancorp
5671 Santa Teresa Blvd., Suite 100
San Jose, CA 95123
Attn: EVP Production

IX. Faxing and E-Mailing

By executing the Loan Purchase Agreement Seller agrees to receive facsimile or e-mail advertisements from Western.

X. Signatures and Counterparts

The Loan Purchase Agreement may be executed in one or more counterparts, each of which counterparts shall be deemed to be an original, and all such counterparts constitute one and the same instrument. Facsimile and electronic signatures shall be acceptable and shall have the same effect as an original ink signature.

XI. Non-Discrimination

By executing the Loan Purchase Agreement, Seller certifies that it will comply with all applicable provisions of Executive Order 11246, as amended, Section 503 of the Rehabilitation Act of 1973, as amended, and the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended, (38 U.S.C. 4212) and implementing regulations at 41 CFR Chapter 60.

XII. Affiliated Business Arrangement

(Please check one of the boxes below)

Seller represents and warrants that it has an affiliated business arrangement (“ABA”), as defined in 12 CFR 1024, as it may be amended from time to time (including but not limited to, title companies, escrow service providers, real estate brokerages, etc.) with the following business entities:

Name: _____ Address: _____
Name: _____ Address: _____
Name: _____ Address: _____

Seller represents and warrants that it does not have an ABA with any business entity.

Seller agrees that it shall notify Western in writing within five (5) days of any change in its relationship with any ABA.

Principal Officers

As of the date hereof the principal officer(s) of the Seller are:

Name: _____ Title: _____ Ownership%: _____
Name: _____ Title: _____ Ownership%: _____
Name: _____ Title: _____ Ownership%: _____

XIII. Programs

Western authorizes Seller to participate in the Mortgage Loan Programs for which Seller meets the applicable eligibility requirements, and by signing this Loan Purchase Agreement, Seller agrees to abide by the terms and conditions applicable to each Mortgage Loan Program as set forth in the Sellers Guide.

XIV. Termination

(a) This Loan Purchase Agreement may be terminated by either party at any time with or without just cause upon five (5) days prior written notice. Termination shall not affect or change the obligations of the parties with respect to outstanding Commitments to sell or purchase Mortgage Loans or limit Seller’s duties or obligations to Western under this Loan Purchase Agreement or the Sellers Guide with respect to Mortgage Loans already purchased by Western.

(b) Notwithstanding anything to the contrary herein, Western may terminate this Loan Purchase Agreement immediately, upon written notice to Seller, if Seller defaults in the

performance of this Loan Purchase Agreement or the Sellers Guide, breaches any of its representations or warranties, if Seller acts negligently, or if fraud is discovered as to any Mortgage Loan. These described actions include grounds for Western to declare an event of default. Upon such termination for cause Western's obligation under any existing Commitment shall terminate, although Western may continue to honor any outstanding Commitment in its sole discretion.

XV. Compliance with Laws

Seller shall comply with all applicable federal and state laws, statutes, rules and regulations including but not limited to the Red Flags Rule (16 CFR Part 681) regarding the development and implementation of a written Identity Theft Prevention Program, as defined therein.

XVI. Incorporation of Recitals

All of the foregoing recitals are a part of, and are incorporated in the terms of this Loan Purchase Agreement. They are acknowledged by the parties hereto to be true, correct, and accurate.

XVII. Entire Agreement

The Loan Purchase Agreement and the Sellers Guide integrates all the terms and conditions mentioned herein or incidental hereto and supersedes all oral negotiations or prior writings in respect to the subject matter hereof and thereof.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK; SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF the parties hereto have entered into this Loan Purchase Agreement as of the date first set forth above.

Agreed to and Accepted by:

Agreed to and Accepted by:

Seller: _____

Western Bancorp,

By: _____ _____ (Printed name of officer) _____ (Title of officer) _____ (Date)	By: _____ _____ (Printed name of officer) _____ (Title of officer) _____ (Date)
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SPECIAL LIMITED IRREVOCABLE POWER OF ATTORNEY

Seller hereby irrevocably appoints Western Bancorp ("Western"), its successors and assigns, its attorney-in-fact, with full power of substitution in the name of Seller or otherwise, whether in relation to real, personal, tangible, or intangible property, to do any or all of the following on any Mortgage Loans sold or brokered to Western: (a) to demand, sue for, receive, collect, sign, endorse, assign or compromise any and all promissory notes, checks, money orders or monies due (except a Mortgage Loan which has been repurchased by Seller pursuant to the Remedies Obligation Section in the Sellers Guide), and to receive, sign, endorse, or assign any orders, certificates, insurance policies and all benefits under any other instruments or documents as from time to time may be necessary or appropriate to accomplish the sales and transfers provided for by this Loan Purchase Agreement; (b) to enforce, cancel, release or discharge the Mortgage Loans; and (c) to exercise or perform any act, power or duty that Seller has or would have in connection with the Mortgage Loans purchased by or brokered to Western or which are reasonable in order to protect Western's interest in the Mortgaged Property. Seller agrees that the foregoing powers are irrevocable and coupled with an interest. Seller will, at Western's request, execute appropriate separate instruments evidencing the foregoing powers.

SELLER

Company: _____

By (authorized officer of Seller): _____

Name (please print): _____

Title: _____

Date: _____

STATE OF _____)

COUNTY OF _____)

BEFORE ME, a Notary Public, on this day personally appeared _____ known to me to be the
(Name)
person whose name is subscribed to the foregoing instrument, and known to me to be the _____ of
(Title)
_____, and acknowledged to me that said instrument was signed on behalf of said
(CompanyName)
Corporation by authority of its Board of Directors (or other similar governing body in the case of an LLC, LLP, partnership or other entity), and acknowledged the execution of said instrument to be the voluntary act and deed of said Corporation (or other entity) by him/her voluntarily executed.

Given under my hand and seal of office this _____ day of _____, 200_.

Notary Public