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FEDERAL DEPOSIT INSURANCE CORPORATION
as Receiver of Washington Mutual Bank

COPY

IN THE UNITED STATES DISTRICT COURT

FOR THE CENTRAL DISTRICT OF CALIFORNIA

FEDERAL DEPOSIT INSURANCE CORPORATION, as Receiver of Washington Mutual Bank,

Plaintiff,

v.

LSI APPRAISAL, LLC; FIDELITY NATIONAL INFORMATION SERVICES, INC.; LENDER PROCESSING SERVICES, INC.; LENDER PROCESSING SERVICES, LLC; LPS PROPERTY TAX SOLUTIONS, INC., f/k/a FIDELITY

Case No. **SACV11-706 JST(MLGx)**

COMPLAINT FOR:
(1) GROSS NEGLIGENCE (Against All Defendants)
(2) BREACH OF CONTRACT (Against LSI);
(3) BREACH OF CONTRACT (Against FNTS);
(4) ALTER EGO, SINGLE BUSINESS ENTERPRISE, JOINT VENTURE (Against FNIS; LPS, Inc.; LPS, LLC; FNTS; LSI Title CO.; and LSI Title,

NATIONAL TAX SERVICE, INC.; LSI TITLE COMPANY; and LSI TITLE AGENCY, INC.,

Defendants.

LLC)

JURY TRIAL DEMANDED

Plaintiff, the Federal Deposit Insurance Corporation ("FDIC"), as Receiver of Washington Mutual Bank, files the following complaint against LSI Appraisal, LLC; Fidelity National Information Services, Inc., Lender Processing Services, Inc.; Lender Processing Services, LLC; LPS Property Tax Solutions, Inc., f/k/a Fidelity National Tax Service, Inc.; LSI Title Company; and LSI Title Agency, Inc.

I. INTRODUCTION

1. The FDIC brings this case in its capacity as Receiver of Washington Mutual Bank ("WaMu" or the "Bank") pursuant to its authority granted by 12 U.S.C. § 1821. The FDIC seeks to recover losses of at least $154,519,071.10 that WaMu suffered as a direct and proximate result of the gross negligence of Defendant LSI Appraisal, LLC ("LSI") and its repeated breaches of contractual provisions designed to protect the Bank.

2. In July 2006, WaMu hired LSI to provide appraisal services for residential properties in all fifty states and the District of Columbia. The relationship and respective duties and obligations between WaMu and LSI were memorialized in an Appraisal Outsourcing Services Agreement dated October 16, 2006 (the "LSI Agreement"), a true and correct copy of which is attached hereto as Exhibit A and incorporated herein for all purposes. LSI represented and warranted, both before and after it entered into the LSI Agreement, that each and every appraisal service it provided would conform to federal and state law, regulatory guidelines, and all applicable industry standards, specifically including the Uniform Standards of Professional Appraisal Practice ("USPAP"). LSI also agreed to serve as the "gatekeeper" with respect to the appraisal services it provided for WaMu. LSI agreed to insure the competency and qualifications of its appraisers, to conduct a meaningful quality control review of the appraisals, and to police WaMu's loan

staff and act as an intermediary between WaMu's loan originators and LSI's appraisers. In the LSI Agreement, LSI specifically promised to inform WaMu of any inappropriate contacts or requests by WaMu employees concerning an appraisal or the assignment of an appraisal. *See* Exhibit A, p. 29, Exhibit A thereto.

3. Despite the representations and promises LSI made to WaMu, at least 220 of the appraisal services LSI provided failed to comply with federal and state law, regulatory guidelines, and USPAP. LSI used appraisers who lacked the skill, experience, and qualifications necessary to perform the appraisals requested. LSI's "quality control" of the appraisals it provided to the Bank was severely inadequate. Consequently, LSI delivered appraisal services that were conducted and prepared in a grossly negligent manner and which contained substantially inflated appraised values. But for the inflated appraisal services by LSI, WaMu would not have made the residential mortgage loans at issue and would not have suffered losses on those loans. The losses that WaMu incurred on loans made in reliance on the inflated appraisals provided or approved by LSI were clearly foreseeable. Each of the 220 loans made by WaMu in reliance on LSI's appraisal services was held by WaMu for investment and not sold into the secondary market.

4. The FDIC asserts claims against LSI and the other Defendants named herein for gross negligence and breach of the LSI Agreement and seeks damages for the loan losses WaMu incurred as a result of its reliance on appraisal services provided by LSI. As set forth below, the other Defendants named herein are the ultimate or intermediate parent entities of LSI. The other named Defendants controlled and directed the actions of LSI. As such they are directly liable for the damages resulting from the grossly negligent appraisal services provided by LSI. Alternatively, they are liable under the Alter Ego Doctrine, the Single Business Enterprise Doctrine, and the Joint Venture Doctrine. In addition, Defendant LPS Property Tax Service, f/k/a Fidelity National Tax Service, Inc. ("FNTS"), contractually guaranteed any damages caused by LSI's failure to perform its obligations under the LSI Agreement. A true and correct copy of the Performance

Guaranty Agreement dated October 16, 2006, is attached hereto as Exhibit B and incorporated herein for all purposes.

II. PARTIES

A. Plaintiff

5. Plaintiff is the Federal Deposit Insurance Corporation, acting as Receiver of WaMu, pursuant to 12 U.S.C. § 1811, *et seq*. The FDIC was appointed Receiver on September 25, 2008, following the closure of the Bank by the Office of Thrift Supervision ("OTS"). As Receiver, the FDIC has the right to pursue all of WaMu's claims, including its claims against each of the Defendants named herein.

B. Defendants

6. Defendant LSI Appraisal, LLC is a Delaware limited liability company, with its principal place of business located in Santa Ana, California. LSI Appraisal, LLC may be served with process through its registered agent: CT Corporation, 818 W. 7th Street, Los Angeles, California 90017.

7. Defendant Fidelity National Information Services, Inc. is a Georgia corporation, with its principal place of business at 601 Riverside Avenue, Jacksonville, Florida, 32204. Fidelity National Information Services, Inc. may be served with process through its registered agent: CT Corporation, 818 W. 7th Street, Los Angeles, California 90017.

8. Defendant Lender Processing Services, Inc. is a Delaware corporation, with its principal place of business at 601 Riverside Avenue, Jacksonville, Florida, 32204. Lender Processing Services, Inc. may be served with process through its registered agent: CT Corporation, 818 W. 7th Street, Los Angeles, California 90017.

9. Defendant Lender Processing Services, LLC is a Delaware corporation, with its principal place of business at 601 Riverside Avenue, Jacksonville, Florida, 32204. Lender Processing Services, LLC may be served with process through its registered agent: CT Corporation System, 1200 South Pine Island Road, Plantation, Florida, 33324.

10. Defendant LPS Property Tax Solutions, Inc., f/k/a Fidelity National Tax Service, is a Delaware corporation, with its principal place of business at 601 Riverside Avenue, Jacksonville, Florida, 32204. LPS Property Tax Solutions, Inc. may be served with process through its registered agent: CT Corporation, 818 W. 7th Street, Los Angeles, California 90017.

11. Defendant LSI Title Company is a California corporation with its principal place of business at 601 Riverside Avenue, Jacksonville, Florida, 32204. LSI Title Company may be served with process through its registered agent: CT Corporation, 818 W. 7th Street, Los Angeles, California 90017.

12. Defendant LSI Title Agency, Inc. is an Illinois corporation, with its principal place of business at 601 Riverside Avenue, Jacksonville, Florida, 32204. LSI Title Agency, Inc. may be served with process through its registered agent: CT Corporation System, 1200 South Pine Island Road, Plantation, Florida, 33324

III. JURISDICTION AND VENUE

13. This Court has subject matter jurisdiction over this case under 12 U.S.C. § 1819(b)(2) and 28 U.S.C. §§ 1331 and 1345.

14. The Court has personal jurisdiction over the Defendants because each of the Defendants engages in substantial business activities in the State of California. Also, LSI Appraisal, LLC has its headquarters in Santa Ana, California, and LSI Title Company is a California corporation.

15. Venue is proper in this District under 28 U.S.C. § 1391(b).

IV. FACTUAL BACKGROUND

A. The Importance of Appraisals to WaMu

16. During the relevant time period, WaMu was one of the largest mortgage lenders in the United States. Accurate appraisals were critical to WaMu's financial success. WaMu depended on appraisers to fairly, accurately, and competently assess the residential property values that served as collateral for its loans. WaMu was required by its primary banking regulator, the OTS, to maintain an appropriate real estate appraisal

program for all of its lending functions. The independence and competence of the real estate appraisers who determine the value of home loan collateral is of enormous importance in the mortgage industry. Real estate appraisals are intended to provide borrowers and lenders with an independent and accurate assessment of the market value of a home. This ensures that a mortgage or home equity loan is not under-collateralized, which in turn protects borrowers from being over-extended financially and lenders and investors from losses if the borrower defaults on the loan.

17. Because of the importance of appraisals in the home lending market, state and federal statutes and regulations require that appraisals be accurate and be prepared independently. In order to achieve these goals, federal statutes and regulations, and most state statutes and regulations, implement all or portions of USPAP to standardize how appraisals should be properly prepared. USPAP is formulated by the Appraisal Standards Board of The Appraisal Foundation, who "develops, publishes, interprets, and amends USPAP on behalf of appraisers and users of appraisals services."

18. The USPAP includes the following standards, among others:

1. Ethics

- an appraiser must perform assignments ethically and competently, in accordance with USPAP and any supplemental standards agreed to by the appraiser in accepting the assignment. … An appraiser must perform assignments with impartiality, objectivity, and independence, and without accommodation of personal interest.

- an appraiser must not accept an assignment that includes the reporting of predetermined opinions and conclusions.

2. Standards Rule 1-1. The appraiser must not render appraisal services in a careless or negligent manner, such as by making a series of errors, that, although might not significantly affect the results of an appraisal, in the aggregate affects the credibility of those results.

3. Standards Rule 1-4. Based on the type of valuation method used, the appraiser must collect data necessary for credible results.

4. Standards Rule 3. In performing an appraisal review assignment, an appraiser acting as reviewer must develop and report a credible opinion as to the quality of another appraisers' work and clearly disclose the scope of work performed.

5. Standards Rule 3-1(d)-(g). In developing an appraisal review, the reviewer must develop an opinion as to the completeness of the material under review, develop an opinion as to the apparent adequacy and relevance of the data and the propriety of any adjustments to the data, develop an opinion as to the appropriateness of the appraisal methods and techniques used and develop reasons for any disagreement; and develop an opinion as to whether the analyses, opinions, and conclusions are appropriate and reasonable and develop reasons for any disagreement.

19. Many federal statutes and regulations incorporate USPAP directly. For example, 12 C.F.R. § 564.4(a) requires all appraisals to conform to generally accepted appraisal standards as evidenced by USPAP. Section 1110 of FIRREA (12 U.S.C. § 3339) likewise requires that real estate appraisals be performed according to certain minimum standards, which include those identified under 12 C.F.R. § 564.4. *See also* 61 Fla. Admin. Code 61J1-9.001 and Cal. Code Regs., tit. 10, § 3701.

20. In addition to standards established in USPAP, the Freddie Mac Single-Family Seller/Servicer Guide ("Freddie Mac Guide") identifies unacceptable appraisal practices. Some of the unacceptable practices in the Freddie Mac Guide are:

1) It is unacceptable to include inaccurate or incomplete data about the subject property, the neighborhood or any comparable sale used in the appraisal analysis.

2) It is unacceptable to rely on inappropriate comparable sales or to fail to use comparable sales that are more similar to or nearer to the subject property with adequate explanation.

3) It is unacceptable to use inordinate adjustments for differences between the subject property and the comparable sales that do not reflect the market's reaction to such differences, or the failure to make proper adjustments when they are clearly necessary.

In addition to identifying these specific unacceptable practices, the Freddie Mac Guide also requires compliance with USPAP.

B. WaMu Outsourced its Appraisals to LSI

21. Prior to July 2006, WaMu managed its own appraisal services with in-house appraisers and appraisal managers. In 2006 WaMu re-evaluated its appraisal practices and ultimately decided to outsource its appraisal management services. WaMu solicited detailed bid proposals from several national companies in the business of providing appraisals and appraisal management services. WaMu specifically sought vendors who could ensure that the appraisals WaMu relied upon complied with USPAP, and vendors who could also mitigate the potential for loan officers to exert pressure on appraisers. After careful consideration, in July 2006, WaMu retained two outside appraisal management companies – LSI and one of its competitors, CoreLogic Valuation Services, LLC, f/k/a eAppraiseIT, LLC ("EA"). These two companies both agreed to provide high quality and accurate appraisal services and to act as a structural buffer between the WaMu loan consultants and the appraisers to eliminate potential pressure or conflicts of interest.

C. The LSI Agreement

22. LSI began providing appraisal services to WaMu in July 2006, and the relationship between LSI and WaMu was subsequently memorialized in the LSI Agreement entered into on or about October 16, 2006. The services provided by LSI to WaMu and the promised quality of those services, however, did not materially change after the LSI Agreement was executed. In the LSI Agreement, LSI agreed broadly to "provide Appraisal Services for residential properties located in the fifty (50) United States and the District of Columbia." "Services" included 15 different types of "Appraisals," including standard "full appraisals" (known as 1004 appraisals because they are performed on Fannie Mae 1004 forms) which examined the interior and exterior of a residence, reconsiderations of value (services provided when there is a disagreement of the appraisal value based on supporting evidence), and desk and field reviews (performed to "review" the underlying appraisal for accuracy). *See* LSI Agreement at sections

1(a)(15), 2.1(a)-(d) and Exhibit A. "In all cases, the Appraisal shall provide an estimated value of the real property based on replacement costs, sales of comparable properties, and future income from income producing properties (where applicable)." LSI Agreement at Exhibit A. In addition to the Appraisal Services LSI agreed to perform, LSI also agreed to act as the "gatekeeper" between WaMu loan staff and the actual appraisers, and LSI was to "report any inappropriate contacts or requests by [WaMu] employees concerning an appraisal or assigning an appraisal." *Id.* In exchange for these services, WaMu agreed to pay and did pay LSI more than $127 million in agreed upon fees. LSI Agreement at section 6.

23. All the Services, including the ancillary services related to the performance of those Services, were to be provided by LSI in accordance with specific standards set out in the LSI Agreement. Specifically, Services were to "conform as applicable to USPAP and to Appraisal Standards of FNMA, FHLMC, and other investors." *Id.* at Exhibit A. Additional references to the USPAP standards are found in the respective provisions of the LSI Agreement Warranties and Additional Covenants, requiring compliance not only with USPAP, but also with FIRREA, all appraisal regulations set forth in 12 C.F.R. § 564, et seq. (which includes USPAP) and related appraisal guidance from the OTS. *See id.* at section 15.2(a) and Exhibit A. LSI also warranted and covenanted to "perform the Services, and develop the Deliverables, in accordance with applicable professional standards in the appraisal management industry." *Id.* at section 15.2(k).

24. LSI also promised to ensure the qualifications of its appraisers and to stand behind its appraisers. Any appraisers LSI employed or contracted to perform Appraisal Services had to possess the appropriate license or certificate needed to perform the appraisal and also had to have the experience and competence necessary to complete the assignment. *See* LSI Agreement at section 4.3. Ensuring such qualifications should have been equally important to LSI because LSI stood behind those appraisers, as it stood behind any subcontractor it hired to perform Services under the LSI Agreement, and

remained "responsible and liable for a subcontractor's compliance with [the LSI Agreement] and performance hereunder." *See id.* at section 4.4.

25. Finally, under section 7.1(j) of the LSI Agreement, LSI agreed to indemnify and hold harmless WaMu for loss, damage, claim, or expense arising out of or relating to any claim "by WaMu relating to any breach of the representations and warranties regarding the Services provided by [LSI] pursuant to this Agreement." *See* LSI Agreement at section 7.1(j) and Exhibit A.

D. LSI's Common Law Duty to WaMu

26. Without regard to the LSI Agreement, LSI owed a duty to WaMu to exercise reasonable care in the course of providing appraisal services to WaMu. The standard of care owed by an appraiser to a client is embodied in USPAP, and applicable federal and state standards and regulations, and applicable industry standards. Those standards are set forth in summary form in paragraphs 18-20 above.

27. Each of the appraisals provided or approved by LSI contains specific representations regarding compliance with these standards, including the following representations:

(a) The appraiser, at a minimum, developed and reported the appraisal in accordance with the scope of work requirements stated in the appraisal report;

(b) The appraiser performed a complete visual inspection of the interior and exterior areas of the subject property. The appraiser reported the condition of the improvements in factual, specific terms. The appraiser identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property;

(c) The appraiser performed this appraisal in accordance with the requirements of USPAP;

(d) The appraiser developed his opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value. The appraiser used adequate comparable market data to develop a reliable sales comparison approach for this assignment;

(e) The appraiser researched, verified, analyzed, and reported the prior sales of the comparables sales for the

minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in the report;

(f) The appraiser selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property;

(g) The appraiser reported adjustments to the comparable sales that reflect the market's reaction to the difference between the subject property and the comparable sales;

(h) The appraiser verified from a disinterested source, all information in this report that was provided by the parties;

(i) The appraiser represented that he was aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area where the property is located;

(j) The appraiser has taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. The appraiser has noted in this appraisal report any adverse conditions observed during the inspection of the subject property or that the appraiser became aware of during the research involved in performing this appraisal. The appraiser has considered these adverse conditions in the analysis of the property value, and has reported the effect of the conditions on the value and marketability of the subject property; and

(k) The appraiser represented that any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability....

E. LSI's Gross Negligence and Breach of Contract

28. LSI provided appraisal services to WaMu from July 2006 through November 2007. During this period, LSI provided or approved more than 386,000 appraisals for residential loans that WaMu originated or purchased. WaMu quickly became LSI's largest client. WaMu paid LSI over $127 million for its services.

29. During all relevant times and with regard to the original appraisals provided by LSI, WaMu would request an appraisal from LSI electronically. LSI would then select one of its individual licensed appraisers located in the vicinity of the subject property to

perform the appraisal. Time was always of the essence, and WaMu required that the appraisal be completed in a timely manner – usually just a matter of days after the order was placed. When LSI's appraiser completed the appraisal, he or she would send it electronically to LSI. LSI's Quality Assurance Group would then process the appraisal by running it through a computerized rules based appraisal underwriting system that was supposed to determine whether the appraisal complied with approximately 100 appraisal underwriting rules.

30. Notwithstanding the existence of the quality control system, LSI did not, for the most part, conduct any meaningful, substantive review of the 220 appraisal services provided to WaMu. To date, the FDIC and its experts have reviewed in depth only 292 of the many thousands of appraisals provided or approved for WaMu. Based on expert analysis of these appraisals, only 10 of the 292 appraisals, which is less than four percent of the appraisals reviewed, were found to be fully compliant with the applicable professional standards. On the other hand, 220 of the 292 appraisals, more than 75 percent of appraisals reviewed, were found to contain multiple egregious violations of USPAP and applicable industry standards. Those violations constitute a degree of carelessness that rises to the level of gross negligence. LSI's grossly negligent performance or approval of these 220 appraisals proximately and directly caused losses to WaMu of at least $154,519,071.10. WaMu relied on these appraisal services in making residential loans to its borrowers, and the Defendants knew that WaMu was relying on LSI's appraisal services in making the residential mortgage loans. WaMu would not have made these residential loans but for the inflated appraisals provided or approved by LSI. The remaining 62 appraisal services out of the 292 reviewed were found to contain violations of USPAP, but not to the same degree as the grossly negligent appraisals.

31. With respect to the 220 grossly negligent appraisals, LSI failed to ensure that the appraisal services it provided conformed to USPAP. LSI's violations of USPAP include inadequate or improper licensing of appraisers, inadequate research, failure to perform required site visits, lack of support for site valuations, use of appraisers

unfamiliar with the relevant geographical area, failure to note information obtained from interested parties, use of improper comparables, unsupported adjustments to comparables, failure to report prior sales, failure to acknowledge a declining market or in-area price variations, and/or tying compensation or employment to appraisal results. LSI represented and agreed that it would review each and every appraisal that it provided to WaMu to ensure that the appraisals complied with the federal and state statutes and guidelines and the industry standards, including USPAP. Instead, LSI merely "rubber stamped" the appraisals, doing little more than checking required boxes and obtaining necessary signatures on review forms and providing no substantive assurance that any of the appraisers it provide complied with USPAP or other guidelines. In addition, LSI's process made it nearly impossible for LSI to act as a "gatekeeper" between loan staff and appraisers as it had promised. The automated order, mostly automated assignment, meant that LSI did not review information sent by the loan officer to the appraisers.

32. The following are just two examples of the grossly negligent appraisal services provided by LSI to WaMu. In May 2007, a property in Agoura Hills, California, appraised for $5,540,000, which resulted in WaMu approving a $4,155,000 loan. (Loan No. 3017902135 on Exhibit C.) The appraiser failed to adequately analyze the subject contract or the subject property's listing history as called for by the Fannie Mae Uniform Residential Appraisal Report form. The subject property's original listing price was $4,795,000, which was increased to $5,200,000 on January 22, 2007. The listing price was increased again on January 24, 2007, to $5,540,000, which was the contract price. By failing to adequately analyze the subject contract and listing history, the appraiser failed to disclose that the contract price was actually $340,000, or 6.5 percent, *higher* than the already increased listing price, despite having been on the market for 485 days. The appraiser should have recognized, reported, and analyzed the increased listing price in such temporal proximity to the contract date, since, atypically, the appraisal report was completed four months after the house was under contract, at a time when all of the information regarding the history of the listing price and the contract date, was readily

available to the appraiser. The appraiser did disclose the prior site-only sale for $1,295,000, although he failed to explain how, 18 months later, he valued the site at $3,000,000. All of this in a market the appraiser summarizes as "stable" with a three to six month marketing time, while the actual data he provides shows a two year supply of similar homes. The appraiser also selected inappropriate "comparables." The comparables the appraiser selected included a waterfront property with a private boat dock, a mountain-top property more than ten times the size of the subject property, and a "Rustic Contemporary" (compared to the Tuscan-style subject) on twice as much usable land. Although the subject property had a dirt driveway with no paved access to the street and no landscaping whatsoever, the appraiser made no downward adjustments for the comparables' differences, which all contained complete and extensive landscaping and hardscaping. This omission is especially egregious considering that homeowners who own homes in this price range have often invested many thousands of dollars in landscaping. The borrower defaulted on the loan, and WaMu charged off $1,391,500.15.

33. In September 2007, a property in Northridge, California appraised for $2.3 million, which resulted in WaMu approving a loan for $1.84 million. (Loan No. 3018491617 in Exhibit C.) The appraiser reported the prior sale of the property 25 months earlier for $732,000 and noted $250,000 in upgrades, but he provided no explanation as to how the property increased in that short time to a value of $2.3 million, a 200% increase, in a market he describes as "stabilizing." The appraiser noted that the subject property was excessively larger in size than the surrounding homes, so much so that he justified increasing his search for comparables to a normally inappropriate ten-mile radius. However, he failed to address whether this almost 6,000 square feet home is overbuilt for a neighborhood with surrounding 2500 to 3500 square foot homes. The appraiser ignored nearly a dozen closer comparables that would have caused him to arrive at a much lower appraised value. Instead, the appraiser used comparables that were dissimilar in size and location in order to support the higher value. For these reasons and others, the $2.3 million appraised value was excessively inflated. Ultimately, the

borrower defaulted on the loan, and WaMu charged off $1,033,020.16.

34. A list of the 220 loans that WaMu made in reliance on LSI's grossly negligent appraisal services that have so far been identified by the FDIC is attached hereto as Exhibit C and incorporated herein for all purposes. The list sets forth the basic information for each of the 220 loans, identifies the appraiser or appraisers who provided the grossly negligent appraisal, and sets forth the damages suffered by WaMu with respect to each loan. The damages total $154,519,071.10. The list also identifies by code number the primary deficiencies in each of the 220 appraisals. The "key" explaining the code numbers is attached hereto as Exhibit D and incorporated herein for all purposes. The list of appraisal deficiencies is not intended to be exhaustive. Out of the 220 grossly negligent appraisals, 208 were relied upon by WaMu in making loans after the LSI Agreement was entered into on October 16, 2006. The damages on those 208 loans total $146,168,762.34.

F. The Role of LSI's Related Entities

35. During the 18 month period in which the LSI appraisal services at issue were provided, LSI's ultimate parent company was Fidelity National Information Services, Inc. ("FNIS"). FNIS owned Lender Processing Services, Inc. ("LPS, Inc."). LPS, Inc., in turn, owns Lender Processing Service, LLC ("LPS, LLC"). LPS, LLC owns FNTS. FNTS owns LSI Title Company ("LSI Title Co."), which owns LSI Title Agency, Inc. ("LSI Title, Inc."). LSI Title, Inc. owns LSI.

36. On July 2, 2008, FNIS spun off LPS, Inc. LPS, Inc. continues to own LPS, LLC; FNTS; LSI Title Co.; LSI Title, LLC; and LSI, and thus remains the ultimate parent of LSI.

37. FNIS; LPS, Inc.; LPS, LLC; FNTS; LSI Title Co.; and LSI Title, LLC, effectively controlled and directed LSI's wrongful acts and omissions. Many of LSI's business practices and its relationships with the LSI related entities establish that all of the Defendants were in fact operating as a single business entity. LSI is a wholly owned subsidiary, whose ultimate parent during the relevant time period was FNIS. FNIS, in

turn, had complete ownership interest in the intermediate entities.

38. There was such a unity of interest and ownership among these entities that the separateness of the entities ceased to exist with regard to the appraisal services provided by LSI to WaMu. Treating the grossly negligent appraisal services provided by LSI to WaMu as the acts of LSI alone would cause an inequitable result. The direction and control asserted by FNIS; LPS, Inc.; LPS, LLC; FNTS; LSI Title Co.; and LSI Title, LLC, over the actions of LSI with regard to the appraisal services provided by LSI to WaMu constitutes a joint undertaking to accomplish a common commercial purpose, with each of the participants having a right of control and agreeing to share in profits.

39. The LSI Agreement itself designates a senior officer of LPS, Inc. to oversee and manage the appraisal services to be provided by LSI to WaMu. The executive vice president of appraisal operations of LSI, Kathleen Marie Rice, has testified in an administrative deposition, under oath, that she reported to FNIS and LPS, Inc. leadership. Specifically, Ms. Rice testified that she reported LSI's turnaround time, quality issues, and profitability of LSI to senior management at the parent entities. Furthermore, Ms. Rice testified that Kathy Kohler, an employee of FNIS, had the authority to direct her actions as an LSI employee.

40. As a result of this conduct, the FDIC asserts claims against FNIS; LPS, Inc.; LPS, LLC; FNTS; LSI Title Co.; and LSI Title, LLC, under theories of alter ego, single business enterprise, joint venture, and direct liability.

V. CLAIMS FOR RELIEF

COUNT 1
Gross Negligence
(Against All Defendants)

41. The FDIC re-alleges and incorporates by reference the allegations contained in paragraphs 1–40 above as if fully set out in this Count.

42. Defendants owed duties to WaMu to use such skill, prudence, and diligence as other appraisers commonly possess and exercise. These duties included the duty to ensure that each appraisal service provided by LSI for WaMu was compliant with USPAP

and all applicable state and federal statutes and regulations, as well as all other applicable industry standards.

43. Defendants breached their duties and were grossly negligent by, among other things, (a) failing to provide WaMu with appraisals that were prepared with such skill, prudence, and diligence as other appraisers commonly possess and exercise; (b) failing to provide WaMu with appraisals that complied with USPAP and other applicable state and federal statutes and regulations; and (c) failing to provide WaMu with appraisals that complied with standards applicable to the appraisal industry. More specifically, but without limitation, Defendants violated the applicable standard of care with respect to the 220 grossly negligent appraisals listed in Exhibit C attached hereto in the following respects:

- the use of improper comparables,
- the failure to include adequate comparables,
- the failure to accurately disclose prior sales history,
- the failure to perform site visits,
- the use of appraisers unlikely to be familiar with the area,
- the failure to identify information obtained from interested parties,
- the use of improper factors that impact value,
- the failure to consider factors that impact value,
- the failure to address long unsold listing periods, and
- inadequate or improper licensing of appraisers.

44. Defendants' conduct amounted to the want of even scant care or, alternatively, an extreme departure from the ordinary standard of care.

45. As a direct and proximate result of Defendants' gross negligence, WaMu suffered damages in the amount of at least $154,519,071.10.

COUNT 2
Breach of Contract
(Against LSI)

46. The FDIC re-alleges and incorporates by reference the allegations contained in paragraphs 1–45 above as if fully set out in this Count.

47. WaMu and LSI entered into the LSI Agreement on October 16, 2006. Pursuant to the LSI Agreement, LSI agreed to provide WaMu with Appraisal Services, and other ancillary services, all of a certain type and quality in exchange for an agreed upon fee.

48. WaMu fully performed its obligations pursuant to the terms of the LSI Agreement, but LSI has materially failed to comply with its own obligations and is liable to WaMu for the provision of non-compliant Services under the LSI Agreement. Specifically, and as set forth above, LSI failed to comply with sections 2.1(a)-(d), 4.3, 4.4, 7.1(j), 15.2(a) & (k), Exhibit A, Exhibit A-1 and Exhibit A-2.

49. LSI breached the LSI Agreement with respect to the 208 loans that are the subject of this Complaint with regard to the appraisal services that were provided by LSI and relied upon by WaMu after the LSI agreement was entered into on October 16, 2006, by, among other things, (a) failing to provide WaMu with appraisals that were prepared by appropriately licensed or certificated appraisers; (b) failing to provide WaMu with Appraisals that were prepared by appraisers with the experience and competence necessary to complete the assignment; (c) failing to provide WaMu with Appraisals and Appraisal Services that complied with USPAP and other applicable state and federal statutes and regulations; and (d) failing to provide WaMu with Appraisals and Appraisal Services that complied with standards applicable to the appraisal industry; (e) failing to take responsibility and assume liability for the Appraisals and Appraisal Services provided to WaMu; and (f) failing to indemnify WaMu for losses incurred by WaMu relating to the inadequacy of LSI's Services.

50. As a direct and proximate result of LSI's breaches of the LSI Agreement, WaMu suffered damages in the amount of at least $146,168,762.34.

COUNT 3
Breach of Contract
(Against FNTS)

51. The FDIC re-alleges and incorporates by reference the allegations contained in paragraphs 1–50 above as if fully set out in this Count.

52. As additional consideration for entering into the LSI Agreement, WaMu and FNTS entered into the Performance Guaranty Agreement on October 16, 2006. Pursuant to the Performance Guaranty Agreement, FNTS agreed unconditionally and irrevocably to guarantee "all obligations" undertaken by LSI under the LSI Agreement.

53. WaMu fully performed its obligations pursuant to the terms of the Performance Guaranty Agreement.

54. FNTS breached the Performance Guaranty Agreement by failing to compensate WaMu or the FDIC for the damages cause by LSI's breach of the LSI Agreement as set forth above.

55. As a direct and proximate result of FNTS' breach of the Performance Guaranty Agreement, WaMu suffered damages in the amount of at least $146,168,762.34.

COUNT 4
Alter Ego, Single Business Enterprise, Joint Venture
(Against FNIS; LPS, Inc.; LPS, LLC; FNTS; LSI Title Co.; and LSI Title, LLC)

56. The FDIC re-alleges and incorporates by reference the allegations contained in paragraphs 1– 55 above as if fully set out in this Count.

57. As set forth above, FNIS; LPS, Inc.; LPS, LLC; FNTS; LSI Title Co.; and LSI Title, LLC, directed and controlled the actions of LSI with regard to the appraisal services provided by LSI to WaMu. There was such a unity of interest and ownership among these entities that the separateness of the entities ceased to exist with regard to the appraisal services provided by LSI to WaMu. Treating the grossly negligent appraisals provided by LSI to WaMu as the acts of LSI alone would cause an inequitable result.

58. Accordingly, FNIS; LPS, Inc.; LPS, LLC; FNTS; LSI Title Co.; and LSI Title, LLC, should alternatively be held jointly and severally liable for the wrongful acts of LSI under both the Alter Ego Doctrine and the Single Enterprise Doctrine.

59. The direction and control asserted by FNIS; LPS, Inc.; LPS, LLC; FNTS; LSI Title Co.; and LSI Title, LLC, over the actions of LSI with regard to the appraisal services provided by LSI to WaMu constitutes a joint undertaking to accomplish a common commercial purpose, with each of the participants having a right of control and agreeing to share in profits.

60. Accordingly, FNIS; LPS, Inc.; LPS, LLC; FNTS; LSI Title Co.; and LSI Title, LLC, should alternatively be held jointly and severally liable for the wrongful acts of LSI under the Joint Venture Doctrine.

VI. ATTORNEYS' FEES

61. Pursuant to section 1717(a) of the California Civil Code, the FDIC is entitled to recover its reasonable attorneys' fees against LSI incurred in this case, because this is a suit on a contract and the contract specifically provides for attorneys' fees and costs.

* * *

PRAYER

WHEREFORE, PREMISES CONSIDERED, the FDIC prays that Defendants be cited to appear and answer, and that upon final hearing, the FDIC have and recover judgment against Defendants for the damages described above and for such other relief, general or special, to which the FDIC may show itself justly entitled at law or in equity, together with attorneys' fees and all costs of court.

Dated: May 9, 2011

BIENERT, MILLER & KATZMAN, PLC

By: Steven J Katzman

Steven Jay Katzman
Attorneys for Plaintiff
FEDERAL DEPOSIT INSURANCE CORPORATION, as Receiver of Washington Mutual Bank

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DEMAND FOR JURY TRIAL

Pursuant to Rule 38 of the Federal Rules of Civil Procedure and Local Rule 38-1, the Plaintiff in this action, by and through its counsel of record, hereby demands trial of this cause by jury.

Dated: May 9, 2011

BIENERT, MILLER & KATZMAN, PLC

By: Steven J. Katzman

Steven Jay Katzman
Attorneys for Plaintiff
FEDERAL DEPOSIT INSURANCE CORPORATION, as Receiver of Washington Mutual Bank

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EXHIBIT

"A"

EXHIBIT A

Execution Copy

APPRAISAL OUTSOURCING SERVICES AGREEMENT

THIS APPRAISAL OUTSOURCING SERVICES AGREEMENT (this "Agreement") is made and entered into as of the 14th day of October, 2008 (the "Effective Date"), by and between **LSI APPRAISAL, LLC**, a Delaware limited liability company ("Company"), having offices located at 700 Cherrington Parkway, Coraopolis, PA 15108-4306, and **WASHINGTON MUTUAL BANK**, a federal savings association ("WM"), having offices located at 2273 North Green Valley Parkway, Suite 14, Henderson, NV 89014. Both Company and WM are sometimes hereinafter referred to singularly as a "Party" and collectively as the "Parties".

WITNESSETH:

WHEREAS, Company manages a network of residential real estate appraisers in all fifty (50) states of the United States and the District of Columbia;

WHEREAS, WM is in the business of making loans secured by a security interest in residential real estate and requires that certain appraisal services be performed in connection with said loans; and

WHEREAS, the Parties desire to enter into a business relationship pursuant to which Company will perform certain services, as more particularly specified herein, for and on behalf of WM in connection with residential mortgage loans made by WM.

NOW, THEREFORE, in consideration of the foregoing premises, the mutual covenants contained herein, and other good and valuable consideration, the receipt, adequacy, and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Parties hereby agree as follows:

TERMS

1. **Definitions and General Interpretive Rules.**

(a) **Definitions.** All words or phrases defined in this Paragraph 1 (except as herein otherwise expressly provided or unless the context otherwise requires) shall, for the purposes of this Agreement, have the respective meanings specified in this Paragraph 1:

(1) **Appraisal Warranty.** The appraisal warranty provided by Company to WM in connection with first Mortgage (as defined hereinafter) origination loan appraisals and second Mortgage origination appraisals (as applicable), as set forth in Exhibit B (Appraisal Warranty).

(2) **Company Consents.** All licenses, consents, permits, approvals and authorizations that are necessary to allow (A) Company and Company agents to use (1) the Company Software (as defined hereinafter), and (2) any assets owned or leased by Company; (B) Company and Company agents to (1) use any third party services retained by Company to provide the Services, (2) grant any license contemplated by this Agreement, and (3) assign to WM the Work Product (as defined hereinafter); and (C) WM and WM agents to use the Company Software.

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(3) **Company Governmental Approvals**. All licenses, consents, permits, approvals and authorizations of any Governmental Authority, or any notice to any Governmental Authority, the granting of which is required by law or regulatory requirements, for Company to perform the Services or fulfill any other obligation contemplated by this Agreement.

(4) **Company Software**. Software that is owned or licensed by Company and used by Company or WM to provide the Services under this Agreement, including, but not limited to, the Company Software listed on Exhibit F (Company Software).

(5) **Deliverables**. All data, materials, Work Product, and deliverables to be developed or delivered by Company in connection with the Services with respect to a Project (as defined in Section 2.3) hereunder as set forth in an applicable SOW (as defined in Section 2.3).

(6) **Fee Schedule**. The schedule of fees specifically described in Exhibit C (Fee Schedule), or any amendments thereto, which specifies the fees which WM will pay to Company for Services (as defined hereinafter) provided by Company under this Agreement.

(7) **FHLMC**. The Federal Home Loan Mortgage Corporation, also known as Freddie Mac.

(8) **FNMA**. The Federal National Mortgage Association, also known as Fannie Mae.

(9) **FIRREA**. The Financial Institution Reform, Recovery and Enforcement Act of 1989, Title X, as amended from time to time.

(10) **Governmental Authority**. Any federal, state, municipal, local, territorial, or other governmental department, regulatory authority, judicial or administrative body in any jurisdiction in which the Services are, or may be, performed or received.

(11) **Mortgage**. Mortgage, deed of trust, or other security instrument securing a loan on real property.

(12) **Order**. The request from WM to Company for Company to provide certain specified Services and all information from WM necessary to Company to provide the Services requested.

(13) **Pre-Existing Materials**. Any Software or work product owned or licensed by Company before the Effective Date, licensed by Company from a third party after the Effective Date, or developed by Company or Company agents independently of the Services during the Term (as defined in Section 9.1) of this Agreement.

(14) **Project Staff**. The personnel of Company, or Company's agents or subcontractors, who provide any of the Services.

(15) **Services**. The products and/or services listed in Exhibit A (Services), or any amendment thereto, which are available to WM through Company under the terms of this Agreement and as more fully described in Section 2.1 of this Agreement.

(16) **Software**. Unless the source code version is specifically identified in a particular case, the object code versions of any applications programs, operating system software, computer software languages, utilities, other computer programs and related documentation, together with all corrections, modifications, enhancements, improvements, updates, and releases thereof. For avoidance of ambiguity, Software will include the tangible media on which the Software is contained.

(17) **USPAP**. Uniform Standards of Professional Appraisal Practice as issued and amended from time to time by The Appraisal Foundation.

(18) **WM Consents**. All licenses, consents, permits, approvals and authorizations that are necessary to allow Company or Company agents to access and (A) use WM's owned and leased assets, (B) use the services provided for the benefit of WM under WM's third party services contracts, or (C) use the WM Proprietary Software or WM Third Party Software.

(19) **WM Governmental Approvals**. All licenses, consents, permits, approvals, and authorizations of any Governmental Authority, or any notice to any Governmental Authority, the granting of which is required by law or regulatory requirements, for WM to consummate the transactions contemplated by this Agreement.

(20) **WM Proprietary Software**. The Software owned, acquired, or developed by WM, provided by WM to Company, and used by Company in connection with the provision of the Services.

(21) **WM Third Party Software**. The Software that is licensed or leased by WM from a third party, provided by WM to Company, and used by Company in connection with the provision of the Services.

(22) **Work Product**. Literary works or other works of authorship created under this Agreement, including appraisal reports, reports with respect to the Services, training materials and documentation, but excluding Software and Pre-Existing Materials.

(b) **General Interpretive Rules**. For purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires or unless Exhibit B contains a contrary definition as to appraisals and the Appraisal Warranty, (1) the terms defined in this Agreement have the meanings assigned to them in this Agreement and include the plural as well as the singular and the use of any gender herein shall be deemed to include the other gender; (2) reference herein to "Paragraphs," "Sections," and "Exhibits" without reference to a document are to be designated Paragraphs, Sections, and Exhibits to this Agreement; and (3) the words "herein," "hereunder," "hereto," or words of similar import refer to this Agreement as a whole and not to particular provisions.

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2. **Services.**

2.1 **Scope of Services.** Company will provide the following services to WM:

(a) Services set forth in Exhibit A (Services);

(b) Services set forth in one or more New Services Schedules (as defined in Section 2 4), if applicable;

(c) Project services; and

(d) all ancillary services, functions, or responsibilities related to the services referred to in subsection (a) through subsection (b) of this Section which are normal, customary, and incidental to the provision of the Services or which are subtasks of the services, functions, and responsibilities set forth herein, and are reasonably required for the proper performance and provision of such services, functions, and responsibilities, whether they are documented or not, including measurement and reporting of Service Levels (as defined in Exhibit A-1) and relationship and contract management (collectively, the "Services").

2.2 **Provision of Services.** Upon receipt by Company of an Order from WM, Company shall provide WM with those Services specified in that Order. All Orders shall be transmitted by WM to Company by facsimile or by such other electronic means as agreed to by the Parties.

2.3 **Projects.** From time to time during the Term, WM may engage Company to perform non-recurring discrete services other than the Services (a "Project") in accordance with the project engagement procedure set forth in Exhibit G (Governance). Each Project will be documented via a Statement of Work (an "SOW") setting forth the specific services encompassed in the Project, and such SOW will be made an attachment to this Agreement. Company will comply with Exhibit G (Governance) and perform each Project, complete all Project milestones, and provide all Deliverables in accordance with the applicable SOW.

2.4 **New Services.** From time to time during the Term, WM may wish to add one or more new services to the scope of the Services ("New Services"). WM will provide Company with a description of such new services setting out the services, functions, and responsibilities within the new services (a "New Services Request"). In response to a New Services Request, Company will prepare a proposal to WM setting forth:

(a) how it would perform the New Services;

(b) the fees for the New Services;

(c) when appropriate, a transition plan, including a timetable for commencing the New Services;

(d) Service Levels to be applied to the New Services;

(e) when appropriate, a description of any new or existing Software to be provided by Company in connection with such New Service; and

(f) any other information related to the New Services requested by WM.

Pricing of New Services will be agreed upon in writing by the Parties and will be consistent with the then-current mechanisms in this Agreement. New Services shall be documented by one or more "New Services Schedules" that are executed by the Parties and made a part of this Agreement as an amendment.

2.5 **Governmental Approvals and Consents.** Company will, at its own expense, obtain and maintain all licenses, consents, permits, approvals, and authorizations of or from any Governmental Authority, or any notice to any Governmental Authority, the granting of which is required by law or regulation, for Company to provide the Services contemplated by this Agreement.

3. **Service Levels.**

3.1 **Service Levels.** Company will perform the Services in accordance with the Service Levels set forth in Exhibit A-1 (Service Level Agreement).

3.2 **New Service Levels.** Company will perform any New Services in accordance with the New Service Levels applicable to such New Services.

3.3 **Adjustment of Service Levels.** The Executive Review Team (as defined in Exhibit G (Governance)) (1) will review the Service Levels for the preceding twelve (12) months on or before the anniversary of the Effective Date each year during the Term of this Agreement, (2) with respect to those Service Levels that are no longer appropriate because of an increase, decrease, or change to the Services, will adjust the Service Levels for the subsequent contract year, and (3) with respect to all other Service Levels, may adjust the Service Levels for the subsequent contract year. In addition, either Party may, at any time upon notice to the other Party, initiate negotiations to review and, upon agreement by the Executive Review Team, adjust any Service Level which such Party in good faith believes is inappropriate.

In addition, WM may, from time to time, change the Service Levels to reflect its changing business needs, including adding or removing a Service Level. A new Service Level for which there is historical data will take effect sixty (60) calendar days after WM gives Company a notice specifying the new Service Level. A new Service Level for which there is no historical data will take effect ninety (90) calendar days after WM gives Company a notice specifying the new Service Level, during which time the Parties will measure the new Service Level. If Company can demonstrate to WM's reasonable satisfaction that such new Service Level will materially increase Company's cost of performing the Services, WM may only add that new Service Level if:

(a) Company agrees; or

(b) Company does not agree, but:

(i) WM removes an existing Service Level at the same time as introducing the new Service Level and the cost of providing the Services in accordance with the new Service Level and the cost of measuring and reporting on such new Service Level is not materially higher than the cost of providing the Services under the existing Service Level and the cost of measuring and reporting on the existing Service Level; or

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(ii) WM agrees to pay Company for its incremental cost of providing the Services under the new Service Level and the cost of measuring and reporting on the new Service Level.

3.4 **Measurement and Monitoring Tools.** As of the Effective Date (or other date specified in Exhibit A-1 (Service Level Agreement)), Company will implement the measurement and monitoring tools and procedures required to measure and report Company's performance of the Services against the applicable Service Levels. Such measurement and monitoring and procedures will (1) permit reporting at a level of detail specified by WM that is sufficient to verify compliance with the Service Levels, and (2) be subject to audit by WM or its designee.

(a) Company will provide WM with on-line access to Service Level measurement and monitoring tools and information, so that WM is able to access the same information as soon as it is available on-line to Company;

(b) Company will provide WM with periodic reports on Company's compliance with the Service Levels as set forth in Exhibit A-1 (Service Level Agreement), or Exhibit A-2 (Reporting); and

(c) Company will provide WM and its designees access to and information concerning such measurement and monitoring tools and procedures upon request, for inspection and verification purposes.

3.5 **Root-Cause Analysis.** If Company fails to provide the Services in accordance with the Service Levels, Company will (1) promptly investigate, perform a root cause analysis on the failure in accordance with Exhibit G (Governance), identify the problem causing the failure, and report to WM, (2) correct the problem as soon as practicable and resume meeting the Service Levels, (3) advise WM of the status of the problem at stages determined by WM, and (4) demonstrate to WM that all reasonable action has been taken to prevent any recurrence of such default or failure. Company will, at any time at which Company anticipates that it will fail to meet a Service Level, advise WM of the status of the problem at time intervals determined by the Parties.

3.6 **Service Level Termination Threshold.** In the event of a failure to provide the Services set forth in this Agreement in accordance with the applicable Service Levels, WM may upon notice to Company, terminate this Agreement, in whole or in part, in which case Section 9.3 (Termination for Breach) (including the Default Cure Period) will not apply, if:

(a) Company fails to meet the same Service Level four (4) consecutive times;

(b) Company fails to meet the same Service Level six (6) times within a rolling twelve (12) month period;

(c) Company fails to meet four (4) Service Levels in the aggregate, within a rolling twelve (12) month period;

(d) Company fails to meet the draft acceptable rate of eighty percent (80%) three (3) consecutive times; or

(e) Company fails to meet the draft acceptable rate of eighty percent (80%) four (4) times within a rolling twelve (12) month period.

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4. **Staffing Requirements.**

4.1 **Key Personnel.** With respect to the Key Personnel set forth and defined in Exhibit E (Key Personnel), the Parties agree as follows:

(a) All Key Personnel will be dedicated to the WM account at the levels indicated in Exhibit E (e.g., 50% dedication equals half-time dedication to the WM account, 100% dedication equals full-time dedication to the WM account);

(b) Before assigning an individual to a Key Personnel position, whether as an initial assignment or as a replacement, Company will (1) notify WM of the proposed assignment at least thirty (30) days before such proposed assignment, (2) unless otherwise agreed by WM, introduce the individual to appropriate representatives of WM, (3) provide WM with any information regarding the individual that may be reasonably requested by WM, and (4) obtain WM's approval for such assignment. Company will only assign an individual to a Key Personnel position who is approved by WM;

(c) Company will not replace or reassign (1) the Company Relationship Manager or the four (4) Priority Service Providers as set forth in Exhibit E (Key Personnel) unless WM consents to such reassignment or replacement or such Key Personnel (a) voluntarily resigns from Company, (b) is dismissed by Company for misconduct (e.g., fraud, drug abuse, theft), (c) fails to perform his or her duties and responsibilities pursuant to this Agreement, or (d) dies or is unable to work due to his or her disability;

(d) If WM decides that any Key Personnel should not continue in that position, then WM, in its sole discretion and upon notice to Company, may require removal of such Key Personnel from the Project Staff. Company will, as soon as reasonably practicable, replace such Key Personnel;

(e) Company will maintain backup procedures and conduct the replacement procedures for the Key Personnel in such a manner so as to assure an orderly succession for Key Personnel who are replaced; and

(f) Under no circumstances shall Key Personnel be deemed agents or employees of WM.

4.2 **Project Staff.** Company will appoint individuals to the Project Staff with suitable training and skills to perform the Services. Prior to assignment to the Project Staff, Company will:

(a) subject each member of the Project Staff to such background checks as WM may require from time to time. Company will not assign any person to the Project Staff who has been convicted of either (a) any felony, or (b) any misdemeanor involving a crime of moral turpitude (or the local equivalent of similarly serious crimes); and

(b) cause each member of the Project Staff to sign a written agreement, in a form reasonably satisfactory to WM, in which such person agrees to (i) comply with (x) the safety and security procedures of which Company has been informed that are

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applicable to WM premises when at the WM premises, including those set forth in Working with WaMu included in Exhibit H (WM Policies and Procedures), (y) WM information security policies, and (z) the confidentiality provisions of this Agreement; and (ii) assign intellectual property rights that Company is required to assign to WM under this Agreement.

4.3 Appraiser Requirements. Prior to retaining any appraiser to perform Services contemplated in Exhibit A (Services), Company shall ensure with respect to each such appraiser that he/she (i) holds a current appraisal license/certificate from the state in which the property resides, and (ii) has the experience and competence necessary to complete the assignment. The appraiser may not be on the FHLMC exclusionary list, nor may he/she have had his/her certificate or license revoked or suspended by any state prior to or as of the date of the appraisal. In addition, Company shall not retain any appraiser on WM's "Ineligible Appraiser" list to provide the Services under this Agreement, as such list may be provided to Company and updated from time to time.

(a) When an appraiser is added to the WM Ineligible Appraiser list, or the FHLMC exclusionary list, or is published as having a state revocation or suspension against him/her, Company shall provide WM with a report of all Services performed by the appraiser for WM denoting Company and WM reference numbers, valuation, date of valuation, and full address of the subject property. This report is to be delivered monthly and consolidate all such data for the immediately preceding month.

(b) WM issues compliance notifications to appraisers who are identified during WM quality assurance reviews as not complying with USPAP, FNMA or FHLMC, or investor guidelines. Copies of these notifications will be provided to Company where Company has engaged the appraiser in question. Company is not prohibited from assigning work to an appraiser who has received a compliance notification, nor is it required to block broker-provided appraisals performed by appraisers who have received a compliance notification. However, Company shall provide a monthly report of services completed by appraisers who have received compliance notifications containing the same information as required with respect to ineligible appraisers in subsection 4.3(a).

(c) The WM Ineligible Appraiser list shall be treated as Confidential Information (as defined in Section 11.1) of WM and may not be redistributed by Company except to those employees of Company who have a need to know for purposes of compliance with this Agreement and are under written obligation to comply with the confidentiality obligations of this Agreement.

4.4 Subcontracting. Except for retaining appraisers to provide the appraisal services contemplated in Exhibit A (Services), Company may not subcontract any other Services without the prior written consent of WM. As with appraisers retained by Company to provide the Services, if WM authorizes Company to subcontract other Services, Company shall remain responsible and liable for a subcontractor's compliance with this Agreement and performance hereunder. WM may require Company to remove or replace any subcontractors whose performance is deemed unacceptable to WM.

4.5 U.S. Services Only. Company may not perform, or permit or cause to be performed, any of the Services, or any subpart thereof, outside the geographic boundaries of

the United States absent WM's advance written approval. Company acknowledges that this provision is required in order for WM to comply with its regulatory obligations.

4.6 **Compliance with WM Policies**. Company will comply with the physical safety and security policies of which Company has been informed and that are applicable to the WM locations, including those set forth in Exhibit H (WM Policies and Procedures), when at the WM locations.

5. **Relationship Management**.

5.1 **Governance Guidelines and Principles**. Governance of the Parties' relationship pursuant to this Agreement will follow the guidelines and principles set out in Exhibit G (Governance), as such guidelines and principles are amended or supplemented by the Parties from time to time during the Term.

5.2 **Responsibilities**. Each of WM and Company will make management decisions in a timely manner and perform its responsibilities set forth in this Agreement.

5.3 **WM Appointments**. WM will appoint a WM Relationship Manager to manage the operation of this Agreement, in accordance with its terms, for WM. Wherever WM's approval is required under this Agreement, WM will only give that approval through the WM Relationship Manager or a duly authorized delegate of the WM Relationship Manager, except as contemplated by this Section or Exhibit G (Governance). Company agrees that it will not rely on the apparent or ostensible authority of any other WM personnel in relation to this Agreement, except as contemplated by this Section or Exhibit G (Governance).

5.4 **Company Appointments**. Company will appoint:

(a) a Company Relationship Manager to manage the operation of this Agreement, in accordance with its terms, for Company. Wherever Company's approval is required under this Agreement, Company will only give that approval through the Company Relationship Manager or a duly authorized delegate of Company Relationship Manager, except as contemplated by this Section or Exhibit G (Governance). WM agrees that it will not rely on the apparent or ostensible authority of any other personnel of Company in relation to this Agreement, except as contemplated by this Section or Exhibit G (Governance). Company will ensure that Company Relationship Manager is the single point of contact for WM for the purposes of this Agreement, has the authority and will be given the responsibility to perform for Company each of the tasks referred to in Section 5.5 (Role of Relationship Managers) and is a full-time employee of Company; and

(b) an Operational Executive (as defined in Exhibit G (Governance)) to manage day-to-day operations with respect to the Services.

5.5 **Role of Relationship Managers**. The Relationship Managers (a) will meet at times as set forth in Exhibit G (Governance) or as otherwise agreed by the Parties, (b) will review and discuss reports submitted by Company, proposed changes to the Services or any part of this Agreement, any audits, the status of individual existing or planned Projects and financial performance, (c) as contemplated by Exhibit G (Governance), will prepare a monthly executive summary report for WM and Company reviewing Company's performance of the Services, (d) may raise any issues of concern or interest relating to this Agreement, and (e) will

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work in good faith to resolve any issues of concern in accordance with the procedures as set forth in Exhibit G (Governance).

5.6 Escalation Procedure for Relationship Issues. The Parties will follow the escalation procedure set out in Exhibit G (Governance) to resolve any issues concerning this Agreement.

6. Compensation.

6.1 Fees. WM shall pay Company on each transaction for which Company performs Services hereunder in accordance with the Fee Schedule as set forth in Exhibit C (Fee Schedule) and/or, with respect to a Project, only, on the basis set forth in the applicable SOW. Company shall not proceed with or be reimbursed for any Services in respect of a Project that (i) have not been authorized in advance by a WM representative in connection with an applicable SOW, or (ii) exceed any budget or expenditure limit set forth in an applicable SOW. There shall be no compensation due under this Agreement except as set forth in Exhibit C (Fee Schedule), as duly amended, or, in the case of a Project, an SOW.

6.2 Adjustments to Fees. Except as agreed to by the Parties in a written amendment to this Agreement, there shall be no adjustments to fees during the Initial Term or during any subsequent Renewal Term. The Fee Schedule may be updated by Company with respect to a Renewal Term, provided Company must provide written notice to WM at least ninety (90) calendar days prior to the end of the Initial Term or then-current Renewal Term in order for fee changes to be effective. If notice is given pursuant to this Section, revised fees shall take effect on the inception date of the subsequent Renewal Term.

6.3 Billing. Company will submit to WM each month a statement showing charges due for all Services provided by Company to WM during the previous month (the "Monthly Statement"). Company shall submit invoices to the address and WM representative set forth in this Agreement or the applicable SOW, and all Monthly Statements must include a detailed statement of the Services covered by such Monthly Statement. WM agrees to remit to Company all undisputed portions of the balance due shown on correct and complete Monthly Statements within thirty (30) calendar days following WM's receipt of the Monthly Statement. Company shall waive all charges, fees and approved expenses that are not invoiced within ninety (90) calendar days after the end of the calendar year in which the charges were incurred.

6.4 Expenses. Out-of-town travel expenses that are pre-approved in writing and are reasonable and necessary shall be reimbursed at actual cost without markup. In no event will WM pay for travel time. Airfares must be at coach rates, although Company may choose to upgrade at its own expense. Where practical, airfares shall be booked at least seven (7) calendar days in advance. Daily meal allowance is $35 per day ($50 per day in New York and Illinois) per Company personnel providing Services hereunder. Ground transportation will be reimbursed at actual cost, not to exceed $40 per Company personnel per day. Unless otherwise agreed in writing, hotels shall be reserved using WM's designated hotels where discounts have been negotiated.

6.5 Taxes. WM is responsible for all applicable taxes, duties or other charges, including sales or use taxes, imposed by any federal, state, or local Governmental Authority on Services furnished by Company under this Agreement, except for taxes based on Company's net income, gross revenue or employment obligations. If Company is obligated by applicable law or regulation to collect and remit any taxes relating to the Services, then Company will add

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the appropriate amount to WM's invoices as a separate line item. Company will indemnify, defend and hold harmless WM from and against any interest, penalties or other charges resulting from the non-payment or late payment of taxes or other charges for which Company failed to invoice WM or which Company otherwise failed to pay in a timely manner.

7. **Indemnity.**

7.1 **Indemnities by Company.** Subject to and in accordance with and in all respects as limited by this Section 7 and Section 8, Company will defend, indemnify and hold harmless WM and its affiliates, directors, officers, and employees, for loss, damage, liability, claim or expense they incur or to which they are subject arising out of or relating to any claim asserted by a third party (including Company's agents or employees):

(a) that the Services, the Company Software, the Work Product, or any other resources or items provided to WM by Company infringe upon or misappropriate the proprietary or other rights of any third party;

(b) relating to duties or obligations of Company owed to a third party;

(c) relating to the breach of any representation or warranty made by Company in connection with this Agreement;

(d) relating to death, bodily injury, or damage to tangible property resulting from Company's acts or omissions;

(e) relating to Company's breach of Section 13.1 (Information Security);

(f) relating to breach by Company of Section 11 (Confidentiality);

(g) relating to breach of any of the covenants in Section 15.2 (Warranties and Additional Covenants by Company);

(h) arising under applicable employment-related laws;

(i) relating to gross negligence, fraud, or willful misconduct of Company; or

(j) by WM relating to any breach of the representations and warranties regarding the Services provided by Company pursuant to this Agreement.

7.2 **Indemnities by WM.** WM will defend, indemnify and hold harmless Company and its affiliates, and their directors, officers, employees, agents, and subcontractors, for loss, damage, liability, claim or expense they incur or to which they are subject arising out of or relating to any claim asserted by a third party:

(a) that the WM Proprietary Software and WM Third Party Software, or any other resources or items provided to Company by WM infringe upon or misappropriate the proprietary or other rights of any third party, except to the extent such infringement may have been caused by a Software modification by Company;

(b) relating to duties or obligations of WM owed to a third party;

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(c) relating to the breach of any representation, warranty, or covenant made by WM in Sections 14.1 (Representations by WM) or 15.1 (Warranties and Additional Covenenats by WM) of this Agreement;

(d) relating to death, bodily injury, or damage to tangible property resulting from WM's acts or omissions;

(e) relating to gross negligence, fraud, or willful misconduct of WM; or

(f) relating to breach by WM of Section 11 (Confidentiality).

7.3 Indemnification Procedures. A Party seeking indemnification under this Section agrees to notify in writing the other Party from whom indemnification is sought of such action, claim, or proceeding and provide the Party from whom indemnification is sought with all information reasonably accessible to it for such Party to defend the action, claim or proceeding as promptly as is practicable. The indemnified Party will cooperate, at the cost of the indemnifying Party, in all reasonable respects with the indemnifying Party and its attorneys in the investigation, trial and defense of such claim and any appeal arising therefrom; provided, however, that the indemnified Party may, at its own cost and expense, participate, through its attorneys or otherwise, in such investigation, trial and defense of such claim and any appeal arising therefrom. No settlement of a claim that involves a remedy other than the payment of money by the indemnifying Party will be entered into without the consent of the indemnified Party. After notice by the indemnifying Party to the indemnified Party of its election to assume full control of the defense of any such claim, the indemnifying Party will not be liable to the indemnified Party for any legal expenses incurred thereafter by such indemnified Party in connection with the defense of that claim.

8. Disclaimer and Liability Limitation.

8.1 WARRANTY DISCLAIMER. BOTH PARTIES DISCLAIM ANY AND ALL WARRANTIES, EXCEPT AS EXPRESSLY SET FORTH IN SECTION 15 (WARRANTIES AND ADDITIONAL COVENANTS) WITH RESPECT TO ANY SERVICES PROVIDED HEREUNDER OR ANY COMPONENT THEREOF, INCLUDING THE CONFORMITY TO ANY REPRESENTATION OR DESCRIPTION OF SERVICES OTHER THAN THOSE REPRESENTATIONS AND DESCRIPTIONS SET FORTH IN THIS AGREEMENT. BOTH PARTIES EXPRESSLY DISCLAIM ANY IMPLIED WARRANTIES, INCLUDING THE WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

8.2 Damage Cap and Limitation of Liability.

(a) Direct Damages. Each of the Parties will be liable to the other for any direct damages arising out of or relating to its performance or failure to perform under this Agreement; provided, however, that the liability of a Party to the other Party, whether based on an action or claim in contract, equity, negligence, tort or otherwise, will not in the aggregate exceed the greater of (x) the amount of Fees paid by WM to Company during the twelve (12) months preceding the claim, or (y) if the claim arises less than twelve (12) months after the Effective Date, an amount equal to twelve (12) times the average monthly Fees paid by WM to Company during the period commencing on the Effective Date and ending on the date upon which the claim arose.

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(b) Consequential Damages. Neither WM nor Company will be liable for, nor will the measure of damages include, any indirect, incidental, special, consequential, punitive, or exemplary damages, including, but not limited to, lost profits, loss of data, lack or loss of productivity, cost of substitute equipment, services, or downtime costs, even if such Party alleged to be liable had knowledge of the possibility of such damages, arising out of or relating to its performance or failure to perform under this Agreement.

(c) Exclusions. The limitations or exculpations of liability set forth in Section 8.2(a) (Direct Damages) and Section 8.2(b) (Consequential Damages) will not apply to:

(i) the failure of WM to pay Fees due under this Agreement;

(ii) indemnification obligations of Company under Sections 7.1(a)-(b), (d)-(f), (h), and (g) [but only with respect to Company's obligations under Section 15.2(a) and (d)];

(iii) indemnification obligations of WM under Sections 7.2(a), (b), (d), (e), or (f).

(iv) breaches of Section 11 (Confidentiality and Use of Data); or

(v) liability resulting from the gross negligence or willful misconduct of a Party.

(d) Appraisal Warranty Cap. The limitations or exculpations of liability set forth in Section 8.2(a) (Direct Damages) will not apply to claims by WM arising from direct damages regarding Original Appraisals as defined in Exhibit B (Appraisal Warranty). Company's liability to WM for claims arising from or related to losses suffered by WM due to direct damages regarding an Original Appraisal shall not exceed the amounts set forth in Exhibit B (Appraisal Warranty) with respect to any individual Original Appraisal. This subsection (d) shall not be read, however, to limit Company's obligations in respect of third parties or indemnity obligations under subsection (c), above.

(e) Interpretation of Cap. In Section 8.2(a) (Direct Damages), a cap based on Fees is calculated as the sum of:

(i) all Fees paid by WM to Company for the performance of the Services;

(ii) all unpaid Fees due to Company for the performance of the Services; and

(iii) all Fees that would have been payable by WM to Company if Company had fully performed its obligations under this Agreement but which have not become payable as a result of Company's failure to fully perform its obligations under this Agreement.

9. Term and Termination of Agreement.

9.1 Term. The initial term ("Initial Term") of this Agreement shall commence on the Effective Date and shall terminate on the first anniversary of the Effective Date. Thereafter, WM may choose to renew this Agreement for two (2) additional one (1) year terms (each, a "Renewal Term") by giving Company written notice at least ninety (90) calendar days prior to the

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end of the Initial Term or Renewal Term (Initial Term and Renewal Term collectively referred to as "Term").

9.2 **Termination for Convenience.** WM may terminate this Agreement at any time on ninety (90) calendar days notice, provided, however, that upon such termination the rights and obligations of the Parties under this Agreement shall continue with respect to (a) Services that had been provided prior to, or (b) until the completion of any Services in progress commenced prior to, the effective date of such termination.

9.3 **Termination for Breach.** Either Party may terminate this Agreement by written notice to the other Party in the event of any material breach of this Agreement by the other Party if the breaching Party does not cure such breach within thirty (30) calendar days of notice of breach by the non-breaching Party or the breaching Party is not diligently pursuing a cure. Any such notice of termination for cause shall state the cause for termination. In the event that this Agreement is terminated by Company by reason of breach of this Agreement by WM for non-payment or for any other material breach, Company may require prepayment by WM to provide Services or to complete any work in progress prior to the effective date of such termination for cause. Any notice of termination shall be in writing and shall be delivered in accordance with Section 10 (Notices) below.

9.4 **Termination for Adverse Financial Condition.** WM or the Office of Thrift Supervision ("OTS") may terminate this Agreement by giving notice to Company if WM is determined by a Governmental Authority to be troubled pursuant to the Code of Federal Regulations at 12 C.F.R. Part 563.555.

10. **Notices.** Any notice that is to be given or served by either Party hereto upon the other Party must be in writing and shall be deemed given or served in accordance with the provisions of this Agreement when the notice is hand delivered or delivered by traceable express mail carrier or deposited in the United States mail, postage prepaid, registered or certified mail, return receipt requested, and addressed to the Parties at the respective addresses set forth below, or at such other addresses as may have been theretofore specified by written notice delivered in accordance herewith:

(a) **If to Company:**

LSI Appraisal, LLC
2550 North Red Hill Avenue
Santa Ana, CA 92705
Attn: President

With a copy to (which shall not constitute notice):

LSI Appraisal, LLC
700 Cherrington Parkway
Coraopolis, PA 15108-4306
Attn: Counsel

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(b) If to WM:

Washington Mutual Bank
1301 2nd Ave, Floor 11
Seattle, WA 98101
Attn: Sushuma Bull

With a copy for notices of breach, termination, and all notices pursuant to Sections 11.5 (Disclosure of Confidential Information) and 15.2(i) (Warranties and Additional Covenants by Company), only, to:

Washington Mutual Bank
Attn: General Counsel
1301 Second Avenue, WMC3501
Seattle, WA 98101
Fax: 206-377-2877

11. **Confidentiality and Use of Data.**

11.1 **Definition.** "Confidential Information" of a Party means all confidential or proprietary information, including, without limitation, all information not generally known to the public, the terms of this Agreement and WM Data. "WM Data" shall mean all data and information that is submitted, directly or indirectly, to Company by WM or obtained or learned by Company in connection with the Services provided by Company under this Agreement and any SOW, including, without limitation, information relating to WM's customers, technology, operations, facilities, consumer markets, products, capacities, systems, procedures, security practices, research, development, business affairs, ideas, concepts, innovations, inventions, designs, business methodologies, improvements, trade secrets, copyrightable subject matter and other proprietary information. All WM Data is and shall remain the property of WM and shall be protected as described in this Section 11. Without limiting the foregoing, Confidential Information shall include all such information provided to each Party by the other Party both before and after the Effective Date of this Agreement.

11.2 **Use and Disclosure.** All Confidential Information relating to a Party shall be held in confidence by the other Party to the same extent and with at least the same degree of care as such Party protects its own confidential or proprietary information of like kind and import, but in no event using less than a reasonable degree of care. Neither Party shall disclose, duplicate, publish, release, transfer or otherwise make available Confidential Information of the other Party in any form to, or for the use or benefit of, any person or entity without the other Party's consent. Each Party shall, however, be permitted to disclose relevant aspects of the other Party's Confidential Information to its officers, agents, subcontractors and employees to the extent that such disclosure is reasonably necessary for the performance of its duties and obligations under this Agreement and such disclosure is not prohibited by the Gramm-Leach-Bliley Act of 1999 (15 U.S.C. §6801, et seq.), as it may be amended from time to time (the "GLB Act"), the regulations promulgated thereunder or other applicable law. Each Party shall establish commercially reasonable controls to ensure the confidentiality of the Confidential Information and to ensure that the Confidential Information is not disclosed contrary to the provisions of this Agreement, the GLB Act or any other applicable privacy laws and regulations. Without limiting the foregoing, each Party shall implement such physical and other security measures as are necessary to (i) ensure the security and confidentiality of the Confidential Information, (ii) protect against any threats or hazards to the security and integrity

of the Confidential Information, and (iii) protect against any unauthorized access to or use of the Confidential Information. The Parties shall, at a minimum, establish and maintain such data security program as is necessary to meet the objectives of the Interagency Guidelines Establishing Standards for Safeguarding Customer Information as set forth in the Code of Federal Regulations at 12 C.F.R. Parts 30, 208, 211, 225, 263, 308, 364, 568 and 570. To the extent that a Party hereto delegates any duties and responsibilities under this Agreement to an agent or other subcontractor in accordance with the terms hereof, such Party ensures that such agents and subcontractors will adhere to the same requirements with which such Party is required to comply under this Agreement. Each Party shall have the right, during regular office hours and upon reasonable notice, to audit the other Party to ensure compliance with the terms of the GLB Act and other privacy laws and regulations.

11.3 Disclosure by Company to Ancillary Providers. If Company proposes to disclose WM Data to a third party, including a subcontractor, in order to perform the Services contemplated under this Agreement (an "Ancillary Provider"), Company will remain responsible for any breach of these covenants by such person. Company must enter into an agreement with each Ancillary Provider under which the Ancillary Provider (i) is restricted from disclosing, using or duplicating customer Confidential Information except as consistent with this Section 11, and (ii) agrees to protect the security of all WM Data in its possession.

11.4 Exceptions. The restrictions on use and disclosure set forth in this Section 11 will not restrict any disclosure by either Party when, and to the extent that, the Confidential Information is required to be disclosed pursuant to applicable law or by lawful order or requirement of a court or Governmental Authority having jurisdiction over the Parties, provided that the disclosing Party shall use all reasonable efforts to provide the non-disclosing Party with prior notice of such required disclosure and shall disclose only that portion of the Confidential Information that is legally required to be furnished pursuant to the opinion of legal counsel of the disclosing Party. The restrictions on use and disclosure set forth in this Section 11 shall not apply with respect to information that (i) is developed by the other Party without violating the disclosing Party's proprietary rights; (ii) is or becomes publicly known (other than through unauthorized disclosure); (iii) is disclosed to, or learned by, the recipient from a third party free of any obligation of confidentiality; or (iv) is already known by such Party without an obligation of confidentiality other than pursuant to this Agreement or any confidentiality agreements entered into before the Effective Date between WM and Company. If the GLB Act, the regulations promulgated thereunder or other applicable law now or hereafter in effect imposes a higher standard of confidentiality to the Confidential Information, such standard shall prevail over the provisions of this Section 11.

11.5 Disclosure of Confidential Information. In the event of a breach of this Section 11 or other compromise of a Party's Confidential Information of which a Party is or should be aware (whether or not resulting from a breach), the Party shall immediately notify the other Party in a writing detailing all information known to the notifying Party about the compromise, the Confidential Information affected, and the steps taken by the Party to prevent the recurrence of such breach and to mitigate the risk to the Party. Such notice shall be sent to the address indicated in the Notice section of this Agreement, including a copy to General Counsel as identified therein. If and to the extent that any compromised WM Confidential Information includes any customer data, Company will also identify the customers and customer information affected. Each Party shall provide the other Party with access to all information related to the security breach as reasonably requested by a Party.

11.6 **Return of Materials**. Upon termination of this Agreement for any reason and as requested by WM, Company shall return, or certify to the destruction thereof, any and all records or copies of records relating to WM or its business, including, without limitation, Confidential Information, except for Confidential Information of WM that is rightfully contained in Company's work papers, or is required to be retained pursuant to applicable law, provided Company maintains the confidentiality of such Confidential Information as required herein.

11.7 **Permitted Use of Appraisal Information**. WM agrees that descriptions of the size and value of comparable residences used in a specific appraisal and the appraised value and size of a residence being appraised and the date thereof may be used by both Parties without restriction. No other information obtained by Company while providing the Services to WM may be used for any purpose absent prior express written permission from WM.

12. **Proprietary Rights**.

12.1 **WM Software**. As between the Parties, WM is the exclusive owner of WM Proprietary Software and Company will have no rights or interest in the WM Proprietary Software except as set forth in this Agreement. WM hereby grants to Company, during the Term and solely to provide the Services, a non-exclusive, non-transferable, limited right to have access to and (1) use the WM Proprietary Software, and (2) use, to the extent permissible under the applicable third party agreements, the WM Third Party Software. Company may sublicense, to the extent permissible under the applicable third party agreements, to Company agents the right to have access to and use the WM Proprietary Software and the WM Third Party Software solely to provide those Services that such Company agents are responsible for providing.

12.2 **Company Software**. As between the Parties, Company is the exclusive owner of the Company Software. WM will have no rights or interests in the Company Software except as set forth in this Agreement.

(a) Exhibit F (Company Software) sets forth any Company Software that Company will require WM to access and use to provide the Services as of the Effective Date. WM may withhold its approval in respect of any Software if Company does not have the right to grant the rights described in subsections (b) and (c) of this Section.

(b) During the Term (including any post-termination transition period), Company hereby grants to WM a non-exclusive, non-sublicenseable, non-transferable license to access and use the Company Software.

(c) During the Term (including any post-termination wind down period), Company will provide WM with access to the Company Software as necessary or appropriate to enable WM to perform its responsibilities in respect of the Services.

12.3 **Work Product**. Work Product will be owned by WM. WM will have all right, title and interest, including worldwide ownership of copyright and patent, in and to the Work Product and all copies made from them. Company hereby irrevocably assigns, transfers and conveys, and will cause Company agents to assign, transfer and convey, to WM without further consideration all of its and their right, title and interest in and to such Work Product, including all rights of patent, copyright, trade secret or other proprietary rights in such materials. Company acknowledges, and will cause Company agents to acknowledge, that WM and the successors and permitted assigns of WM will have the right to obtain and hold in their own name any intellectual property rights in and to such Work Product. Company agrees to execute, and will

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cause Company agents to execute, any documents or take any other actions as may reasonably be necessary, or as WM may reasonably request, to perfect WM's ownership of any such Work Product.

12.4 **Pre-Existing Materials.** Other than appraisal forms or other document templates related to the delivery of the Services, Company will not incorporate any Pre-Existing Materials in any Work Product without the prior approval of WM. Company hereby grants (and will ensure that Company agents, as applicable, grant) to WM a perpetual, royalty-free, non-exclusive, worldwide, enterprise-wide, license to use, and to grant sublicenses for the use of any Pre-Existing Materials of Company (or Company agents, as applicable) embedded or incorporated in any Work Product.

13. Security and Audit.

13.1 **Information Security.** Company acknowledges that WM has established, and during the Term may amend, minimum appropriate levels of security for information residing on WM systems or for WM Data and other Confidential Information of WM residing on the Company systems. WM's information security policies as of the Effective Date are set forth in Exhibit D (Information Security Requirements). WM will have the right to amend these security policies on thirty (30) calendar days notice to Company or such shorter notice period as required in order to comply with law. Company will, and will cause each member of the Project Staff to, comply with WM's information security policies at all locations, whether WM premises or Company premises, to which they have access in connection with the performance of Services hereunder. In the event Company discovers or is notified of a breach or potential breach of security relating to WM Data, Company will immediately (1) notify the WM Relationship Manager of such breach or potential breach, and (2) if the applicable WM Data was in the possession of Company or Company agents at the time of such breach or potential breach, Company will (a) investigate and remedy the effects of the breach or potential breach, and (b) provide WM with assurance satisfactory to WM that such breach or potential breach will not recur.

In the event Company can demonstrate to WM's reasonable satisfaction that a change in the Information Security Requirements will result in a material adverse impact on Company's operating procedures or costs, the Parties shall mutually agree on the terms for implementing the new Information Security Requirements as well as responsibility for associated costs. WM shall not in any case be responsible for Company's expenses related to implementing information security practices required of Company under applicable law or regulation as an appraisal company or provider of services to the financial services industry.

13.2 **Service Audits.** Upon prior reasonable written notice from WM, Company will provide WM, WM agents and any regulators of WM ("WM Auditors") with access to and assistance, during normal business hours, that they may require with respect to the Company Services locations and/or Company systems for the purpose of performing audits or inspections of the Services and the business of WM relating to the Services, including operational, security, financial and other audits for the sole and exclusive purpose of confirming compliance with the terms and conditions of this Agreement or applicable law or regulation. If any audit by a WM Auditor results in Company being notified that Company or Company agents are not in compliance with any law, audit requirement or other requirement set forth in this Agreement, Company will, and will cause Company agents to, promptly take actions to comply with such law, audit requirement or other requirement.

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13.3 Fees Audits. Upon prior reasonable written notice from WM, Company will provide WM and WM agents with access to such financial records and supporting documentation as may be requested by WM for the sole and exclusive purpose of confirming compliance with the terms and conditions of this Agreement or applicable law or regulation. Any such audit shall occur during normal business hours and shall not unreasonably interfere with the Company's normal business operations. WM and WM agents may audit the fees charged to WM to determine if such fees are accurate and in accordance with this Agreement. If, as a result of such audit, WM determines that Company has overcharged WM, WM will notify Company of the amount of such overcharge and Company will promptly pay to WM the amount of the overcharge, plus reimbursement for WM's costs to research the overcharged transaction to determine if WM's customer(s) is/are entitled to the reimbursement if the transaction was subject to the Real Estate Settlement Procedures Act ("RESPA"). In addition, in the event any such audit reveals an overcharge to WM of three percent (3%) or more of the total amount charged to WM for the Services subject to the audit, Company will reimburse WM for the cost of such audit.

13.4 Office of Thrift Supervision Audit Requirements. By entering into this Agreement, Company agrees that the OTS will have the authority and responsibility provided by Section 5(d)(7)(D) of the Home Owners Loan Act, as amended, 12 U.S.C. §1464(d)(7)(D), relating to services performed by the contract or otherwise. Company will, at no charge, provide the OTS district director of any district designated by WM with one (1) copy, and WM with two (2) copies, of the current Service Auditor's Report (SAS 70), if and when such a review has been performed.

13.5 Company Audits. Company will, as soon as practicable prior to each independent service auditor's report at Company relating to the Services, advise WM of the scope of each such audit and will consider suggestions from WM as to the scope and any other matters raised by WM relating to the proposed audit.

(a) Company will (1) make available to WM the sections of any external independent audit report of Company's or any Company agent's operations directly relating to the Services, except to the extent that any such report deals with Company's costing structures (in which event information about Company's cost structure will be redacted), and (2) promptly take reasonable corrective action to rectify (a) any error identified in any such report that could reasonably be expected to have an adverse material impact on the Services, and (b) any material control deficiencies identified in the report.

(b) At WM's request, Company will, at WM's cost, instruct Company external auditors:

(i) upon completion, to provide each contract year a report which is consistent with Generally Accepted Audit Principles established by the American Institute of Certified Public Accountants on the control procedures used by Company in the performance of the Services, including specifically an assessment of whether (a) the control procedures were suitably designed to provide reasonable assurance that the stated internal control objectives of the system would be achieved if the procedures operated as designed, and (b) the control procedures operated effectively and continuously at all times during the reporting period of such report; and

(ii) provide a copy of the auditor's reports to WM.

Without limiting Company's obligations under this subsection (b), if WM believes the cost of compliance is unreasonable, WM may notify Company, and the Parties will discuss what is reasonable in the circumstances. Company will ensure that any audit firm engaged by Company is completely independent. Specifically, the auditor will not provide to Company or any Affiliate of Company any consulting services, including information technology, strategy, process improvement, tax, or human resources related consulting services.

13.6 Record Retention. Company will retain records and supporting documentation sufficient to document the Services for seven (7) years after the termination of this Agreement and the fees paid or payable by WM under this Agreement for a period of three (3) years after the termination of this Agreement, or in accordance with WM's then-current record retention procedures, as in effect from time to time and communicated to Company. If requested by a Governmental Authority, or by WM in compliance with a request to WM from a Governmental Authority, Company will provide copies of any or all records related to the provision of the Services hereunder (1) to be delivered to a location as specified by the Governmental Authority or WM, as the case may be, (2) at Company's expenses, and (3) within ten (10) business days after such request or such lesser period as may be specified in any request from such Governmental Authority. WM may obtain copies of past appraisal reports by sending an e-mail request to Bonnie Manz (bmanz@lsi.fnf.com) or Bob Getty (rgetty@lsi.fnf.com) or their successors as designated by Company from time to time. In the event of such request, the report shall be delivered to WM within five (5) business days of receipt of such request.

14. Representations.

14.1 By WM. WM represents that as of the Effective Date:

(a) Washington Mutual Bank is a federal savings association, duly organized and in good standing under applicable law;

(b) WM has all requisite corporate power and authority to execute, deliver and perform its obligations under this Agreement;

(c) the execution, delivery and performance of this Agreement by WM (1) has been duly authorized by WM, and (2) will not conflict with, result in a breach of or constitute a default under any other agreement to which WM is a party or by which WM is bound;

(d) WM is duly licensed, authorized or qualified to do business and is in good standing in every jurisdiction in which a license, authorization or qualification is required for the ownership or leasing of its assets or the transaction of business of the character transacted by it, except where the failure to be so licensed, authorized or qualified would not have a material adverse effect on WM's ability to fulfill its obligations under this Agreement; and

(e) there is no outstanding litigation, arbitrated matter or other dispute to which WM is a party which, if decided unfavorably to WM, would reasonably be expected to have a material adverse effect on Company's or WM's ability to fulfill their respective obligations under this Agreement.

14.2 By Company. Company represents that as of the Effective Date:

(a) Company is a limited liability company duly organized, validly existing and in good standing under the laws of Delaware;

(b) Company has all requisite power and authority to execute, deliver and perform its obligations under this Agreement;

(c) the execution, delivery and performance of this Agreement by Company (1) has been duly authorized by Company, and (2) will not conflict with, result in a breach of or constitute a default under any other agreement to which Company is a party or by which Company is bound;

(d) Company is duly licensed, authorized or qualified to do business and is in good standing in every jurisdiction in which a license, authorization or qualification is required for the ownership or leasing of its assets or the transaction of business of the character transacted by it, except where the failure to be so licensed, authorized or qualified would not have a material adverse effect on Company's ability to fulfill its obligations under this Agreement;

(e) Company is the owner of the Company Software, or has rights to use the Company Software, and has the authority to grant the licenses to be granted hereunder, free and clear of any liens, restrictions, claims, charges, security interests or any other encumbrances;

(f) the Company Software complies with all laws applicable to the Company Software;

(g) the Company Software does not infringe upon or misappropriate the proprietary rights of any third party;

(h) there is no claim or proceeding pending or threatened alleging that any of the Company Software infringes or misappropriates the proprietary rights of any third party;

(i) there is no outstanding litigation, arbitrated matter or other dispute to which Company is a party which, if decided unfavorably to Company, would reasonably be expected to have a material adverse effect on WM's or Company's ability to fulfill their respective obligations under this Agreement; and

(j) there is no code in the Company Software that would have the effect of disabling or otherwise shutting down all or any portion of the Services or any such Software.

15. Warranties and Additional Covenants.

15.1 By WM. WM warrants to and covenants with Company that during the Term of this Agreement:

(a) WM will comply with all laws applicable to it in connection with its obligations under this Agreement;

(b) WM will be responsible for any fines and penalties arising from any noncompliance by WM with any law relating to WM's use of the Services unless (1) such noncompliance was caused by Company, or (2) such noncompliance was related to a change in such law and Company failed to notify WM in a timely manner of such change in accordance with subsection (c) of Section 15.2 (Warranties and Additional Covenants by Company); and

(c) except as otherwise provided in this Agreement, WM will obtain all applicable permits and licenses, including the WM Governmental Approvals and the WM Consents, required of WM in connection with its obligations under this Agreement.

15.2 **By Company**. Company warrants to and covenants with WM that during the Term of this Agreement:

(a) Company will comply with all laws and regulations promulgated by any Governmental Authority applicable to Company in its performance of the Services under this Agreement, including, without limitation, FIRREA, the appraisal regulations set forth at 12 C.F.R. § 564, et seq., and related appraisal guidance issued by the OTS as they may be amended from time to time;

(b) Company will monitor changes in law that may have a material impact on Company's performance of the Services or WM's use of the Services or the Company Software and, if they are likely to result in a material change in the Services, provide WM with reasonable notice of same;

(c) if any change in law prevents Company from performing its obligations under this Agreement, Company will develop and, upon WM's approval, implement a reasonable workaround until such time as Company can perform its obligations under this Agreement without such workaround; provided, however, that if such workaround results in an increase in the charges to WM under this Agreement, then WM will have the right to terminate the affected portion of the Services, in which case Section 9.3 (Termination for Breach) (including the default cure period) will not apply, and, upon the implementation of such workaround, the Parties will negotiate and implement an equitable adjustment to the applicable fees;

(d) Company will be responsible for any fines and penalties assessed against Company or WM as a consequence of Company's violation of any law or regulation applicable to Company in its performance of the Services except as set forth in subsection (b) of Section 15.1 (Warranties and Additional Covenants by WM);

(e) Company will obtain, maintain and comply with all applicable permits and licenses, including Company Governmental Approvals and the Company Consents, required of Company in connection with its obligations under this Agreement and will comply with the WM Consents of which it has been informed by WM, and as applicable to Company's performance of the Services;

(f) the Company Software will operate in conformance with the specifications set forth in the related documentation;

(g) none of the Services or the Company Software will infringe upon or misappropriate the proprietary rights of any third party;

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(h) In addition to performing the Services in accordance with the Service Levels, all Deliverables delivered pursuant to this Agreement will conform in all material respects to the design specifications or other parameters contained in the relevant documents with respect to any such deliverable, and Company will correct any non-conformance of the relevant deliverable (and redeliver such corrected deliverable) as soon as commercially reasonable under the circumstances using dedicated, appropriate resources, which resources will not be charged to WM, and with no material adverse impact on the performance of other Services;

(i) Company will take reasonable commercial efforts to ensure that no viruses or similar items are coded or introduced into the Company systems, the WM systems, the Work Product, or the Deliverables. Company agrees that, in the event a virus or similar item is found to have been introduced into the Company systems or the WM systems, Company will assist WM in reducing the effects of the virus or similar item and, if the virus or similar item causes a loss of operational efficiency or loss of data or creates a security risk, will assist WM to the same extent to mitigate and restore such losses and mitigate such risk;

(j) without the consent of WM, Company will not insert into the Company Software any code that would have the effect of disabling or otherwise shutting down all or any portion of the Services or any such Software. Company further represents and warrants that, with respect to any disabling code that may be part of (a) the Company Software which WM has the right to access or use, or (b) the Software or tools used to provide the Services, Company will not invoke such disabling code at any time, including upon expiration or termination of this Agreement, without WM's consent;

(k) Company will perform the Services, and develop the Deliverables, in accordance with applicable professional standards in the appraisal management industry;

(l) Company will monitor, evaluate and adjust its information security systems and procedures to comply with WM's Information Security Requirements as set forth in Exhibit D (Information Security Requirements), and will make adjustments to same in response to relevant changes in technology, changes in the sensitivity of WM's Confidential Information, and internal and external threats to information security. Company will notify WM by e-mail and facsimile to the following WM representative: CorpInformationSecurity@wamu.net, and WM's General Counsel, at the addresses set forth in Section 10 (Notices) within twenty-four (24) hours after (1) any security breach of any part of the Services; or material unauthorized possession, use, or knowledge, or attempt thereof, of the WM Data, data processing files, transmission messages or other Confidential Information by any person or entity that is or may become known; (2) the effect of such; and (3) the corrective action taken in response thereto; and

(m) as necessary from time to time and upon request by WM, Company will promptly take, at its expense, all reasonable actions to police compliance with and enforce its agreement with Project Staff, Company agents and other third parties to the extent necessary to prevent or remedy breaches or potential breaches of Company's obligations under this Agreement.

16. **Insurance.**

16.1 Coverage Requirements. Subject to the continued availability of such coverage, during the Term of this Agreement, and for three (3) years thereafter, Company shall maintain the following insurance coverages with insurance carriers with an A.M. Best rating of at least A-VII, or such other insurance carriers approved in writing by WM (i) all insurance coverages required by federal, state or local law, including, without limitation, statutory worker's compensation insurance and employers' liability insurance (and such employers' liability insurance shall provide a limit of at least $500,000 for each person); (ii) comprehensive or commercial general liability insurance, which may include umbrella liability insurance (which shall provide for a minimum combined bodily injury and property damage coverage limits of $5,000,000 per occurrence and shall name WM as an "additional insured"); (iii) comprehensive automobile liability covering all vehicles that Company owns, hires or leases in an amount not less than $1,000,000 (and naming WM as an "additional insured"); (iv) a comprehensive crime policy with a limit of $10,000,000 that shall include employee dishonesty and fidelity coverage for all Company employees, and officers, and "on premises" loss (loss inside the premises) and "in-transit" loss (loss outside the premises); and (v) professional liability (also known as errors and omissions) insurance with combined single limits of not less than $10,000,000.

16.2 Additional Requirements. All Company insurance shall be primary and non-contributing except with respect to the sole negligence of WM. Prior to commencing any Services under this Agreement, Company shall provide certificate(s) of insurance evidencing the coverages described in Section 16.1 above. Such certificates shall include a provision requiring the insurance carrier to provide directly to WM thirty (30) calendar days advance written notice before any cancellation takes effect for policies evidenced on the certificate. The commercial general liability insurance carrier shall waive, and Company hereby waives, all rights of recovery or subrogation against WM which might arise with regard to damage or loss which is insured against under any WM policies in force at the time of the damage or loss. The insurance requirements and coverages set forth in this Section 16 shall not limit Company's liability to WM or third parties under this Agreement.

17. Relationship Between Parties. The Parties acknowledge and agree that Company is retained by WM as an independent contractor, and that nothing in this Agreement shall be deemed or construed as constituting an agency, partnership or joint venture between the Parties. To the extent not inconsistent with this Agreement, Company shall be entitled to devote its entire time, energy and skill in such a manner as it sees fit. Neither Party shall have any right to obligate or bind the other Party in any manner whatsoever.

18. Non-Exclusivity. It is expressly acknowledged and agreed by Parties that Company shall provide Services to WM on a non-exclusive basis, and that nothing herein is intended to prohibit Company from performing Services for, or acting as agent on behalf of, any other party to a residential real estate transaction. Nothing in this Agreement requires WM to purchase the Services from Company. WM may obtain services similar to the Services from a third party or third parties in WM's sole discretion or perform such services internally. During the Term, WM may from time to time increase or decrease volumes within the Services. No change in volume shall be deemed a termination of this Agreement. Notwithstanding the foregoing, the Parties shall exchange, on a monthly basis, non-binding reasonable volume expectations through the Term of this Agreement.

19. Invalidity. The invalidity or unenforceability of any term or condition of this Agreement shall not invalidate, make unenforceable or otherwise affect any other term or condition of this Agreement, which shall remain in full force and effect.

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20. **Title and Headings**. Title and headings to sections herein are inserted for convenience of reference only and are not intended to be part of, or to affect the meaning or interpretation of, this Agreement.

21. **Governing Law**. This Agreement shall be construed and governed in accordance with the laws of the State of New York without reference to the conflicts of laws principles thereof.

22. **No Assignment**. Except for assignment by WM to a parent or affiliate entity, neither of the Parties hereto shall, without the written consent of the other Party, assign or transfer their rights or obligations under this Agreement.

23. **Binding Nature**. The obligations of this Agreement shall be binding upon, and the benefits thereunder shall inure to, the respective successors and permitted assigns of the Parties.

24. **Force Majeure**. Notwithstanding anything to the contrary contained herein and subject to the responsibility of both Parties to maintain commercially reasonable disaster recovery and business interruptions plans, systems, policies and procedures, neither Party shall be responsible for any respective failure to perform any obligation under this Agreement or for the breach of any representation or warranty contained in this Agreement if such failure or breach is the result of war, famine, flood, any act of God or nature or is the result of any other event beyond the reasonable control of a Party, as applicable.

25. **Attorneys' Fees**. In the event of any legal action between the Parties arising out of the subject matter of this Agreement or arbitration between the parties as provided for in Section 10 of the Appraisal Warranty set forth in Exhibit B (Appraisal Warranty), the prevailing Party in the action shall be entitled to have and recover from the other Party its reasonable attorneys' fees and other reasonable expenses in connection with the action or proceeding, in addition to its recoverable court costs.

26. **Agreement in Entirety**. This Agreement and the Exhibits hereto represent the entire understanding and agreement between Company and WM with respect to the matters identified herein. Any representations or agreements that may have been made by any Party prior to the execution of this Agreement with respect to such matters are void, and none of the Parties have relied on such prior representations in executing this Agreement.

27. **Amendment**. No modifications or changes in the terms and conditions of this Agreement may be made, except by written amendment to this Agreement duly executed by both Parties.

28. **Multiple Counterparts**. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

29. **Remedies Cumulative**. No right or remedy herein conferred upon or reserved to either Party is intended to be exclusive of any other right or remedy, and each and every right and remedy will be cumulative and in addition to any other right or remedy under this Agreement, or under applicable law, whether now or hereafter existing.

30. **Survival of Terms**. The terms of Section 1 (Definitions and General Interpretive Rules), Section 6.5 (Taxes), Section 7 (Indemnity), Section 8 (Disclaimer and Liability Limitation),

Section 10 (Notices), Section 11 (Confidentiality and Use of Data), Section 12 (Proprietary Rights), Section 13.6 (Record Retention) [for the period stated therein], Section 15 (Warranties and Additional Covenants), Section 16 (Insurance) [for the period stated in Section 16.1], and Sections 17-23 and 25-32, inclusive, shall survive the expiration or termination of this Agreement.

31. **No Third-Party Beneficiaries.** The Parties intend that this Agreement shall not benefit or create any right or cause of action in or on behalf of any person or entity other than the Parties hereto.

32. **No Publicity.** Neither Party shall use the other Party's name or mark in any advertising, written sales promotion, press releases and/or other publicity matters relating to this Agreement without the other Party's written consent. Company acknowledges that WM has a no publicity policy regarding its vendor relationships. Notwithstanding the above, during the Term of this Agreement only, Company may list WM's name on a customer list which it provides to prospective buyers of its products or services.

* * *

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IN WITNESS WHEREOF, Company and WM have caused this Agreement to be signed and delivered by their duly authorized officers, all as of the date herein below written.

LSI APPRAISAL, LLC

By: _____
Name: RON FRAZIER
Title: PRESIDENT
Date: 10.18.06

WASHINGTON MUTUAL BANK

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: Tom Casey
Title: CFO
Date: 1-12-07

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EXHIBIT A

SERVICES

1. **Appraisal Services.**

Company will provide appraisal Services for residential properties located in the fifty (50) United States and the District of Columbia (the "Service Territory"). The various types of appraisals that Company will provide include the following:

FNMA 1004 Appraisal without cost approach: An interior evaluation of property conducted by an appraiser licensed or certified in the state in which the property is located, and conducted in accordance with USPAP guidelines for appraisals on FNMA form 1004.

FNMA 1004 Appraisal with cost approach: A full walk-through property valuation conducted by an appraiser licensed or certified in the state in which the property is located and conducted within USPAP guidelines for FNMA form 1004 (URAR).

FNMA 2055 Exterior Appraisal: A drive-by evaluation of property exterior conducted by an appraiser licensed or certified in the state in which the property is located and conducted in accordance with USPAP guidelines for appraisals on FNMA form 2055 (exterior).

2-4 Unit Appraisal (FNMA 1025): A complete summary appraisal for 2-4 unit residential properties.

FNMA 2075 Inspection: The 2075 reports basic property information based on public records, and relies on a visual assessment of the property (drive-by). It does not provide a property value.

Condo Appraisal Interior (FNMA 1073): A complete summary appraisal for condominium units, including an interior inspection.

Condo Appraisal Exterior (FNMA 1075): A complete summary appraisal for condominium units, limited to an exterior inspections.

Co-op Appraisal (FNMA 2090): A complete summary appraisal for cooperative units. (2095 exterior inspection co-op appraisals are currently not used by WM.)

Manufactured Home Appraisal (FNMA 1004c): A complete summary appraisal for manufactured homes.

Reconsideration of value: Service completed when there is a disagreement with the appraisal value based on supporting evidence (rebuttal). It is complete by either a standard 3 tech review using forms 2000 or 2000a, or by redrafting the appraisal as needed.

Desk Review (2000 & 2000a): A service that does not require interior or exterior inspection by the reviewer. Desk reviews should be performed if there is:

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- A minor technical problem in the comparative analysis, usually in the application of the dollar adjustments or a simple math error.
- A minor error found in the original report that does not significantly affect the report acceptability.
- The reviewer disagrees with some adjustment(s) amounts but is in agreement with the comparable selection and conclusion.

Field Review (2000 & 2000a): A service that requires the inspection of the subject property and sales comparables (and rental comparables if required) used in the report. The inspection may be an exterior drive by, an exterior on-site inspection, or an interior and exterior on-site inspection. Field reviews should be performed if:

- There is an imminent value change
- The factual data is in question and cannot be resolved without visual inspections or visit.
- The issues can not be resolved using a desk review.

Appraisal update/completion report (1004D): On-site property re-inspection to ensure that the original requirements and conditions set forth in an appraisal report have been met or completed in a manner conforming to the specifications.

Appraisal update: A new appraisal assigned to the original appraiser to make current a recently completed appraisal. The appraisal update is also used to make corrections to appraisals that have been logged out. Completion of this service may not require the completion of form 1004D.

Land Appraisal: A complete summary appraisal for a buildable site.

In all cases, the appraisal shall provide an estimated value of real property based on replacement costs, sales of comparable properties, and future income from income producing properties (where applicable).

All appraisal, inspection, and evaluation services are to conform as applicable to USPAP and to the appraisal standards of FNMA, FHLMC, and other investors, as described in their respective sellers and servicers manuals.

Company will report any inappropriate contacts or requests by WM employees concerning an appraisal or assigning an appraisal through the Exhibit G (Governance Model).

2. **Customer Support.**

Company agrees to provide and manage a customer support center to service WM with respect to the Services under this Agreement. The support center's hours of operation must accommodate operating hours of Washington Mutual Stores (Financial Centers)

and production centers in all geographic locations from 5:00 a.m. – 6:00 p.m. Pacific Time, Monday through Friday.

Company shall maintain a dedicated toll-free number and customer support e-mail boxes for use by WM.

Company shall provide a response to all customer support issues submitted by WM within four (4) business hours or less for the following statuses and queues:

- E-mails (from the Appraisal General Mailbox)
- Accepted with Conditions
- Administrative Review
- Manual Assign
- Exception Manual Assign
- Exception Duplicate
- Has New Message
- Second Signature

Unless otherwise directed by the WM Representative, all issues within each status or queue should be worked in the order in which they were received by Company.

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EXHIBIT A-1

SERVICE LEVEL AGREEMENTS

1. Service Levels

1004 with cost analysis	Each month, no less than eighty percent (80%) of the LSI provided Appraisals will have a turnaround time less than or equal to seven (7) business days
2055 Exterior	Each month, no less than ninety percent (90%) of the LSI provided Appraisals will have a turnaround time less than or equal to five (5) business days
1004 without cost analysis	Each month, no less than eighty percent (80%) of the LSI provided appraisals will have a turnaround time less than or equal to seven (7) business days
1004c Manufactured Home	Each month, no less than eighty percent (80%) of the LSI provided Appraisals will have a turnaround time less than or equal to seven (7) business days
2075	Each month, no less than ninety percent (90%) of the LSI provided appraisals will have a turnaround time less than or equal to two (2) business days
2-4 units	Each month, no less than eighty percent (80%) of the LSI provided Appraisals will have a turnaround time less than or equal to seven (7) business days
1004D Appraisal update and completion report	Each month, no less than ninety percent (90%) of the LSI provided appraisals will have a turnaround time less than or equal to two (2) business days
Condo Interior (1073)	Each month, no less than eighty percent (80%) of the LSI provided appraisals will have a turnaround time less than or equal to seven (7) business days
Condo Exterior (1075)	Each month, no less than ninety percent (90%) of the LSI provided appraisals will have a turnaround time less than or equal to five (5) business days
Co-op (2090)	Each month, no less than seventy percent (70%) of the LSI provided appraisals will have a turnaround time less than or equal to twelve (12) business days

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Desk review	Each month, no less than ninety percent (90%) of the LSI provided appraisals will have a turnaround time less than or equal to two (2) business days
Field review	Each month, no less than ninety percent (90%) of the LSI provided appraisals will have a turnaround time less than or equal to four (4) business days
Land Appraisal	Each month, no less than eighty percent (80%) of the LSI provided appraisals will have a turnaround time less than or equal to seven (7) business days
Reconsideration of value	Each month, no less than ninety percent (90%) of the LSI provided appraisals will have a turnaround time less than or equal to three (3) business days

Client - delayed orders shall be measured as exceptions to the above grid. Client - delayed orders shall reflect a Service Level of "delivery within 48 hours of confirmed inspection date".

2. Quality Standards and Monitoring.

Appraisal quality will be monitored by WM based on a variety of testing and monitoring activities. Appraisal quality will be considered in assigning additional orders. Company will correct all repairable errors in appraisals discovered by WM at Company's expense if such errors were caused by Company.

All appraisal, inspection, and evaluation services are to conform as applicable to USPAP and to the appraisal standards of FNMA and FHLMC as described in their respective Sellers and Servicers Manuals. Whenever FNMA or FHLMC standards differ, the more comprehensive guideline will apply, unless the product is specified as FNMA or FHMLC, in which case the specified entity's criteria shall prevail.

WM requires Company to communicate and affirm that each appraisal complies with USPAP and all Supplemental Standards to include appraisal standards of FNMA, and FHLMC.

WM has the right to conduct independent reviews of the appraisal ordering controls.

If and to the extent that any Services provided by Company become subject of an OTS audit or finding, Company will participate in such audit, or respond to such finding, as reasonably requested by WM and at Company's expense.

Company's performance will be reported and unacceptable performance levels will require increasing corrective actions to resolve significant issues. Company will be asked to respond within sixty (60) calendar days of notification with a corrective action plan and implement that plan within an agreed upon time frame based on the facts which gave rise to the unacceptable performance. If no time frame is stated in the corrective action plan, it will be within ninety (90) calendar days of notification of the issue by WM, unless a shorter period is dictated by legal or regulatory requirements.

To the extent Company is instructed to use WM's Optis Value system, or a designated successor information technology system thereto, for purposes of transmitting data with respect to the Services, data derived from such designated WM system shall be used to measure Company's Services for purposes of determining adherence to the Service Levels. Reports compiled from data provided by the designated WM system shall, unless Company proves to WM's reasonable satisfaction that such WM system is in error, prevail over reports compiled by Company based on data from any Company system. This paragraph presupposes that WM's reporting mechanisms are operating in a manner reasonably consistent with the measurement processes described within this Agreement. Should material discrepancies exist between any of WM's and Company's reporting results, WM and Company agree to use reasonable efforts to reconcile said discrepancies.

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EXHIBIT A-2

REPORTING

Company will provide WM with the following with respect to reports and data:

1. **General Requirements.**

- Ability to pull data directly from the vendors' reporting and tracking systems
- Ability to use a third party platform for reporting and status information
- All reports are to include a rolling 13 months of data and include appropriate graphing where requested

2. **Quantities.** *Quantities by state, appraisal region, county, service type, and lending* channel, or others as defined by WM for the following:

- Ordered
- Cancelled
- Completed
- On Hold

3. **Service Levels.** Service Level performance – number/percentage completed within SLA, broken down by:

- Service type
- State, appraisal region, or county

Aging report and graph by service type (completed services)

Detailed exception report – orders completed outside of SLA by Loan Fulfillment Center and Area

NOTE: If and to the extent a WaMu-operated information technology system is the system of record with respect to the Services, a report generated by WaMu with respect to Service Levels shall prevail over any contrary report compiled by Company based upon a Company measurement system in the event of any dispute or inconsistency between a Service Level report compiled by WaMu and a Service Level report compiled by Company. This paragraph presupposes that WM's reporting mechanisms are operating in a manner reasonably consistent with the measurement processes described within this Agreement. Should material discrepancies exist between any of WM's and Company's reporting results, WM and Company agree to use reasonable efforts to reconcile said discrepancies.

4. **Turn Times.** Turn Times – high, low, and average turn times as follows:

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- By service type
- By state, and/or appraisal region
- For all completed services
- For all completed services, broken out by state and/or appraisal region
- For all completed services by appraisal resource type
- For all non-AVM completed services
- For all non-AVM completed services, broken out by state and/or appraisal region

5. **ROV.** ROV reporting by percentage and dollar variance from original value

- Total Submitted
- Total by Outcome

6. **Fees.** Reporting on Service Costs / Billing to include:

- Total monthly billings
- Total monthly billing by state, appraisal region, or county
- Average billing by service type
- Average billing by state, appraisal region, county, and/or footprint state

7. **Service Revisions.**

- Quantity/percentage of orders in which an AVM was performed and subsequently another appraisal service was ordered
- Valuation changes for service upgrades (benefits distribution) – property value increases
- Upgrade benefit trend by service type
- Final appraisal service ordered distribution by state, appraisal region, county, and/or footprint state
- Transactions receiving multiple valuation services

8. **Vendor Management.**

- Company to forward analytical data file to WM on such period basis as specified by WM to enable ad hoc analysis
- Analytical data file should be delivered weekly at a minimum

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- File content should represent all available data elements from the standard FNMA appraisal forms
- The data file shall contain a unique identifier for records and associated requests
- The file shall contain data concerning order date, delivery date, hold dates, appraisal as of date, value and identification of the vendor and the appraiser
- The file shall contain any associated quality scores or data for the appraisal or the appraiser.

9. **Quality.**

- Company's quality ranking on the appraisers or other factors that may help select targeted QA samples as reasonably requested by WM
- Information about quality control weaknesses identified, resolved, or tolerated during appraisal processing, based on available information from the vendor

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EXHIBIT B

APPRAISAL WARRANTY

1. **Appraisal Warranty.** LSI Appraisal, LLC ("Company") warrants that each "Original Appraisal" (which, for purposes of this Exhibit B, includes an Interior Appraisal, Exterior Appraisal, Field Review, or Desk Review (all as defined in USPAP), each prepared on the then-current FNMA form appropriate for such appraisal type) provided by Company shall be (a) prepared in compliance with USPAP and guidelines issued by FNMA and FHLMC, and (b) prepared without fraud or negligence by Company, its agents or employees. For avoidance of ambiguity, if and to the extent WM obtains a reconsideration of value from Company with respect to a particular Loan (as defined below), coverage available under this Appraisal Warranty shall be that applicable to the Original Appraisal obtained with respect to such Loan.

2. **Claim Submission, Timing.** When WM believes that Company has breached the Appraisal Warranty, WM shall notify Company of such belief in writing. WM must submit any such notification to Company within: (a) ninety (90) calendar days after the date WM knew of the events causing the breach of this Appraisal Warranty; or (b) five (5) years following the date of the Original Appraisal, whichever date occurs first.

3. **General Conditions Precedent.** The following conditions precedent must be met with respect to any claim for a breach of this Appraisal Warranty:

A. WM shall have made a loan secured by residential property in reliance upon an Original Appraisal prepared pursuant to this Agreement (a "Loan"), which Loan utilized and conformed to (i) FNMA and FHLMC general guidelines, and (ii) standard industry underwriting practices, which shall be deemed rebuttable presumptions for purposes of this Appraisal Warranty;

B. The Original Appraisal of the subject residential property must have been provided to WM no more than one hundred twenty (120) calendar days prior to the closing of such Loan in the case of retail lending, or three hundred sixty-five (365) calendar days prior to the closing of such Loan in the case of consumer lending, after which an Appraisal Update, as defined in USPAP, shall be required to modernize the market value;

C. WM was not aware of the breach of the Appraisal Warranty prior to the closing of such Loan;

D. WM has suffered Actual Financial Loss (as defined below) arising from either:

(i) foreclosure or acceptance of a deed in lieu of foreclosure and subsequent sale of the property (for which purpose "Actual Financial Loss" is defined in Section 4(A)(ii) below); or

(ii) rejection of the Loan by the secondary market and subsequent discounted sale of the Loan (for which purpose "Actual Financial Loss" is defined in Section 5(C)(iv) below); or

(iii) liability for post-foreclosure recourse by a secondary market investor with respect to a Loan (for which purpose "Actual Financial Loss" is defined in Section 6(C)(iv) below).

For convenience, claims under (i), above, may be referred to as "Foreclosure/Deed in Lieu Claims;" claims under (ii), above, may be referred to as "Secondary Market Rejection Claims;" and claims under (iii), above, may be referred to as "Secondary Market Recourse Claims." Secondary Market Rejection Claims and Secondary Market Recourse Claims may be referred to collectively as "Secondary Market Claims."

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4. **Foreclosure/Deed in Lieu Claims**

A. **Establishing Loss.** In order for WM to establish a claim related to a foreclosure or deed in lieu of foreclosure, WM must satisfy the following conditions precedent:

(i) WM must have acquired the residential property that was subject of the Original Appraisal through foreclosure or deed in lieu of foreclosure and have made commercially reasonable efforts to protect the value of the residential property, including, without limitation, (a) by preserving the residential property in substantially the same condition it was in at the time of borrower's default under the Loan; and (b) by undertaking commercially reasonable efforts to resell the residential property at the highest price possible within a reasonable time; and

(ii) WM must resell the residential property for a gross sales price (exclusive of any foreclosure costs or expenses, including, but not limited to, attorneys' fees, closing costs and brokers' commissions) which is less than the outstanding principal balance of the Loan (decreased by any sales credits, holdback amounts and escrow balances held by WM) made by WM in reliance on the Original Appraisal as of the date of foreclosure or deed in lieu of foreclosure (such shortfall, an "Actual Financial Loss").

B. **Notice of Claim.** In the event WM submits a claim for damages as a result of a breach of this Appraisal Warranty, WM's notice to Company shall include the following documents and information, if reasonably available:

(i) Identification of the mortgagor, mortgagee and secured property;

(ii) Copies of documents evidencing and supporting the Original Appraisal market value supplied by Company;

(iii) Materials in WM's possession supporting that a valuation error exists, including, but not limited to, a retrospective appraisal (as defined in USPAP), of the subject property performed on WM's behalf;

(iv) a closing statement, grant deed, trustee's deed or other documentation establishing that the WM acquired the residential property by foreclosure or deed in lieu of foreclosure;

(v) the name, address and telephone number of any real estate listing agent involved in the resale of the residential property, as well as the listing price;

(vi) the outstanding principal balance of the Loan made by WM as of the foreclosure date or date of acceptance of the deed in lieu of foreclosure; and

(vii) a copy of the sales contract and closing statement for the sale of the residential property by WM showing the gross sales price.

C. **Second Appraisal.** If Company disputes WM's claim of breach, the Parties shall choose a duly licensed or certified mutually acceptable appraiser whom the Parties deem to be competent to perform a new retrospective appraisal, as defined in USPAP, on the subject property based on historical information available to the Company appraiser at the time the Original Appraisal was made (such new appraisal, the "Second Appraisal"). The appraiser for the Second Appraisal shall not be a person who has previously acted in any capacity for either Party unless, after disclosure of a prior relationship, the Parties agree to allow the Second Appraisal to be performed by said

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appraiser (such appraiser, a "Disinterested Appraiser"). If the Parties cannot agree on an appraiser within thirty (30) calendar days, each Party will select an appraiser and the two appraisers shall select a third Disinterested Appraiser who shall perform the Second Appraisal.

If and to the extent that the Second Appraisal demonstrates that the Original Appraisal provided by Company overstated the market value of the subject property as of the date of the Original Appraisal by ten percent (10%) or more, Company shall – subject to the limitations set forth in Sections 8 and 9 hereof - compensate WM for WM's Actual Financial Loss.

5. Secondary Market Rejection Claims Process.

A. Notice of Claim. In the event of WM submitting a claim for damages as a result of a Loan being rejected by the secondary market due either to (i) an error (as defined in Section 5 (A)(i) below) in the Original Appraisal documentation, or (ii) to the fact that the market value in the Original Appraisal Report was overstated as evidenced by a retrospective appraisal obtained by the secondary market investor, WM's notice to Company shall include the following documents and information, if reasonably available:

(i) the reason for rejection of the Loan, which may be either: (a) an error in the Original Appraisal provided by Company (for which purpose an "error" shall be defined as a failure to comply with USPAP standards, FNMA or FHLMC guidelines, or a failure accurately to complete the appropriate appraisal forms for the particular appraisal service at issue), or (b) an overstatement of market value in the Original Appraisal provided by Company, where the secondary market has approved the appraisal type for the Loan submitted;

(ii) Documents evidencing that a secondary market entity rejected the Loan as a result of an error in the Original Appraisal or an inaccurate market value in the Original Appraisal supplied by Company;

(iii) Documents evidencing what the secondary market entity rejecting the Loan believed the market value should have been, if applicable;

(iv) Identification of the mortgagor, mortgagee and secured property;

(v) Copies of documents evidencing and supporting the Original Appraisal market value supplied by Company; and

(vi) Any materials in WM's possession supporting that a valuation error exits, including, but not limited to, a retrospective appraisal of the secured property performed on WM's behalf after the date the Loan was rejected by the secondary market.

B. Cure of Rejection.

(i) If a Loan is rejected by a secondary market entity due to an error in the Original Appraisal provided by Company, and the secondary market entity provides an opportunity to cure such document error, Company will cure the error if possible.

(ii) If a Loan is rejected due to an overstatement of market value in an Original Appraisal provided by Company, and WM is given an opportunity by the secondary market entity to oppose such rejection by defending the Original Appraisal, Company will – upon notice, at WM's

request, and at Company's expense – provide WM with assistance in defending the Original Appraisal to oppose rejection of the Loan.

(iii) In the event that either: (a) Company is unable to cure an Original Appraisal error, or (b) Company and WM are unsuccessful in defending the market value in the Original Appraisal, and WM is obligated to repurchase the Loan from the secondary market entity, Company shall – subject to Section 5 (D) and the limitations set forth in Sections 8 and 9 hereof – compensate WM for WM's Actual Financial Loss (as defined in 5(C)(iv) below).

C. Proof of Loss. WM's proof of loss for a Secondary Market Rejection Claim shall include the following documentation:

(i) Identification of the mortgagor, mortgagee and secured property;

(ii) Documents evidencing the value obtained in the original (rejected) sale of the Loan to the secondary market;

(iii) Documents evidencing the sale of the rejected Loan to the secondary market at a discounted value; and

(iv) Any other documents evidencing the difference between the amount for which the Loan was originally sold in the secondary market and the amount actually received by WM via a discounted sale in the secondary market subsequent to secondary market rejection and WM's repurchase of such Loan (such difference, an "Actual Financial Loss").

NO COVERAGE FOR SECONDARY MARKET REJECTION SHALL BE PROVIDED UNLESS WM HAS SOLD THE LOAN AT A DISCOUNTED RATE TO THE SECONDARY MARKET.

WM shall use commercially reasonable efforts to resell the Loan to the secondary market at the highest price possible within a reasonable time, or shall retain the Loan in its portfolio. In the event WM holds the Loan as an asset, WM may not maintain a Secondary Market Rejection Claim but shall be permitted to assert a Foreclosure/Deed in Lieu Claim under Section 4 if and as applicable.

D. Company's Dispute of Secondary Market Rejection Claim. In the case of a claim arising from secondary market rejection due to overstatement of market value in the Original Appraisal as set forth in 5(A)(i)(b), only (as distinct from claims arising from "errors" as set forth in 5(A)(i)(a)), if Company disputes WM's claim of breach, the Parties shall choose a duly licensed or certified mutually acceptable appraiser, at Company's expense, and such appraiser will conduct a Second Appraisal in the manner set forth in Section 4(C). If and to the extent such Second Appraisal demonstrates that the market value of the subject property as of the date of the Original Appraisal was greater than ninety percent (90%) of the market value stated in the Original Appraisal, Company shall have no liability with respect to the Secondary Market Rejection Claim at issue.

6. Secondary Market Recourse Claims Process.

A. Notice of Claim. In the event of WM submitting a claim for damages as a result of WM's actual or potential liability arising from or related to a secondary market investor's claim for post-foreclosure recourse due to the fact that the market value in the Original Appraisal was overstated based on a retrospective appraisal obtained by such secondary market investor,

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WM's notice to Company shall include the following documents and information, if reasonably available:

(i) Documents provided to WM by the secondary market investor claiming an inaccurate market value in the Original Appraisal was the cause of loss to the secondary market investor, where the secondary market has approved the Original Appraisal appraisal type for the Loan submitted;

(ii) Documents evidencing what the secondary market entity rejecting the Loan believed the market value should have been, if applicable;

(iii) Identification of the mortgagor, mortgagee and secured property;

(iv) Copies of documents evidencing and supporting the Original Appraisal market value supplied by Company;

(v) Any materials in WM's possession supporting that a valuation error exists, including, but not limited to, a retrospective appraisal of the secured property performed on WM's behalf after the date the Loan was rejected by the secondary market;

(vi) Documents evidencing the secondary market investor's foreclosure on the subject property, including a closing statement, grant deed, trustee's deed, or other documentation establishing that the secondary market investor acquired the residential property by foreclosure or deed in lieu of foreclosure;

(vii) the outstanding principal balance of the Loan as of the foreclosure date or date of acceptance of a deed in lieu of foreclosure; and

(viii) Documents evidencing the gross sales price for the sale of the residential property by the secondary market investor.

B. Defense of Secondary Market Recourse Claim.

(i) If a secondary market investor seeks recourse due to an alleged overstatement of market value in an Original Appraisal provided by Company, Company will – upon notice, at WM's request, and at Company's expense – provide WM with assistance in defending the Original Appraisal to oppose the Secondary Market Recourse Claim.

(ii) In the event that Company and WM are unsuccessful in defending the market value in the Original Appraisal, and WM is obligated to pay sums to the secondary market investor to settle the Secondary Market Recourse Claim asserted by such secondary market investor, Company shall – subject to the limitations set forth in Sections 8 and 9 hereof – compensate WM for WM's Actual Financial Loss (as defined in 6(C)(iv) below).

C. Proof of Loss. WM's proof of loss for a Secondary Market Recourse Claim shall include the following:

(i) Identification of the mortgagor, mortgagee and secured property;

(ii) Documents evidencing the market value in the Original Appraisal;

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(iii) Documents evidencing the market value in the retrospective appraisal obtained by the secondary market investor; and

(iv) Documents evidencing WM's payment to the secondary market investor in settlement of the Secondary Market Recourse Claim (such amount, an "Actual Financial Loss.")

7. Cooperation.

A. WM will provide reasonable cooperation with any investigation conducted by Company and made pursuant to a notice of breach by WM, and will provide Company with information reasonably requested by Company in order to resolve or settle the matter relating to the Original Appraisal.

8. Limitation of Liability.

8.1 Subjective Nature of Appraisals. WM acknowledges that the performance of appraisal services and any opinion of value is inherently subjective in nature and that different appraisers, acting reasonably and competently, may reach disparate conclusions on the value of a parcel of real property. WM agrees that (in addition to the other limitations provided herein) Company shall not be liable under this Appraisal Warranty to WM for WM's direct damages attributable to Original Appraisals in the case of a claim related to or arising from a Foreclosure/Deed in Lieu Claim or Secondary Market Recourse Claim unless the market value of the residential property as set forth in the Second Appraisal is less than the market value of said residential property as set forth in the Original Appraisal multiplied by ninety percent (90%).

8.2 Limitation on Loss – Foreclosure/Deed in Lieu Claim. In the case of a Foreclosure/Deed in Lieu Claim recovery by WM for WM's damages attributable to breach of the Appraisal Warranty shall be limited to the lesser of the following amounts:

A. The difference between the outstanding principal balance of the Loan as of the date WM takes title to the subject property (or in the case of a Loan factored under negative amortization or reverse mortgage criteria, the original principal balance of such Loan) and the resale price actually realized by WM (inclusive of all expenses that would have been incurred notwithstanding the Original Appraisal, including, without limitation, foreclosure/legal fees, eviction fees, reasonable selling costs and delinquent taxes, less any sales credits, insurance claim payments, holdback amounts and escrow balances held by the lender); OR

B. The difference between (i) the market value of the residential property as set forth in the Original Appraisal multiplied by ninety percent (90%) and (ii) the market value of the property as established by the Second Appraisal; OR

C. Thirty percent (30%) of the outstanding principal balance of the Loan as of the date WM takes title to the subject property.

8.3 Limitation on Loss – Secondary Market Rejection Claim. In the case of a Secondary Market Rejection Claim, recovery by WM for breach of this Appraisal Warranty shall be limited to the lesser of the following amounts:

A. The difference between the amount for which WM originally sold the Loan in the secondary market and the amount for which WM sold the Loan in the secondary market subsequent to secondary market rejection and WM's repurchase of such Loan; OR

B. Thirty percent (30%) of the market value in the Original Appraisal.

8.4 Limitation on Loss – Secondary Market Recourse Claim. In the case of a Secondary Market Recourse Claim, recovery by WM for breach of this Appraisal Warranty shall be limited to the lesser of the following amounts:

A. The amount actually paid by WM to the secondary market investor to settle such investor's claim for post-foreclosure recourse; OR

B. The difference between the market value in the Original Appraisal multiplied by ninety percent (90%) and the greater of (x) the market value in the retrospective appraisal obtained by the secondary market investor seeking recourse, or (y) the market value as agreed by the parties subsequent to any proceeding to defend the secondary market investor's claim as described in Section 6(B) above, or (z) the market value as established by the Second Appraisal (as described in Section 4(C)), provided however, that in the case of this Section 8.4(B) a Second Appraisal shall only be performed if invoked by Company and at Company's sole cost and expense; OR

C. Fifteen percent (15%) of the market value in the Original Appraisal.

8.5. Limitation on Loss – Desk Review and Field Review. Notwithstanding the foregoing limitations, in the case of a Foreclosure/Deed in Lieu Claim or Secondary Market Claim arising from or related to either a Desk Review or Field Review, recovery by WM for breach of the Appraisal Warranty (a) shall not exceed ten thousand dollars ($10,000.00) in the circumstance where a Desk Review or Field Review is the only Original Appraisal obtained by WM from Company as in, e.g., a circumstance in which Company reviews an appraisal obtained by WM from a third party appraiser unaffiliated with Company; and (b) shall be limited to the recovery available with respect to the Interior Appraisal or Exterior Appraisal pertaining to the subject property in the circumstance where WM has obtained from Company both (x) a Desk or Field Appraisal and (y) an Interior or Exterior Appraisal. To illustrate, if WM obtains an Interior Appraisal in which the market value of the subject property is stated to be $200,000.00 and subsequently obtains a Field Review in which the market value of the subject property is stated to be $210,000.00, any subsequent claim by WM under this Appraisal Warranty shall be subject to the limitations which would have been applicable hereunder to claims arising from or related to the Interior Appraisal without regard to the subsequent Field Review.

8.6 Option to Purchase Property. In lieu of paying WM for a claim under this Appraisal Warranty, Company shall, in its sole discretion and with obligation, have the option of purchasing the subject property from WM as set forth in this Section 8.6.

A. **Option Exercise.** Company may exercise its option to purchase by delivering written notice to WM no later than ninety (90) calendar days following Company's receipt of a notice of breach hereunder. The transfer of the property shall occur on the later of thirty (30) calendar days after the date; (i) Company exercises its option, or (ii) the date WM acquires fee title to the subject property. This option shall not exist if and to the extent WM has already resold the property following foreclosure as of the date notice is provided to Company or if the secondary market investor has already resold the property as of the date a Secondary Market Recourse Claim is asserted against WM.

B. **Purchase Price.** In the event Company elects to exercise the purchase option, the purchase price to be paid shall be: (i) the unpaid principal balance of WM's loan, plus (ii) all accrued

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and unpaid interest owing on said loan through the date Company acquires the subject property (at the regular and not default interest rate specified in the applicable loan documents with the borrower).

C. **Application of Damage Cap.** In the event Company elects to exercise the purchase option under this Section, amounts paid by Company to purchase the property shall not apply to the damages cap set forth in Section 9(B), below.

9. ADDITIONAL LIMITATIONS AND MISCELLANEOUS PROVISIONS.

A. COMPANY SHALL NOT BE LIABLE FOR, AND THIS APPRAISAL WARRANTY WILL NOT APPLY TO, EXTEND TO, OR COVER THE FOLLOWING:

(i) LOSSES CAUSED BY THE PARTIAL OR COMPLETE DESTRUCTION OR ENVIRONMENTAL CONTAMINATION OF THE SUBJECT PROPERTY SUBSEQUENT TO THE DATE OF THE ORIGINAL APPRAISAL;

(ii) LOSSES RESULTING FROM RIGHTS OF EMINENT DOMAIN OR FROM ANY LAW, ORDINANCE, OR GOVERNMENTAL REGULATIONS RELATED, BUT NOT LIMITED TO, USE OR OCCUPANCY OF THE SUBJECT PROPERTY SUBSEQUENT TO THE DATE OF THE ORIGINAL APPRAISAL;

(iii) ANY LOSS CAUSED SOLELY BY ANY DISHONEST OR FRAUDULENT ACT OR OMISSION, OR ANY CRIMINAL ACT OR OMISSION BY ANY DIRECTOR, OFFICER, AGENT, OR EMPLOYEE OF WM; OR

(iv) ANY LOSS RESULTING SOLELY FROM THE FAILURE OF WM TO COMPLY WITH APPLICABLE LAWS OR REGULATIONS, INCLUDING, BUT NOT LIMITED TO USURY, CONSUMER CREDIT PROTECTION, OR TRUTH-IN-LENDING LAWS.

B. WM AGREES THAT IN NO EVENT SHALL COMPANY'S LIABILITY FOR WM'S DAMAGES ARISING AS A RESULT OF BREACH OF THE APPRAISAL WARRANTY EXCEED THE GREATER OF (I) THE TOTAL AMOUNT PAID BY WM TO COMPANY UNDER THE AGREEMENT DURING THE TWELVE (12) MONTHS PRECEDING THE CLAIM (LESS ANY WARRANTY CLAIMS ALREADY PAID BY COMPANY DURING SUCH PERIOD); OR (II) $1,000,000.00. THIS LIMIT IS CUMULATIVE AND ALL PAYMENTS UNDER THE AGREEMENT WILL BE AGGREGATED TO CALCULATE SATISFACTION OF THE LIMIT. THE EXISTENCE OF MULTIPLE CLAIMS WILL NOT ENLARGE THE LIMIT.

C. FOR AVOIDANCE OF AMBIGUITY, LIMITATIONS SET FORTH IN THIS EXHIBIT B APPLY TO WM'S RECOVERY FOR DIRECT DAMAGES ATTRIBUTABLE TO BREACH OF THE APPRAISAL WARRANTY ONLY, AND SHALL NOT HAVE ANY EFFECT ON COMPANY'S OBLIGATIONS IN RESPECT OF THIRD PARTIES UNDER THIS AGREEMENT, INCLUDING WITHOUT LIMITATION COMPANY'S OBLIGATIONS TO INDEMNIFY WM IN RESPECT OF THIRD PARTY CLAIMS AS SET FORTH IN THE AGREEMENT.

D. If and to the extent that WM obtains any recovery from private mortgage or other insurance related to a Loan upon which WM has previously obtained relief from Company under this Appraisal Warranty, WM shall issue a credit to Company in an amount sufficient to eliminate any double recovery by WM on losses attributable to such Loan.

E. Company shall not be liable under the Appraisal Warranty to the extent losses are attributable to use of the Original Appraisal outside the scope of work as defined in each Original Appraisal (solely for illustrative purposes only and not by way of limitation, e.g., interior damage in the case of an exterior only appraisal, or non-existence of the subject property in the case of a desk review).

10. DISPUTE RESOLUTION.

Any controversy or claim arising out of or relating to this Exhibit B, Appraisal Warranty, or the breach thereof, shall be settled via binding arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Any proceeding under this Section 10 shall be held before a single arbitrator in Seattle, Washington. The prevailing party shall be entitled to an award of its reasonable expenses (including attorney fees and its share of arbitration fees) incurred in connection with the arbitration.

The arbitrator shall employ comparative fault principles as set forth in the Revised Code of Washington (RCW 4.22.070) if and to the extent that the fault of (a) both WM and Company, or (b) Company and third parties for which it is not responsible under the Agreement, are the proximate cause of a loss to WM which becomes subject of a claim by WM under this Appraisal Warranty.

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EXHIBIT C

FEE SCHEDULES

a. Appraisal Fees. Appraisal Fees shall be as follows:

See Attachment A to Exhibit C, attached, pages 48-51.

NOTE: The costs of reconsiderations of value are included in the fees paid for Services reflected in the table above.

Corrections of errors in appraisals are included in the Services at no additional cost to WM provided Company has caused such errors.

b. Additional Appraisal Fees. Company shall be able to request additional Fees for Appraisals from WM, only for properties that meet one or more of the following criteria:

1. Hard to reach properties: Properties that require special transportation to reach, which include: properties where a 4-wheel drive vehicle must be used, and properties which require a ride on a water ferry.

2. Complex properties: Properties that are considered by industry standards and the inspecting appraiser to be complex and which WM agrees are complex.

3. Non-standard addenda are required: WM requests from Company the inclusion of a non-standard addendum (e.g. rent schedule, property operating income statement) to be included with the appraisal.

All requests for additional appraisal fees shall be submitted to WM in writing and WM will respond to such requests (e.g., acceptance or non-acceptance) in writing, through WM's appraisal systems. Acceptance of any additional appraisal fees is at the complete discretion of WM. common additional fees that WM will not pay for include, but are not limited to:

1. Trip fees including fees for when the borrow does not show up for appointments;

2. Distance fees for properties that are within Company's listed coverage area, as set forth in Exhibit A;

3. Cancellation fees that do not include documentation of work to date; and

4. Reconsiderations of appraisal values.

If additional fees are not approved by WM, the service will be completed in accordance with the established Fee Schedule.

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c. Upgrading Appraisal Orders. In the event that WM requests an upgrade to an appraisal Order, Company shall be entitled to the following compensation:

The greater of (i) the fee difference between the upgraded appraisal Order and the original appraisal Order, or (ii) one hundred dollars ($100.00). Example: The original appraisal Order is a 2055 Exterior appraisal at a fee of $200. The upgraded appraisal Order is a 1004 without cost analysis appraisal at a fee of $250. In such case, Company shall then be compensated $100.00 for the upgraded order, since the difference between the upgraded order and the original order is $50.00.

d. Cancelled Appraisal Orders. In the event that WM cancels an appraisal Order, Company shall cease work immediately, and submit all documentation to WM. Company shall receive compensation for appraisal work completed to date. Fees shall be determined based on completion of appraisal milestone and shall be as follows:

1. No work completed: 0% of appraisal fees
2. Property Inspection Completed: 50% of appraisal fees
3. Appraisal Forms Completed: 100% of appraisal fees

Company shall only receive fees for cancelled Orders, if Company provides documentation sufficient for WM to confirm work to date.

Attachment A to Exhibit C
Appraisal Fees

State	1004 with COST ANALYSIS	1004 without COST ANALYSIS	1004d MANUFACTURED HOME	2055 EXTERIOR	2-4 UNITS	2075 INSPECTION	CONDO INTERIOR 1073	CONDO EXTERIOR 1075	CO-OP 2090	DESK REVIEW	FIELD REVIEW	COMPLETION REPORT 1004D	APPRAISAL UPDATE	1004 Upgrade from 2055 Exterior	LAND
AK	Quote	Quote	Quote	Quote	Quote	124	Quote	Quote	Quote	Quote	Quote	Quote	Quote	Quote	242
AL	385	361	361	266	480	124	385	266	314	195	290	100	147	171	195
AR	385	361	361	290	480	124	385	290	314	195	242	100	147	171	195
AZ	337	314	385	266	575	124	337	266	337	195	266	100	242	195	219
CA	385	361	409	290	622	124	385	290	361	195	290	100	195	171	385
CO	337	314	337	271	575	124	337	271	337	171	266	100	242	195	290
CT	337	314	337	266	527	124	314	276	375	171	242	138	147	138	242
DC	337	337	337	276	575	124	337	290	361	171	242	100	147	147	290
DE	318	290	337	228	527	124	314	219	314	195	266	114	147	124	195
FL	385	361	337	290	480	100	337	290	337	242	337	100	147	100	195
GA	361	318	385	271	480	124	337	290	337	219	266	100	147	171	195
HI	Quote	Quote	Quote	Quote	Quote	100	Quote	Quote	Quote	Quote	Quote	Quote	Quote	Quote	290
IA	337	314	337	266	504	124	314	266	290	195	242	100	242	195	-
ID	385	337	432	290	622	124	385	290	-	242	314	100	195	195	385
IL	314	290	337	252	480	124	290	252	337	195	242	124	147	147	242
IN	337	314	337	266	504	124	314	266	290	195	242	100	242	195	242
KS	337	314	337	266	504	124	314	266	290	195	242	100	242	195	-
KY	337	314	337	266	504	147	314	266	290	195	242	100	242	195	242
LA	337	314	456	266	480	124	337	290	385	171	242	100	147	124	266
MA	337	314	337	266	527	234	314	290	337	195	266	100	147	124	329

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MD	337	337	337	278	575	124	337	290	361	171	242	100	147	147	242
ME	385	385	337	361	527	124	361	361	385	176	290	100	147	124	219

State	1004 with COST ANALYSIS	1004 without COST ANALYSIS	1004d MANUFACTURED HOME	2055 EXTERIOR	2-4 UNITS	2075 INSPECTION	CONDO INTERIOR 1073	CONDO EXTERIOR 1075	CO-OP 2090	DESK REVIEW	FIELD REVIEW	COMPLETION REPORT 1004D	APPRAISAL UPDATE	1004 Upgrade from 2055 Exterior	LAND
MI	337	314	337	266	504	124	314	266	290	195	242	100	242	195	242
MN	337	314	337	266	456	124	337	266	361	176	266	100	171	171	242
MO	337	314	337	266	504	124	314	266	290	195	242	100	242	195	242
MT	337	314	337	266	504	124	314	266	290	195	242	100	242	195	385
NC	385	361	361	266	527	124	337	266	480	171	266	100	147	171	195
ND	337	314	337	266	504	124	314	266	290	195	242	100	242	195	-
NE	337	314	337	266	504	124	314	266	290	195	242	100	242	195	-
NH	337	342	337	266	527	124	314	266	314	171	266	100	147	124	219
NJ	361	328	337	266	527	124	337	290	385	204	276	147	147	138	242
NM	385	409	409	290	622	124	385	290	361	185	290	100	195	171	280
NV	385	337	385	290	622	124	337	290	385	242	337	100	242	195	219
NY	361	328	337	271	551	124	337	290	361	195	280	138	147	171	231
OH	337	314	337	266	504	147	314	266	280	195	242	100	242	195	242
OK	337	290	361	242	527	124	337	242	480	176	266	100	147	124	266
OR	432	385	432	290	622	124	432	361	-	195	290	100	242	195	385
PA	337	328	337	280	527	137	314	280	337	195	252	128	147	138	242
RI	328	290	337	266	527	124	290	266	385	171	242	100	147	124	218
SC	337	314	361	266	480	171	314	266	385	176	266	100	147	124	185
SD	337	314	337	266	504	124	314	266	280	195	242	100	242	195	-
TN	361	337	337	266	480	124	361	290	385	176	242	100	147	124	185
TX	337	314	456	266	480	124	337	290	385	171	242	100	147	124	266
UT	361	337	385	266	622	100	361	266	337	195	266	100	242	195	219
VA	337	337	337	276	575	124	337	290	361	171	242	100	147	147	290

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VT	337	290	337	266	527	124	314	290	-	195	290	147	147	124	219
WA	432	385	480	290	670	124	432	290	504	195	337	100	247	195	242
WI	314	290	337	266	456	124	314	266	314	195	266	100	147	124	195
WV	337	337	337	276	575	124	337	290	361	171	242	100	147	147	-
WY	337	314	337	266	504	124	314	266	290	195	242	100	242	195	385

Manhattan and CA Co-ops

1.5 - 3 million	$800
3-5 Million	$950

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EXHIBIT D

INFORMATION SECURITY REQUIREMENTS

1. Security Management

1.a. Company acknowledges and agrees that it is obligated to comply with the Confidentiality provisions in the Agreement to which these Information Security Requirements ("ISRs") are attached (the "Agreement"), or such higher standard as required by law.

1.b. WM employees will be responsible for determining and specifying all levels of security for information residing on WM owned and managed systems as well as the classification and corresponding security controls over WM Information Assets that are processed and/or stored by Company and that are more fully described in these ISRs.

1.c. **WM Information Assets:** "WM Information Assets" shall mean all data and information that is submitted directly or indirectly to Company for and/or by WM, or obtained, or learned by Company in connection with the Services provided by Company under the Agreement. WM Information Assets are, and shall at all times remain, the property of WM and shall be protected as prescribed by the Agreement, these ISRs, and all applicable laws. WM Information Assets shall be deemed to be the Confidential Information of WM as that term is defined in the Agreement or Non-Disclosure Agreement.

1.d. Company shall maintain full responsibility for ensuring that WM Information Assets are protected in accordance with the WM requirements described in these ISRs. If assigned as permitted in accordance with the Agreement, the Company must be able to determine that any delegated roles and responsibilities have been discharged correctly. Company also agrees to maintain policies or standards appropriate to govern the handling of Confidential Information, which policies and standards must be provided to and approved by WM Corporate Information Security. All WM Information Assets will be treated as Confidential Information under this Agreement.

1.e. Company acknowledges and agrees that security requirements will be incrementally implemented as access to production data by Company becomes more imminent. Company agrees that such connectivity requires that its security standards meet or exceed those of WM and that WM Information Assets may only reside within a secure environment. Company further agrees to allow WM or a mutually agreed upon independent third party to perform security assessments based on a schedule reasonably required by WM. Company understands that should an assessment reveal inappropriate or inadequate security, a remediation schedule will be developed, and appropriate actions will be taken to address and resolve all findings. WM may, at its sole discretion, disconnect Company from the WM network and require that all WM information currently stored by Company be surrendered or destroyed by an independent document destruction party, or require some other solution, whichever WM deems as appropriate, until Company satisfactorily complies with the defined security requirements.

1.f. WM Information Assets may not be stored at Company's facilities (including any offsite facilities under its control) until WM's Chief Information Security Officer or his or her designee has determined to his or her reasonable satisfaction that (i) Company's

policies and standards sufficiently protect such information and, (ii) that Company is in compliance with Company's own security policies and standards.

1.g. Company shall maintain a security alert process either through the employment of a third party service or by assigning personnel to be responsible for (i) monitoring the development of new threats related to any identified vulnerabilities and, (ii) taking effective corrective action to remediate those threats. During the implementation of security patches or corrective actions to remediate security risks, WM will be informed of any potential risk to WM Information Assets at the earliest opportunity through the Security Operations Services (SOS) at 888-497-3287 and notified when the threat is removed through remediation measures. For the purposes of these ISRs, "personnel" means employees and independent contractors.

1.h. For the purposes of these ISRs, an "Incident" includes but is not limited to any of (i) an act which violates an explicit or implied security policy, (ii) an unplanned service outage that prevents the normal operation of business, or (iii) unauthorized access to WM Information Assets or any data held by Company that would be required by law to be disclosed.

During the Term of the Agreement, Company shall maintain an Incident response function with the capabilities to perform activities such as prevention, planning, detection, analysis, containment, investigation, eradication, recovery, and follow-up of Incidents such as root cause analysis and forensic research. In the event of an Incident, Company shall (i) notify WM at CorpInformationSecurity@wamu.net within twenty-four (24) hours and (ii) if a security deficiency has been identified with any information system, coordinate with WM Corporate Information Security through the Security Operations Services (SOS) at 888-497-3287 in the conduct of an investigation within twenty-four (24) hours, (iii) provide a written report within three (3) days of any such notice, and (iv) respond promptly to any reasonable request from WM for detailed information pertaining to any Incident. Any such notice and report must contain a description of the nature of the Incident, its impact, and any investigative, corrective, or remedial actions taken or planned. Company further agrees to permit WM, upon request, to review and verify relevant logs and data pertaining to any investigation performed by the Company regarding any Incident for the purposes of protecting WM and its customers' and employees' information. Upon the conclusion of all investigative, corrective, and remedial actions, WM will receive a final report that includes the extent of the Incident; a description of WM Information Assets disclosed, destroyed, or otherwise compromised or altered; all supporting evidence, including system, network, and application logs; a description of all corrective and remedial actions; and an assessment of the security impact to WM.

1.i. If an Incident occurs, Company will promptly take all necessary steps to prevent any further damage to/exposure of WM Information Assets as well as any future Incidents and will provide WM with the relevant details of the steps taken to remediate against any further Incidents within three (3) business days. Further, Company will, within the time period prescribed by law, take all actions required by law to notify the affected WM customers, that an Incident involving a breach of security may have caused their personal information to be disclosed to unauthorized persons, provided, however, that any notification must first be approved by WM's Chief Information Security Officer or his or her designee.

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1.j. Company acknowledges and agrees that WM Information Assets may only be used in connection with the provision of Services to WM as contemplated in the Agreement. Company also acknowledges that relevant governing or regulatory agencies may, according to their respective charter and/or as required by law, request an audit of Company's business practices when WM's or its customer's non-public information is held or protected by Company as though it were an extension of WM.

2. Personnel Security

2.a. Company certifies that its employees, independent contractors and subcontractors are of good standing and trustworthy and that Company has no knowledge of any person employed by it in connection with any Services under the Agreement who has a prior felony charge or conviction for embezzlement, fraud, antitrust, breach of trust or fiduciary duties, securities or financial related crime, perjury, breach of trust, money laundering, or larceny. If Company's employees, independent contractors or subcontractors are convicted of a felony, or Company learns of a prior conviction during the term of the Agreement, it will inform WM of the conviction and remove the employee, independent contractor, or subcontractor from performing any Services for WM if requested by WM.

2.b. Company certifies that its employees, independent contractors, and subcontractors are insured.

2.c. Company certifies that its employees, independent contractors, and subcontractors have been provided with a clear understanding of the necessary procedures and controls to comply with the security requirements set forth in these ISRs. Company also agrees to maintain a vendor security process that ensures appropriate due diligence is conducted prior to utilizing other vendors or subcontractors to provide any Services in support of the Agreement, and that the security capabilities of any such vendors or subcontractors are monitored on an ongoing basis. The due diligence and monitoring elements of this process must provide for the identification and resolution of significant security issues prior to engaging a vendor or subcontractor, and for the continuous identification and resolution of additional security issues over the term of the Agreement.

3. Physical Security

The physical security processes in this section apply to all primary and secondary facilities used to provide the services, or facilities used by Company (the "Company Premises") to operate, store, maintain or protect any and all WM Information Assets and physical connections, equipment and any other materials owned by WM that are used by Company to provide the Services (collectively, the "WM Properties").

3.a. Company shall restrict, control, and monitor all physical areas in Company's Premises that contain WM Information Assets, including any servers, switches, or other equipment that processes or stores WM Information Assets (the "Secure Area"). Access to any equipment used to deliver Services will be secured and monitored on a 24 hours per day, 7 days per week ("24/7") basis.

3.b. Company will develop a documented authorization process for all those Company personnel maintaining or viewing WM's Properties. Company's card access program will address documentation and logging of all persons whose duties require them to enter or

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support space storing the aforementioned WM Properties. This process should also include details addressing site visitor protocol including the following:

i. Company will provide WM, upon request, badge reports detailing all access to areas storing WM Information Assets and Properties.

ii. Company will regularly test its physical protection methods. Reports of tests will be made available for WM's review upon request.

iii. Upon request, and when applicable, Company will provide WM with access to facility log-in records on WM's personnel and any other persons having access to each Secure Area with their identities and dates and times of access.

iv. Company will not allow outside support services personnel to access WM Secure Areas unless accompanied by authorized Company personnel.

v. Company Access Systems will be capable of monitoring and logging door alarms.

vi. Company will maintain active service agreements with card access and close-circuit television (CCTV) support vendors.

vii. Company CCTV equipment and processes will support the following, unless otherwise approved by WM: all images will be recorded at "real time" settings; all image records will be retained for a minimum of one hundred twenty (120) days; and all images related to questionable activity or known incidents or investigations will be retained indefinitely or until Company receives notification from WM that the information is no longer needed.

viii. Company will maintain 24/7 physical security presence at all WM Properties.

ix. Company will control all access to Company areas or cabinets that house phone and other "data transmission lines" or equipment as follows: access must be controlled by badge reader at one or more entrance points; doors used only as exit points must have "one-way" doorknobs or crash bar exit devices installed; all doors must be equipped with door alarms contacts; all exit doors will have CCTV coverage; and all Card Access and CCTV systems will be tied into generator or UPS back-up systems.

x. Company will not allow outside support-services personnel to access secure areas unless accompanied at all times by Company's pre-approved staff.

4. Access Control

4.a. Company certifies that its employs access control mechanisms to prevent unauthorized access to WM Information Assets and to limit access to authorized personnel with a business need-to-know. Such mechanisms shall have the capability of detecting, logging, and reporting attempts to breach security. Additionally, all elements of Company's implementation that allow end user access must be capable of distinguishing access privileges, at a minimum, to the following separate categories:

- End user of services;
- WM employees and independent contractors; and
- Company employees, independent contractors, and subcontractors.

4.b. Company security systems will be configured and maintained to provide reasonable and effective levels of security pursuant to the sensitivity of the data being held, which levels may be determined by WM and in accordance with all applicable laws including laws pertaining to WM's obligations.

4.c. Company will limit systems access and use of resources solely to those of its employees, independent contractors, and subcontractors needed to perform specific responsibilities or functions in support of the services under the Agreement. Each person must have an individual account that authenticates that individual's access to WM Information Assets.

4.d. Company will maintain a process to review access controls regularly, but at least quarterly, for all systems containing WM's Information Assets including any system that can connect to a system on which WM Information Assets are stored via any form of communication interface. This process shall at all times during the Term of the Agreement (i) be in compliance with Company's Policies and Standards as provided to WM, and (ii) include documenting all systems access authorizations, which include procedures to disable or delete accounts following employment transfers, terminations, and account inactivity. Such reviews may be audited by WM or its third party auditor upon request and with reasonable notice.

5. Systems Development & Maintenance

5.a. Company agrees that there will be no access from platforms or use of protocols other than those in the current configuration presented to WM by Company.

5.b. Company shall establish and maintain all application and system logs under its domain and further agrees that a copy of all logs shall be provided to WM upon request in the event a security incident occurs or is believed to have occurred.

5.c. Company shall employ an effective, documented change management program with respect to the services under the Agreement as an integral part of its security profile. WM reserves the right to review the change management reports upon reasonable notice and may require remedial action if any deficiencies are identified.

6. Telecommunication & Network Security

6.a. Company shall employ security practices and equipment sufficient to ensure that its end of the telecommunications connection will not allow unauthorized traffic to pass into WM networks through the common Internet connection. WM reserves the right to disconnect the Company service without notice if unauthorized access is discovered. Such disconnection, if it occurs, will not, however, relieve Company of its commitment to perform under the Agreement. Company will be obligated to provide either onsite servicing or another workaround acceptable to WM until the inappropriate access can be investigated and resolved to WM's satisfaction.

6.b. Company shall notify WM in writing as to the identity of each employee, independent contractor, or subcontractor (including name and purpose(s) of access) for whom access is requested for connectivity to WM networks or systems, and shall notify WM within one (1) business day of any status change, including new hire, termination, or transfer.

6.c. Company agrees to review and update (for accuracy and any status changes) WM network and system access reports supplied by WM, and to return the reports to WM with any changes or updates within five (5) business days.

6.d. Company agrees that any remote server access required by the Company will be in a READ only mode, without prior written approval of a security plan for more intrusive access.

7. Storage, Handling, and Disposal

Company shall separate and segregate WM Information Assets from other client data. Company shall encrypt WM Confidential Information that is in electronic form while In-Transit (also known as "in-motion" or "en-route"). "In-Transit" means information moving over wired and wireless local and/or wide area networks and the Internet. Company shall ensure all WM Confidential Information while In-Storage (also known as "at-rest") is placed in secure areas with commercially reasonable controls to prevent unauthorized access (which shall include encryption not later than one (1) year after the Effective Date). "In-Storage" means information stored in databases, file systems, and on various forms of online and offline media (DASD, tape, etc.). Unless directed otherwise by WM, Confidential Information should be properly disposed of in accordance with federal and state requirements or as mandated by WM, provided that such destruction occurs only on the date specified by WM or requested in writing by WM. At WM's request, Company will certify in writing that all WM Information Assets have been returned or destroyed as required in this subsection. Company shall comply with any security requirements of WM regarding the storage, handling and disposal of WM Confidential Information that is in physical form.

8. Disaster Recovery and Business Continuity

Company shall provide WM with documentation of its disaster recovery strategy and/or capability. The description will address actions to be taken in the event of an extended outage of service. (Such an outage could be caused by a number of events ranging from technical hardware/software/network related malfunctions to a catastrophic disaster.) Prior to the Effective Date of the Agreement, Company will deliver to WM a copy of its disaster recovery and business continuity plan (the "Plan") dated not more than twelve (12) months old. Company will use commercially reasonable efforts to ensure that the Plan will address the following requirements:

8.a. Content - Company will describe in the Plan the actions and resources required to provide for the continuous operation, and, in the event of an interruption, the recovery of the functions required in the Agreement, including all Agreement-required systems, hardware, software and data that support these functions, within a recovery time objective sufficient to sustain contracted levels of service. If WM raises issues or concerns regarding the Plan, Company will use reasonable efforts in good faith to address them.

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8.b. Updates - Company will update and resubmit the Plan to WM whenever there are significant or material changes in the Agreement-required systems, recovery strategies, recovery resources, actions described in the Plan, or other information affecting the recovery of Agreement-required functions, but at least once in every twelve (12) month period starting with the Effective Date.

8.c. Resources - Company will ensure that all continuity and recovery resources, including without limitation systems, facilities, equipment, and personnel as described in the Plan and as needed to perform the Agreement-required services or functions, remain available in sufficient quantities throughout the term of this Agreement.

8.d. Disaster Reporting - Within two (2) hours of an interruption of an Agreement-required function, Company will provide to the WM designated representative an initial report that includes the nature of the interruption and an estimate of the time it will take to return to Agreement-required service levels.

8.e. Recovery - Following restoration of Agreement-required functions to normal, Company will provide to the WM designated representative a complete report within ten (10) days of such restoration, including a description of each Agreement-required function interrupted, the time required for recovery and return to Agreement-required service levels, Agreement-required products or services that were not provided or only partially provided as a result of the interruption, the specific corrective action taken, the material effect, if any, on WM and whether or not the Plan was adhered to and, if not, what changes will be made to the Plan.

8.f. Continuity - Company will continue to meet the terms and requirements of this Agreement through alternative means until the Agreement-required functions are recovered.

8.g. Plan Testing - Company will test the Plan each time the Plan is revised, but not less than once every twelve (12) months, by using any of several industry-standard testing methods.

8.h. Reporting - Company will report in writing the results of each Plan test and deliver the test results, certified by Company's authorized officer, to WM within thirty (30) days following completion of the test. The report must include all errors, omissions, inaccuracies, and outdated information discovered in the Plan, corrective action planned for these errors, omissions, inaccuracies, and outdated information and the date by which corrective actions will be completed.

8.i. WM's Participation - Company will notify WM at least thirty (30) days in advance of any Plan testing that requires WM's participation. WM will have the option to decide upon the nature and extent of its participation, including the opportunity to participate in the planning and scope of the test.

EXHIBIT E

KEY PERSONNEL

Last Name	First Name	Phone Number	Cell Phone	Email Address	Dept/Title	Level of Dedication to WM
Getty	Bob	412-299-4294		rgetty@lsi.fnf.com	Business Development	100%
Janicki	Pat	412-299-4646		pjanicki@lsi.fnf.com	Client Service Mgr	100%
Lemashane	Diane	412-299-4000		dlemashane@lsi.fnf.com	Appraisal Supervisor	100%
Manz	Bonnie	412-299-4383	412-716-7439	bmanz@lsi.fnf.com	Appraisal Ops	100%
McSheehy	Brian	412-299-4000		bmcsheehy@lsi.fnf.com	Client Service Supervisor	100%
McVay	Suzy	412-299-4000		smcvay@lsi.fnf.com	Appraisal Manager	100%
Prosser	Rick	412-299-4000		rprosser@lsi.fnf.com	Appraisal Trainer	100%
Schneider	Leslie	412-299-4000		lschneider@lsi.fnf.com	Appraisal Team Lead	100%
Jackie	Carlucci	412-299-4517		jcarlucci@lsi.fnf.com	QA Ops Manager	100%
Borowski	Keri	412-299-4616	618-980-5642	kborowski@lsi.fnf.com	Appraiser Liaison	80%
Alcorn	Bethany	412-299-4062		balcorn@lsi.fnf.com	IT Integration	50%
Cranton	Shane	949-422-3582	714-366-6424	scranton@lsi.fnf.com	Project Manager	50%
Greve	Joe	216-328-2055	216-374-1888	jgreve@lsi.fnf.com	Sales Exec	40%
Java	Donna	412-299-4522		djava@lsi.fnf.com	Project Manager	50%
Johnson	Mark	949-622-4640	626-255-1309	mrjohnson@lsi.fnf.com	COO	20%
Meier	ML	412-299-4212		mlmeier@lsi.fnf.com	Quality Assurance	20%
Rice	Kate	412-299-4312	412-716-1279	krice@lsi.fnf.com	Appraisal Ops	20%
Sanderson	Jeff	949-622-4614		jsanderson@lsi.fnf.com	CTO	20%
Vann	George	412-299-4000	412-716-1534	gvann@lsi.fnf.com	Chief Appraiser	20%
Plizga	Greg	412-299-4146	412-716-9029	gplizga@lsi.fnf.com	Legal Counsel	20%
Reid	Bill	800-756-3524		bbreid@lsi.fnf.com	Accounting	20%

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Priority Service Providers

Last Name	First Name	Phone Number	Cell Phone	Email Address	Dept/Title	Level of Dedication to WM
Chmielewski	Marci	412-299-4789		machmielewski@lsi.fnf.com	Client Service Supervisor	100%
DelBianco	Sharon	412-299-4000		sdelbianco@lsi.fnf.com	Performance Engineer	100%
Hollick	Dave	412-299-4000		dhollick@lsi.fnf.com	Performance Engineer	100%
Irion	Heather	412-299-4000		hirion@lsi.fnf.com	Client Service Supervisor	100%

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EXHIBIT F

COMPANY SOFTWARE

As of the Effective Date, there is no Company Software to which WM will be provided access.

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EXHIBIT G

GOVERNANCE

No term of this Exhibit G shall relieve the Parties of any obligations under this Agreement. For purposes of this Exhibit G, a subcontractor of Company is not considered another "service provider" of WM separate and apart from Company.

1. Purpose of the Governance Model

The purpose of the Governance Model is to provide Company and WM with a governing document to guide management of the day-to-day relationship between Company and WM with regard to the Services under this Agreement and to encourage Company and WM to work together effectively. However, neither the provisions of the Governance Model, nor the duties of any of the teams created herein, will limit or in any way preclude WM or Company from exercising any of the rights or remedies granted to either of them under this Agreement or at law or in equity, or excuse either Party from performing its other obligations under this Agreement.

2. Teams

The following three teams will operate the Governance Model:

Delivery Management Team (the "DMT", whose roles and responsibilities are detailed in Section 3)

Relationship Management Team (the "RMT", whose roles and responsibilities are detailed in Section 4)

Executive Review Team (the "ERT", whose roles and responsibilities are detailed in Section 5).

3. Delivery Management Team

3.1 DMT Members - The Delivery Management Team ("DMT") will be comprised of the following Operations Managers and their successors as appointed from time to time by written notice from the Party replacing its Operations Manager.

WM – Bruce Marshak – FVP, Loan Servicing Strategic Support

LSI – Bonnie Manz – VP Appraisal Operations

3.2 Specialist Teams - If Company utilizes Specialist Teams (e.g. during transition periods or as part of a particular Project or New Service implementation by WM) (the "Specialist Teams"), such Specialist Teams will report to the DMT.

3.3 DMT Objectives - The DMT will actively encourage operations and Specialist Team personnel at both the Company and WM to take responsibility for all aspects of the Company's delivery, and WM's efficient use, of the Service(s) assigned to the DMT and to operate as a single operations team. WM's Service needs will be their highest priority. DMT members and operations personnel at both the Company and WM will cooperate to this end.

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3.4 **DMT Responsibilities** - Each DMT member will refer any relationship or contractual issue to their respective organization's Relationship Manager, and will not attempt to resolve such issue within the DMT. The DMT is responsible for the following:

A. Manage all operational aspects of Service delivery and supervise Company's delivery of the Services in accordance with this Agreement, including day-to-day responsibility for monitoring compliance with contractual obligations (e.g., compliance with Service Levels, procedures manuals and WM Policies).

B. Monitor the progress of each Specialist Team and provide guidance when necessary.

C. Identify, from a technical and business delivery perspective, Projects within the scope of Services, potential or actual changes to the Services or New Services being planned or considered by the RMT. Ensure that all issues relating to any such change are identified and fully addressed (e.g., transition issues and additional management needed to manage Projects) in a manner protective of WM's operations, and WM's financial and business interests.

D. Integrate Services with services provided by WM or third-party suppliers.

E. Review all incident reports in which Service availability and compliance with Service Levels are implicated or concerned. Determine when a root cause analysis of a Service failure is appropriate. Perform any root cause analysis, including any analysis involving another service provider when appropriate in accordance with Attachment B of this Exhibit, and supervise Company's remediation of all failures involving a Service or that result in/implicate Company's failure to meet the Service Levels.

F. Consider any advisable (and feasible) change (including a change) to the Services, or any people, process or technology used to deliver the Services, as a result of, and to address problems or concerns identified through, a root cause analysis, and advise the RMT of same.

G. Prioritize remedial actions based on the importance of affected WM operations and operational impact of lost functionality within the WM environment or any Company environment.

H. Develop rectification and maintain plans and disaster recovery plans and ensure that they are implemented in accordance with the terms of this Agreement.

I. Prioritize the identification, resolution, and escalation of Service Level defaults.

J. Review Company's performance of the Services and prepare reports as directed by the RMT for the RMT quarterly meetings.

K. Escalate major operational and technical problems, issues and risks that cannot be resolved promptly at the DMT level.

4. **Relationship Management Team**

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4.1 Members - The Relationship Management Team (RMT) will be comprised of the following individuals, representing WM and Company, respectively:

WM – Sushuma Bull – FVP, Home Loans Risk Management

LSI – Kate Rice - SVP, Title and Appraisal Operations

4.2 Responsibilities - The RMT will be principally responsible for the following:

A. Ensure that the actual relationship between the Parties reflects as closely as possible each Party's intentions and achieves the business objectives.

B. Manage the process for changes to the Services, this Agreement, Projects and New Services and any changes to the Governance Model.

C. Review, on at least a quarterly basis, Company's performance, compliance with WM's audit, security and business recovery requirements; all performance reports; and overall customer satisfaction.

D. Supervise any fault analysis, taking into account the results of any root cause analysis (see Attachment B), including any multi-party analysis required for multi-party issues. However, all Company affiliates and any other service providers associated with the issue must agree to first attempt to resolve any issues between themselves without WM's involvement so that WM is not expected to adjudicate between its service providers in the case of a dispute.

E. Ensure compliance with all procedures for changing the Services, or any part of the environment used to deliver the Services, including as a result of any root cause or fault analysis.

F. Resolve any relationship and contractual issues escalated to the RMT, and only escalate any such issue to the ERT after all realistic avenues for resolving the issue have been thoroughly and cooperatively exhausted.

G. Ensure Company is informed of, and understands, the evolving needs of WM's business and keep WM advised of developments in the areas of the outsourced services and technology applicable thereto.

H. Ensure that each Party complies with the Governance Model and does not attempt to manage around it.

5. Executive Review Team

5.1 – ERT Members - The Executive Review Team (ERT) will be comprised of the following individuals:

WM – Joe Healan – SVP, Home Loans Strategic Operations

LSI – Mark R. Johnson – COO LSI Appraisal, LLC

5.2 – ERT Responsibilities – The ERT will be principally responsible for the following:

A. Create a forum that will enable Company to understand WM's business strategy evolving business needs and give Company an opportunity to contribute to that strategy by providing high-level insight on emerging business trends relevant to WM. Ensure that each Party complies with Governance Model and does not attempt to manage around it.

B. Meet at least semi-annually for the first twelve (12) months of this Agreement and at least annually thereafter.

C. Provide guidance and leadership to the relationship as a whole.

D. Provide the final escalation level on technical, contractual and relationship issues from the DMT and RMT.

6. Appointment and Removal of Team Members

As the output, vigor and usefulness of the teams will largely be determined by the commitment, ability and availability of their members, appointment and removal of Company's team members will be governed by the following requirements:

A. Company will consider the appointment of each Company team member carefully.

B. Company will maintain similar executive level positions within each team to ensure an appropriate focus and direction is provided to the other.

C. WM will be entitled to approve (and require removal and replacement of) Company team members. WM will, whenever reasonably practicable, give Company one (1) month written notice in the event it wishes to change a Company team member, unless Company team member violates the WM Code of Conduct whereby removal of the Company team member may be, at WM's discretion, immediate.

7. Decisions of Teams

All team decisions will be made in accordance with this Agreement. If this Agreement specifies that an issue will only take effect if agreed between the Parties, then the resolution will only be passed if representatives of both Parties agree. If this Agreement specifies that WM has an approval right or the discretion or this Agreement is silent on a matter, then Company representatives can make suggestions but cannot prevent WM from making a particular decision or force WM to make a particular decision.

8. Change Control Procedures

Within seventy-five (75) calendar days after the Effective Date, Company will deliver to WM, in the form and scope agreed upon by WM and Company, a draft of the change control procedures ("Change Control Procedures"), which will be finalized, including by obtaining WM's approval, no later than one hundred twenty (120) calendar days after the Effective Date. On an ongoing basis throughout the Term, Company will update the Change Control Procedures as appropriate or upon WM's request, with WM's review and right to approve any updates to the Change Control Procedures. Company will adhere to the Change Control Procedures in effect

and documented at the time. WM and Company agree that the Change Control Procedures shall provide, at a minimum, that:

A. no operational change shall be implemented without WM's prior written approval unless otherwise expressly provided in the Change Control Procedures;

B. with respect to all operational changes, Company shall: (i) schedule operational changes so as not to unreasonably interrupt WM's business operations, (ii) each month, prepare and deliver to WM a rolling schedule for ongoing and planned operational changes for the next 90-day period, (iii) promptly notify WM of any schedule or impact to the operational changes, and (iv) monitor the status of operational changes against the applicable schedule; and

C. Company shall update the Change Control Procedures as necessary and shall provide such updated Change Control Procedures to WM for its approval.

9. Attachments to the Governance Model

There are several exhibits to this Governance Model. Each Party agrees that it will comply with each of the following Attachments:

Attachment A – Project Managers' Scope

Attachment B – Root Cause and Fault Analysis Procedure

Attachment C – Approvals Procedure

10. Dispute Resolution

10.1 In accordance with this Agreement, the Parties shall use commercially reasonable efforts to resolve, promptly and in good faith, any and all disputes that may arise under, or in the course of the administration of, this Agreement.

10.2 It is the intent of WM and Company to resolve disputes and other issues in a constructive manner that reflects the concerns and commercial interests of each Party. Each team or committee shall work in good faith to promptly and fully resolve all disputes or issues submitted for their review. It is also the Parties' intention to have the disputes or issues resolved by the appropriate levels of authority without the need for escalation. From time to time, however, disputes may arise that cannot be resolved despite the best efforts of the members of the applicable team or committee. In such cases, the following steps are to be followed in escalating disputes between the Parties.

10.3 Either Party may decide that escalation is appropriate when resolution of an issue appears unachievable within two (2) business days at the operational level or at the DMT or RMT level if the problem originates at the DMT or RMT level.

10.4 **Escalation Mechanics:** If a resolution is not reached in accordance with Section 10.3 above, the issue will be escalated. If an issue is escalated:

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A. **Documentation.** The Parties will jointly develop a short briefing document called 'Statement of Issue for Escalation' that describes the dispute, relevant impact of the dispute, and the position of each Party.

B. **DMT Authority.** If the issue arises at the operation level, the DMT shall be the initial point of escalation if the dispute involves or relates to Service quality, Deliverable quality, timely performance or other performance-related matters.

C. **RMT Authority.** If the issue arises at the operational level, the RMT shall be the initial point of escalation if the dispute involves or relates to the Parties' business relationship, such as disputes regarding the scope of Services, billing or payment or personnel.

10.5 **Escalation.**

A. If the issue is escalated from the operational level, a meeting will be scheduled with the DMT or RMT, as applicable within two (2) business days. Such meeting may be carried out by telephone or video conference. The Statement of Issue for Escalation will be sent in advance to the participants. If, for any reason, including the failure to meet or communicate, the DMT or RMT, as applicable, is not able to resolve the dispute or issue within five (5) business days after initial escalation to such team, the dispute or issue shall be escalated to the ERT.

B. If the issue arises at the DMT or RMT level and is not resolved in accordance with Subsection 10.4 above, the issue shall be escalated directly to the ERT.

10.6 **Final Resolution.** A meeting will be scheduled with the ERT as promptly as possible. The Statement of Issue for Escalation will be sent in advance to the ERT. If, for any reason, including failure to meet or communicate, the members of the ERT (or any other representatives of the Parties) are unable to resolve a dispute within ten (10) business days after the dispute is first escalated, either Party may proceed to pursue any rights and remedies not prohibited by this Agreement.

10.7 **Documentation.** Upon the resolution of a dispute at any level of escalation, the Parties' decision or resolution thereof shall be documented and the documentation provided to the Relationship Managers of both Parties.

11. Withheld Fees

If a dispute arises regarding fees, such dispute shall be immediately referred to the DMT for resolution in accordance with Section 10 of this Exhibit G above.

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Attachment A to Exhibit G
Project Managers' Scope

Monitoring Compliance with Agreement

The Project Managers are the delegates of each of Company and WM representatives on the RMT. They are responsible for monitoring day to day compliance with the Agreement. Those issues include the following (and will be updated to reflect any changes to this Agreement):

1. **Performance measurement**
   - Reviewing compliance with the performance requirements
   - Reviewing compliance with cost reduction and efficiency improvement obligations
   - Reviewing status of individual existing or planned Projects
   - Benchmarking
   - Reviewing customer satisfaction survey results
2. **Financial**
   - Reviewing compliance including reviewing invoices against backup documentation
   - Approving Projects and managing adherence to project documents
   - Evaluation and approval of New Services requests
   - Business development monitoring
   - Approve business proposals.
3. **Approvals**
   - Ensuring compliance with approval requirements and facilitating approvals where necessary
   - Implementing processes to ensure approvals are obtained in a timely manner
4. **Reporting and auditing**
   - Reviewing Company compliance with reporting requirements as set out in this Agreement including audit and benchmarking activities
5. **Issue Management**
   - Approving rectification plans and reviewing compliance with those plans

- Identifying and raising issues of concern under this Agreement
- Managing Root Cause and Fault Analysis (see Exhibit B)
- Supervising performance credit regime
- Supervising disaster recovery
- Initiating the dispute resolution process

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Attachment B to Exhibit G
Root Cause and Fault Analysis

1. This procedure describes how the Parties will address any problems and faults affecting Company's performance of the Services in the WM environment, including any failure by Company to provide the Services in conformance with applicable Service Levels ("Problems"). Company agrees to comply fully with this procedure and to deal with issues as they arise.

2. The key principle is that LSI must first work to fix the Problem and only conduct any root cause or fault analysis once the Problem is fixed. Company will utilize the "Management By Fact" process ("MBF") when identifying root causes and implementing countermeasures. With the MBF, the data is researched and analyzed, the performance deficiencies are identified, scoped out, compared to previous months and the Service Levels. After identifying the root causes, procedural changes are implemented centered on the identified countermeasures.

3. As soon as Company becomes aware of a Problem (either because the WM team notifies Company, or as a result of Company monitoring its environment), Company must take responsibility for diagnosing and rectifying the Problem by utilizing the MBF document or other Six Sigma tools.

4. Company will have fulfilled its responsibility to fix the Problem if:

   a. another organization (including possibly WM) that Company reasonably believes will be able to fix the Problem to Company's satisfaction has taken responsibility for the issue ('Third Party Fixer'); and

   b. the Third Party Fixer has undertaken to fix the Problem within a period of time that does not result in any additional material adverse effect on WM and to report regularly to Company on progress for fixing the Problem.

5. However, if at any stage it becomes apparent that the Third Party Fixer will not be able to fix the Problem as required under point 4, Company will again assume responsibility for fixing the Problem from the time at which that becomes apparent.

6. The DMT, with the RMT's supervision, will conduct a root cause analysis, utilizing the MBF document, and procedural changes will be implemented based upon the corresponding countermeasures.

7. If the root cause analysis does not result in a clear picture of the party responsible for the root cause(s), and more than one third-party supplier is involved, the suppliers must agree to first attempt to resolve the issue between them without WM's involvement. WM will not adjudicate between its suppliers in the case of a dispute.

8. If (and only if) the suppliers are not able to resolve the issue under paragraph 7, or if the only parties involved are one supplier and WM, the RMT will conduct fault analysis to determine to what extent each supplier to WM (and possibly WM itself) is or are contractually responsible for the root cause(s). If the parties involved in the root cause analysis or fault analysis do not agree on its outcome, WM's determination will be final.

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9. If Company spends time working on the Problem but the root cause analysis (or fault analysis if conducted) shows that Company was not responsible for the Problem, then:

   a. Company can charge the party who was responsible for the Problem (to the extent of that party's responsibility determined by root cause or fault analysis);

   b. The rate at which Company can charge that party will be based on the skill level of the person or people who worked on the Problem and at the applicable rates for that skill level determined in accordance with this Agreement;

   c. Company will be excused from any resulting breach of Service Levels; and

   d. WM will reimburse Company's charges on behalf of the other party.

10. This same procedure will be contained in WM's agreements with its telecommunications supplier and any other supplier that will provide key services to WM that need to work seamlessly with Company's Services to WM ("Key Supplier"), so that Company can count on those suppliers also being bound to work on fixing Problems first and dealing with root cause and fault analysis later.

11. Company agrees that if any root cause or fault analysis results in Company being responsible for a Problem that another Key Supplier has worked on fixing, then to the extent of Company's responsibility for that Problem, it must pay that Key Supplier for work completing in fixing the Problem.

12. The DMT and /or RMT may look at steps that can be taken to minimize the likelihood of the Problem occurring again.

13. If root cause analysis determines that Company was responsible for the Problem, Company must take any reasonable steps determined during the root cause analysis or as a result of any subsequent recommendation by the DMT or RMT to prevent any recurrence of the Problem occurring again.

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Attachment C to Exhibit G
Approvals Procedure

A. If Company is required to obtain WM's approval in relation to any matter, it must comply with the following procedure:

(1) **Approving Officer** - If this Agreement or any Exhibit or Attachment to it (such as the procedures manual or scope of Services) specifies the WM person who is authorized to give the approval, Company must obtain that person's approval. In any other case, Company must obtain the consent of the, SVP, Loan Services Support. That person may delegate that approval right to other WM Management from time to time as deemed appropriate.

(2) **Escalation** - If Company has used reasonable efforts to seek WM's approval and the approving officer has not responded within the time specified in this Agreement (or, if no time is specified, a reasonable time given the nature and urgency of the matter that requires approval), Company must escalate the matter and seek approval from the SVP, Loan Services Support.

(3) **Action** - If, having escalated the matter for approval as required above, Company has not received a response from WM, Company must:

- make an assessment of whether acting as if the approval has been given or rejected would be in WM's better interest;
- take the action determined above to be in WM's better interest;
- use its commercially reasonable efforts to mitigate any loss to WM arising as a result of Company taking the action referred to above; and
- notify the WM Senior Vice President, immediately of the action taken.

Provided Company complies with the procedure set out above, Company will not be liable to WM for any breach of any performance requirement or other breach of this Agreement caused solely by the fact that WM did not give the approval sought by Company.

Execution Copy

EXHIBIT H

WM POLICIES AND PROCEDURES

This Exhibit H consists of the following two WM policies: Vendor Code of Conduct; and Working with WaMu, provided as separate documents and incorporated by this reference.

Confidential Treatment Requested

First Amendment to Appraisal Outsourcing Services Agreement
between
WaMu
and
LSI Appraisal, LLC

This First Amendment (this "First Amendment") to the Appraisal Outsourcing Services Agreement is entered into by and between WaMu (as defined in the signature block below) and LSI Appraisal, LLC ("Company") effective as of June 29, 2007 (the "First Amendment Effective Date").

BACKGROUND

A. The Parties have entered into the Agreement having an effective date of October 16, 2006 (the "Agreement") pursuant to which Company performs certain services, for and on behalf of WaMu in connection with residential mortgage loans made by WaMu.

B. The Parties now desire to amend the Agreement to provide for correcting the Initial Term.

Now, therefore, in consideration of the mutual promises and covenants contained in this Amendment, the Parties hereby agree to amend the Agreement as follows:

TERMS AND CONDITIONS

1. In Section 9.1, in the second line, change the word "first" to "second".

2. All capitalized terms used in this First Amendment that are not defined herein shall have the meaning given to them in the Agreement. Except as expressly set forth above, all terms of the Agreement remain unmodified and in full force and effect. In the event of a conflict between the terms and conditions of the Agreement and this First Amendment, the terms and conditions of this First Amendment shall govern. The Agreement, as amended by this [First] Amendment, constitutes the complete and entire understanding of the Parties with respect to the subject matter hereof.

Each of the Parties has executed this First Amendment by its duly authorized representative.

WaMu
Washington Mutual Bank, a federal savings association

By: _____
Name: _____
Title: _____

Company
LSI Appraisal, LLC

By: _____
Name: _____
Title: _____

Confidential Treatment Requested LSI2-0406630

EXHIBIT

"B"

EXHIBIT B

Execution Copy

PERFORMANCE GUARANTY AGREEMENT

THIS PERFORMANCE GUARANTY AGREEMENT is made and entered into as of the 16th day of October, 2006 ("Effective Date"), by and between **FIDELITY NATIONAL TAX SERVICE, INC.**, a California corporation ("Guarantor"), and **WASHINGTON MUTUAL BANK**, a federal savings association ("WM").

WITNESSETH:

WHEREAS, WM and LSI Appraisal, LLC ("LSI") are entering into that certain Appraisal Outsourcing Services Agreement of even date herewith (the "Agreement") for LSI to provide certain services to WM. The defined term "Agreement" shall include any amendments, modifications, change orders, statements of work, extensions of time, supplements, and exhibits (along with all documents of like type or effect and all documents referenced therein) to the Agreement;

WHEREAS, Guarantor is the corporate parent company of LSI;

WHEREAS, as a condition to the execution of the Agreement, WM has required that Guarantor execute this Performance Guaranty Agreement; and

WHEREAS, Guarantor is willing to guarantee to WM the performance of LSI to include all obligations and undertakings by LSI as the same may be amended from time to time under the Agreement.

NOW, THEREFORE, in consideration of the foregoing premises, the mutual covenants contained herein, and other good and valuable consideration, the receipt, adequacy, and sufficiency of which are hereby acknowledged, and intending to be legally bound, the parties hereby agree as follows:

1. Guarantor hereby unconditionally and irrevocably guarantees to WM due performance of all obligations undertaken by LSI in connection with the Agreement, and all obligations undertaken by LSI in the Agreement are incorporated herein by reference, the same as if set forth herein in full.

2. This Performance Guaranty Agreement shall continue in full force and effect until the Agreement has been fully performed and shall include all obligations under the Agreement.

3. This Performance Guaranty Agreement shall be one of guaranty as well as one of performance. WM shall be required to first pursue remedies against LSI before involving the benefits of this Performance Guaranty Agreement.

4. This Performance Guaranty Agreement shall be a continuing guaranty and (whether or not Guarantor shall have notice or knowledge of any of the following, notice of such being hereby expressly waived) the liability and obligation of Guarantor hereunder shall be absolute and unconditional and shall remain in full force and effect

Confidential Treatment Requested

without regard to, and shall not be released, discharged, diminished, limited, or in any way impaired by:

(a) any amendment, modification, change order, extension of time, or supplement to the Agreement duly executed by LSI, unless LSI is no longer owned by Guarantor, or one of its affiliates, at the time of the amendment, modification, change order, extension of time, or supplement to the Agreement;

(b) any exercise or nonexercise of any right, power, remedy, or privilege under or in respect of the Agreement or other contract documents or this Performance Guaranty Agreement or any other indulgences, forbearances, or extensions of time for performance or observance allowed to LSI except that, to the extent such is a defense for LSI, such shall also be a defense for Guarantor; or

(c) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation, or similar proceeding relating to LSI or its properties or creditors.

5. This Performance Guaranty Agreement shall be binding upon Guarantor, its successors and assigns, and shall inure to the benefit of WM and its respective successors and assigns. Guarantor may not assign its obligations under this Performance Guaranty Agreement, by operation of law or otherwise, without the advance written consent of WM.

6. Notwithstanding anything contained herein to the contrary, the obligations of Guarantor hereunder shall not be construed to be broader than the obligations of LSI pursuant to the Agreement, and all defenses, excuses, and limitations, including, but not limited to, limitations of liability and damages, and other rights of LSI with respect to LSI's obligations available to LSI under the Agreement, shall also be available to the Guarantor, except for bankruptcy or insolvency of LSI. All payments made by LSI to WM under the Agreement and by Guarantor under this Performance Guaranty Agreement shall be aggregated for purposes of liability limitations applicable to LSI under the Agreement.

7. This writing is intended by the parties as the final, complete, and exclusive statement of the terms of this Performance Guaranty Agreement. No course of dealing between the parties, no usage of the trade, and no parol or extrinsic evidence of any nature shall be used or be relevant to supplement, explain, or modify any term used herein. If any provision of this Performance Guaranty Agreement shall to any extent be held invalid or unenforceable, then only such provision shall be deemed ineffective and the remainder of this Performance Guaranty Agreement shall not be affected.

8. This Performance Guaranty Agreement may not be amended, changed, or discharged without the written approval, expressly referring to this Performance Guaranty Agreement, of both WM and Guarantor, and no such amendment, change, or discharge shall extend to, affect, or impair any right with respect to any liability or obligation that is not expressly dealt with therein. The terms and conditions of this

Performance Guaranty Agreement shall be effective only and automatically upon the Effective Date.

9. This Performance Guaranty Agreement shall be construed and governed in accordance with the laws of the State of New York without reference to the conflicts of laws principles thereof.

10. GUARANTOR AND WM IRREVOCABLY WAIVE ALL RIGHT TO A TRIAL BY JURY IN ANY PROCEEDING HEREAFTER INSTITUTED BY OR AGAINST GUARANTOR OR WM IN RESPECT OF THIS PERFORMANCE GUARANTY AGREEMENT OR ARISING OUT THE LIABILITIES GUARANTIED BY THIS PERFORMANCE GUARANTY AGREEMENT.

IN WITNESS WHEREOF, Guarantor and WM have caused this Performance Guaranty Agreement to be signed and delivered by their duly authorized officers, all as of the Effective Date.

FIDELITY NATIONAL TAX SERVICE, INC.

By: _____
Name: RON FRAZIER
Title: SVP

WASHINGTON MUTUAL BANK

By: _____
Name: _____
Title: _____

EXHIBIT

"C"

ID NUMBER	ORIG LOAN AMT	LOSS AMOUNT	LOAN DATE	PROPERTY ADDRESS	CITY NAME	ST	Appraiser
3062776079	$2,475,000.00	$542,957.48	7/11/2006	23768 DARKHORSE DR	AUBURN	CA	Martin B. Curle
3061501908	$685,000.00	$406,417.11	7/31/2006	89 SHORELINE DR	RANCHO MIRAGE	CA	David Brinkman Bernard J Crawford
3011098666	$1,880,000.00	$1,530,626.05	9/15/2006	1331 BRICKELL BAY DR	MIAMI	FL	Guillermo Pina
651844201	$420,000.00	$412,665.68	9/15/2006	6741 E MOCKINGBIRD LN	PARADISE VALLEY	AZ	Nathan D Bennett
3010595886	$1,680,000.00	$524,791.56	9/18/2006	1190 TERRACE CT	GLENCOE	IL	Alan E Gross
3010373292	$2,940,000.00	$1,133,186.96	9/21/2006	845 UNITED NATIONS PLAZA	NEW YORK	NY	Robert Fuller
688161181	$496,800.00	$497,403.53	9/26/2006	11239 SKYVIEW LN	RANCHO CUCAMONGA	CA	John Bocock
3010613390	$2,000,000.00/ $125,000.00	$1,203,669.72	9/27/2006	471 BAYSHORE DR	NOKOMIS	FL	Thomas D. Mullins Naji Hakim
729550525	$596,000.00/ $149,000.00	$267,795.12	9/27/2006	444 ARLINGTON HEIGHTS RD	ARLINGTON HEIGHTS	IL	Vlad Shneyderman
752132597	$470,503.00	$468,848.94	9/29/2006	5724 TAMPA AVE	TARZANA	CA	Christopher C. Sotere
3011107855	$1,425,000.00	$617,342.75	9/29/2006	312 BONAIR WAY	LA JOLLA	CA	Judy E. Vieira-Rea
713046027	$750,000.00	$744,603.86	10/10/2006	61 SUMMER HOUSE	IRVINE	CA	John French
3011331521	$1,500,000.00	$545,256.44	10/18/2006	4601 CIRCLE LAKE TRAIL	FARIBAULT	MN	Gerald M Otre
670638303	$725,000.00	$725,000.00	10/20/2006	4221 CHABOYA HILLS CT	San Jose	CA	Jack A. LoVerde
3011682857	$2,020,000.00	$841,860.40	10/23/2006	5831 MARINER ST	TAMPA	FL	Colleen E Millett
3011612219	$1,312,500.00	$550,749.76	10/26/2006	17874 LAKE AZURE WAY	BOCA RATON	FL	George A.Sanchez St.
3010971046	$2,360,000.00	$1,014,467.69	10/27/2006	14895 MAIN ST	EAST MARION	NY	Sumit Raipal
3011873928	$1,464,500.00	$883,914.73	10/31/2006	10140E SCENIC HWY 30A	SANTA ROSA BEACH	FL	Marcia Croom Robert
3011615345	$1,150,000.00	$537,245.63	11/1/2006	12830 TRAVILAH RD	POTOMAC	MD	Kuldeep S Gill
728950783	$700,000.00	$688,212.57	11/2/2006	808 BRICKELL KEY DR APT 304	MIAMI	FL	Anthony Chang
729677948	$960,000.00/ $240,000.00	$223,651.19	11/3/2006	2651 REDLANDS DR	COSTA MESA	CA	Edward Ptacek Elspeth Eisele
3011789256	$1,440,000.00	$592,766.78	11/6/2006	1824 CLEVELAND RD	MIAMI BEACH	FL	Gonzalo G. Ruiz Suyin Decastro
3011682626	$1,680,000.00/ $207,900.00	$682,996.39	11/6/2006	6044 KINGSMILL TERRACE	DUBLIN	CA	Robert Mitchell
3011792755	$937,500.00/ $186,250.00	$470,343.08	11/7/2006	3467 COLLONADE DR	WELLINGTON	FL	Guillermo Pina
729684191	$1,024,000.00	$318,875.87	11/8/2006	6891 SUNSET DR	SOUTH MIAMI	FL	Diego R. Lopez
3011731167	$1,520,000.00	$803,045.35	11/8/2006	7820 HAWTHORNE AVE	MIAMI BEACH	FL	Gonzalo G. Ruiz
3011244815	$1,650,000.00	$1,030,776.95	11/8/2006	1200 MASANABO LN	FORT MYERS	FL	Michael A. Long
3011460783	$645,000.00	$239,278.59	11/13/2006	4912 99TH ST	CORONA	NY	Margaret Young
3011101577	$2,080,000.00	$902,926.66	11/13/2006	6948 WOODROW WILSON DR	LOS ANGELES	CA	Sean R. Copeland
742675309	$490,000.00	$474,767.03	11/17/2006	515 ACACIA AVE	CORONA DEL MAR	CA	Paul H. Ghaffari
3011356544	$920,000.00	$584,903.75	11/20/2006	9427 HIGHLAND CT	DAVISON	MI	David B. Juhl
3010952749	$1,722,500.00	$587,007.69	11/20/2006	25 FOUR COLUMNS DR	MARLBORO	NJ	Barry McBriar

Exhibit C

3011875584	$3,750,000.00	$2,853,725.43	11/22/2006	796 REEF RD	VERO BEACH	FL	Michael Bottalico
3012208991	$1,575,000.00	$746,329.49	11/27/2006	74 BLACK ROCK TURNPIKE	REDDING	CT	Ronald McInerrey Jr
664255122	$365,000.00	$486,255.40	11/28/2006	14 LANDMARK DR	BRIDGEWATER	CT	Arthur Parrish
743050692	$500,000.00	$478,242.08	11/28/2006	11435 NW 18TH CT	PLANTATION	FL	M. Scott Dooley
3012254185	$2,512,500.00	$1,112,856.94	11/29/2006	1331 BRICKELL BAY DR	MIAMI	FL	Bryan Regueira
3011878711	$2,640,000.00	$1,150,945.26	11/29/2006	213 WATER WAY	MIAMI BEACH	FL	Johnathan M Tejada
736654443	$3,000,000.00	$2,353,960.64	11/30/2006	1489 SAN PASQUAL	PASADENA	CA	Shawn Rose
703639138	$497,000.00	$497,608.15	12/7/2006	335 S VAN NESS AVE	LOS ANGELES	CA	Paul Roy
735504219	$250,000.00	$432,171.51	12/8/2006	41 STOWE	IRVINE	CA	Deena Clem
691478010	$720,000.00	$716,710.49	12/8/2006	901 PALACIO DE AVILA	TAMPA	FL	Karen Jay
3011730607	$1,980,000.00	$696,663.05	12/12/2006	2579 BRIDLE PATH DR	GILROY	CA	Merdad Sanjideh Kian Sandjideh
3011394370	$4,000,000.00	$1,750,468.51	12/13/2006	9212 NIGHTINGALE DR	LOS ANGELES	CA	Ed Schaar Jr.
3010305435	$1,519,823.00	$470,726.32	12/15/2006	12540 LONGACRE AVE	LOS ANGELES	CA	Frederick Rohde Michael Paleno
736500232	$500,000.00	$493,798.51	12/19/2006	4063 W 7TH ST	LOS ANGELES	CA	William Ippoliti
3011889965	$747,000.00	$332,375.67	12/28/2006	1155 BRICKELL BAY DR 1211	MIAMI	FL	Carlos A. Perez
3012275008	$1,000,000.00	$405,608.77	1/4/2007	835 MURRAY DR	EL CAJON	CA	Alberto Gonzalez
3011338823	$1,350,000.00	$640,763.56	1/8/2007	840 CHESTNUT ST	HINSDALE	IL	Hasan Elmaz
3013145390	$1,750,000.00	$590,690.06	1/8/2007	1955 WESTLAKE CT	BLOOMFIELD HILLS	MI	Walter W Williams
708287552	$500,000.00	$491,063.70	1/12/2007	167 N POINSETTIA PL	LOS ANGELES	CA	Steve M Madrid
737163717	$750,000.00	$757,318.67	1/17/2007	1126 GOLDENROD AVE	CORONA DEL MAR	CA	Rebecca Stubblefield
3013172436	$1,750,000.00	$1,110,957.55	1/22/2007	12341 BAYPOINT TERRACE	BRADENTON	FL	Lydia J Lima
3012662189	$4,012,500.00	$1,359,833.73	1/23/2007	1111 N VENETIAN DR	MIAMI BEACH	FL	Magda Michelle Hernandez
667453120	$750,000.00	$726,087.16	1/25/2007	509 VAN BEUREN RD	MORRISTOWN	NJ	Roy Williams
738015338	$499,500.00	$490,798.60	1/29/2007	3201 MOUNTAIN VIEW AVE	SACRAMENTO	CA	D. Michael Riffle
3013234574	$3,825,000.00	$1,038,779.57	1/31/2007	500 VOLTZ RD	NORTHBROOK	IL	Steve Novakovsky
3013091065	$4,380,000.00	$1,022,930.97	2/8/2007	5196 ISLEWORTH COUNTRY CL	WINDERMERE	FL	Vaughn Fakess
762013456	$465,000.00	$468,855.76	2/9/2007	6980 NW 66TH ST	PARKLAND	FL	Joe Maimone
709269286	$750,000.00	$736,707.75	2/14/2007	3720 S OCEAN BLVD APT 1606	HIGHLAND BEACH	FL	David Aucamp
764627212	$417,000.00	$437,501.84	2/16/2007	24 GREGORIE NECK ROAD	OKATIE	SC	Billy E. Dilsaver
765353750	$700,000.00	$694,134.00	2/23/2007	1801 RED HAWK LN	PARK CITY	UT	Ashley Huntington
751770918	$400,000.00	$408,751.52	3/5/2007	119 N MERIDITH AVE	PASADENA	CA	Mark Morton
3012746578	$928,000.00/ $114,840.00	$448,408.27	3/5/2007	875 SUNSET RIDGE PL	CHULA VISTA	CA	DeAnna Bahena
3013350149	$467,200.00	$404,687.47	3/12/2007	3311 YUPON ST UNIT	HOUSTON	TX	Lyle D. Street
747133726	$350,000.00	$499,122.84	3/13/2007	484 S GOODMAN RD	KISSIMMEE	FL	John Tucci
737316679	$569,500.00	$575,731.68	3/15/2007	1086 TILLER DRIVE	INCLINE VILLAGE	NV	William J. Schilling
737308007	$484,500.00	$488,077.64	3/19/2007	841 MAJESTIC RIDGE CT	HENDERSON	NV	Don Nowak
762247054	$455,118.00	$446,604.07	3/20/2007	1244 SANDY LN	ST. GEORGE ISLAND	FL	Craig A Robertson
3013495100	$1,120,000.00	$656,161.52	3/28/2007	7744 TILLINGHAST DR	DUBLIN	OH	Ralph Argabright
3017418330	$4,600,000.00	$3,022,733.09	4/2/2007	5146 KUKUNA RD	ANAHOLA	HI	Tom Hegarty

Exhibit C

3017378765	$4,280,000.00	$2,429,697.55	4/2/2007	1590 VILLA RICA DR	HENDERSON	NV	Carole D. Holden Sheri N. Flanaburg
768176414	$500,000.00	$505,575.59	4/10/2007	5724 BRANFORD DR	WEST BLOOMFIELD	MI	Timothy McClatchey
769046111	$450,000.00	$450,090.11	4/12/2007	42109 LUPIN WAY	LANCASTER	CA	Thomas L Holland
747439974	$750,000.00	$750,914.47	4/13/2007	10 CRYSTAL SPRINGS TER	HILLSBOROUGH	CA	John G. Barnes
3017070529	$1,100,000.00/ $137,362.00	$417,378.63	4/18/2007	1328 SOUZA DR	EL DORADO HILLS	CA	James R. Fugate
744723651	$750,000.00	$737,234.13	4/19/2007	30854 LOLITA RD	TEMECULA	CA	Matthew Roderigues
756692372	$242,700.00	$482,690.00	4/23/2007	315 S HARVARD BLVD APT 205	LOS ANGELES	CA	Robert Carpenter
768737942	$460,000.00	$455,947.52	4/27/2007	755 123RD AVE	TREASURE ISLAND	FL	Michael Douberley
716203088	$500,000.00	$489,940.94	4/30/2007	43902 APPALOOSA DR	LANCASTER	CA	Karin B. Wells
3013576297	$3,597,000.00	$710,381.52	5/1/2007	5177 ISLEWORTH COUNTRY	WINDERMERE	FL	Douglas Alan Burton
767394646	$479,760.00	$488,055.74	5/7/2007	1747 ENSLEY AVE	LOS ANGELES	CA	Nacer Naciri
691389050	$1,000,000.00	$662,674.88	5/7/2007	34 LISMORE RD	LAWRENCE	NY	Domenico Antonelli
770395788	$480,000.00	$471,375.84	5/8/2007	2725 VISTA DEL PIEDRA	JAMUL	CA	Roger H. Wynott
3017727011	$1,425,000.00	$875,354.12	5/8/2007	1331 BRICKELL BAY DR	MIAMI	FL	Bryan Regueira Abiel Ballesteros
736686445	$500,000.00	$500,629.49	5/9/2007	9309 NW FINZER CT	PORTLAND	OR	Amber Frock
750110660	$750,000.00	$750,900.91	5/14/2007	15 CRYSTAL SPRINGS TER	HILLSBOROUGH	CA	Peter K. Nqua John G. Barnes
766847685	$434,000.00	$434,489.73	5/15/2007	1386 CASA VALLECITA	ALAMO	CA	Richard Duong
3017474630	$3,000,000.00	$1,699,634.92	5/15/2007	2641 HEIGHTS VIEW CT	ROCHESTER	MI	Ronald Keller
737310854	$500,000.00	$491,073.06	5/15/2007	700 ELDER CIR	AUSTIN	TX	Diana Bratton
752230763	$491,000.00	$491,780.27	5/16/2007	24 SHADY LN	IRVINE	CA	Donald J. Mosich
730194222	$748,000.00	$419,126.03	5/17/2007	3307 SW 26TH AVE	CAPE CORAL	FL	Alyson Washington Travis Hard
730187036	$630,000.00	$239,920.32	5/17/2007	5278 SW 183RD AVE	MIRAMAR	FL	Mark Adler
3017685607	$1,280,000.00	$403,542.53	5/21/2007	4030 FLOWERWOOD LN	FALLBROOK	CA	Matt McIntyre
3017635313	$944,000.00	$410,378.61	5/21/2007	10975 SW 36 ST	MIAMI	FL	Magda Michelle Hernandez
764905972	$425,000.00	$429,533.35	5/21/2007	14308 NW DUNBAR LN	PORTLAND	OR	Traynor Daline
3017621024	$999,900.00	$356,597.99	5/21/2007	9046 RED TULIP COVE	CORDOVA	TN	Duane Ross
3017828942	$1,830,784.00	$584,841.72	5/23/2007	123 EL LEVANTE	SAN CLEMENTE	CA	Jeffrey S Stutz
3017726229	$960,000.00	$303,194.61	5/23/2007	10225 SW 130 LN	MIAMI	FL	Ariel Blanco
769784778	$500,000.00	$500,804.54	5/24/2007	5053 WEBBER COURT	ANTIOCH	CA	Claudia R. Crow
730219896	$636,500.00	$349,288.86	5/25/2007	6347 NEWHAVEN LN	VALLEJO	CA	Abdul Lecky
3013809722	$1,192,500.00/ $238,341.00	$538,503.58	5/29/2007	5046 MCCLURE LN	CASTLE ROCK	CO	Mark K. Young
3017740832	$1,424,000.00	$950,617.43	5/29/2007	43 FIELDSTONE RUN	FARMINGTON	CT	Sharon L. Deming
3013828060	$880,000.00	$435,797.36	5/30/2007	4011 BRADDOCK AVE N	BUFFALO	MN	Kent Lageson
744677451	$1,960,000.00	$694,401.22	5/30/2007	895 CARMONA CT	CHULA VISTA	CA	Gregory Shobe
3017808365	$1,832,000.00/ $226,710.00	$873,114.64	5/31/2007	3925 BLUE CANYON DR	STUDIO CITY	CA	Richard A Royce

Exhibit C

3011904897	$1,990,000.00	$942,579.06	6/4/2007	511 BALLANTYNE RD	GROSSE POINTE SHORES	MI	James William Cuneo
763232394	$1,560,000.00/ $599,760.00	$600,657.17	6/5/2007	2302 N CAMINO CASCABEL	TUCSON	AZ	Ronald A. Keeler
3013857242	$1,119,200.00	$421,588.02	6/5/2007	222 1/2 30TH STREET	NEWPORT BEACH	CA	Brenda S. Tucker
3013817592	$1,440,000.00	$903,784.84	6/7/2007	125 W GLACIER LILLY DR	ALPINE	UT	Golden J Meier
3013847664	$1,360,000.00	$495,934.43	6/12/2007	11539 WILLOW SPRINGS DR	ZIONSVILLE	IN	Brian E. Woodall
747106383	$1,999,999.00/ $363,201.00	$430,704.45	6/12/2007	1877 VIA DI SALERNO	PLEASANTON	CA	Neil Smith
5304422230	$770,000.00	$545,765.58	6/12/2007	115 MIRROR CT	PATTERSON	CA	Robert A. Smolke
3013912781	$816,000.00	$580,531.07	6/14/2007	4184 STRATHDALE LN	WEST BLOOMFIELD	MI	Sloan M Hoagan
3017878020	$2,560,000.00	$1,687,498.08	6/14/2007	759 LAKE SHORE RD	GROSSE POINTE SHORES	MI	Carl G. Williams
3013872761	$1,000,000.00	$389,176.57	6/15/2007	26500 ARBOR CREEK LN	SHOREWOOD	MN	Mary J. Hilla
3013885664	$1,890,000.00	$583,356.67	6/18/2007	35 FORT ROYAL ISLE	FORT LAUDERDALE	FL	Iris Cherry Kenneth Swenson
3013920545	$756,000.00	$494,494.93	6/18/2007	500 SOUTHFIELD RD	BIRMINGHAM	MI	James B. Wolter
3011763988	$708,000.00	$400,258.33	6/19/2007	2021 SUPERIOR CT	TRACY	CA	Vicki Amerson
3017869243	$1,760,000.00	$1,323,475.15	6/19/2007	76 BASS AVE	KEY LARGO	FL	David Ruz
770390755	$375,000.00	$679,288.95	6/19/2007	3016 HENDERSON MILL RD	ATLANTA	GA	Daryl Syphoe
3013878933	$1,350,000.00/ $267,934.21	$631,802.40	6/20/2007	4335 SW 60 PL	MIAMI	FL	Miguel A. Febles
3017931100	$496,000.00/ $61,380.00	$263,294.47	6/20/2007	323 E CHESTNUT AVE	SANTA ANA	CA	Jean Hsiuhui Su
3013868405	$1,585,000.00/ $349,785.00	$861,744.31	6/21/2007	2233 KEYSTONE BLVD	NORTH MIAMI	FL	Carlos Garcia Victor Gracia
3013740505	$1,000,000.00/ $240,000.00	$446,189.35	6/22/2007	44950 NW ELK MOUNTAIN RD	BANKS	OR	Don Leader
3013883974	$1,380,000.00/ $275,875.00	$662,479.12	6/22/2007	4459 SHERIDAN AVE	MIAMI BEACH	FL	Victor Garcia Carlos Garcia
3014020980	$2,368,000.00	$1,107,564.81	6/22/2007	252 OTIS RD	BARRINGTON	IL	Brian Benson
3014028553	$1,360,000.00	$946,455.05	6/25/2007	74 A ST	PANAMA CITY BEACH	FL	Carvel Good John Ridley
3014029783	$1,080,000.00	$796,515.69	6/27/2007	1954 BISSELL ST	CHICAGO	IL	Robert Fabis
3017858717	$2,925,000.00	$404,830.60	6/27/2007	3718 HAYVENHURST	LOS ANGELES	CA	Lance Thomas
3017902135	$4,155,000.00	$1,391,500.15	6/29/2007	29416 MALIBU VIEW CT	AGOURA	CA	John Henke
775539729	$750,000.00	$759,006.98	7/3/2007	8 RUE GRIMALDI WAY	HENDERSON	NV	Marvin L Cole
3018002539	$1,425,000.00/ $284,810.00	$578,760.13	7/6/2007	4 SOL BRAE WAY	ORINDA	CA	Rod Hammersley
773367172	$500,000.00	$502,224.53	7/9/2007	245 46th Ave	St Pete Beach	FL	Michael Douberley
3017972401	$2,197,000.00/ $500,000.00	$1,187,887.00	7/10/2007	301 SERENITY WAY	WATSONVILLE	CA	Keith J. Balch
772409355	$1,250,000.00	$521,160.00	7/12/2007	1514 EUSTON DR	REUNION	FL	Stephanie A. Bauer
3014021723	$3,356,000.00	$1,566,766.12	7/13/2007	5141 GULF DR	PANAMA CITY	FL	Michael A Gunn

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3013904275	$2,180,000.00/ $250,000.00	$975,153.59	7/16/2007	78 BARKERS POINT RD	PORT WASHINGTON	NY	Joan Rutherford
3014057230	$1,875,000.00	$564,940.46	7/16/2007	10 VINTAGE RIDGE DR	LAS VEGAS	NV	Thomas Mirkovich
3014068674	$1,345,000.00	$536,482.55	7/17/2007	11375 DONA LISA DR	LOS ANGELES	CA	Robert Rodriguez
3017989991	$1,040,000.00/ $129,900.00	$618,554.77	7/18/2007	140 SPANISH MARSH DR	ST AUGUSTINE	FL	Jama Lichtenwalter
3014098135	$1,400,000.00	$921,594.54	7/18/2007	6257 BRANFORD DR	WEST BLOOMFIELD	MI	James L. Valiquett
3014116671	$2,400,000.00	$989,105.13	7/24/2007	576 NEAPOLITAN LN	NAPLES	FL	Kathleen Coar
3014203073	$1,500,000.00/ $299,900.00	$873,625.58	7/25/2007	36011 CALLE DE LOBO	MURRIETA	CA	Kimberly J. Mendell
775719784	$2,400,000.00/ $479,680.00	$479,680.00	7/27/2007	768 TOZZETTI LANE	HENDERSON	NV	Eugenija Mueller
3014149425	$2,850,000.00	$1,029,552.31	7/27/2007	24059 N 113TH WAY	SCOTTSDALE	AZ	Rodney R Smith
3018027676	$452,000.00/ $56,400.00	$271,422.17	7/27/2007	26885 WINTER PARK PL	MORENO VALLEY	CA	Joseph Wong
3018119762	$479,000.00	$819,209.33	7/27/2007	1062 LOWRY RANCH	CORONA	CA	Jason D. Stout
3018161913	$1,040,000.00	$435,286.50	7/27/2007	144 SPANISH MARSH DR	SAINT AUGUSTINE	FL	Jama Lichtenwalter
3018118566	$1,200,000.00	$414,374.04	7/27/2007	101 KING SAGO CT	PONTE VEDRA BEACH	FL	Jama Lichtenwalter
3018142426	$6,750,000.00	$898,738.99	7/27/2007	5800 HARDSCRABBLE CIRCLE	MINNETRISTA	MN	John Bader
3017949763	$1,715,000.00	$905,183.04	7/27/2007	183 OCEAN VIEW DR	KEY LARGO	FL	Mark J. MacLaughlin
689457059	$500,000.00	$500,980.48	7/27/2007	10 HIDDEN PASS	NEWPORT COAST	CA	Sara Martin Judith Hunter
3014274884	$2,720,000.00	$1,948,111.06	7/30/2007	12040 LANDOVER LN	FISHERS	IN	Jeffrey L. DeBruler
3017437710	$900,000.00	$461,536.20	7/30/2007	1057 and 1059 E Main St	SIMI VALLEY	CA	Sherry Carlson Steven T. Cody
3014076230	$1,436,850.00	$438,640.29	7/30/2007	511 WINDWARD PASSAGE	CLEARWATER BEACH	FL	A.A. Little
3013989003	$1,190,000.00/ $255,000.00	$627,724.91	7/31/2007	2582 S SYCAMORE VILLAGE	APACHE JUNCTION	AZ	Tommy Trout
3013849918	$2,625,000.00	$911,067.70	7/31/2007	211 ARI WAY	MIAMI BEACH	FL	Rolando Lazaro Rodriguez Nelson A. Ruiz
3018113559	$2,992,265.00	$436,503.26	7/31/2007	14390 DOUGLASS LN	SARATOGA	CA	William E Reese
730250016	$535,500.00	$354,492.55	8/3/2007	1010- 1010 1/2 S WASHBURN	CORONA	CA	Craig M. Bellinger
3014148559	$1,350,000.00	$542,809.45	8/3/2007	4444 ALTON RD	MIAMI BEACH	FL	Francisco Ares
767803836	$500,000.00	$503,416.60	8/8/2007	895 BAJA STREET	Laguna Beach	CA	Michael H. Nguyen
3014260164	$2,025,000.00	$562,748.16	8/10/2007	1723 CASTELLANA RD	LA JOLLA	CA	Cliff Bourland
3018282784	$2,480,000.00	$452,319.85	8/10/2007	19201 BRIARFIELD WAY	TARZANA	CA	Armen Khrlobyan
3018153332	$880,000.00/ $107,900.00	$280,430.16	8/13/2007	10601 VIA MILANO DR	FORT MYERS	FL	Ashley Law McCann John McCann
3014016434	$1,347,500.00	$496,044.09	8/13/2007	1738 HERON RIDGE DR	BLOOMFIELD HILLS	MI	Stephanie M Schulez
3018248934	$960,000.00	$448,917.95	8/13/2007	2969 VALLEY ST	CARLSBAD	CA	Jan M Brownell
3014227940	$1,430,000.00	$978,680.54	8/14/2007	5683 BRANFORD DR	WEST BLOOMFIELD	MI	Kathleen A. Alan
3011838509	$3,700,000.00	$1,564,353.28	8/15/2007	4720 RIVERVIEW BLVD	BRADENTON	FL	Jay A Whitham

Exhibit C

3014201879	$992,250.00	$617,613.40	8/15/2007	6486 WYNDHAM DR	WEST BLOOMFIELD	MI	Edward E. Bowen II
3014340628	$780,000.00	$243,124.71	8/16/2007	8631 GULLANE CT	WEST PALM BEACH	FL	Perry B. Orbino
3014383396	$1,137,500.00	$407,882.72	8/16/2007	808 E GORRIE DR	ST GEORGE ISLAND	FL	John Schrader
3014250868	est.$496,000.00/ $124,000.00	$241,830.58	8/20/2007	28906 W VISTA GRANDE DR	SANTA NELLA	CA	Daniel Burtea
3011838277	$1,298,397.00	$456,280.21	8/21/2007	8282 EMERALD AVE	PARKLAND	FL	Dominick Ali
3018260236	$2,400,000.00	$660,918.49	8/24/2007	142 OASIS LN	MOORSEVILLE	NC	Barry Hilton
747650463	$496,000.00	$496,673.90	8/27/2007	897 ADAMSGROVE AVE	WALNUT	CA	Nancy Gregory
3018214159	$1,920,000.00	$1,262,338.20	8/31/2007	21716 CAIRO HOLLOW RD	ATHENS	AL	Teddy R. Mullins
3014373561	$1,087,500.00/ $217,490.00	$419,697.27	8/31/2007	22881 NOLA CT	AUBURN	CA	Edward F Burke
766044036	$500,000.00	$448,110.65	8/31/2007	4220 W JACARANDA AVE	BURBANK	CA	Arnold Placencio
748987948	$480,000.00	$481,004.90	9/7/2007	4830 ANGELES VISTA BLVD	LOS ANGELES	CA	Michael A. Rizzotti
3014472504	$990,000.00	$341,494.01	9/10/2007	8267 E DIXIE HWY	MIAMI	FL	Frank Figarola Andre Lageyre
3014479731	$1,820,000.00	$1,056,579.37	9/10/2007	3370 HIDDEN BAY DR	AVENTURA	FL	Michael Bermudez
3018285506	$472,000.00/ $57,000.00	$264,012.53	9/12/2007	364 RAINIER DR	SALINAS	CA	Eugene F. Ulrich
3014409571	$1,610,000.00	$1,233,159.10	9/13/2007	5535 HAMPSHIRE DR	WEST BLOOMFIELD	MI	James L. Valiquett
3018303291	est $1,056,000.00/ $131,000.00	$418,590.81	9/13/2007	12643 COLLINS ST	LOS ANGELES	CA	Mark St George
768925877	$500,000.00	$498,350.71	9/14/2007	16116 RIO FLORIDA DR	WHITTIER	CA	Nancy Gregory
3011837774	$708,000.00	$1,386,553.02	9/18/2007	203 18TH ST NW	BRADENTON	FL	Diana Pearl
3018487409	$852,000.00/ $105,000.00	$316,339.26	9/20/2007	1800 S OCEAN DR	HALLANDALE BEACH	FL	Val Tyshevich
781396585	$400,000.00	$401,364.23	9/20/2007	11833 DAVID LN	SUN VALLEY	CA	Howard Hack
3018491617	$1,840,000.00/ $227,700.00	$1,033,020.16	9/21/2007	19448 LASSEN ST	LOS ANGELES	CA	Norman H Bragar
3014557890	$1,600,000.00	$1,066,860.70	9/26/2007	2105 BIG HORN DR	AUSTIN	TX	John Dececco
3018178057	$880,000.00/ $220,000.00	$261,805.36	9/26/2007	11633 SPY GLASS DR	NORTHRIDGE	CA	Rodney Gresko
3018429955	$1,590,000.00	$472,345.83	9/27/2007	820 SHILOH OAKS	SANTA ROSA	CA	Christian M. Dunn
3018328900	$2,880,000.00	$1,483,947.87	9/27/2007	1475 N BUNDY DR	LOS ANGELES	CA	Harold Paul Vaughan
3018235790	$970,000.00	$499,171.12	9/28/2007	7915 SW 131 ST	MIAMI	FL	Miguel A Febles
3014682920	$3,150,000.00	$1,281,836.58	10/4/2007	9106 LEESBURG PIKE	VIENNA	VA	Sampson Winfield
3014178499	$2,250,000.00	$479,741.29	10/5/2007	6107 LAGUNA DR W	MIAMI BEACH	FL	Giles Hofacer
3014591808	$2,680,000.00	$832,030.78	10/5/2007	87 FOREST AVE	NEWTON	MA	Sis Oliver
3018484778	$936,000.00	$415,034.66	10/10/2007	1253 W LEXINGTON ST	WASHINGTON	UT	David J. Messer
3014797637	$3,000,000.00	$2,322,091.65	10/18/2007	2105 WOODSTOCK RD	GATES MILLS	OH	William Werner
3018465132	$2,450,000.00	$1,721,582.20	10/26/2007	5345 WINLANE DR	BLOOMFIELD HILLS	MI	Terry W. Hanning
3018552475	$560,000.00	$349,636.42	10/29/2007	19661 MARINO LAKE CIRCLE	FORT MYERS	FL	Dan Mahoney
3011837766	$2,250,000.00	$818,309.24	10/29/2007	418 ANCHORAGE DR	NOKOMIS	FL	Randall R. Fairchild
3014764280	$1,000,000.00	$481,684.16	10/29/2007	26010 KAYWOOD DR	ESCONDIDO	CA	Gregory Shobe
3014762375	$1,480,000.00	$543,996.18	10/30/2007	3320 NE 37 ST	FORT LAUDERDALE	FL	Samuel Dominguez

Exhibit C

3018806806	$2,450,000.00	$598,975.11	11/13/2007	7841 W 81ST ST	PLAYA DEL REY	CA	Terry J Toman
3014884690	$2,030,000.00	$715,660.53	11/14/2007	5409 W ONYX CIR	COEUR D ALENE	ID	Gary L Cook
3014866911	$1,350,000.00	$420,954.22	11/16/2007	80500 VIA TALAVERA	LA QUINTA	CA	Abdi Rahgoshay
3018795264	$948,800.00/ $118,481.00	$303,860.46	11/19/2007	14280 N SANTA FE ST	WESTMINSTER	CO	Marc P. Wyman
3018733380	$1,000,000.00	$294,273.15	11/21/2007	10716 MIRASOL DR	FORT MYERS	FL	Dan Mahoney
3018791438	$2,340,000.00	$939,901.34	11/29/2007	4508 NOELINE AVE	ENCINO	CA	Lance S. Thomas
3014887750	$1,722,500.00	$770,133.68	11/30/2007	280 LOWER MATECUMBE RD	KEY LARGO	FL	Gayle Gottfried
3014922995	$1,340,000.00	$525,397.16	12/6/2007	738 S HIGHLAND AVE	LOS ANGELES	CA	Jim Brandt
3018364798	$1,500,000.00	$528,067.21	12/7/2007	3667 W SELLA CT	EAGLE	ID	Michael W Louie
3018892228	$1,188,750.00	$546,543.72	12/13/2007	5045 MCCLURE LN	CASTLE ROCK	CO	Frank (Francisco) Alberti
3018812424	$1,440,000.00	$344,130.68	12/18/2007	9361 EDEN MANOR	PARKLAND	FL	Idael L. Bolano
3014891422	$2,135,000.00	$730,688.19	12/21/2007	8001 PALM LAKE DR	ORLANDO	FL	John H. Baldwin
3015038551	$1,379,000.00	$436,943.41	12/27/2007	9420 OAK LEAF DR	CHATSWORTH	CA	David M. Murray
3015215787	$1,680,000.00	$467,517.89	1/9/2008	3531 N 80TH ST	MESA	AZ	Michael S. Mason
791018179	$250,000.00	$503,073.78	1/11/2008	625 S BERENDO ST APT 305	LOS ANGELES	CA	John R Hooks
		$154,519,071.10					

Exhibit C

EXHIBIT

"D"

EXHIBIT D

Key for List of Major Appraisal Deficiencies

1: Appraisal contains an inadequate analysis of subject contract or inadequate analysis or reporting of prior listings.

2: Appraiser fails to report sales of the subject property within the last 3 years or fails to explain large value increase in subject appraisal from previous sales.

3: Appraiser uses poor or improper comparables and/or avoids better comparables.

4: Appraiser makes improper or inconsistent adjustments to comparables, i.e. per square foot differences not reasonable, large unsupported adjustments for intangibles such as view, etc.

5: Appraiser lacks proper level of certification for value of property appraised.

6: Appraiser does not investigate deficiencies in subdivision where property is located, i.e. lack of utilities or lack of amenities promised to buyers.

7: Appraiser omits or misrepresents significant physical or locational characteristics of the property.

8: Appraiser does not use cost approach; uses the cost approach incorrect, often without support for site value; or fails to reconcile the cost approach with the sales comparison approach.

9: Appraiser has been sanctioned, suspended, or had their license revoked, or was under investigation while performing work.

10: Flip transactions one day apart with appraisal supporting much higher sales price, not noting lower priced contract on subject.

11: Appraiser checks block that states market is stable, or otherwise indicates a stable or thriving market, while the market is known to be in decline.

12: Appraiser finds no recent sales (market is in decline, sales are few), so appraiser reaches back in time to find comps at high prices under market conditions that no longer exist.

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

NOTICE OF ASSIGNMENT TO UNITED STATES MAGISTRATE JUDGE FOR DISCOVERY

This case has been assigned to District Judge Josephine Tucker and the assigned discovery Magistrate Judge is Marc Goldman.

The case number on all documents filed with the Court should read as follows:

SACV11- 706 JST (MLGx)

Pursuant to General Order 05-07 of the United States District Court for the Central District of California, the Magistrate Judge has been designated to hear discovery related motions.

All discovery related motions should be noticed on the calendar of the Magistrate Judge

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NOTICE TO COUNSEL

A copy of this notice must be served with the summons and complaint on all defendants (if a removal action is filed, a copy of this notice must be served on all plaintiffs).

Subsequent documents must be filed at the following location:

[ ] **Western Division**
312 N. Spring St., Rm. G-8
Los Angeles, CA 90012

[X] **Southern Division**
411 West Fourth St., Rm. 1-053
Santa Ana, CA 92701-4516

[ ] **Eastern Division**
3470 Twelfth St., Rm. 134
Riverside, CA 92501

Failure to file at the proper location will result in your documents being returned to you.

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

FEDERAL DEPOSIT INSURANCE CORPORATION, as Receiver of Washington Mutual Bank, PLAINTIFF(S) v. LSI APPRAISAL, LLC; FIDELITY NATIONAL INFORMATION SERVICES, INC., - CONTINUED ON ATTACHMENT "A" DEFENDANT(S).	CASE NUMBER **SACV11-706 JST(MLGx)** **SUMMONS**

TO: DEFENDANT(S): ___

A lawsuit has been filed against you.

Within 21 days after service of this summons on you (not counting the day you received it), you must serve on the plaintiff an answer to the attached ☑ complaint ☐ _____ amended complaint ☐ counterclaim ☐ cross-claim or a motion under Rule 12 of the Federal Rules of Civil Procedure. The answer or motion must be served on the plaintiff's attorney, Steven Jay Katzman, whose address is 903 Calle Amanecer, Suite 350, San Clemente, California 92673. If you fail to do so, judgment by default will be entered against you for the relief demanded in the complaint. You also must file your answer or motion with the court.

Clerk, U.S. District Court

Dated: MAY 09 2011

By: NANCY CASTRO SEAL
Deputy Clerk

(Seal of the Court)

[Use 60 days if the defendant is the United States or a United States agency, or is an officer or employee of the United States. Allowed 60 days by Rule 12(a)(3)].

SUMMONS ATTACHMENT "A"

DEFENDANTS

LENDER PROCESSING SERVICES, INC.

LENDER PROCESSING SERVICES, LLC

LPS PROPERTY TAX SOLUTIONS, INC., f/k/a FIDELITY NATIONAL TAX SERVICE, INC.

LSI TITLE COMPANY

LSI TITLE AGENCY, INC.

UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA

CIVIL COVER SHEET

I (a) PLAINTIFFS (Check box if you are representing yourself ☐)

FEDERAL DEPOSIT INSURANCE CORPORATION, as Receiver of Washington Mutual Bank

DEFENDANTS

LSI APPRAISAL, LLC; FIDELITY NATIONAL INFORMATION SERVICES, INC., - CONTINUED ON ATTACHMENT "A"

(b) Attorneys (Firm Name, Address and Telephone Number. If you are representing yourself, provide same.)

SEE ATTACHMENT "B"

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an X in one box only.)

☒ 1 U.S. Government Plaintiff ☐ 3 Federal Question (U.S. Government Not a Party)

☐ 2 U.S. Government Defendant ☐ 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES - For Diversity Cases Only (Place an X in one box for plaintiff and one for defendant.)

	PTF	DEF		PTF	DEF
Citizen of This State	☐ 1	☐ 1	Incorporated or Principal Place of Business in this State	☐ 4	☐ 4
Citizen of Another State	☐ 2	☐ 2	Incorporated and Principal Place of Business in Another State	☐ 5	☐ 5
Citizen or Subject of a Foreign Country	☐ 3	☐ 3	Foreign Nation	☐ 6	☐ 6

IV. ORIGIN (Place an X in one box only.)

☒ 1 Original Proceeding ☐ 2 Removed from State Court ☐ 3 Remanded from Appellate Court ☐ 4 Reinstated or Reopened ☐ 5 Transferred from another district (specify): ☐ 6 Multi-District Litigation ☐ 7 Appeal to District Judge from Magistrate Judge

V. REQUESTED IN COMPLAINT: JURY DEMAND: ☒ Yes ☐ No (Check 'Yes' only if demanded in complaint.)

CLASS ACTION under F.R.C.P. 23: ☐ Yes ☒ No ☒ MONEY DEMANDED IN COMPLAINT: $ 154,519,071

VI. CAUSE OF ACTION (Cite the U.S. Civil Statute under which you are filing and write a brief statement of cause. Do not cite jurisdictional statutes unless diversity.)

Negligence, Breach of Contract, Alter Ego per Authority of 12 U.S.C. Section 1821, et seq.

VII. NATURE OF SUIT (Place an X in one box only.)

OTHER STATUTES
- ☐ 400 State Reapportionment
- ☐ 410 Antitrust
- ☐ 430 Banks and Banking
- ☐ 450 Commerce/ICC Rates/etc.
- ☐ 460 Deportation
- ☐ 470 Racketeer Influenced and Corrupt Organizations
- ☐ 480 Consumer Credit
- ☐ 490 Cable/Sat TV
- ☐ 810 Selective Service
- ☐ 850 Securities/Commodities/ Exchange
- ☐ 875 Customer Challenge 12 USC 3410
- ☐ 890 Other Statutory Actions
- ☐ 891 Agricultural Act
- ☐ 892 Economic Stabilization Act
- ☐ 893 Environmental Matters
- ☐ 894 Energy Allocation Act
- ☐ 895 Freedom of Info. Act
- ☐ 900 Appeal of Fee Determination Under Equal Access to Justice
- ☐ 950 Constitutionality of State Statutes

CONTRACT
- ☐ 110 Insurance
- ☐ 120 Marine
- ☐ 130 Miller Act
- ☐ 140 Negotiable Instrument
- ☐ 150 Recovery of Overpayment & Enforcement of Judgment
- ☐ 151 Medicare Act
- ☐ 152 Recovery of Defaulted Student Loan (Excl. Veterans)
- ☐ 153 Recovery of Overpayment of Veteran's Benefits
- ☐ 160 Stockholders' Suits
- ☒ 190 Other Contract
- ☐ 195 Contract Product Liability
- ☐ 196 Franchise

REAL PROPERTY
- ☐ 210 Land Condemnation
- ☐ 220 Foreclosure
- ☐ 230 Rent Lease & Ejectment
- ☐ 240 Torts to Land
- ☐ 245 Tort Product Liability
- ☐ 290 All Other Real Property

TORTS PERSONAL INJURY
- ☐ 310 Airplane
- ☐ 315 Airplane Product Liability
- ☐ 320 Assault, Libel & Slander
- ☐ 330 Fed. Employers' Liability
- ☐ 340 Marine
- ☐ 345 Marine Product Liability
- ☐ 350 Motor Vehicle
- ☐ 355 Motor Vehicle Product Liability
- ☐ 360 Other Personal Injury
- ☐ 362 Personal Injury-Med Malpractice
- ☐ 365 Personal Injury-Product Liability
- ☐ 368 Asbestos Personal Injury Product Liability

IMMIGRATION
- ☐ 462 Naturalization Application
- ☐ 463 Habeas Corpus-Alien Detainee
- ☐ 465 Other Immigration Actions

TORTS
- ☐ 370 Other Fraud
- ☐ 371 Truth in Lending
- ☐ 380 Other Personal Property Damage
- ☐ 385 Property Damage Product Liability

BANKRUPTCY
- ☐ 422 Appeal 28 USC 158
- ☐ 423 Withdrawal 28 USC 157

CIVIL RIGHTS
- ☐ 441 Voting
- ☐ 442 Employment
- ☐ 443 Housing/Accommodations
- ☐ 444 Welfare
- ☐ 445 American with Disabilities - Employment
- ☐ 446 American with Disabilities - Other
- ☐ 440 Other Civil Rights

PRISONER PETITIONS
- ☐ 510 Motions to Vacate Sentence Habeas Corpus
- ☐ 530 General
- ☐ 535 Death Penalty
- ☐ 540 Mandamus/ Other
- ☐ 550 Civil Rights
- ☐ 555 Prison Condition

PROPERTY RIGHTS
- ☐ 610 Agriculture
- ☐ 620 Other Food & Drug
- ☐ 625 Drug Related Seizure of Property 21 USC 881
- ☐ 630 Liquor Laws
- ☐ 640 R.R. & Truck
- ☐ 650 Airline Regs
- ☐ 660 Occupational Safety/Health
- ☐ 690 Other

LABOR
- ☐ 710 Fair Labor Standards Act
- ☐ 720 Labor/Mgmt. Relations
- ☐ 730 Labor/Mgmt. Reporting & Disclosure Act
- ☐ 740 Railway Labor Act
- ☐ 790 Other Labor Litigation
- ☐ 791 Empl. Ret. Inc. Security Act

PROPERTY RIGHTS
- ☐ 820 Copyrights
- ☐ 830 Patent
- ☐ 840 Trademark

SOCIAL SECURITY
- ☐ 861 HIA (1395ff)
- ☐ 862 Black Lung (923)
- ☐ 863 DIWC/DIWW (405(g))
- ☐ 864 SSID Title XVI
- ☐ 865 RSI (405(g))

FEDERAL TAX SUITS
- ☐ 870 Taxes (U.S. Plaintiff or Defendant)
- ☐ 871 IRS - Third Party 26 USC 7609

FOR OFFICE USE ONLY: Case Number: SACV11-706 JST(MLGx)

AFTER COMPLETING THE FRONT SIDE OF FORM CV-71, COMPLETE THE INFORMATION REQUESTED BELOW.

CCD-JS44

UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA
CIVIL COVER SHEET

VIII(a). IDENTICAL CASES: Has this action been previously filed in this court and dismissed, remanded or closed? [X] No [ ] Yes

If yes, list case number(s):

VIII(b). RELATED CASES: Have any cases been previously filed in this court that are related to the present case? [ ] No [X] Yes

If yes, list case number(s): FDIC v. Corelogic Valuation Services, LLC, et al., concurrently filed with this action.

Civil cases are deemed related if a previously filed case and the present case:

(Check all boxes that apply)

- [ ] A. Arise from the same or closely related transactions, happenings, or events; or
- [X] B. Call for determination of the same or substantially related or similar questions of law and fact; or
- [ ] C. For other reasons would entail substantial duplication of labor if heard by different judges; or
- [ ] D. Involve the same patent, trademark or copyright, and one of the factors identified above in a, b or c also is present.

IX. VENUE: (When completing the following information, use an additional sheet if necessary.)

(a) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which **EACH** named plaintiff resides.

[X] Check here if the government, its agencies or employees is a named plaintiff. If this box is checked, go to item (b).

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country

(b) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which **EACH** named defendant resides.

[ ] Check here if the government, its agencies or employees is a named defendant. If this box is checked, go to item (c).

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country
Orange - LSI Appraisal, LLC	Georgia - Fidelity National Infromation Services, Inc.; Illinois - LSI Title Agency, Inc.; Delaware - All Other Defendants

(c) List the County in this District; California County outside of this District; State if other than California; or Foreign Country, in which **EACH** claim arose.

Note: In land condemnation cases, use the location of the tract of land involved.

County in this District:*	California County outside of this District; State, if other than California; or Foreign Country
Orange	Multiple States

*** Los Angeles, Orange, San Bernardino, Riverside, Ventura, Santa Barbara, or San Luis Obispo Counties**

Note: In land condemnation cases, use the location of the tract of land involved

X. SIGNATURE OF ATTORNEY (OR PRO PER): Steven J. Katzman Date May 9, 2011

Notice to Counsel/Parties: The CV-71 (JS-44) Civil Cover Sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law. This form, approved by the Judicial Conference of the United States in September 1974, is required pursuant to Local Rule 3-1 is not filed but is used by the Clerk of the Court for the purpose of statistics, venue and initiating the civil docket sheet. (For more detailed instructions, see separate instructions sheet.)

Key to Statistical codes relating to Social Security Cases:

Nature of Suit Code	Abbreviation	Substantive Statement of Cause of Action
861	HIA	All claims for health insurance benefits (Medicare) under Title 18, Part A, of the Social Security Act, as amended. Also, include claims by hospitals, skilled nursing facilities, etc., for certification as providers of services under the program. (42 U.S.C. 1935FF(b))
862	BL	All claims for "Black Lung" benefits under Title 4, Part B, of the Federal Coal Mine Health and Safety Act of 1969. (30 U.S.C. 923)
863	DIWC	All claims filed by insured workers for disability insurance benefits under Title 2 of the Social Security Act, as amended; plus all claims filed for child's insurance benefits based on disability. (42 U.S.C. 405(g))
863	DIWW	All claims filed for widows or widowers insurance benefits based on disability under Title 2 of the Social Security Act, as amended. (42 U.S.C. 405(g))
864	SSID	All claims for supplemental security income payments based upon disability filed under Title 16 of the Social Security Act, as amended.
865	RSI	All claims for retirement (old age) and survivors benefits under Title 2 of the Social Security Act, as amended. (42 U.S.C. (g))

CIVIL COVER SHEET ATTACHMENT "A"

DEFENDANTS

LENDER PROCESSING SERVICES, INC.

LENDER PROCESSING SERVICES, LLC

LPS PROPERTY TAX SOLUTIONS, INC., f/k/a FIDELITY NATIONAL TAX SERVICE, INC.

LSI TITLE COMPANY

LSI TITLE AGENCY, INC.

ATTACHMENT "B"

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