

*BEST MORTGAGE COMPANY*

## Conditional Approval Letter

Date: August 26, 2008

Loan#: 18023Q03

Applicant(s): John Walker/Ginger Walker

Property Address: 1 Main Street  
Danvers, MA 01923

We are pleased to inform you that Best Mortgage Company has approved your real estate loan application on the terms set forth below, subject to the conditions set forth in the Conditions Addendum attached to this Loan Approval (the "Initial Conditions"), and further subject to any other conditions Best Mortgage Company may establish upon receipt and review of documentation in satisfaction of the Initial Conditions (the "Subsequent Conditions").

Type of Mortgage: Conventional      Loan Amount: \$316,000.00      Loan Term: 360 (Months)

Occupancy: Primary Residence Purpose: Purchase Program Code: 30 Yr Fixed

Interest Rate: 6.500 Discount Points: % Doc Type: Full

☐ Your loan has a balloon payment

Loan terms as shown above    ☒ Have    ☐ Have not been "Locked in".

All loan terms stated above are subject to change (except loan amount)

Rate Lock Expiration Date:	Loan Approval Expiration Date:	Condition Expiration Date:
10/05/2008	12/20/2008	12/20/2008

If this loan does not close on or before the Loan Approval expiration date, Best Mortgage Company no longer has any obligation to close this loan. Loan Approval is not transferable.

This loan is to be secured by a Deed of Trust/Mortgage covering the following real property:  
1 Main Street, Danvers, MA 01923

All Initial Conditions and all subsequent Conditions must be satisfied before funds can be released. In order to avoid a delay in your transaction, all conditions labeled "Prior to Doc" must be received prior to the Condition Expiration Date indicated above. Prior to Docs means prior to our preparation of your closing documents.

Loan Approval is based upon the information provided in your credit application and the current condition of your property. Should any Information come to Best Mortgage Company's attention which changes the basis on which your Loan Approval was granted, Best Mortgage Company reserves the right to request additional information and may reconsider Loan Approval.

If there is a substantial change in applicant's financial condition or credit standing, Best Mortgage Company is under no obligation to close your loan. You are responsible for keeping all financial obligations current during the processing of your loan transaction. Best Mortgage Company accepts no responsibility for late fees incurred or adverse credit reporting for your failure to make payments by their due date. Best Mortgage Company reserves the right to require updates of documentation that is more than 90 days old. Any false or erroneous statements set forth in your credit application shall, at the option of Best Mortgage Company, render this Loan Approval null and void.

NOTE AND DEED OF TRUST/MORTGAGE: This loan will be evidenced by a promissory note and secured by a lien Deed of Trust/Mortgage in form and substance acceptable to Best Mortgage Company encumbering the property described above, subject only to exceptions approved by Best Mortgage Company in writing. There will be no concurrent subordinate financing secured by this property without Best Mortgage Company's prior written approval at the time of closing. The Deed of Trust/Mortgage may contain a provision granting Best Mortgage Company the option to declare the entire indebtedness due and payable if the Applicant should transfer any interest in the property.

**TITLE INSURANCE-** The loan will be secured by a valid lien Deed of Trust/Mortgage guaranteed by a policy of title insurance issued by a title company acceptable to Best Mortgage Company in the amount of the loan. Such title policy shall provide to Best Mortgage Company an extended coverage tenders policy with any endorsements required by Best Mortgage Company insuring that Best Mortgage Company's Deed of Trust/Mortgage is a lien on the property subject only to matters approved by Best Mortgage Company in writing.

**HAZARD INSURANCE;** Applicant is to furnish at least 24 hours prior to the date on which your loan is closed, a fire and extended coverage policy, or a binder if required by law, in an amount equivalent to the lesser of 100 percent of the insurable value of the improvements as established by the property insurer, or the unpaid principal balance of the mortgage, as long as it equals the minimum amount (80 percent of the Insurable value of the improvements) required to compensate for damage or loss on a replacement cost basis. If it does not then coverage that provides the minimum required amount must be obtained. The policy must reflect an expiration date that can be no earlier than 60 days from the date of your loan's closing. Best Mortgage Company must also be designated the Lender Loss Payee on this policy at the time of closing. After your loan has closed, it is the responsibility of your Insurance company to send confirmation of your policy renewal 15 days prior to the expiration of your Hazard Insurance policy. You will receive a letter from our insurance coordination company if a renewal policy is not received 15 days prior to the expiration, asking the borrower to provide proof of continued coverage.

This letter discloses the fact that if the insurance coordination company does not receive proof of continued coverage, Best Mortgage Company will place forced insurance to protect its interest. The fire and extended policy coverage and insuring company must be acceptable to Best Mortgage Company.

initials      initials      initials      initials

If the loan is a construction-only or a construction-to-permanent loan, a course of Construction Casualty Insurance policy must be obtained during the construction, period and then converted to the fire and extended policy upon completion of construction. If your loan is a lot loan, no insurance is required,

FLOOD INSURANCE: Best Mortgage Company requires flood Insurance pursuant to federal or state law or regulation if the property is located in a Special Flood Hazard Area. The subject property:

☐ is located within a Special Flood Hazard Area, ☒ Is not located within a Special Flood Hazard Area,

MORTGAGE INSURANCE:

☐ is required (For New York loans a copy of your right to cancel private mortgage Insurance is attached)

☒ Is not required as a condition of making the loan.

IMPOUNDS/ESCROWS: If the box is checked, at closing, an escrow impound account will be established and an Initial escrow deposit will be required in accordance with RESPA.

☒ Real Estate Tax ☒ Hazard Insurance ☐ Mortgage Insurance ☐ Flood Insurance

ASSUMPTION: Someone buying your house: ☐ May not assume your loan. Your loan may be assumable under certain conditions.

PREPAYMENT PENALTY:

☐ Has (For New York loans see attached prepayment penalty description).

☒ Does not have a prepayment penalty.

NO VERBAL MODIFICATION: This agreement cannot be changed orally.

☒ You will not pay a rate-lock or commitment fee. Points charged by the lender are paid at closing.

REFUNDABILITY: Your Loan Administration Fee and any Interest Rate Lock-In Fee and/or points are non-refundable, except for the following conditions:

- A) If Best Mortgage Company issues a commitment to make you a loan and the commitment is conditioned on the approval of a third-party investor or mortgage Insurance company and that party rejects the loan.
- B) If you provide Best Mortgage Company with complete and accurate credit information and your application is declined. If you cancel your application it is not considered declined, if Best Mortgage Company makes an offer for a loan that you reject, this is not considered a declination for the purpose of refundability

FEE RECOVERY: In connection with this application, you provided your credit or debit card number and authorization to Best Mortgage Company to charge the Loan Administration Fee, In the event you cancel the loan application or your application is denied, Best Mortgage Company may charge your credit or debit card for appraisal and credit report fees if such fees have been incurred. Your credit or debit card may be charged for a Trip Fee if you fail to keep your appointment with the appraiser, or an Inspection Fee on the appraisal cannot be completed because of the property's condition if such fees have been incurred.

Thank you for giving us the opportunity to be of service. Our address, phone number and fax numbers are as follows:

**Best Mortgage Company**  
**1 Broad Road**  
**Wakefield, MA 01880**

Sincerely,

Yina Omar  
Loan Processor  
Phone: 781-000-1212  
Fax: 866-555-1212

Team Leader:  
Phone:

**IMPORTANT: READ BEFORE SIGNING. THE TERMS OF THIS AGREEMENT SHOULD BE READ CAREFULLY BECAUSE ONLY THOSE TERMS IN WRITING ARE ENFORCEABLE, NO OTHER TERMS OR ORAL PROMISES NOT CONTAINED IN THIS WRITTEN CONTRACT MAY BE LEGALLY ENFORCED. YOU MAY CHANGE THE TERMS OF THIS AGREEMENT ONLY BY ANOTHER WRITTEN AGREEMENT.**

**IF YOU SIGN THIS LOAN APPROVAL, AND YOU DO NOT CLOSE THIS LOAN IN ACCORDANCE WITH THE DESCRIBED TERMS, YOU MAY LOSE SOME OR ALL OF THE FEES OR CHARGES YOU HAVE PAID.**

BORROWER'S ACCEPTANCE: Borrower, by signing below accepts the conditions set forth In this Loan Approval and attached Conditions Addendum and agrees to proceed with the closing. Borrower must return signed copy no later than 21 days as acknowledgement of acceptance of this Loan Approval, I/We have received a duplicate original of this document.

\_\_\_\_\_  
John Walker Date

\_\_\_\_\_  
Ginger Walker Date

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

## CONDITIONS ADDENDUM

### BORROWER CONDITIONS

In order to complete the processing of your mortgage loan application, please be advised that the following documents / information are required. The documents / Information requested must be received by **9/3/2008** or we may **be** unable to continue the processing of your loan.

1. Satisfactory Appraisal (Best Mortgage to obtain) -
2. Satisfactory title and 24 month chain of title (Best Mortgage to obtain) -
3. Name and phone number of insurance agent (Once this information is obtained Best Mortgage will request a copy of the binder) –
4. Copy of both borrowers W2 for 2007
5. Most recent pay stub for both borrowers showing minimum 30 day year to date history
6. Most recent bank statement from Big Bank, all pages