



**LATENT LENDING'S
EQUIFY PROGRAM**
EQUITY RECOGNITION ACKNOWLEDGEMENT

Latent Lending ("LL") and _____ ("Homeowner"), located at _____ agree to mutually participate in LL's Equify Program (EP).

EP allows residential homeowners, together with LL, to utilize the unencumbered and untapped equity in their home for the ultimate benefits of generating contracted growth:

- Without requiring a property lien,
- Without taking any market risk,
- Without incurring any expense, while
- Obtaining a legacy death benefit at no cost, and an
- Above average interest rate* growth on the property's equity value.

HOMEOWNER agrees to and acknowledges the following:

_____ Homeowner, in effect, is giving permission for LL to acknowledge the equity value in the home for the purposes of implementing its EP on behalf of the homeowner.

_____ Homeowner understands that the EP is designed to generate growth on the value of the unencumbered equity without him/her securing a mortgage or line of credit to do so.

_____ Homeowner understands that LL will execute a Promissory Note with the homeowner wherein LL will pay the homeowner a contracted interest rate based on eighty (80%) of the equity value determined by LL (as defined below) for the purposes of participating in the EP.

_____ Homeowner bears no cost associated with the implementation of the EP.

_____ Homeowner is not required to refinance, secure a mortgage, or place a lien on his/her property to participate in, and benefit from the EP, nor does LL put equity at risk per this Acknowledgement.

_____ Homeowner understands that the EP does not encumber or limit future access to equity.

_____ LL, the creator and originator of the EP, is a residential wholesale lender and reserves the first right to provide competitive financing options on any first lien financing contracts for the homeowner wherein the EP is being applied.

_____ The EP incorporates the use of permanent life insurance to create a separate asset, funded by LL, which can then be collateralized by LL to protect its funds.

_____ Homeowner will provide LL any and all required information and documentation necessary for LL and/or its banking relations to implement the EP.

_____ Homeowner warrants and represents all information provided to LL is accurate and complete, including but not limited to, all liens and loans collateralized to the designated property. Failure to provide accurate and complete information will result in forfeiture of all benefits associated with the EP.

LATENT LENDING:

_____ LL, at its own expense, will determine the unencumbered value of the equity in the property located at the address stated above. LL will use industry accepted tools and/or services to determine the equity value, which may include appraisals, Comparative Market Analysis (CMA) or alternative generally accepted valuation models.

_____ LL will procure, commit and manage funds equivalent to the determined equity value for the purpose of generating an agreed upon interest growth to be paid to the homeowner.

_____ As previously stated, Homeowner understands that LL will execute a Promissory Note with the homeowner wherein LL will pay the homeowner a contracted interest rate based on eighty (80%) of the equity value determined by LL (as previously stated) for the purposes of participating in the EP.

_____ LL shall retain as its benefit, any and all growth generated through its management of financial resources above its obligation to satisfy its interest payment obligations to the Homeowner.

_____ LL is solely responsible for the management and performance of the growth strategies implemented for the benefits of the EP, and as such, will institute risk mitigation practices to protect and ensure its obligations to the homeowner per the EP.

_____ LL, at its own expense, will initiate, collateralize, own, and fund via premium financing, a Whole Life policy for the purpose of meeting its financial commitments to the homeowner's EP Acknowledgement, in lieu of placing a lien on the homeowner's property. LL will purchase said Whole Life insurance policy on the homeowner or one of its insurable household members, and will maintain the policy premiums. LL will own the policy and any Cash Value accrued in the policy. The death benefit, excluding Cash Value, will be assigned to a homeowner or a beneficiary of his/her choosing. There is no cost or financial requirement/obligation of the homeowner for this policy.

_____ Homeowner willingly agrees to allow LL to implement and maintain such a policy as is reasonable for said purposes as described in this section. Homeowner or assigns will readily participate and make himself or herself available for para-medical insurance exam requirements, provide or assist in providing medical records, information pertinent to underwriting decisions, and any other requirement by LL and/or the insurance provider so as to initiate and place in force the required policy.

_____ Homeowner is free to terminate its relationship with LL and the EP at any time. By doing so, he/she will forfeit his/her beneficiary interest in the insurance policy, and will automatically terminate the EP Acknowledgement and any accrued and/or non-paid growth per the EP Acknowledgement. The termination of any part of this Acknowledgement terminates all aspects of the Acknowledgement in its/their entirety, meaning if the Promissory Note, or the Death Benefit, or the Policy is terminated, canceled or not renewed by either party, all other aspects of the relationship will be automatically terminated. As a result, there will be no further obligation, financial or otherwise, by either party to the other party.

By signing below, I authorize Latent Lending to secure the necessary funds for its exclusive EP through its operations. I acknowledge and understand the risks and rewards of the EP as detailed above. I acknowledge that I will not lose my equity and that I will default to the current loan terms, if one exists, if I cease from participating in the EP. I acknowledge that during my participation in the EP that I shall retain ownership of my home, unless I cease following my current loan terms, if they exist, at which time the first lien holder may exercise its right to engage in foreclosure procedures, per the terms of the first lien contract. I acknowledge that I have been given ample opportunity to understand the EP.



I release Latent Lending, its owners, officers, agents, affiliates, and employees from all claims and damages that arise from or are related to my participation in the EP. I acknowledge and agree that my free participation in Latent Lending's EP is sufficient consideration for my release of claims and damages against Latent Lending.

I acknowledge that this Equify Program is not a security Acknowledgement or an investing strategy.

Miscellaneous-

- (a) Relationships: This Equify Program does not create a special relationship between me and Latent Lending that would imply a partnership or joint-venture.
- (b) Severability: If a court, arbitrator, or mediator finds any provision of this Acknowledgement invalid or unenforceable, the court, arbitrator, or mediator shall enforce the remainder of this Acknowledgement.
- (c) Amendments: I may not amend this Acknowledgement without prior approval of Latent Lending.
- (d) Integration: This Equify Program expresses the complete understanding of the parties with respect to the subject matter and supersedes all prior proposals, Acknowledgements, representations, and understandings.
- (e) Attorney Fees and Expenses: In a dispute arising out of or related to this Equify Program, I agree to pay for my own attorney fees, costs, and necessary expenditures.
- (f) Governing Law. I agree that Utah state law governs this Acknowledgement.
- (g) Jurisdiction. I consent to the exclusive jurisdiction and venue of the fedEPI and state courts located in Utah in any action arising out of or relating to this Acknowledgement. I waive any other venue to which I might be entitled by domicile or otherwise.
- (h) Continued participation beyond the term of this Acknowledgement: It is anticipated that the homeowner will desire to continue the EP beyond the terms of this Acknowledgement. A Homeowner wishing to continue his/her participation beyond the time constraint of this Acknowledgement will need to execute a new Acknowledgement. Interest rates may vary.

By signing below, I agree to and consent to this pending Equify Program which will automatically go into effect upon funding, at which time I will be notified.

*Above Average interest rate compared to other short term fixed rate products

Homeowner:

Latent Lending:

Print Name

Print Name

Authorized Signature

Authorized Signature

Date

Date