

[date]

[Customer name]

[Customer address]

[Customer city, state, zip]

RE: C.A.R.H.A.F. Mortgage Protection Program

Dear Customer,

Congratulations on the purchase of your new Home! Enclosed you will find the C.A.R.H.A.F. Mortgage Protection Program benefit agreement that is provided, at no additional cost to you as a first time home buyer in the State of California.

The C.A.R.H.A.F. Mortgage Protection Program is designed to help pay your monthly equity loan payment, in the event you become involuntarily unemployed and qualify for state unemployment benefits. *Payments are limited to \$1,500 per month, for up to six (6) monthly payments, if you lose your job within twelve (12) months from the date you close on your loan. A qualified co-buyer also can participate in the program, and receive a monthly benefit of \$750 per month for up to six (6) months. The enclosed benefit agreement provides a complete description of the program and the terms, conditions, and limitations that apply. It also provides instructions for how to file a claim should you become involuntarily unemployed in the future. Please read the benefit agreement carefully.

If you have any questions about the program or need assistance filing a claim, please contact the administrator at 1-800-711-4280 between 8:00 a.m. and 8:00 p.m. E.S.T.

Thank you for giving us the opportunity to be of service to you.

Sincerely,

C.A.R.H.A.F Mortgage Protection Program Administrator
cynoSure Financial, Inc.
www.cynosurefinancial.com

* Certain terms, conditions, and limitations apply. Please read the enclosed materials carefully.

EXHIBIT A
Terms and Conditions

Schedule

Customer:

Name: [Insert Customer's Name]
Address: [Insert Customer's Address]

Obligor:

Name: cynoSure Financial, Inc.
Address: P.O. Box 7691
St. Clair Shores, MI 48080

Agreement Period:

Effective Date: [XX/XX/XXXX] at 12:01 a.m.
Expiration Date: 12 months after the Effective Date
Exclusion Period: 120 days from the Effective Date

Benefit Maximums:

Maximum Number of Payments: 6
Maximum Monthly Amount: \$1,500 [primary borrower; \$750-secondary borrower]
Maximum Total Benefit: \$9,000 [primary borrower; \$4500-secondary borrower]

Eligible Product:

Product Reference: [Insert Reference]
Address of Eligible Product home: [Insert address]

Throughout this Agreement, the words "you" and "your" refer to the Consumer named in the above schedule, who is the purchaser the Eligible Product listed in the above schedule. The words "we", "us", "our" and "Obligor" refer to cynoSure Financial, Inc, who is responsible for providing the benefits owed to you under this Agreement.

This Agreement is included, at no cost to you, as part of the purchase of your new home shown on the above schedule.

If you experience **Involuntary Unemployment** and subject to **Exclusions** and **Eligibility Criteria** below; we will pay you the amount equal to the **Account Payment** (but no more than the **Maximum Monthly Amount**) if the due date for that **Account Payment** occurs during your "period of payment". If you qualify, your "period of payment" starts on the **Unemployment Date** and this occurrence of **Involuntary Unemployment** ends on the first of the following to occur:

- The date you are **Gainfully Employed**; or self employed in a new occupation
- We have paid the **Maximum Number of Payments**; or the **Maximum Total Benefit**
- You otherwise cease to meet the eligibility criteria below or become subject to the exclusions below

The total of all benefits payable under this Agreement is always limited to the **Maximum Total Benefit**.

DEFINITIONS:

Account means the in-force and active mortgage, if any, where the **Eligible Product** is collateral for that mortgage

Account Payment means your minimum monthly mortgage payment, indicated in the mortgage closing documents. Property taxes and insurance that are impounded as part of your minimum monthly mortgage payment are included in your **Account Payment**. Property taxes and insurance that are not impounded and are paid separately are not part of your **Account Payment**.

Administrator means cynoSure Financial, Inc. You may contact the **Administrator** if You have questions regarding this Agreement or would like to make a claim. The **Administrator** can be reached by phone at 1-800-711-4280 or mail at PO Box 7691, St. Clair Shores, MI 48080.

Eligible Product means a single family dwelling purchased by a first-time buyer through a California REALTOR® that closes escrow.

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Full Time Basis means working in excess of 30 hours a week with the same employer

Gainfully Employed means employed for wages, salary, or other monetary reward in an amount reported on a W-2.

Involuntary Unemployment means the total loss of salary or wages as a result of becoming unemployed.

Lender shall mean the financial source named as the lender on your **Account**, if any

Unemployment Date means the date of your actual termination from your employer.

ELIGIBILITY CRITERIA:

You are only eligible to receive benefits under this Agreement provided you meet ALL the conditions below:

- **Date - Your Unemployment Date** and your commencement of **Involuntary Unemployment** must occur after the **Exclusion Period** and before the **Expiration Date**. Each occurrence of unemployment must continue without interruption. You must make a claim within 60 days of **Your Unemployment Date**.
- **Eligible Employee** - You have worked continuously on a **Full Time Basis** for at least 24 weeks prior to **Your Unemployment Date** with the same employer. You are not Self-Employed or own more than 10% of the company you are employed by. Your work is not: temporary (including agency work), casual, seasonal, irregular, a period of training/apprenticeship or for a specific task. You are not a contract worker or a part-time worker. You have not claimed any State Unemployment Insurance benefits in the 9 months prior to the **Effective Date** or during the **Exclusion Period**.
- **Prior knowledge** – You must not have any prior knowledge of impending unemployment during the 12 months prior to the effective date or at any time during the exclusion period. Prior knowledge means You have received notice of unemployment; or your employer has announced a layoff of 50 or more employees, or a departmental or company restructure or merger with another company; or you were aware of impending unemployment.
- **State Benefit** - You must be in receipt of State Unemployment Benefit for no less than 30 days, of which the first payment must be received on a date after the **Exclusion Period**
- You must have made at least 3 **Account Payments** and must be current on all **Account Payments** prior to the **Unemployment Date**.

EXCLUSIONS:

You will not receive benefits under any of the following circumstances:

- a) If you accept voluntary unemployment or refuse to accept a reasonable alternative form of employment
- b) If you are receiving termination or severance pay.
- c) If your unemployment arises due to resignation, retirement, family leave death, strike, misconduct, dishonesty or fraud, criminal activity, dereliction of duty, unacceptable job performance or behavior, disability, illness, disease, accident, or injury.
- d) If the **Eligible Product** is used for commercial purposes (including but not limited to being let), or financed or leased to a business, corporation, or partnership

GENERAL EXCLUSIONS:

No benefit will be payable from unemployment which arises as a result of war, invasion, act of foreign enemy, hostilities, civil war, rebellion, civil commotion, riot, revolution or military or usurped power; or radioactive contamination from ionising radiation or contamination from any nuclear fuel, or from any nuclear waste arising from burning nuclear fuel; or the radioactive, toxic, explosive or other dangerous effect of any explosive nuclear equipment or part of that equipment; or directly or indirectly caused by or contributed to by or arising from biological or chemical contamination due to or arising from terrorism.

REQUEST FOR BENEFITS UNDER THIS PROGRAM:

Call the **Administrator** at 1-800-711-4280 to request a benefit form. You must report the claim within sixty (60) days of **Your Unemployment Date**. The **Administrator** will send the benefit form to You. The following required items, must be sent to the **Administrator** at PO Box 7691, St. Clair Shores, MI 48080 and be postmarked within ninety (90) days of **Your Unemployment Date**.

1. The fully completed request for benefit form including identification showing you are the person named on this Agreement.
2. Verification that You have registered with a state unemployment office or recognized private or governmental agency and that You have been receiving benefits for a minimum of thirty (30) days from that office or agency. In the event You have been paid the maximum amount or number of benefits by this office or agency, then for any further payments by Us for the period You were not paid by this office or agency, We require that You submit to Us the same information and proof for this unpaid period of time as was required by this office or agency for their payment to You.
3. Any other documentation that the **Administrator** may reasonably request.

OTHER PROVISIONS:

You may not assign or transfer this protection at any time to any other person or any other Eligible Product. You may be subject to federal, state and local taxes on any payments made. You will receive a Federal Government 1099, if the sum of all payments exceeds \$600 (USD) during a given calendar year.

This Agreement may be cancelled if You conceal or misrepresent any material fact or circumstance concerning Your **Involuntary Unemployment** or Your period of **Involuntary Unemployment**. If you were not entitled to have received benefits, then We shall be entitled to recover from You the amount we paid to which You were not entitled.

Payments are intended solely for Your benefit. Nothing in this agreement shall be construed to create, or give rise to, any rights against Us for any Lender or third party.

SAMPLE

PRIVACY POLICY

We recognize that your privacy is important to you and that you expect us to protect the information you provide us and to use it only in relation to the execution of the Mortgage Protection Programs (collectively referred to as “the Programs”). To protect your information, we have adopted and adhere to the following policy regarding the privacy of your nonpublic personal information and personally identifiable information (collectively “Nonpublic Personal Information”).

A. INFORMATION THAT WE COLLECT

We will be collecting all or some of the following personal information: **name, address, home phone number, work phone number, cell phone number, loan number, loan amount, loan term, monthly loan payment amount, monthly loan payment due date, lender name, mortgage closing date, social security number, unemployment date, prior employment information, severance pay data, income/salary data, reason for termination, state unemployment benefit information, banking information to pay claims,** and other information that permits us to contact or communicate with you.

B. HOW WE COLLECT INFORMATION

We collect this Nonpublic Personal Information through various sources, including:

- Information we receive from you on **new account forms, fact-finding questionnaires, product and service applications, and other forms;**
- Information we receive from you, **in writing, electronically, through the telephone, or through our website, when you communicate with us, or request information about the Programs;**

C. INFORMATION THAT WE DISCLOSE AND TO WHOM WE DISCLOSE IT

As permitted by law and as outlined in this policy, we disclose Nonpublic Personal Information only to unaffiliated third parties that provide services to us or with whom we have contractual relationships to allow us to administer the Programs. These of third parties with whom we may share your Nonpublic Personal Information include:

- The company which prepares the documents associated with the Programs;
- The company which assists in the processing of your data and makes it available to us so we may administer the Programs.

D. STEPS WE TAKE TO PROTECT YOUR INFORMATION

We have enacted security policies and procedures designed to prevent unauthorized use or access to your Nonpublic Personal Information. Your information is only available to our employees for various business purposes, such as processing or servicing claims, and those fulfilling compliance, legal or audit functions. We use password protection to prevent access by unauthorized personnel, and we employ other physical, electronic, and procedural safeguards to ensure the protection of your Nonpublic Personal Information in accordance with state and federal privacy regulations.

E. AMENDMENTS TO OUR PRIVACY POLICY

When we make material amendments to our Privacy Policy we will post an appropriate notice on our website. In addition, we may send you an amended version of our Privacy Policy through the mail.