

Borrower Financial Package

Dear Potential Borrower(s),

Thank you for choosing Dominion Financial Services, LLC. My name is Andrew Lincoln and I head the Lending Services Division. I will be your contact for all lending matters.

Dominion Financial Services, LLC is more than just a premier Private Money Lender and Servicer. In addition to lending you the money you need to acquire and/or rehab your investment properties, we also:

- **Assist you with securing an Exit Strategy.**

Our loans are all short-term loans. As such, they require an Exit Strategy. That Exit Strategy should be identified now.

If your Exit Strategy is to refinance, we will help you identify and secure that refinance source now. Because the paperwork we collect from you to underwrite our Private Loan to you is identical to what your Exit Lender will evaluate to refinance you out of our loan later, we can forward your loan file to that Exit Lender now for evaluation and pre-approval.

If your Exit Strategy is to sell the property, we can refer you to experienced Real Estate Agents who will market and sell your property quickly at the highest price possible.

- **Assist you with Property/Hazard Insurance.**

All borrowers must maintain acceptable property hazard insurance on all properties that we finance. That property hazard insurance must be in place before we can fund your loan. Let us know if you need assistance placing or acquiring hazard insurance so that we can connect you with reputable and experienced insurance agents in the area.

- **Provide construction advice and contractors.**

We provide our borrowers construction advice and contractors for all trades, as well as any other pertinent real estate information they need for their construction projects.

- **Provide resources for Leasing and Property Management.**

Now that you are ready to get started

DOMINION FINANCIAL

REAL ESTATE INVESTMENT SERVICES

1029 N. CALVERT STREET • BALTIMORE MD 21202

PH: 410-727-5400 • FAX: 410-727-4373

INSTRUCTIONS: Please complete this ***Borrower Financial Package*** and return it to me (by fax or email) together with copies of the following ***Supporting Loan Documents***:

Supporting Loan Documents:

- all federal tax returns filed for 2011 and 2012 (individual and business) and **2013 Tax Returns if available**;
- any W-2s or K-1s you received for 2012 (If Applicable and Requested **and 2013, if available**);
- a recent pay stub (if you receive pay stubs);
- most recent statement for every liquid asset account in your name (include all assets);
- recent mortgage statement for every mortgage in your personal name (If Requested), and
- current lease agreement for the subject property (if not available, provide when available).

This ***Borrower Financial Package*** consists of the following forms, in this order:

- (1) Uniform Residential Loan Application (**complete and sign/initial**)
- (2) Schedule of Real Estate Owned and Mortgage Debt (**complete**)
- (3) Borrower Certification & Authorization (**sign**)
- (4) W-9 form (**complete and sign**)
- (5) Hazard Insurance Requirements form (**read carefully and sign**)
- (6) Repair Escrow Account Form & Budget (**read carefully and sign**)

Please provide as much information as possible up front about your desired loan and real estate investing goals. The Dominion Group is active in all aspects of real estate. The more we know about you and your short and long-term financial goals, the better we can help you meet those goals through our comprehensive real estate network.

Please do not hesitate to contact me by phone or email (andy@thedominiongroup.com) at any time. Dominion Financial Services looks forward to this first step towards building with you a long and prosperous relationship.

Sincerely,

Andrew Lincoln

Andrew Lincoln, Manager
Dominion Financial Services, LLC
410-727-2345 (Direct)
410-980- 6685 (Cell)
410-727-4306 (Fax)

Identifying your *Exit Strategy*: Conventional vs. Commercial Refinance Loans

Dominion Financial Services, LLCs makes short term bridge loans. Our loans typically need to be refinanced or paid off within six (6), nine (9), or twelve (12) months. Accordingly, before we will lend to you we require that you identify an Exit Strategy out of our loan.

If your Exit Strategy is to refinance, then it is important to understand the differences between the two different investment property refinance types. Those two types are **Conventional** refinance loans and **Commercial** refinance loans. Each type has advantages and disadvantages.

Conventional Refinance Loans (require you to own property 6 months before refinancing):

Conventional refinance loans allow for up to 75% of market value, have lower rates (5.75% to 6.25%) that can be fixed for the life of the loan, and offer amortizations up to 30 years. They do not have prepayment penalties, and the closing costs to settle are lower than the closing costs to settle Commercial refinance loans.

However, Conventional loans also require that the loan (and title) be in your personal name at the time of the refinance settlement and that you own the property for at least six (6) months before refinancing. Additionally, to qualify for a Conventional refinance loan you can not own more than four (if you are refinancing to get cash out) or ten (if you are refinancing just to pay of the existing mortgage and closing costs) financed properties in your personal name already.

If you would like a Conventional refinance loan but believe you may not qualify because you either don't own the property in your personal name or you own more than four (4) or ten (10) financed properties, contact Andrew Lincoln to discuss creative Conventional financing options.

Commercial Refinance Loans (permit you to refinance as soon as property is complete):

Commercial refinance loans do not require that you own the property for six (6) months before refinancing or that title be in your personal name at the time of settlement. Commercial loans also permit the borrower to have an unlimited number of financed properties.

However, Commercial refinance loans require that you, the Borrower have strong financials and credit. Commercial loans also typically lend only up to 65% loan to value, have higher rates than Conventional loans, permit amortizations up to no more than 25 years, and have prepayment penalties and balloon payments. *For a better understanding of these loan types, please see our Comparison Chart on the following page.*

I HAVE READ AND UNDERSTAND THIS DISCLOSURE:

_____/_____
initial initial

Refinance *Exit Strategy* Comparison Chart

CONVENTIONAL [aka "Residential"]

COMMERCIAL [aka "LLC"]

	<i>"Pros"</i>	<i>"Cons"</i>
Avg. Max LTV	75%	65%-70%
Avg. Interest Rate	5.25% to 5.50%	6.75% to 7.75%
Max Amortization	30 years	20 years (some times 25)
Loan Type	Rate fixed for life of loan	Rate fixed for only 5 years
Balloon Payments	No balloon ever	May have at the end of 5 years
Typical Points	1	3
Prepay Penalty	Never	Usually
Processing Time	30 days or less	45 days +
Typical Packaging Fee	None	\$500
Tenant	In some cases, property need not be rented before refinancing.	Property must be rented before refinance can settle.
Criteria for Qualifying	Typically need 680 credit score and 6 months of reserves	Typically need 700+ credit score, high net worth, and at least 1 year investor experience
	<i>"Cons"</i>	<i>"Pros"</i>
Title Requirements	Must be in your personal name at the time of settlement	Can be in the name of your LLC (You still personally guarantee)
Timeline on Refinancing	Must wait 6 or 12 months from original purchase date to refi: 6 if property is mortgaged; 12 if not mortgaged	Can refinance property as soon as it is completed/rehabbed and rented
# of Financed Properties	<ul style="list-style-type: none"> • If subject transaction is cash out: borrower may have no more than 4 financed properties. • If subject transaction is not a cash out up to 70% LTV: borrower can have up to 10 financed properties but must show 6 months PITI for all properties and have a 720 score. 	Borrower can have unlimited number of financed properties

I instruct Dominion Financial Financial (DFS) to forward my loan file to a reputable local Mortgage Lender or Broker for approval and refinancing (initial): _____ / _____

I have already been approved for a loan to refinance out of the private money loan for which I am presently applying with DFS* (initial & complete below): _____ / _____

* Name & phone # for company that approved you: _____

Uniform Residential Loan Application

This application is designed to be completed by the applicant(s) with the lender's assistance. Applicants should complete this form as "Borrower" or "Co-Borrower", as applicable. Co-Borrower information must also be provided (and the appropriate box checked) when the income or assets of a person other than the "Borrower" (including the Borrower's spouse) will be used as a basis for loan qualification or the income or assets of the Borrower's spouse will not be used as a basis for loan qualification, but his or her liabilities must be considered because the Borrower resides in a community property state, the security property is located in a community property state, or the Borrower is relying on other property located in a community property state as a basis for repayment of the loan.

I. TYPE OF MORTGAGE AND TERMS OF LOAN

Mortgage Applied for: <input type="checkbox"/> V.A. <input type="checkbox"/> Conventional <input type="checkbox"/> Other:	Agency Case Number	Lender Case Number
<input type="checkbox"/> FHA <input type="checkbox"/> FmHA		
Amount \$	Interest Rate %	No. of Months
Amortization Type: <input type="checkbox"/> Fixed Rate <input type="checkbox"/> Other (explain): <input type="checkbox"/> GPM <input type="checkbox"/> ARM (type):		

II. PROPERTY INFORMATION AND PURPOSE OF LOAN

Subject Property Address (street, city, state, ZIP)	No. of Units
Legal Description of Subject Property (attach description if necessary)	Year Built
Purpose of Loan <input type="checkbox"/> Purchase <input type="checkbox"/> Construction <input type="checkbox"/> Other (explain): <input type="checkbox"/> Refinance <input type="checkbox"/> Construction-Permanent	Property will be: <input type="checkbox"/> Primary Residence <input type="checkbox"/> Secondary Residence <input type="checkbox"/> Investment

Complete this line if construction or construction-permanent loan.

Year Lot Acquired	Original Cost \$	Amount Existing Liens \$	(a) Present Value of Lot \$	(b) Cost of Improvements \$	Total (a+b) \$
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Complete this line if this is a refinance loan.

Year Acquired	Original Cost \$	Amount Existing Liens \$	Purpose of Refinance	Describe Improvements <input type="checkbox"/> made <input type="checkbox"/> to be made
				Cost \$

Title will be held in what Name(s)	Manner in which Title will be held	Estate will be held in: <input type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold (show expiration date)
Source of Down Payment, Settlement Charges and/or Subordinate Financing (explain)		

Borrower

III. BORROWER INFORMATION

Co-Borrower

Borrower's Name (include Jr. or Sr. if applicable)				Co-Borrower's Name (include Jr. or Sr. if applicable)			
Social Security Number	Home Phone (incl. area code)	Age	Yrs. School	Social Security Number	Home Phone (incl. area code)	Age	Yrs. School
<input type="checkbox"/> Married <input type="checkbox"/> Unmarried (include single, divorced, widowed) <input type="checkbox"/> Separated		Dependents (not listed by Co-Borrower) no. ages		<input type="checkbox"/> Married <input type="checkbox"/> Unmarried (include single, divorced, widowed) <input type="checkbox"/> Separated		Dependents (not listed by Borrower) no. ages	
Present Address (street, city, state, ZIP) <input type="checkbox"/> Own <input type="checkbox"/> Rent ___ No. Yrs.				Present Address (street, city, state, ZIP) <input type="checkbox"/> Own <input type="checkbox"/> Rent ___ No. Yrs.			

If residing at present address for less than two years, complete the following:

Former Address (street, city, state, ZIP) <input type="checkbox"/> Own <input type="checkbox"/> Rent ___ No. Yrs.	Former Address (street, city, state, ZIP) <input type="checkbox"/> Own <input type="checkbox"/> Rent ___ No. Yrs.
Former Address (street, city, state, ZIP) <input type="checkbox"/> Own <input type="checkbox"/> Rent ___ No. Yrs.	Former Address (street, city, state, ZIP) <input type="checkbox"/> Own <input type="checkbox"/> Rent ___ No. Yrs.

Borrower

IV. EMPLOYMENT INFORMATION

Co-Borrower

Name and Address of Employer <input type="checkbox"/> Self Employed		Yrs. on this job	Name and Address of Employer <input type="checkbox"/> Self Employed		Yrs. on this job
		Yrs. employed in this line of work/profession			Yrs. employed in this line of work/profession
Position/Title/Type of Business	Business Phone (incl. area code)		Position/Title/Type of Business	Business Phone (incl. area code)	
If employed in current position for less than two years or if currently employed in more than one position, complete the following:					
Name and Address of Employer <input type="checkbox"/> Self Employed		Dates(from-to)	Name and Address of Employer <input type="checkbox"/> Self Employed		Dates(from-to)
		Monthly Income \$			Monthly Income \$
Position/Title/Type of Business	Business Phone (incl. area code)		Position/Title/Type of Business	Business Phone (incl. area code)	
Name and Address of Employer <input type="checkbox"/> Self Employed		Dates(from-to)	Name and Address of Employer <input type="checkbox"/> Self Employed		Dates(from-to)
		Monthly Income \$			Monthly Income \$
Position/Title/Type of Business	Business Phone (incl. area code)		Position/Title/Type of Business	Business Phone (incl. area code)	

VI. ASSETS AND LIABILITIES (cont.)

Schedule of Real Estate Owned (if additional properties are owned, use continuation sheet.)

Property Address (enter S if sold, PS if pending sale or R if rental being held for income)	Type of Property	Present Market Value	Amount of Mortgages & Liens	Gross Rental Income	Mortgage Payments	Insurance, Maintenance, Taxes & Misc.	Net Rental Income
		\$	\$	\$	\$	\$	\$
	Totals	\$	\$	\$	\$	\$	\$

List any additional names under which credit has previously been received and indicate appropriate creditor name(s) and account number(s):

Alternate Name	Creditor Name	Account Number

VII. DETAILS OF TRANSACTION

VIII. DECLARATIONS

a. Purchase price	\$	<p>If you answer "yes" to any questions a through i, please use continuation sheet for explanation.</p> <p>a. Are there any outstanding judgments against you? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>b. Have you been declared bankrupt within the past 7 years? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>c. Have you had property foreclosed upon or given title or deed in lieu thereof in the last 7 years? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>d. Are you a party to a lawsuit? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>e. Have you directly or indirectly been obligated on any loan which resulted in foreclosure, transfer of title in lieu of foreclosure, or judgment? (This would include such loans as home mortgage loans, SBA loans, home improvement loans, educational loans, manufactured (mobile) home loans, any mortgage, financial obligation, bond, or loan guarantee. If "Yes," provide details, including date, name and address of Lender, FHA or VA case number, if any, and reasons for the action.) <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>f. Are you presently delinquent or in default on any Federal debt or any other loan, mortgage, financial obligation bond, or loan guarantee? If "Yes," give details as described in the preceding question. <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>g. Are you obligated to pay alimony, child support, or separate maintenance? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>h. Is any part of the down payment borrowed? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>i. Are you a co-maker or endorser on a note? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>j. Are you a U. S. citizen? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>k. Are you a permanent resident alien? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>l. Do you intend to occupy the property as your primary residence? If "Yes," complete question m below. <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>m. Have you had an ownership interest in a property in the last three years? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>(1) What type of property did you own-principal residence (PR), second home (SH), or investment property (IP)? <input type="checkbox"/> PR <input type="checkbox"/> SH <input type="checkbox"/> IP</p> <p>(2) How did you hold title to the home-solely by yourself (S), jointly with your spouse (SP), or jointly with another person (O)? <input type="checkbox"/> S <input type="checkbox"/> SP <input type="checkbox"/> O</p>	Borrower	Co-Borrower
b. Alterations, improvements, repairs			Yes	No
c. Land (if acquired separately)			Yes	No
d. Refinance (incl. debts to be paid off)			Yes	No
e. Estimated prepaid items			Yes	No
f. Estimated closing costs			Yes	No
g. PMI, MIP, Funding Fee			Yes	No
h. Discount (if Borrower will pay)			Yes	No
i. Total costs (add items a through h)			Yes	No
j. Subordinate financing			Yes	No
k. Borrower's closing costs paid by Seller			Yes	No
l. Other Credits(explain)			Yes	No
m. Loan amount (exclude PMI, MIP, Funding Fee financed)			Yes	No
n. PMI, MIP, Funding Fee financed			Yes	No
o. Loan amount (add m & n)		Yes	No	
p. Cash from/to Borrower (subtract j, k, l & o from i)		Yes	No	

IX. ACKNOWLEDGMENT AND AGREEMENT

The undersigned specifically acknowledge(s) and agree(s) that: (1) the loan requested by this application will be secured by a first mortgage or deed of trust on the property described herein; (2) the property will not be used for any illegal or prohibited purpose or use; (3) all statements made in this application are made for the purpose of obtaining the loan indicated herein; (4) occupation of the property will be as indicated above; (5) verification or reverification of any information contained in the application may be made at any time by the Lender, its agents, successors and assigns, either directly or through a credit reporting agency, from any source named in this application, and the original copy of this application will be retained by the Lender, even if the loan is not approved; (6) the Lender, its agents, successors and assigns will rely on the information contained in the application and I/we have a continuing obligation to amend and/or supplement the information provided in this application if any of the material facts which I/we have represented herein should change prior to closing; (7) in the event my/our payment on the loan indicated in this application become delinquent, the Lender, its agents, successors and assigns, may, in addition to all their other rights and remedies, report my/our name(s) and account information to a credit reporting agency; (8) ownership of the loan may be transferred to successor or assign of the Lender without notice to me and/or the administration of the loan account may be transferred to an agent, successor or assign of the Lender with prior notice to me; (9) the Lender, its agents, successors and assigns make no representations or warranties, express or implied, to the Borrower(s) regarding the property, the condition of the property, or the value of the property.

Certification: I/We certify that the information provided in this application is true and correct as of the date set forth opposite my/our signature(s) on this application and acknowledge my/our understanding that any intentional or negligent misrepresentation(s) of the information contained in this application may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq. and liability for monetary damages to the Lender, its agents, successors and assigns, insurers and any other person who may suffer any loss due to reliance upon any misrepresentation which I/we have made on this application.

Borrower's Signature	Date	Co-Borrower's Signature	Date
X			

X. INFORMATION FOR GOVERNMENT MONITORING PURPOSES

The following information is requested by the Federal Government for certain types of loans related to a dwelling, in order to monitor the Lender's compliance with equal credit opportunity, fair housing and home mortgage disclosure laws. You are not required to furnish this information, but are encouraged to do so. The law provides that a Lender may neither discriminate on the basis of this information, nor on whether you choose to furnish it. However, if you choose not to furnish it, under Federal regulations this Lender is required to note race and sex on the basis of visual observation or surname. If you do not wish to furnish the above information, please check the box below. (Lender must review the above material to assure that the disclosure satisfy all requirements to which the Lender is subject under applicable state law for the particular type of loan applied for.)

<p>BORROWER</p> <p><input type="checkbox"/> I do not wish to furnish this information</p> <p>Race/National Origin:</p> <p><input type="checkbox"/> American Indian or Alaskan Native <input type="checkbox"/> Asian or Pacific Islander</p> <p><input type="checkbox"/> Black,not of Hispanic origin <input type="checkbox"/> Hispanic <input type="checkbox"/> White,not of Hispanic origin</p> <p><input type="checkbox"/> Other (specify) _____</p> <p>Sex: <input type="checkbox"/> Female <input type="checkbox"/> Male</p>	<p>CO-BORROWER</p> <p><input type="checkbox"/> I do not wish to furnish this information</p> <p>Race/National Origin:</p> <p><input type="checkbox"/> American Indian or Alaskan Native <input type="checkbox"/> Asian or Pacific Islander</p> <p><input type="checkbox"/> Black,not of Hispanic origin <input type="checkbox"/> Hispanic <input type="checkbox"/> White,not of Hispanic origin</p> <p><input type="checkbox"/> Other (specify) _____</p> <p>Sex: <input type="checkbox"/> Female <input type="checkbox"/> Male</p>	
<p>To be Completed by Interviewer</p> <p>This application was taken by:</p> <p><input type="checkbox"/> face-to-face interview</p> <p><input type="checkbox"/> by mail</p> <p><input type="checkbox"/> by telephone</p>	<p>Interviewer's Name (print or type)</p> <p>Interviewer's Signature</p> <p>Interviewer's Phone Number (incl. area code)</p>	<p>Name and Address Interviewer's Employer</p>

Request for Taxpayer Identification Number and Certification

**Give form to the
 requester. Do not
 send to the IRS.**

Print or type See Specific Instructions on page 2	Name (as shown on your income tax return)	
	Business name, if different from above	
	Check appropriate box: <input type="checkbox"/> Individual/ Sole proprietor <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Other ▶	
	<input type="checkbox"/> Exempt from backup withholding	
	Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
	City, state, and ZIP code	
List account number(s) here (optional)		

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Social security number								
OR								
Employer identification number								

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. person (including a U.S. resident alien).

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the Certification, but you must provide your correct TIN. (See the instructions on page 4.)

Sign Here	Signature of U.S. person ▶	Date ▶
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Purpose of Form

A person who is required to file an information return with the IRS, must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

U.S. person. Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee.

In 3 above, if applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

For federal tax purposes, you are considered a person if you are:

- An individual who is a citizen or resident of the United States,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States, or
- Any estate (other than a foreign estate) or trust. See Regulations sections 301.7701-6(a) and 7(a) for additional information.

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,

- The U.S. grantor or other owner of a grantor trust and not the trust, and
- The U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien.

Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the recipient has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments (after December 31, 2002). This is called "backup withholding." Payments that may be subject to backup withholding include interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 4 for details),

3. The IRS tells the requester that you furnished an incorrect TIN,

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate Instructions for the Requester of Form W-9.

Also see *Special rules regarding partnerships* on page 1.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

Sole proprietor. Enter your individual name as shown on your income tax return on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name" line.

Limited liability company (LLC). If you are a single-member LLC (including a foreign LLC with a domestic owner) that is disregarded as an entity separate from its owner under Treasury regulations section 301.7701-3, enter the owner's name on the "Name" line. Enter the LLC's name on the "Business name" line. Check the appropriate box for your filing status (sole proprietor, corporation, etc.), then check the box for "Other" and enter "LLC" in the space provided.

Other entities. Enter your business name as shown on required federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name" line.

Note. You are requested to check the appropriate box for your status (individual/sole proprietor, corporation, etc.).

Exempt From Backup Withholding

If you are exempt, enter your name as described above and check the appropriate box for your status, then check the "Exempt from backup withholding" box in the line following the business name, sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

Note. If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

Exempt payees. Backup withholding is not required on any payments made to the following payees:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2),
 2. The United States or any of its agencies or instrumentalities,
 3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities,
 4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or
 5. An international organization or any of its agencies or instrumentalities.
- Other payees that may be exempt from backup withholding include:
6. A corporation,
 7. A foreign central bank of issue,
 8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States,
 9. A futures commission merchant registered with the Commodity Futures Trading Commission,
 10. A real estate investment trust,
 11. An entity registered at all times during the tax year under the Investment Company Act of 1940,
 12. A common trust fund operated by a bank under section 584(a),
 13. A financial institution,
 14. A middleman known in the investment community as a nominee or custodian, or
 15. A trust exempt from tax under section 664 or described in section 4947.

The chart below shows types of payments that may be exempt from backup withholding. The chart applies to the exempt recipients listed above, 1 through 15.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt recipients except for 9
Broker transactions	Exempt recipients 1 through 13. Also, a person registered under the Investment Advisers Act of 1940 who regularly acts as a broker
Barter exchange transactions and patronage dividends	Exempt recipients 1 through 5
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt recipients 1 through 7 ²

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation (including gross proceeds paid to an attorney under section 6045(f), even if the attorney is a corporation) and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees; and payments for services paid by a federal executive agency.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-owner LLC that is disregarded as an entity separate from its owner (see *Limited liability company (LLC)* on page 2), enter your SSN (or EIN, if you have one). If the LLC is a corporation, partnership, etc., enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at www.socialsecurity.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/businesses and clicking on Employer ID Numbers under Related Topics. You can get Forms W-7 and SS-4 from the IRS by visiting www.irs.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Writing "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, and 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). Exempt recipients, see *Exempt From Backup Withholding* on page 2.

Signature requirements. Complete the certification as indicated in 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor ²
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee ¹
b. So-called trust account that is not a legal or valid trust under state law	The actual owner ¹
5. Sole proprietorship or single-owner LLC	The owner ³
For this type of account:	Give name and EIN of:
6. Sole proprietorship or single-owner LLC	The owner ³
7. A valid trust, estate, or pension trust	Legal entity ⁴
8. Corporate or LLC electing corporate status on Form 8832	The corporation
9. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
10. Partnership or multi-member LLC	The partnership
11. A broker or registered nominee	The broker or nominee
12. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or "DBA" name on the second name line. You may use either your SSN or EIN (if you have one). If you are a sole proprietor, IRS encourages you to use your SSN.

⁴ List first and circle the name of the legal trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules regarding partnerships* on page 1.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA, or Archer MSA or HSA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. The IRS may also provide this information to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. possessions to carry out their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You must provide your TIN whether or not you are required to file a tax return. Payers must generally withhold 28% of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to a payer. Certain penalties may also apply.

BORROWER'S CERTIFICATION & AUTHORIZATION

The undersigned certify that:

- 1) I/We have applied for a mortgage loan with **Dominion Financial Services, LLC** (hereinafter referred to as "**Dominion Financial**"). In applying for the loan, I/We completed a loan application providing various information regarding the purpose of the loan, the amount and source of down payment, employment, income, assets and liabilities. I/We certify that all of information and documents provided is/are true, complete and authentic, and that I/We did not omit any pertinent or material information.
- 2) I/We understand and agree that **Dominion Financial** reserves the right to change – in its sole and absolute discretion - the mortgage loan review process to a full documentation program . This may include but is not limited to verifying information provided in the application with the employer and/or financial institution.
- 3) I/We fully understand that it is a Federal crime punishable by fine or imprisonment, or both, to knowingly make false statements when applying for this mortgage as applicable under the provisions of the United States Code, including Section 1014 of Title 18.

AUTHORIZATION TO RELEASE INFORMATION

To Whom It May Concern:

- 1) I/We have applied for a mortgage loan with **Dominion Financial**. As a part of the application process, **Dominion Financial** may verify information contained in my /our loan application and in all other documents required in connection with the loan, either before the loan is closed or as part of its quality control program.
- 2) I/We authorize you to provide to **Dominion Financial** and to any investor to whom **Dominion Financial** may sell my mortgage, any and all information and documentation that they request. Such information includes but is not limited to employment history and income, bank, money market and similar account balances, credit history and copies of income tax returns.
- 3) I/We further authorize **Dominion Financial** to order a consumer credit report and verify other credit information, including past and present mortgage references. It is understood that a copy of this form will also serve as and may be accepted as an original authorization.
- 4) **Dominion Financial** or any investor that purchases your mortgage may address this authorization to any party named in the loan application. By signing below, you agree to promptly reply to any request made of/to you by **Dominion Financial** and/or any investor that purchases your mortgage.

_____ X _____
Borrower Name (Print) Borrower Signature Date
Social Security Number: _____ - _____ - _____

_____ X _____
Co-Borrower Name (Print) Co-Borrower Signature Date
Social Security Number: _____ - _____ - _____

DOMINION FINANCIAL

REAL ESTATE INVESTMENT SERVICES

1029 N. CALVERT STREET • BALTIMORE MD 21202

PH: 410-727-5400 • FAX: 410-727-4373

Hazard Insurance Requirements

You, the borrower, must maintain insurance on the collateral property(ies) at all times. Requirements for insurance include but are not limited to the following:

- You, the Borrower(s) is/are solely responsible for providing and paying for the necessary property related insurance.
- Dominion Financial Services, LLC must be named as a loss payee on all insurance policies.
- You, the Borrower(s) must provide a copy of the hazard insurance policy (and proof that the policy has been pre-paid in full for the life of the loan) to Dominion Financial Services, LLC before settlement.

If you do not provide us satisfactory proof of insurance by **THE TIME OF SETTLEMENT**, your loan will be placed in **DEFAULT**. Satisfactory proof of insurance means insurance that contains the following Mortgagee Clause (naming Dominion Financial Services, LLC as loss payee) and that otherwise meets the requirements of Dominion Financial Services, LLC.

The insurance policy must contain the following Mortgagee Clause:

Dominion Financial Services, LLC
1029 N. Calvert Street
Baltimore, MD 21202
ISAOTA ATIMA

By signing below, the borrower(s) hereby stipulate(s) that he/she/ they fully understand(s) and accept(s) these requirements and will comply with same.

Witness/Attest:

Borrower(s):

Name (print):

Name (print):

Repair Escrow Account

Policies, Rules and Procedures

Draw Schedule

- A detailed **draw schedule** and **scope of work** must be provided before or at the time of closing. There will be **NO FUNDS RELEASED from the escrow account until a budget and scope of work** is provided and approved by the Processor. A sample budget is attached to this document.

Lock Box

- A Lock Box must be put on the property with a key inside the lock box to allow the inspector to gain access to the property. The inspector WILL NOT meet a borrower/contractor/friend/etc... at the property. The inspector will only go to the property when there is a lock box is on the property and the lock box combination has been provided with the escrow draw request.

Escrow Draw Request

- The borrower must complete (and fax or email to the Processor) an Escrow Draw Request detailing: (1) the line items on the Draw Schedule which have been completed, and the amounts sought; (2) copies of all applicable permits and, where applicable, proof of satisfactory inspection by the city or county; and (3) the lock box combination to gain access to the property. If any of these items are not provided than the inspector will not go to the property for the draw request.
- Under normal circumstances Dominion will inspect the property within two business days of receipt of a complete draw request, and Dominion will disburse funds within two business days of receipt of the Inspector's photographs.

Upon receipt of pictures from the Inspector, the Processor will review the Escrow Draw Request. Among the items reviewed by the Processor in considering the draw request are the following but not limited to:

1. *Permits:* You must provide appropriate permits and stickers (demonstrating approved inspections) to the Processor when you request any release of money from the escrow account. Applicable permits must be pulled for all work in the draw schedule and scope of work, including, but not limited to, structural, plumbing, electrical, HVAC, gas, framing, insulation, and concrete. Sums corresponding to the rough-in for electrical, plumbing, HVAC and gas work will not be released without proof of inspection of the rough-in; final draws for each of these items will not be released without proof of final inspection. Structural work must be inspected by a structural engineer and a signed certification on the Structural Engineer's company's letterhead must be provided to the lender for any structural work to be released by the lender. The final draw will not be released without a Use and Occupancy permit and, at Dominion's discretion, lien releases from subcontractors, suppliers and other vendors. **FUNDS WILL NOT BE RELEASED UNTIL THESE REQUIREMENTS ARE MET. . .**
2. *Percent Completion:* The Processor will estimate the percent completion of the house and compare it to the remaining balance in the escrow account. *For example:* If a house is 45% completed and the Escrow Draw requests a release of more than 50% of the escrow budget, the draw will be adjusted accordingly. If the renovation budget exceeds the escrow budget, the borrower will release a percentage of work performed. *For example:* If an escrow budget is \$40,000 and the renovation budget is \$60,000, we will release 2/3 of all listed line items.
3. *Original Escrow Budget:* The Processor will give the borrower only the items and amounts listed on the escrow budget. *For example:* if the borrower requests an escrow draw of \$4,000 for demo and the escrow budget only allocated \$2,500 to demolition, only \$2,500 will be released.
4. *Roof:* The inspector is often unable to gain access to the roof to determine if the roof has been completed. According, photos must be taken of the entire roof, before and after the work, before a draw will be released. In addition, the roofing company must provide: (a) if the work consisted of relatively small repairs, at least a 1 year warranty that the roof will be free from all defects; (b) if substantial repairs are made or a new roof is provided, at least a 5 year warranty that the roof will be free from all defects. Warranties with respect to

- substantial repairs or new roofs must be stated in a letter on the roofer's letterhead and signed by the roofing company's owner. The roofing company must also be MHIC Licensed for any funds to be released from the escrow account. Borrowers are encouraged to consult with Processor before roofing work commences to ascertain whether a 1 year or 5 year warranty will be required.
5. *Sequencing*: The construction of the house must be completed in a logical construction sequence. For instance: (a) structural work to the house must be completed before drywall or mechanical work is completed; (b) if the basement is being finished and being used as a living space, the basement must be dug out to the correct height and concrete must be poured before the framing is completed. If the inspector deems the contractor is not performing the construction work in a logical construction order no funds will be released until the items cited by the inspector are fixed and inspected.
 6. *Security*: The house must be secured at all times. The lender reserves the right to withhold all escrow funds until the house is completed secured.
 7. *Additional Requirements*. See the Construction Addendum to Promissory Note (i.e., Section 2.3) for additional limitations on draws.

Example Draw Schedule::

Milestone 1 (Draw 1): Demo, Roof, Structural Work, Masonry Work, Framing, Windows, and Trash out.

Milestone 2 (Draw 2): Property must be completely secure with exterior doors, security doors, and gated windows (if applicable). All mechanicals (electrical, plumbing, gas, HVAC) must be roughed in, and framing completed, with permits and inspection approvals submitted.

Milestone 3 (Draw 3): Drywall, Insulation and Paint.

Milestone 4 (Draw 4): Trim out of house is complete; borrower must submit proof of final electrical, plumbing, gas and HVAC inspections, and must submit a Use and Occupancy Certificate.

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The condition of the house at the time of purchase will determine the number of draws permitted. For example, a maximum of four draws will be permitted for a complete gut renovation, and followed by the above listed milestone. The maximum draws for a house that has been framed and roughed in shall be two, with the borrower starting at Milestone 3.

- Once funds are released, the Processor will call the borrower to notify him/her of the release and to ask the borrower if they would like the funds disbursed via pickup or standard mail.

- An Escrow Draw Fee of \$95 shall be charged for the first four site visits, and \$295 for each site visit thereafter, which may be deducted from the escrow draw check. If a draw must be completed immediately and the inspector is able to do so a rush fee of \$100 will be added to the applicable draw fee. If the property is over an hour away from Dominion’s offices the applicable draw fee will be increased by \$80.

By signing below, the borrower(s) acknowledges receipt of this disclosure and that he/she fully understands all policies, rules and procedures of a/the Repair Escrow Account. The Processor will strictly enforce all rules, policies and procedures.

For more information regarding Escrow Draw Policies and Procedures please read over the Construction Addendum to Commercial Promissory Note.

Witness/Attest:

Borrower(s):

Name (print):

Name (print):

Borrower Name:			
Job Name:			
Date:			
<u>Item / Work</u>	<u>NOTES</u>	<u>Costs</u>	<u>DRAW #</u>
Planning / Engineering/Design/PM	Not a DFS Reimbursable		
Building Locks/Secure/Cleanout			
Permits	Required but not a DFS Reimbursable		
General	Required but not a DFS Reimbursable		
Electrical	Required but not a DFS Reimbursable		
Plumbing	Required but not a DFS Reimbursable		
Roof	Required but not a DFS Reimbursable		
Demo			
Ongoing Debris Removal			
Structural			
Excavation			
Masonry			
Interior Exposed Brick			
Interior Brick Repair			
Exterior Brick Front			
Exterior Brick Repair			
Framing			
Stairs			
Interior Stairs			
Exterior Stairs			
Roof			
Windows (incl wrap)			
Exterior Doors			
HVAC Rought In			
Plumbing Rough In			
Electrical / AV Wiring Rough In			
Insulation			
Drywall			
Trim Package			
Painting			
Interior			
Exterior			
Exterior Trim			
Flooring			
Ceramic			
Hardwood			
Carpet			
Vinyl			
Cabinetry			
Kitchen			
Bath			
Vanity Mirrors			
Counter Tops			
Kitchen			
Bath			
Plumbing Fixtures + Final			
Electrical Fixtures + Final			

	Ceiling Fans		
	Interior Lights		
	Exterior Lights		
	HVAC Rough In		
	Door Hardware		
	Interior		
	Exterior		
	Closet Hardware / Shelving		
	Railings		
	Decks		
	Rear Yard		
	Basement		
	Custom Items		
	Appliances		
	Final Punch-Out		
	Final Cleaning		
	Alarm Pre-Wire		
	Glass Block the Basement windows		
	Misc		
	Misc		
	Total		