

**LIMITED LIABILITY COMPANY OPERATING AGREEMENT**

**FNBN I, LLC**

## TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I	Certain Definitions..... 1
1.1	<u>Definitions</u> ..... 1
ARTICLE II	Organization of the Company..... 1
2.1	<u>Formation</u> ..... 1
2.2	<u>Name</u> ..... 2
2.3	<u>Organizational Contributions and Actions; Initial Transfer</u> ..... 2
2.4	<u>Registered Office; Chief Executive Office</u> ..... 2
2.5	<u>Purpose; Duration</u> ..... 3
2.6	<u>Single Purpose Limitations</u> ..... 3
2.7	<u>Limitations on the Company's Activities</u> ..... 3
ARTICLE III	Management and Operations of the Company..... 5
3.1	<u>Management of the Company's Affairs</u> ..... 5
3.2	<u>Employees and Services</u> ..... 7
3.3	<u>Related Party Agreements</u> ..... 7
3.4	<u>Real Property</u> ..... 7
ARTICLE IV	Rights and Duties of, and Restrictions on, Members..... 7
4.1	<u>Filings; Duty of Members to Cooperate</u> ..... 7
4.2	<u>Certain Restrictions and Requirements</u> ..... 8
ARTICLE V	Borrowings; Contributions; Other Matters..... 8
5.1	<u>Capital Contributions</u> ..... 8
5.2	<u>No Reliance by Parties Extending Credit</u> ..... 8
5.3	<u>No Liens</u> ..... 9
5.4	<u>Establishment and Permitted Uses of Collection Account</u> ..... 9
5.5	<u>Establishment and Permitted Uses of Liquidity Reserve and Litigation Reserve Accounts</u> ..... 9
ARTICLE VI	Distributions and Allocations..... 9
6.1	<u>Distributions</u> ..... 9
6.2	<u>Allocations</u> ..... 9
ARTICLE VII	Accounting and Taxation..... 9
7.1	<u>Fiscal Year</u> ..... 9

**TABLE OF CONTENTS**  
(continued)

	<u>Page</u>
7.2 <u>Maintenance of Books and Records</u> .....	9
7.3 <u>Annual Statements</u> .....	10
7.4 <u>Taxation</u> .....	10
7.5 <u>Records Retention</u> .....	10
ARTICLE VIII   Restrictions on Disposition of Company Interests.....	10
8.1 <u>Limitations on Disposition of Company Interests</u> .....	10
8.2 <u>Change of Control</u> .....	10
8.3 <u>Additional Provisions Relating to Permitted Dispositions</u> .....	11
8.4 <u>Effect of Permitted Dispositions</u> .....	11
8.5 <u>Effect of Prohibited Dispositions</u> .....	12
8.6 <u>Distributions After Disposition</u> .....	12
8.7 <u>Resignation; Dissolution</u> .....	12
ARTICLE IX     Dissolution and Winding-Up of the Company .....	13
9.1 <u>Dissolution</u> .....	13
9.2 <u>Winding-Up Procedures</u> .....	13
ARTICLE X     Qualified Transferees .....	14
10.1 <u>Qualified Transferees</u> .....	14
ARTICLE XI    Manager Liability .....	17
11.1 <u>Liability of Manager</u> .....	17
ARTICLE XII   Miscellaneous .....	18
12.1 <u>Waiver of Rights of Partition and Dissolution</u> .....	18
12.2 <u>Entire Agreement</u> .....	18
12.3 <u>Governing Law; Jurisdiction</u> .....	18
12.4 <u>Third Party Beneficiaries</u> .....	18
12.5 <u>Expenses</u> .....	18
12.6 <u>Waivers and Amendments</u> .....	19
12.7 <u>Notices</u> .....	19
12.8 <u>Counterparts; Facsimile Signatures</u> .....	21
12.9 <u>Successors and Assigns</u> .....	21
12.10 <u>Construction</u> .....	21
12.11 <u>Compliance With Law; Severability</u> .....	22
12.12 <u>Power of Attorney</u> .....	23
12.13 <u>Submission to Jurisdiction; Waivers</u> .....	23

Annex I – Certain Definitions

**TABLE OF CONTENTS**  
**(continued)**

**Page**

Exhibits

Exhibit A – Certificate of Formation

Exhibit B – Form of Loan Contribution and Assignment Agreement

Exhibit C – Form of Participation and Servicing Agreement

**FNBN I, LLC  
LIMITED LIABILITY COMPANY AGREEMENT**

THIS LIMITED LIABILITY COMPANY OPERATING AGREEMENT (as the same may be amended or modified from time to time in accordance with the terms hereof, this “**Agreement**”), is made and effective as of December 29, 2008, by and among the Federal Deposit Insurance Corporation as Receiver (“**Receiver**”) for First National Bank of Nevada (“**Initial Member**”) and FNBN I, LLC, a Delaware limited liability company (the “**Company**”).

**WHEREAS**, Initial Member has formed the Company as a Delaware limited liability company for the purpose of carrying on the Business (as defined in Annex I hereto); and

**WHEREAS**, the parties desire to set forth herein the terms and conditions of the foregoing; and

**WHEREAS**, following the contribution by Initial Member to the Company of the Loans as contemplated herein, Initial Member shall transfer to PNMAC Mortgage Co. (FI), LLC, all of its interest in the Company, and PNMAC Mortgage Co. (FI), LLC, shall agree to become a party to and bound by this Agreement as the sole “Member” pursuant to a Limited Liability Company Interest Sale and Assignment Agreement (the “**LLC Sale Agreement**”) (the consummation of such transactions, the “**Closing**”).

**NOW, THEREFORE**, in consideration of the premises and the other covenants and conditions contained herein, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

**ARTICLE I**

**Certain Definitions**

**1.1 Definitions.** Initially capitalized terms used and not defined herein shall have the meanings assigned to them in Annex I hereto, which is hereby incorporated into this Agreement as if set forth in full herein.

**ARTICLE II**

**Organization of the Company**

**2.1 Formation.**

(a) Initial Member has caused the Certificate of Formation attached as Exhibit A hereto (the “**Certificate**”) to be filed in the office of the Secretary of State of the State of Delaware. The Company shall exist effective as of the date of filing of such Certificate. Immediately upon its formation and the filing of such Certificate, Initial Member shall cause the Company to execute and become a party to this Agreement. The Certificate shall not be amended except to change the registered agent or office of the Company.

(b) Initial Member hereby agrees to be, and is hereby agreeing to be and admitted as, the sole member of the Company. The Company shall at all times have no more than one member.

## **2.2 Name.**

(a) The name of the Company shall be “FNBN I, LLC”.

(b) The Business shall be conducted only under the name of the Company or such other name or names that comply with applicable law as Member may select from time to time.

## **2.3 Organizational Contributions and Actions; Initial Transfer.**

(a) Concurrently with the execution hereof, Initial Member and the Company shall execute and deliver to each other an instrument in the form of Exhibit B hereto (the “**Loan Contribution and Assignment Agreement**”).

(b) Concurrently with the execution hereof, the Federal Deposit Insurance Corporation as Receiver for First National Bank of Nevada (“**Participant**”) and the Company (as the initial “**Servicer**” thereunder) shall execute and deliver to each other an instrument in the form of Exhibit C hereto (a “**Participation and Servicing Agreement**”) pursuant to which, among other things, the Participant shall acquire, in partial consideration for the Loans, an eighty percent (80%) undivided ownership interest in the Loans and all proceeds therefrom (the “**Participation Interest**”) and pursuant to which the Company shall grant the Participant a first priority security interest in the Loans, the related documentation and all proceeds therefrom to secure the Participant’s Participation Interest, (ii) the Participation Certificate shall be executed and delivered by the Company to the Participant, and (iii) the Participant shall be entitled to perfect its security interest in the Loans and proceeds therefrom and all other Company Property by filing such financing statements and taking such other actions as shall be necessary, including having a collateral agent take possession of the notes and other collateral documents evidencing the Loans.

(c) As soon as practicable after the execution hereof, Initial Member shall contribute to the Company the Loans in accordance with the provisions of the Loan Contribution and Assignment Agreement (such date, the “**Contribution Date**”).

(d) Upon the consummation of the transactions contemplated in **Section 2.3(c)**, the Membership Share of Initial Member shall be 100%.

**2.4 Registered Office; Chief Executive Office.** The Company, at its own expense, shall maintain a registered office and registered agent in Delaware to the extent required by the Act, which office and agent shall be as determined by the Manager from time to time and which shall be set forth in the Certificate. Initially (and until otherwise determined by the Manager), the registered office in Delaware shall be at, and the name and address of the Company’s registered agent in Delaware shall be, as specified in the Certificate as originally filed, which may be amended by the Manager from time to time as necessary to correctly reflect the name and address of the Company’s registered agent. The chief executive office of the Company shall

be located at 27001 Agoura Road, Calabasas, CA 91301, or such other place as shall be determined by the Manager from time to time.

**2.5 Purpose; Duration.**

(a) The purpose of the Company is to engage in and conduct the Business, directly or, to the extent specifically authorized in this Agreement, indirectly through other Persons. Without limiting the foregoing, the Company shall not form or have any Subsidiaries unless authorized in or pursuant to this Agreement. The Company shall have all powers necessary, desirable or convenient, or which the Manager deems necessary, desirable or convenient, and may engage in any and all activities necessary, desirable or convenient, or which the Manager deems necessary, desirable or convenient, to accomplish the purposes of the Company or consistent with the furtherance thereof.

(b) Subject to **Section 9.1**, the Company shall continue in existence perpetually.

**2.6 Single Purpose Limitations.** Notwithstanding any provision hereof or of any other document governing the formation, management or operation of the Company to the contrary, the following shall govern for so long as the Participation and Servicing Agreement remains in effect: Except to the extent permitted hereunder or under the Ancillary Documents, (i) the Company shall not incur or assume any Debt; (ii) the Company shall not consolidate or merge with or into any other Person, convert into any other type of Person or convey or transfer its properties and assets substantially as an entirety to any entity; and (iii) to the fullest extent permitted by law, the Company shall not be dissolved, liquidated or terminated in each case without the consent of Member and Participant.

**2.7 Limitations on the Company's Activities.** This **Section 2.7** is being adopted in order to comply with certain provisions required in order to qualify the Company as a "special purpose" entity.

(a) For so long as the Participation and Servicing Agreement is in effect, Member shall cause the Company to do or cause to be done all things necessary to preserve and keep in full force and effect its existence, rights (charter and statutory) and franchises, and Member also shall cause the Company to:

(i) maintain financial statements separate from any Affiliate although it may be included in the consolidated financial statements of its parent or ultimate parent in accordance with GAAP;

(ii) at all times hold itself out to the public as a legal entity separate from Member and any other Person;

(iii) file its own tax returns, if any, as may be required under applicable law, to the extent it is (1) not part of a consolidated group filing a consolidated return or returns or (2) not treated as a division for tax purposes of another taxpayer, and pay any taxes so required to be paid under applicable law;

(iv) except as contemplated hereby or by the Ancillary Documents, not commingle its assets with assets of any other Person;

(v) conduct its business in its own name and strictly comply with all organizational formalities to maintain its separate existence;

(vi) pay its own liabilities only out of its own funds;

(vii) maintain an arm's length relationship with any Affiliate upon terms that are commercially reasonable and that are no less favorable to the Company than could be obtained in a comparable arm's length transaction with an unrelated Person;

(viii) pay the salaries of its own employees, if any and maintain, or cause to be maintained, a sufficient number of employees, if any, in light of its contemplated business operations;

(ix) not hold out its credit or assets as being available to satisfy the obligations of others, or Guarantee or otherwise obligate itself with respect to the Debts of any other Person;

(x) allocate fairly and reasonably, shared expenses, including any overhead for shared office space;

(xi) use separate stationery, invoices and checks;

(xii) except as contemplated hereby or by the Ancillary Documents, not pledge its assets for the benefit of any other Person, or make any loans or advances to any other Person; provided that it may invest its funds in interest bearing accounts held by any bank that is not its Affiliate and make advances in accordance with the Participation and Servicing Agreement;

(xiii) correct any known misunderstanding regarding its separate identity; and

(xiv) maintain adequate capital in light of its contemplated business purpose, transactions and liabilities, if any.

(b) The failure of the Company, or Member on behalf of the Company, to comply with any of the foregoing covenants or any other covenants contained in this Agreement shall not affect the status of the Company as a separate legal entity or the limited liability of Member.

(c) So long as the Participation and Servicing Agreement is in effect, Member shall not permit a Dissolution Event or an Insolvency Event to occur with respect to the Company to which the Participant has not provided its written consent, and Member also shall not cause or permit the Company to:



- (i) except as contemplated hereby or by the Ancillary Documents, Guarantee any obligation of any Person, including any Affiliate;
- (ii) engage in any business unrelated to the Business;
- (iii) have any assets other than those related to the Business;
- (iv) incur, create or assume any Debt other than as expressly permitted hereby or by the Ancillary Documents;
- (v) make or permit to remain outstanding any loan or advance to, or own or acquire any stock or securities of, any Person, except that the Company may invest in those investments permitted under the Ancillary Documents and may make any advance required or expressly permitted to be made pursuant to any provisions of the Ancillary Documents and permit the same to remain outstanding in accordance with such provisions;
- (vi) to the fullest extent permitted by law, engage in any dissolution, liquidation, consolidation, merger, asset sale or transfer of ownership interests other than such activities as are expressly permitted pursuant to any provision of the Ancillary Documents and subject to obtaining any approvals required under this Agreement; or
- (vii) except as contemplated or permitted by the Participation and Servicing Agreement, form, acquire or hold any Subsidiary.

### **ARTICLE III**

#### **Management and Operations of the Company**

##### **3.1 Management of the Company's Affairs.**

(a) Prior to the Closing, the management of the Company is vested exclusively in Initial Member. From and after the Closing, the management of the Company shall be vested exclusively in Member, which is hereby appointed, effective as of the Closing, to act as the manager of the Company (the “**Manager**”). Subject to the terms and conditions of this Agreement, the Manager shall have full and exclusive power and discretion to, and shall, manage the business and affairs of the Company in accordance with this Agreement. The Manager shall not resign, may not assign or delegate its responsibilities to any other Person, and shall serve as such until such time, if any, as (i) the Member’s Company Interest is Disposed of in accordance with the terms of this Agreement and the transferee is admitted as the new, sole Member, in which case the transferee Member shall, effective upon such Disposition, be appointed the Manager, or (ii) the Manager is otherwise removed and replaced or the Company is dissolved in accordance with the terms of this Agreement. The Manager shall devote such time to the affairs of the Company as is necessary to manage the Company as set forth in this Agreement. Member hereby expressly acknowledges that this Agreement constitutes a personal services contract between Member as Manager, on the one hand, and the Company, on the other hand. Nothing in this **Section 3.1** eliminates, limits or otherwise modifies any of the express terms of this Agreement or any liability, obligation or covenant of any Person hereunder.

(b) Except as otherwise specifically provided in this Agreement and without limitation of the powers expressly granted to the Manager under any other provision of this Agreement, the authority, duties (including fiduciary duties) and functions of the Manager shall be identical to the authority, duties (including fiduciary duties) and functions of the board of directors and the officers of a corporation organized under the Delaware General Corporation Law (and not electing to be governed by subchapter XIV thereof). The Manager shall have no authority to take or authorize the taking of any action in contravention of any express term of this Agreement.

(c) No Person dealing with the Company or the Manager shall be required to determine, and any such Person may conclusively assume and rely upon, the authority of the Manager to execute any instrument or make any undertaking on behalf of the Company. No Person dealing with the Company or the Manager shall be required to determine any facts or circumstances bearing upon the existence of such authority. Without limitation of the foregoing, any Person dealing with the Company or the Manager is entitled to rely upon a certificate signed by the Manager as to:

- (i) the identity of Member;
- (ii) the existence or non-existence of any fact or facts that constitute a condition precedent to acts by the Manager or are in any other manner germane to the affairs of the Company;
- (iii) the identity of Persons who are authorized to execute and deliver any instrument or document of or on behalf of the Company; or
- (iv) any act or failure to act by the Company or any other matter whatsoever involving the Company or any Member.

(d) It is understood and agreed that (i) nothing contained in this Agreement creates any duty on behalf of the Participant, (ii) Member and the Company hereby expressly waive any fiduciary duties that may otherwise be deemed to be owed by the Participant to Member or the Company, and (iii) the Participant shall be entitled to act and exercise any right of approval or consent that it has under this Agreement in its interest, in its sole and absolute discretion, without regard to and against the interests of Member or the Company.

(e) Unless and to the extent reimbursement is due pursuant to a Related Party Agreement, the Company shall not be liable for, and the Manager shall not seek reimbursement from the Company or Member for, any expenses or costs incurred after the formation of the Company by the Manager and/or its Affiliates on behalf of or for the benefit of the Company (including any costs or expenses incurred as a result of the performance of its obligations under **Section 3.2**).

(f) This **Section 3.1** is subject to any express requirement of direct Participant consent set forth elsewhere in this Agreement, including to **Sections 2.7(c), 8.1, 8.2 and 12.6**. Any purported action by the Company requiring the consent of Participant under this Agreement shall be null and void ab initio unless and until Participant's consent is obtained.

**3.2 Employees and Services.** After the Closing, the Manager shall cause to be made available to the Company, from time to time, employees, facilities and support services in a manner and to an extent reasonably required for it to fulfill its duties and obligations as Manager and for the day-to-day operation of the Business, including the Manager's employees, facilities and support services. If necessary to meet the foregoing requirements, the Manager shall enter into contractual arrangements to secure employees, facilities and support services from third parties (including its Affiliates), provided, however, that the Company shall at all times provide for the servicing of the Loans through a servicer under contract with the Company and the safekeeping of the notes and other Loan documents by a document custodian under contract with the Company, in each case in accordance with the Participation and Servicing Agreement. Notwithstanding anything to the contrary contained in this **Section 3.2**, no employees of Member or any third party (including any Affiliate) shall be deemed to be employees of the Company, any contractual relationships entered into to provide employees, facilities or support services shall be relationships between the third parties (or Affiliates) and Member (and not the Company) and shall not relieve Member of its obligations or any liability hereunder, and no expenses incurred to secure or maintain employees, facilities or support services shall be an expense of the Company unless the same is expressly reimbursable by the Company pursuant to the terms of the Participation and Servicing Agreement or is otherwise expressly set forth in this Agreement to be an expense of the Company.

**3.3 Related Party Agreements.** Neither the Company nor any of its Subsidiaries shall enter into any current or future contract, agreement, commitment or arrangement (including any agreement to sell Company Property, incur any Debt or Guarantee any obligations) with any Affiliate (a "**Related Party Agreement**"), except as may otherwise be expressly provided herein or in any Ancillary Document.

**3.4 Real Property.** The Company shall not take title in its own name to any real property with respect to which there is an Environmental Hazard.

## ARTICLE IV

### **Rights and Duties of, and Restrictions on, Members**

**4.1 Filings; Duty of Members to Cooperate.** The Company shall promptly cause to be executed, delivered, filed, recorded or published, as appropriate, and Member will, as requested by the Manager from time to time but at the sole expense of the Company, execute and deliver to the Company, (i) all certificates, documents and other instruments that the Manager deems necessary or appropriate to form, qualify or continue the existence or qualification of the Company as a limited liability company in the State of Delaware or as a foreign limited liability company in all other jurisdictions in which the Company may, or may desire to, conduct business or have Company Property, (ii) any amendment to the Certificate or any instrument described in clause (i) required because of, or in order to effectuate, an amendment to this Agreement, or any change in the membership of the Company, in accordance with the terms hereof, (iii) all certificates, documents and other instruments (including conveyances and a certificate of cancellation) that the Manager deems necessary or appropriate to reflect the dissolution and liquidation of the Company pursuant to the terms of this Agreement, and (iv) such other certificates, documents and other instruments as are required by law or by any

Governmental Authority to be executed by them in connection with the Business as conducted or proposed to be conducted by the Company from time to time. In addition, as soon as reasonably practical after the date hereof, the Company shall apply for and, thereafter, use its reasonable best efforts to obtain, as quickly as possible, and maintain all such licenses as are required to conduct the Business, including qualifications to conduct business in jurisdictions other than Delaware and licenses to purchase, own or service the Loans, if the failure to so obtain such licenses would reasonably be expected to result in the imposition of fines, penalties or other liabilities on the Company, claims and defenses being asserted against the Company (including counterclaims and defense asserted by borrowers under the Loans), or materially adversely affect the Company or the Company's ability to foreclose on the collateral securing or otherwise realize the full value of any Loan or acquired collateral.

#### **4.2 Certain Restrictions and Requirements.**

(a) Member may not use or possess Company Property other than for a Company purpose, except as provided under license or other contractual arrangements. Member shall not have any authority to bind, or otherwise to act on behalf of, the Company except pursuant to authority expressly granted herein or pursuant to authority granted by the Manager in accordance with the terms hereof.

(b) The Company shall not purchase or redeem Member's Company Interest, directly or indirectly.

(c) No Person may or shall be admitted as a Member in the Company except pursuant to and in accordance with Article VIII hereof.

(d) Member will at all times meet the qualifications of a Qualified Transferee.

(e) Member shall cause the Company to become a member of MERS on or before February 1, 2009 and, for so long as the Participation and Servicing Agreement is in effect, maintain itself as a MERS member in good standing (including paying all dues and other fees required to maintain its membership and complying with MERS policies and procedures).

### **ARTICLE V**

#### **Borrowings; Contributions; Other Matters**

**5.1 Capital Contributions.** Except as otherwise expressly provided in this Agreement or the Act, no Member (or former Member or Initial Member) shall be obligated to make any contribution of capital to the Company or have any liability for the debts and obligations of the Company. This **Section 5.1** is in furtherance of, and not in limitation of, Section 18-303(a) of the Act.

**5.2 No Reliance by Parties Extending Credit.** Without limitation of the generality of **Section 12.4** hereof, the provisions of **Section 2.3** are hereby expressly stated not to be for the benefit of any Person other than Member, Initial Member and the Company, including any Person now or hereafter extending credit to the Company, and it is the intent of Member, Initial Member and the Company that reliance on the provisions of **Section 2.3** by any such Person

other than Member, Initial Member and the Company should be deemed unreasonable for purposes of Section 18-502(b) of the Act.

**5.3 No Liens.** Notwithstanding anything to the contrary contained in this Agreement, except for the security interest granted to Participant pursuant to the Participation and Servicing Agreement, the Company shall not encumber or permit any Lien to be placed on the Loans or the proceeds therefrom.

**5.4 Establishment and Permitted Uses of Collection Account.** The Company shall, and hereby is authorized to, cause to be established and maintained the Collection Account in accordance with the Participation and Servicing Agreement, and the funds deposited therein shall be disbursed and used solely as provided therein.

**5.5 Establishment and Permitted Uses of Liquidity Reserve and Litigation Reserve Accounts.** The Company hereby is authorized to cause to be established and maintained a Liquidity Reserve Account and a Litigation Reserve Account in accordance with the Participation and Servicing Agreement and, in the event the Company elects to establish such accounts, the funds deposited therein shall be disbursed and used solely as provided in the Participation and Servicing Agreement.

## ARTICLE VI

### Distributions and Allocations

**6.1 Distributions.** Subject to applicable law and any limitations contained elsewhere in this Agreement, the Manager may elect from time to time to distribute Distributable Cash to the Member.

**6.2 Allocations.** All income and loss of the Company shall be allocated to the Member.

## ARTICLE VII

### Accounting and Taxation

**7.1 Fiscal Year.** The books and records of the Company shall be kept on an accrual basis and the fiscal year of the Company shall commence on January 1 and end on December 31.

**7.2 Maintenance of Books and Records.** At all times during the continuance of the Company, the Manager shall keep or cause to be kept, at the chief executive office referred to in **Section 2.4**, full and complete books of account. The books of account shall be maintained in a manner that provides sufficient assurance that:

(a) transactions of the Company are executed in accordance with the general or specific authorization of the Manager consistent with the provisions of this Agreement; and

(b) transactions of the Company are recorded in such form and manner as will (i) permit preparation of federal, state and local income and franchise tax returns and information returns in accordance with this Agreement and as required by law, (ii) permit preparation of the Company's financial statements in accordance with GAAP and as otherwise set forth herein and the provisions of the reports required to be provided hereunder, and (iii) maintain accountability for the Company's assets.

**7.3 Annual Statements.** As soon as practicable following but no later than 90 days after the end of each fiscal year of the Company, the Manager shall prepare and deliver to Member and Participant an audited balance sheet of the Company as at the end of such fiscal year, and audited statements of operations and cash flow of the Company for such fiscal year, each prepared in accordance with GAAP and accompanied by the Accountants' report thereon, which shall be certified in the customary manner by the Accountants.

**7.4 Taxation.** The Company shall be treated as an entity that is disregarded as an entity separate from its owner for federal income tax purposes pursuant to Treasury Regulations Section 301.7701-3.

**7.5 Records Retention.** Until the date that is the later of ten (10) years from the date hereof or three (3) years after the date on which the final accounting is delivered to Member and Participant pursuant to **Section 9.2**, in addition to any requirements set forth in the Participation and Servicing Agreement, the Manager shall retain and, upon reasonable advance notice and during normal business hours, make available to Member and Participant (and any representatives or agents of the same, including any Governmental Authority) for review and copying all books and records of the Company.

## ARTICLE VIII

### **Restrictions on Disposition of Company Interests**

**8.1 Limitations on Disposition of Company Interests.** Except as otherwise provided in this Article VIII or in connection with the Closing, Member shall not, directly or indirectly, Dispose of all or any part of its Company Interest or any of its rights or interests under this Agreement unless (i) the transferee is a Qualified Transferee and (ii) it first obtains the prior written consent of the Participant (which consent shall not be unreasonably withheld, delayed or conditioned, provided that the transferee is a Qualified Transferee). In addition, Member shall not Dispose of less than all of its Company Interest.

**8.2 Change of Control.** Except as otherwise provided in this Article VIII, Member will not permit any Change of Control to occur unless (i) it first obtains the prior written consent of the Participant (which consent shall not be unreasonably withheld, delayed or conditioned, provided that following such Change of Control Member would be a Qualified Transferee), and (ii) following such Change of Control, Member would be a Qualified Transferee.

**8.3 Additional Provisions Relating to Permitted Dispositions.** Except as otherwise expressly provided in this **Section 8.3**, the following provisions shall apply to each Permitted Disposition under this Article VIII:

(a) Member shall not take, or to cause the Company to take, any action that involves any material risk (other than any risk attributable to the fact that such action might lead to consummation of the proposed Permitted Disposition) of resulting in a material adverse effect on the business, financial condition, properties or prospects of the Company. In the event Member proposes to make a Permitted Disposition, Member shall be required to pay any and all filing and recording fees, fees of counsel and accountants and other out-of-pocket costs and expenses reasonably incurred by the Participant and/or the Company in connection with such Permitted Disposition.

(b) The transferee in a Permitted Disposition shall deliver to the Company, with a copy to the Participant, an agreement, in form and substance reasonably satisfactory to the Participant, by which such transferee shall (i) agree to become a party to and be bound by this Agreement as the “Member,” and without limitation of the generality of the foregoing, to be bound by the terms of **Section 8.4** hereof, (ii) assume and agree to perform when due all of the obligations of the transferor Member under this Agreement, (iii) represent and warrant that it complies with the requirements set forth in Article X, and (iv) state that it is a Special Purpose Entity and has a net worth calculated in accordance with GAAP of not less than \$5,000,000.

(c) In connection with each Permitted Disposition, the transferor Member and the transferee shall deliver to the Company and the Participant such other documents and instruments as the Participant reasonably may request and which are required to effect the Permitted Disposition and substitute the transferee as a Member.

**8.4 Effect of Permitted Dispositions.**

(a) Upon consummation of any Permitted Disposition:

(i) the transferee shall be admitted as a Member in the Company and be deemed to be a party to this Agreement as the “Member” and shall be appointed the Manager;

(ii) the transferred Company Interest shall continue to be subject to all the provisions of this Agreement, including the remainder of this Article VIII, and the transferee Member shall have the same status as the transferor Member had at the time of consummation of such Permitted Disposition and, without limiting the generality of the foregoing, any outstanding breach, misrepresentation, violation or default (with respect to this Agreement or any Ancillary Document) by any direct or indirect predecessor to the transferee as the Member, or by any Affiliate of any such predecessor Member, shall be deemed to constitute an outstanding breach, misrepresentation, violation or default as the case may be, by the transferee Member;

(iii) subject to **Section 8.4(b)** and the last sentence of **Section 12.9**, the transferor Member shall cease to be the Member of the Company (and accordingly, except as expressly otherwise provided in **Section 8.4(b)** or the last sentence of **Section 12.9**, shall cease to

be responsible for the payment or performance of any of the obligations or liabilities under this Agreement of the Member).

(b) No Permitted Disposition (and no resulting withdrawal or resignation of the transferor Member from the Company) shall:

(i) relieve the transferor Member of any of the obligations or liabilities of the transferor Member under this Agreement required to have been paid or performed prior to the consummation of such Permitted Disposition (or of any liability it may have arising out of any breach, misrepresentation, violation or default by the transferor Member prior to such consummation);

(ii) result in the termination of, relieve the transferor Member (or any of its Affiliates) of, or otherwise affect, any of the obligations or liabilities of the transferor Member or its Affiliates under, any Related Party Agreement (such Related Party Agreements to continue in effect in accordance with their respective terms), except to the extent expressly provided in such Related Party Agreement; or

(iii) dissolve the Company.

**8.5 Effect of Prohibited Dispositions.** No actual or purported Disposition of any Company Interest of Member (or any portion thereof), or of any other right or interest of Member under this Agreement, whether voluntary or involuntary, in violation of any provision of this Agreement shall be valid or effective. The transferor of any Company Interest (or portion thereof) Disposed of in violation of any provision of this Agreement, until such Disposition or purported Disposition shall be rescinded, shall not be entitled to, and hereby specifically waives, any right to receive Company distributions from and after the date of such Disposition or purported Disposition or failure to comply, as the case may be. Notwithstanding the foregoing, to the extent that Member would have been entitled to Company distributions but for the preceding provisions of this **Section 8.5 (“Omitted Distributions”)**, if and when such Disposition or purported Disposition shall be rescinded, Member shall be entitled to receive all such Omitted Dispositions (but no interest shall be paid thereon with respect to the period between the date such Omitted Dispositions would have been made but for this **Section 8.5** and the date they are actually made).

**8.6 Distributions After Disposition.** Distributions with respect to a Company Interest made on or after the effective date of the Permitted Disposition of such Company Interest shall be made to the transferee Member with respect to such Company Interest, regardless of when such distributions accrued on the books of the Company.

**8.7 Resignation; Dissolution.**

(a) Member may not withdraw or resign from the Company, except (i) in connection with the Disposition by Initial Member of its entire Company Interest as contemplated in the Recitals, (ii) in connection with a Permitted Disposition made in accordance with the applicable provisions of this Article VIII or (iii) with the prior written consent of the Participant.



(b) Member covenants that it shall not allow a Dissolution Event to occur with respect to itself.

(c) Section 18-304 of the Act shall not apply to the Company. Nothing in this **Section 8.7(c)** shall limit the terms of **Section 9.1** hereof.

(d) Except as is otherwise expressly provided in this Agreement, Member shall not be entitled to receive any payment pursuant to Section 18-604 of the Act.

## ARTICLE IX

### **Dissolution and Winding-Up of the Company**

**9.1 Dissolution.** A dissolution of the Company shall take place upon the first to occur of the following:

(i) the agreement by Member and Participant to dissolve the Company;

(ii) the sale of all or substantially all of the Company Property (other than cash and cash equivalent instruments), including as an entirety or substantially as an entirety; or

(iii) without limitation of clause (i) above, a Dissolution Event or an Insolvency Event occurs with respect to Member or a Person that Controls Member.

**9.2 Winding-Up Procedures.** If a dissolution of the Company pursuant to **Section 9.1** occurs, subject to the Company's compliance with its obligation under the other agreements to which it is a party, the other terms and conditions of this Agreement or the Ancillary Documents, the Manager shall proceed as promptly as practicable to wind up the affairs of the Company in an orderly and businesslike manner. A final accounting shall be made by Manager. As part of the winding up of the affairs of the Company, the following steps will be taken:

(a) The assets of the Company shall be sold except to the extent that some or all of the assets of the Company are retained by the Company for distribution to Member as hereinafter provided.

(b) The Company shall comply with Section 18-804(b) of the Act.

(c) Distributions of the assets of the Company after a dissolution of the Company shall be conducted as follows:

(i) first, to creditors, including the Participant (which for all purposes in its capacity as Participant shall constitute a creditor) and Member or former Members who are creditors, to the extent otherwise permitted by law, in satisfaction of liabilities of the Company (whether by payment or the making of reasonable provision for payment thereof) other than liabilities for which reasonable provision for payment has been made and liabilities for distributions to Member and former Members under Section 18-601 of the Act;

(ii) next, to Member and former Members in satisfaction of liabilities (if any) for distributions under Section 18-601 of the Act; and

(iii) next, to Member.

## ARTICLE X

### Qualified Transferees

**10.1 Qualified Transferees.** Each Member, other than the Initial Member, shall at all times be in compliance with the following (and any proposed transferee of any Company Interest that is in compliance with the following shall be deemed a “Qualified Transferee”):

(a) Organization; Good Standing; Licenses. Member (i) is a Special Purpose Entity duly organized, validly existing and in good standing under the laws of the state of its organization, (ii) has qualified or will qualify to do business as a foreign corporation, partnership or other entity and will remain so qualified, and is and will remain in good standing, in each jurisdiction in which the character of its properties or the nature of its activities makes such qualification necessary and in which failure to so qualify would have a material adverse effect upon Member or its ability to perform its obligations hereunder, (iii) has and will have full power to own its property, to carry on its business as presently conducted, and to enter into and perform its obligations under this Agreement, (iv) has and will have all licenses or other governmental approvals necessary to perform its obligations hereunder; and (v) has a net worth calculated in accordance with GAAP of not less than \$5,000,000.

(b) Authorization; No Violation. The execution and delivery by Member of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by all necessary action. Neither the execution and delivery of this Agreement, nor the consummation of the transactions herein contemplated, nor compliance with the provisions hereof, will conflict with or result in a breach of, or constitute a default under, (i) any of the provisions of any law, governmental rule, regulation, judgment, decree or order binding on Member or its properties, (ii) the constituent documents of Member, or (iii) any of the provisions of any indenture, mortgage, contract or other instrument to which Member is a party or by which it is bound or result in the creation or imposition of any Lien upon any of its property pursuant to the terms of any such indenture, mortgage, contract or other instrument.

(c) Governmental Approvals. All actions, approvals, consents, waivers, exemptions, variances, franchises, orders, permits, authorizations, rights and licenses required to be taken, given or obtained, as the case may be, by or from any Governmental Authority that are necessary in connection with the execution and delivery by Member of this Agreement and the consummation of the transactions contemplated hereby and the performance of its obligations hereunder, have been duly taken, given or obtained, as the case may be, are in full force and effect, are not subject to any pending proceedings or appeals (administrative, judicial or otherwise) and either the time within which any appeal therefrom may be taken or review thereof may be obtained has expired or no review thereof may be obtained or appeal therefrom taken.

(d) No Litigation. On the date Member becomes a party to this Agreement, there is no action, suit, proceeding or investigation pending or threatened against Member before any Governmental Authority.

(e) No Violation of Orders, Decrees, etc. Member is not in default with respect to any order or decree of any court or any order, rule, regulation or demand of any Governmental Authority.

(f) Third Party Consents. No consents, approvals, waivers or notifications of stockholders, creditors, lessors or other nongovernmental persons are required to be obtained by Member in connection with the execution and delivery of this Agreement and the consummation of all the transactions herein contemplated and the performance of its obligations hereunder.

(g) Net Worth. Member is a business entity with a net worth, at the time of purchase, of at least \$5,000,000 determined in accordance with GAAP, consistently applied, all of whose equity owners are “accredited investors,” as that term is defined in Rule 501 under the Securities Act of 1933, as amended (the “**Securities Act**”).

(h) Knowledge and Experience. Member, either by itself or through its advisers and principals, has such knowledge and experience in the origination, servicing, sale and/or purchase of performing and non-performing or distressed loans secured by residential properties, as well as financial and business matters as to enable Member to utilize the information made available to it with respect to the Company Interest and the Loans to evaluate the merits and risks of a purchase of the Company Interest and, indirectly, the Loans, and to make an informed decision with respect thereto.

(i) Economic Risks. Member acknowledges, understands and represents that it is able to bear the economic risks associated with the acquisition and ownership of the Company Interest and, indirectly, the Loans, including the risk of a total loss of its investment in the Company and, indirectly, the Loans and/or the risk that it may be required to hold the Company Interest and, indirectly, the Loans for an indefinite period of time.

(j) No Representations. Member hereby acknowledges that, except as is otherwise expressly provided in this Agreement or the Loan Contribution and Assignment Agreement, none of the Receiver or the FDIC or any Affiliate of either, or any of their respective officers, directors, employees, agents or contractors makes or has made any representation or warranty regarding the Company Interest or the Loans or the value of any property securing the same.

(k) Due Diligence. Member acknowledges and agrees that, whether or not information is available with respect to the Company Interest or the Loans and whether or not it chooses to review any information that is or was made available to it regarding the Company’s Interest or the Loans, Member, by itself or through its advisers or principals, has the ability and shall be responsible for making its own independent investigation and evaluation of the Company Interest and the Loans and the economic, credit or other risks involved in an acquisition of the Company Interest and, indirectly, the Loans. Except as is otherwise expressly provided in this Agreement or the Loan Contribution and Assignment Agreement, none of the

Receiver or the FDIC or any Affiliate of either, or any of their respective officers, directors, employees, agents or contractors makes and representation or warranty as to the completeness or accuracy of any information provided.

(l) No Securities. Member acknowledges and agrees that (i) neither the offer nor the sale of the Company Interest (and, indirectly, the Loans) is intended to constitute an offer or sale of a “security” within the meaning of the Securities Act or any applicable federal or state securities laws, (ii) no inference that any of the Company Interest or the Loans is a “security” under such federal or state securities laws shall be drawn from any of the certifications, representations or warranties made by any Person in this Agreement, (iii) it is not contemplated that any filing will be made with the Securities and Exchange Commission or pursuant to the “Blue Sky” or securities laws of any jurisdiction, and (iv) if any of the Company Interest or the Loans is a security, such may not be resold or otherwise transferred by Member except in accordance with any and all applicable securities and Blue Sky laws.

(m) Resales. Member is acquiring the Company Interest (and, indirectly, the Loans) for its own account and not with a view toward resale in a distribution within the meaning of the Securities Act.

(n) Resales in Compliance with Law. Member will not (i) offer, pledge, sell or otherwise dispose of the Company Interest (or any interest therein) or any Loan (or any interest therein or evidence thereof) to, or (ii) solicit any offer to buy or accept a transfer, pledge or other disposition of the Company Interest (or any interest therein) or any Loan (or any interest therein or evidence thereof) from, or (iii) otherwise approach or negotiate with respect to the Company Interest (or any interest therein) or any Loan (or any interest therein or evidence thereof) with, any person or entity in any manner, or take any other action, that would render the transfer to Member of the Company Interest or any interest in any Loan a violation of any law, rule, regulation or requirement relating to the issuance, regulation, registration or disposition of securities, nor will it so act, nor will it authorize any person or entity to so act, in any manner with respect to the Company Interest (or any interest therein) or any Loan (or interest therein or evidence thereof).

(o) Acquisition in Compliance with Law. Member’s acquisition of the Company Interest and the resulting investment in the Loans will comply with all applicable laws, rules, regulations and requirements, including any and all laws and/or restrictions imposed on resale of the Company Interest and the Loans by federal and state securities or Blue Sky laws, rules, regulations or requirements.

(p) Independent Evaluation. Member has made an independent evaluation of the Company and its assets (including the Loans and related Loan files and/or any electronic data made available to it pertaining to the Loans held by the Company). Member also has conducted such other investigations as it deems appropriate, including searches of Uniform Commercial Code, title, court, bankruptcy and other public records. Member agrees and represents that it is entering into this Agreement solely on the basis of its own investigations and its judgment as to the value of the Company Interest and the nature, validity, enforceability, collectibility and value of the Loans and all other facts material to their ownership, including to the legal matters and risks relating to the collection and enforcement, and the performance of any obligations under

any of the Loans in any jurisdiction. Member further acknowledges that no employee or representative of Initial Member or any Affiliate thereof, or any of their respective officers, directors, employees, agents or contractors has been authorized to make any statements or representations other than those specifically contained in this Agreement or the Loan Contribution and Assignment Agreement.

## ARTICLE XI

### Manager Liability

#### **11.1 Liability of Manager.**

(a) Except as otherwise specifically provided in this Agreement (including in the other subsections of this **Section 11.1**), the duties (including fiduciary duties) and obligations owed to the Company and Member by the Manager shall be as provided in **Section 3.1(b)** hereof.

(b) The Manager may rely, and shall be protected in acting or refraining from acting, upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties.

(c) The Manager may consult with legal counsel, accountants, appraisers, management consultants, investment bankers and other consultants and advisers selected by it, and any act taken or omitted to be taken in reliance upon the opinion of such Persons as to matters that the Manager reasonably believes to be within such Person's professional or expert competence shall be conclusively presumed to have been done or omitted in good faith and in accordance with such opinion.

(d) The Manager shall not be liable to the Company or Member for its good faith reliance on the provisions of this Agreement.

(e) The limitations and exculpation afforded by each provision of this **Section 11.1** are cumulative and not exclusive. Nothing in this **Section 11.1** is intended, or shall be deemed, to permit conduct that would otherwise constitute misappropriation of a trade secret of the Company under applicable law or conduct that, even disregarding the terms hereof otherwise would be actionable by the Company or Member.

(f) The provisions of this **Section 11.1** are for the benefit of the Manager. This **Section 11.1** may be amended, modified or repealed in the manner set forth elsewhere in this Agreement, but any amendment, modification or repeal of this **Section 11.1** or any provision hereof (including as a result of any amendment, modification or repeal of the Delaware General Corporation Law) shall (unless the Manager shall expressly have consented to such amendment, modification or repeal) be prospective only and shall (unless the Manager shall expressly have consented to such amendment, modification or repeal) not in any way affect the limitations on liability under this **Section 11.1** as in effect immediately prior to such amendment, modification or repeal with respect to claims arising from or relating to matters occurring, in whole or in part,

prior to such amendment, modification or repeal, regardless of when such claims may be asserted.

## ARTICLE XII

### Miscellaneous

**12.1 Waiver of Rights of Partition and Dissolution.** Member hereby irrevocably waives all rights it may have at any time to maintain any action for division or sale of the Company Property as now or hereafter permitted under any applicable statutes or other laws. Member hereby waives and renounces its rights to seek a court decree of dissolution or to seek the appointment of a court receiver for the Company as now or hereafter permitted under any applicable statutes or other laws.

**12.2 Entire Agreement.** This Agreement, together with the Exhibits hereto (and any other agreements expressly contemplated hereby or thereby), constitutes the entire agreement and understanding, and supersedes all other prior agreements and understandings, both written and oral, between Member or its Affiliates or any of them and the Company with respect to the subject matter hereof. Member acknowledges that certain agreements or other instruments are being executed by the Company, Member and/or Affiliates of Member and Participant simultaneously with the execution of this Agreement and that notwithstanding anything to the contrary contained in the foregoing sentence of this **Section 12.2**, such agreements shall be effective and binding on the parties thereto.

**12.3 Governing Law; Jurisdiction.** THIS AGREEMENT IS GOVERNED BY AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF DELAWARE, EXCLUDING ANY CONFLICT-OF-LAWS RULE OR PRINCIPLE THAT MIGHT REFER THE GOVERNANCE OR THE CONSTRUCTION OF THIS AGREEMENT TO THE LAW OF ANOTHER JURISDICTION. In the event of a direct conflict between the provisions of this Agreement and any mandatory, non-waivable provision of the Act, such provision of the Act shall control to the extent necessary to eliminate such direct conflict. Nothing in this Agreement shall require any unlawful action or inaction by any Person.

**12.4 Third Party Beneficiaries.** Participant is hereby constituted an express third party beneficiary of this Agreement. Subject to **Section 11.1**, (i) this Agreement is for the benefit solely of, and shall inure solely to the benefit of, Member, the Company and Participant (ii) this Agreement is not enforceable by any Person (including any creditor of the Company or of Member) other than Member, the Company and Participant. Nothing contained in this Agreement shall be construed to constitute a consent to jurisdiction by the FDIC in any capacity.

**12.5 Expenses.** Except as may otherwise be expressly provided herein or in any Ancillary Document, Member shall pay its own expenses (including legal, accounting investment banker, broker or finders fees) incident to the negotiation and execution of this Agreement and the Ancillary Documents, the consummation of the transactions contemplated by **Section 2.3** hereof and the performance of its obligations hereunder.

**12.6 Waivers and Amendments.** This Agreement may be amended or modified, and the terms hereof may be waived, only by a written instrument signed by Member and Participant. Except where a specific period for action or inaction is provided herein, no failure on the part of Member or Participant to exercise, and no delay on the part of Member or Participant in exercising, any right, power or privilege hereunder shall operate as a waiver thereof; nor shall any waiver on the part of Member or Participant of any such right, power or privilege, or any single or partial exercise of any such right, power or privilege, preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

**12.7 Notices.** All notices, requests, demands, and other communications required or permitted to be given or delivered under or by reason of the provisions of this Agreement shall be in writing and shall be given by certified or registered mail, postage prepaid, or, delivered by hand or by nationally recognized air courier service, directed to the address of such Person set forth below:

If to the Company before the Closing, to:

Manager, Capital Markets & Resolutions  
c/o Federal Deposit Insurance Corporation  
550 17th Street, NW (Room F-7014)  
Washington, D.C. 20429-0002  
Attention: Ralph Malami

Senior Counsel  
FDIC Legal Division  
Litigation and Resolutions Branch, Receivership Section  
Special Issues Unit  
3501 Fairfax Drive (Room E-7056)  
Arlington, VA 22226  
Attention: David Gearin

If to the Company after the Closing, to:

FNBN I, LLC  
27001 Agoura Road  
Calabasas, CA 91301  
Attention: Jeff Grogin or Don Brewster

FNBN I, LLC  
27001 Agoura Road, Suite 350  
Calabasas, CA 91301  
Attention: David M. Walker

If to Member before the Closing, to:

Manager, Capital Markets & Resolutions  
c/o Federal Deposit Insurance Corporation  
550 17th Street, NW (Room F-7014)  
Washington, D.C. 20429-0002  
Attention: Ralph Malami

Senior Counsel  
FDIC Legal Division  
Litigation and Resolutions Branch, Receivership Section  
Special Issues Unit  
3501 Fairfax Drive (Room E-7056)  
Arlington, VA 22226  
Attention: David Gearin

If to Member after the Closing, to:

PNMAC Mortgage Co. (FI), LLC  
27001 Agoura Road  
Calabasas, CA 91301  
Attention: Jeff Grogin or Don Brewster

PNMAC Mortgage Co. (FI), LLC  
27001 Agoura Road, Suite 350  
Calabasas, CA 91301  
Attention: David M. Walker

If to Participant, to:

Manager, Capital Markets & Resolutions  
c/o Federal Deposit Insurance Corporation  
550 17th Street, NW (Room F-7014)  
Washington, D.C. 20429-0002  
Attention: Ralph Malami

Senior Counsel  
FDIC Legal Division  
Litigation and Resolutions Branch, Receivership Section  
Special Issues Unit  
3501 Fairfax Drive (Room E-7056)  
Arlington, VA 22226  
Attention: Senior Counsel

Any such notice shall become effective when received (or receipt is refused) by the addressee, provided that any notice or communication that is received (or refused) other than during regular



business hours of the recipient shall be deemed to have been given at the opening of business on the next Business Day of the recipient. From time to time, any Person may designate a new address for purposes of notice hereunder by notice to such effect to the other Persons identified above.

### **12.8 Counterparts; Facsimile Signatures.**

(a) This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which shall together constitute one and the same instrument. It shall not be necessary for any counterpart to bear the signature of all parties hereto.

(b) This Agreement and any amendments hereto, to the extent signed and delivered by facsimile or other electronic means, shall be treated in all manner and respects as an original agreement and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. No signatory to this Agreement shall raise the use of a facsimile machine or other electronic means to deliver a signature or the fact that any signature or agreement was transmitted or communicated through the use of a facsimile machine or other electronic means as a defense to the formation or enforceability of a contract and each such Person forever waives any such defense.

**12.9 Successors and Assigns.** Except as otherwise specifically provided in this Agreement (including in Article VIII), this Agreement shall be binding upon and inure to the benefit of Member, the Company and Participant and their respective Successors and permitted assigns. Without limitation of **Section 8.4**, this Agreement, as in effect on the date that any particular Person shall cease to be Member, shall continue to bind such Person in relation to the period during which it was Member.

### **12.10 Construction.**

(a) **Captions.** Paragraph titles or captions contained in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit, extend or describe the scope of this Agreement or the intent of any provisions hereof. All Section and paragraph references contained herein shall refer to this Agreement unless otherwise specified.

(b) **References to Persons Exclusive.** References to “Affiliates” or “Subsidiaries” of a specified Person refer to, and include, only other Persons which from time to time constitute “Affiliates” or “Subsidiaries,” as the case may be, of such specified Person, and do not include, at any particular time, other Persons that may have been, but at such time have ceased to be, “Affiliates,” or “Subsidiaries,” as the case may be, of such specified Person, except to the extent that any such reference specifically provides otherwise. A reference to Member or other Person, in and of itself, does not, and shall not be deemed to, refer to or include any other Person having an interest in Member or other Person (such as, without limitation, any stockholder or member of or partner in Member, or other Person).

(c) **Use of “Or.”** The term “or” is not exclusive.

(d) **References to Laws.** A reference in this Agreement to a law includes any amendment, modification or replacement to such law.

(e) Use of Accounting Terms. Accounting terms used herein shall have the meanings assigned to them by GAAP applied on a consistent basis by the accounting entity to which they refer.

(f) References to Documents. References to any document, instrument or agreement (i) shall be deemed to include all appendices, exhibits, schedules and other attachments thereto and all documents, instruments or agreements issued or executed in replacement thereof, and (ii) shall mean such document, instrument or agreement, or replacement thereof, as amended, modified and supplemented from time to time in accordance with its terms and as the same is in effect at any given time.

(g) Use of “Herein.” Unless otherwise specified, the words “hereof,” “herein” and “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement.

(h) Use of “Including.” The words “include” and “including” and words of similar import when used in this Agreement are not limiting and shall be construed to be followed by the words “without limitation,” whether or not they are in fact followed by such words.

(i) Use of “During.” The word “during” when used in this Agreement with respect to a period of time shall be construed to mean commencing at the beginning of such period and continuing until the end of such period.

(j) References to Time. All time explicitly or implicitly referenced in this Agreement shall be deemed to be Eastern Standard Time, or Eastern Daylight Time, as applicable.

#### **12.11 Compliance With Law; Severability.**

(a) Compliance With Law. Except as otherwise specifically provided herein, each party to this Agreement shall, at its own cost and expense, obey and comply with all applicable laws, as they may pertain to such party’s performance of its obligations hereunder.

(b) Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall be ineffective, but such ineffectiveness shall be limited as follows: (i) if such provision is prohibited or unenforceable in such jurisdiction only as to a particular Person or Persons and/or under any particular circumstance or circumstances, such provision shall be ineffective, but only in such jurisdiction and only with respect to such particular Person or Persons and/or under such particular circumstance or circumstances, as the case may be; (ii) without limitation of clause (i), such provision shall in any event be ineffective only as to such jurisdiction and only to the extent of such prohibition or unenforceability, and such prohibition or unenforceability in such jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction; and (iii) without limitation of clauses (i) or (ii), such ineffectiveness shall not invalidate any of the remaining provisions of this Agreement. Without limitation of the preceding sentence, it is the intent of the parties to this Agreement that in the event that in any court proceeding, such court determines that any

provision of this Agreement is prohibited or unenforceable in any jurisdiction (because of the duration or scope (geographic or otherwise) of such provision, or for any other reason) such court shall have the power to, and shall, (x) modify such provision (including without limitation, to the extent applicable, by limiting the duration or scope of such provision and/or the Persons against whom, and/or the circumstances under which, such provision shall be effective in such jurisdiction) for purposes of such proceeding to the minimum extent necessary so that such provision, as so modified, may then be enforced in such proceeding and (y) enforce such provision, as so modified pursuant to clause (x), in such proceeding. Nothing in this **Section 12.11(b)** is intended to, or shall, limit (1) the ability of any party to this Agreement to appeal any court ruling or the effect of any favorable ruling on appeal or (2) the intended effect of **Section 12.3**.

**12.12 Power of Attorney.** Member does hereby constitute and appoint the Manager as its true and lawful representative and attorney-in-fact, in its name, place and stead to make, execute, sign, acknowledge, deliver or file any certificate, document or other instrument that Member is required to execute and deliver pursuant to clause (i), (ii) or (iii) of **Section 4.1** hereof. The foregoing notwithstanding, the Manager shall not have any right, power or authority to amend or modify this Agreement. The power of attorney granted hereby is coupled with an interest and shall (i) survive and not be affected by the subsequent death, incapacity, disability, dissolution, termination or bankruptcy of Member granting the same or the transfer of all or any portion of Member's Company Interest and (ii) extend to Member's Successors, assigns and legal representatives.

**12.13 Submission to Jurisdiction; Waivers.** Each of the Company and Member (other than the Initial Member) hereby irrevocably and unconditionally:

(a) (i) agrees that any suit, action or proceeding against it or any of its Affiliates by the Participant (or its direct or indirect predecessors, as such) arising out of or relating to or in connection with this Agreement or any Ancillary Document may be instituted, and that any suit, action or proceeding by the Company or Member or any of their respective Affiliates against the Participant (or its direct or indirect predecessors, as such) arising out of or relating to or in connection with this Agreement or any Ancillary Document shall be instituted only, in the Supreme Court of the State of New York, County of New York, or the United States District Court for the Southern District of New York or the United States District Court for the District of Columbia (and appellate courts from any of the foregoing), as the Person instituting such suit, action or proceeding may elect in its sole discretion, (ii) consents and submits, for itself and its property, to the jurisdiction of such courts for the purpose of any such suit, action or proceeding instituted against it, and (iii) agrees that a final judgment in any such suit, action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law;

(b) agrees that service of all writs, process and summonses in any suit, action or proceeding pursuant to **Section 12.13(a)** may be effected by the mailing of copies thereof by registered or certified mail, postage prepaid, to it at its address for notices pursuant to **Section 12.7** (with copies to such other Persons as specified therein), such service to become effective 30 days after such mailing, provided that nothing contained in this **Section 12.13(b)** shall affect the right of any party to serve process in any other manner permitted by law;

(c) (i) waives any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement or any Ancillary Document brought in any court specified in **Section 12.13(a)**, (ii) waives any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum, and (iii) agrees not to plead or claim either of the foregoing; and

(d) WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY OF ANY DISPUTE ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY ANCILLARY DOCUMENT AND AGREES THAT ANY SUCH DISPUTE SHALL BE TRIED BEFORE A JUDGE SITTING WITHOUT A JURY.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers or agents thereunto duly authorized on the date first above written.

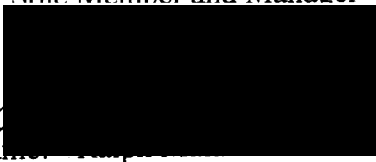
**FEDERAL DEPOSIT INSURANCE  
CORPORATION as RECEIVER for FIRST  
NATIONAL BANK OF NEVADA**




Name: Ralph Maram  
Title: Attorney-in-Fact

**FNBN I, LLC**

By: Federal Deposit Insurance Corporation as  
Receiver for First National Bank of Nevada,  
Sole Member and Manager

By: 

Name:   
Title: Attorney-in-Fact

## Annex I

### Certain Definitions

As used in the Agreement, the following terms have the following meanings (terms defined in the singular to include the plural and vice versa and references in this Annex I to sections constitute references to sections of the Agreement unless otherwise expressly indicated):

“**Accountants**” shall mean the independent certified public accountants of the Company.

“**Act**” shall mean the Delaware Limited Liability Company Act, 6 Del. C. §§ 18-101 et seq.

“**Affiliate**” shall mean, with respect to any specified Person, (i) any other Person directly or indirectly controlling or controlled by or under common control with such specified Person, (ii) any Person owning or controlling ten percent (10%) or more of the outstanding voting securities, voting equity interests, or beneficial interests of the Person specified, (iii) any officer, director, partner, member, trustee, employee or promoter of the Person specified or any Immediate Family Member of such officer, director, partner, member, trustee, employee or promoter, (iv) any corporation, partnership, limited liability company or trust for which any Person referred to in clause (ii) or (iii) acts in that capacity, or (v) any Person who is an officer, director, general partner, managing member, trustee or holder of 10% or more of outstanding voting securities, voting equity interests or beneficial interests of any Person described in clauses (i) through (iv); provided, however, that for purposes of this Agreement Participant shall not be deemed to be an Affiliate of the Company or of any Affiliate of the Company. For the purposes of this definition, the term “**control**” (including the phrases “**controlled by**” and “**under common control with**”) when used with respect to any specified Person means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or interests, by contract or otherwise.

“**Agreement**” shall have the meaning set forth in the Recitals.

“**Ancillary Documents**” means the LLC Sale Agreement and the Guaranty required to be delivered thereby, the Loan Contribution and Assignment Agreement, the Participation and Servicing Agreement, including the Servicing Agreement and the Custodial Agreement which are exhibits thereto, and the Electronic Tracking Agreement which is an exhibit to the latter, in each case once executed and delivered, and the agreements and documents executed and delivered contemporaneously in connection with the Closing.

“**Business**” shall mean the acquisition of the Loans pursuant to the Loan Contribution and Assignment Agreement and the ownership, servicing, administration, management and liquidation of the Loans.

“**Business Day**” shall mean any day except a Saturday, Sunday or other day on which Participant or commercial banks in Washington D.C. are required or authorized by law or executive order to close.

“**Certificate**” shall have the meaning set forth in **Section 2.1(a)**.

“**Change of Control**” with respect to Member shall mean (i) the Disposition of any equity or other interest in Member such that PNMAC Mortgage Opportunity Fund, L.P. and PNMAC Mortgage Opportunity Fund Investors, LLC do not hold all of the equity or other interests of Member; or (ii) PNMAC Capital Management, LLC ceases to Control Member; or (iii) the merger of Member or any Person who Controls Member into another Person.

“**Closing**” shall have the definition set forth in the Recitals.

“**Collection Account**” shall have the meaning assigned thereto in the Participation and Servicing Agreement.

“**Company**” shall have the meaning set forth in the Recitals.

“**Company Interest**” shall mean, with respect to any particular Member, the entire limited liability company interest (as such term is defined in the Act) of such Member, including (i) such Member’s rights to share in the income, gain, loss, deductions and credits of, and the right to receive distributions from, the Company, (ii) all other rights, benefits and privileges enjoyed by such Member (under the Act, this Agreement or otherwise) in its capacity as a Member, including rights to vote, consent and approve, and (iii) all obligations, duties and liabilities imposed on such Member (under the Act, this Agreement or otherwise) in its capacity as a Member.

“**Company Property**” shall mean all property, whether real or personal, tangible or intangible, owned by the Company.

“**Contribution Date**” shall have the meaning set forth in **Section 2.3(c)**.

“**Control**” (including the phrases “**Controlled by**” and “**under common Control with**”) when used with respect to any specified Person shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or interests, by contract or otherwise.

“**Debt**” of any Person shall mean (i) all indebtedness of such Person for borrowed money, (ii) all obligations of such Person for the deferred purchase price of property or services (excluding trade payables arising in the ordinary course of business), (iii) all obligations of such Person evidenced by notes, bonds, debentures or other similar instruments, (iv) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (v) all obligations of such Person as lessee under leases that have been or should be, in accordance with GAAP, recorded as capital leases, or (vi) all indebtedness or obligations of

others of the kinds referred to in clauses (i) through (v) above in respect of which such Person has entered into or issued any Guarantee.

**“Disposition”** shall mean any sale, assignment, alienation, gift, exchange, conveyance, transfer, pledge, hypothecation, granting of a security interest or other disposition or attempted disposition whatsoever, whether voluntary or involuntary. For the avoidance of doubt, it is understood and agreed that a statutory conversion of a Person into another form of Person does not constitute a Transfer. The term **“Dispose”** shall mean to make or consummate a “Disposition.”

**“Dissolution Event”** shall mean, with respect to any specified Person, (i) in the case of a specified Person that is a partnership or limited partnership or a limited liability company, the dissolution and commencement of winding up of such partnership, limited partnership or limited liability company, and (ii) in the case of a specified Person that is a corporation, the filing of a certificate of dissolution, or its equivalent, for the corporation or the revocation of its charter and the expiration of 90 days after the date of notice to the corporation of revocation without a reinstatement of its charter. For the avoidance of doubt, it is understood and agreed that a statutory conversion of a Person into another form of Person does not constitute a “Dissolution Event.”

**“Distributable Cash”** shall mean the amount of cash which the Manager deems available for distribution to the Member, taking into account all debts, liabilities and obligations of the Company then due and amounts which the Manager deems necessary to place into reserves for customary, usual and reasonably foreseeable claims with respect to the Business.

**“Environmental Hazard”** shall mean the presence at, in or under any real property (whether held in fee simple estate or subject to a ground lease, or otherwise, and including any improvements whether by buildings or facilities, and any personal property, fixtures, leases and other property or rights pertaining thereto) of any “hazardous substance,” as defined in Section 101(14) of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. §9601(14), or any petroleum (including crude oil or any fraction thereof that is liquid at standard conditions of temperature and pressure), at a level or in an amount that requires remediation or abatement under applicable environmental law.

**“FDIC”** shall mean the Federal Deposit Insurance Corporation, in any capacity.

**“GAAP”** shall mean United States generally accepted accounting principles as in effect from time to time.

**“Governmental Authority”** shall mean any United States or non-United States national, federal, state, local, municipal or provincial or international government or any political subdivision of any governmental, regulatory or administrative authority, agency, commission or judicial or arbitral body.

**“Guarantee”** shall mean, with respect to any particular indebtedness or other obligation, (i) any direct or indirect guarantee thereof by a Person other than the obligor with respect to such indebtedness or other obligation or any transaction or arrangement intended to



have the effect of directly or indirectly guaranteeing such indebtedness or other obligation, including without limitation any agreement by a Person other than the obligor with respect to such indebtedness or other obligation (A) to pay or purchase such indebtedness or other obligation or to advance or supply funds for the payment or purchase of such indebtedness or other obligation, (B) to purchase, sell or lease (as lessee or lessor) property of, to purchase or sell services from or to, to supply funds to or in any other manner invest in, the obligor with respect to such indebtedness or other obligation (including any agreement to pay for property or services of the obligor irrespective of whether such property is received or such services are rendered), primarily for the purpose of enabling the obligor to make payment of such indebtedness or other obligation or to assure the holder or other obligee of such indebtedness or other obligation against loss, or (C) otherwise to assure the obligee of such indebtedness or other obligation against loss with respect thereto, or (ii) any grant (or agreement in favor of the obligee of such indebtedness or other obligation to grant such obligee, under any circumstances) by a Person other than the obligor with respect to such indebtedness or other obligation of a security interest in, or other lien on, any property or other interest of such Person, whether or not such other Person has not assumed or become liable for the payment of such indebtedness or other obligation.

“**Immediate Family Member**” shall mean, with respect to any individual, his or her spouse, parents, parents-in-law, descendants, nephews, nieces, brothers, sisters, brothers-in-law, sisters-in-law, children (whether natural or adopted), children-in-law, grandchildren and grandchildren-in-law.

“**Initial Member**” shall have the meaning set forth in the Preamble.

“**Insolvency Event**” shall mean, with respect to any specified Person, the occurrence of any of the following events:

- (1) the specified Person makes an assignment for the benefit of creditors;
- (2) the specified Person files a voluntary petition for relief in any Insolvency Proceeding;
- (3) the specified Person is adjudged bankrupt or insolvent or there is entered against the specified Person an order for relief in any Insolvency Proceeding;
- (4) the specified Person files a petition or answer seeking for the specified Person any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under any statute, law, or regulation;
- (5) the specified Person seeks, consents to, or acquiesces in the appointment of a trustee, receiver or liquidator of the specified Person or of all or any substantial part of the specified Person’s properties;

- (6) the specified Person files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the specified Person in any proceeding described in clauses (1) through (5);
- (7) the specified Person becomes unable to pay its obligations as they become due, or the sum of such specified Person's debts is greater than all of such Person's property, at a fair valuation; or
- (8) within 90 days of any proceeding against the specified Person seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation if the proceeding has not been dismissed, or within 90 days after the appointment of a trustee, receiver or liquidator for the specified Person or all or any substantial part of the specified Person's properties without the specified Person's agreement or acquiescence, which appointment is not vacated or stayed, or if the appointment is stayed, for 90 days after the expiration of the stay if the appointment is not vacated.

**"Insolvency Proceeding"** shall mean any proceeding under Title 11 of the United States Code (11 U.S.C. §§101, *et seq.*) or any proceeding under the statutes, laws or regulations of any jurisdiction involving any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief.

**"LLC Sale Agreement"** shall have the meaning set forth in the Recitals.

**"Liens"** shall mean any pledges, security interests, charges, restrictions on or conditions to transfer, voting or exercise or enjoyment of any right or beneficial interest, options, rights of first refusal and other liens, claims or encumbrances of any nature whatsoever.

**"Litigation Reserve Account"** shall have the meaning assigned thereto in the Participation and Servicing Agreement.

**"Liquidity Reserve Account"** shall have the meaning assigned thereto in the Participation and Servicing Agreement.

**"Loan Contribution and Assignment Agreement"** shall have the meaning set forth in **Section 2.3(a)**.

**"Loans"** shall have the meaning assigned thereto in the Loan Contribution and Assignment Agreement.

**"Manager"** shall have the meaning set forth in **Section 3.1(a)**.

**"Member"** shall mean (i) prior to the Closing, Initial Member, and (ii) following the Closing, PNMAC Mortgage Co. (FI), LLC, or any Successor thereto.

“**MERS**” shall mean Mortgage Electronic Registration Systems, Incorporated.

“**Omitted Distributions**” shall have the meaning set forth in **Section 8.5**.

“**Participant**” shall have the meaning assigned thereto in **Section 2.3(b)**.

“**Participation Interest**” shall have the meaning assigned thereto in **Section 2.3(b)**.

“**Participation and Servicing Agreement**” shall have the meaning ascribed to it in **Section 2.3(b)**.

“**Permitted Disposition**” shall mean (i) the transfer of the entire Company Interest of the Initial Member to PNMAC Mortgage Co. (FI), LLC, contemplated by the Recitals to this Agreement and (ii) a direct transfer of a Company Interest permitted pursuant to **Section 8.1**.

“**Person**” shall mean any individual, corporation, partnership (general or limited), limited liability company, firm, joint venture, association, joint-stock company, trust, estate, unincorporated organization, governmental or regulatory body or other entity.

“**Qualified Transferee**” shall have the meaning set forth in **Section 10.1**.

“**Receiver**” shall have the meaning set forth in the Preamble.

“**Related Party Agreement**” shall have the meaning set forth in **Section 3.3**.

“**Securities Act**” shall have the meaning set forth in **Section 10.1(g)**.

“**Servicer**” shall have the meaning assigned thereto in the Participation and Servicing Agreement.

“**Special Purpose Entity**” shall mean a corporation or limited liability company that (i) is organized under the laws of any state of the United States or the District of Columbia, (ii) has no material assets other than its Company Interest, its right, title and interest in, to and under the Agreement and the other instruments contemplated by this Agreement or other assets directly related to the Company, (iii) is not engaged in any significant business operations except by virtue of or as a result of, or otherwise directly in connection with, its ownership of its Company Interest, its status as Member, the exercise of any of its rights or powers under this Agreement or the other instruments contemplated by this Agreement or the actions of the Company; (iv) does or causes to be done all things necessary to preserve and keep in full force and effect its existence, rights (charter and statutory) and franchises; (v) at all times holds itself out to the public as a legal entity separate from its parent, the Company and any other Person; (vi) except as expressly contemplated hereby or by the Ancillary Documents, does not commingle its assets with assets of any other Person; (vii) conducts its business in its own name and strictly complies with all organizational formalities to maintain its separate existence; (viii) maintains an arm’s length relationship with any Affiliate upon terms that are commercially

reasonable and on terms no less favorable to it than could be obtained in a comparable arm's length transaction with an unrelated Person; and (ix) has no Debt.

**“Subsidiary”** shall mean, with respect to any specified Person, each of (i) any other Person not less than a majority of the overall economic equity in which is owned, directly or indirectly through one or more intermediaries, by such specified Person, and (ii) without limitation of clause (i), any other Person who or which, directly or indirectly through one or more intermediaries, is Controlled by such specified Person (it being understood with respect to each of clauses (i) and (ii) that a pledge for collateral security purposes of an equity interest in a Person shall not be deemed to affect the ownership of such equity interest by the pledgor or the Control of such Person so long as such pledgor continues to be entitled, in all material respects, to all the voting power and all the income with respect to such equity interest).

**“Successor”** shall mean, (i) with respect to Member, any future Member which is a direct or indirect transferee (whether by Permitted Disposition, merger, consolidation or otherwise) of the Company Interest of such Member; (ii) with respect to any former Member, the current Member which is the direct or indirect transferee (whether by Permitted Disposition, merger, consolidation or otherwise) of the Company Interest of such former Member and (iii) with respect to Participant, any Person that is a direct or indirect transferee (whether by Disposition, merger, consolidation or otherwise) of any of Participant's rights or interests under this Agreement or any other Ancillary Document.

**“Treasury Regulations”** shall mean the regulations promulgated by the United States Department of the Treasury pursuant to and in respect of provisions of the Internal revenue Code of 1986, as amended, and all references to sections of the Treasury Regulations shall include any corresponding provision or provisions of succeeding, substitute, proposed or final Treasury Regulations.

**“\$”** shall mean lawful currency of the United States of America.

**EXHIBIT A**

**FORM OF CERTIFICATE OF FORMATION**

**OF**

**FNBN I, LLC**

Pursuant to and in accordance with the provisions of Section 18-201 of the Delaware Limited Liability Company Act, the under sign hereby certifies that:

FIRST, the name of the limited liability company is FNBN I, LLC (the "**Company**").

SECOND, the address of the registered office of the Company in the State of Delaware is Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle. The name of the registered agent at such address is The Corporation Trust Company.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation of the Company on this \_\_\_\_ day of December, 2008.

By: \_\_\_\_\_  
Name: Ralph Malami  
Title: Authorized Person

**EXHIBIT B**

**FORM OF LOAN CONTRIBUTION AND ASSIGNMENT AGREEMENT**

[Attached]

**EXHIBIT C**

**FORM OF PARTICIPATION AND SERVICING AGREEMENT**

[Attached]