UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark one)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2021

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from: _____ to _____

Commission File No. 1-13219

OCWEN FINANCIAL CORPORATION

(Exact name of registrant as specified in its charter)

Florida	**65-0039856**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1661 Worthington Road, Suite 100 **West Palm Beach, Florida**	**33409**
(Address of principal executive office)	(Zip Code)

(561) 682-8000
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Common Stock, $0.01 Par Value	OCN	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☒
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act) Yes ☐ No x

Number of shares of common stock outstanding as of April 30, 2021: 8,708,271 shares

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FORWARD-LOOKING STATEMENTS

This Quarterly Report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical fact included in this report, including statements regarding our financial position, business strategy and other plans and objectives for our future operations, are forward-looking statements.

Forward-looking statements may be identified by a reference to a future period or by the use of forward-looking terminology. Forward-looking statements are typically identified by words such as “expect”, “believe”, “foresee”, “anticipate”, “intend”, “estimate”, “goal”, “strategy”, “plan”, “target” and “project” or conditional verbs such as “will”, “may”, “should”, “could” or “would” or the negative of these terms, although not all forward-looking statements contain these words. Forward-looking statements by their nature address matters that are, to different degrees, uncertain. Readers should bear these factors in mind when considering forward-looking statements and should not place undue reliance on such statements. Forward-looking statements involve a number of assumptions, risks and uncertainties that could cause actual results to differ materially from those suggested by such statements. In the past, actual results have differed from those suggested by forward-looking statements and this may happen again. Important factors that could cause actual results to differ include, but are not limited to, the risks discussed or referenced under Part II, Item 1A, Risk Factors and the following:

- uncertainty relating to the continuing impacts of the Coronavirus 2019 (COVID-19) pandemic, including with respect to the response of the U.S. government, state governments, the Federal National Mortgage Association (Fannie Mae), and Federal Home Loan Mortgage Corporation (Freddie Mac) (together, the GSEs), the Government National Mortgage Association (Ginnie Mae) and regulators;
- the potential for ongoing COVID-19 related disruption in the financial markets and in commercial activity generally, increased unemployment, and other financial difficulties facing our borrowers;
- the proportion of borrowers who enter into forbearance plans, the financial ability of borrowers to resume repayment and their timing for doing so;
- the extent to which our mortgage servicing right (MSR) joint venture with Oaktree Capital Management L.P. and its affiliates (Oaktree), other recent transactions and our enterprise sales initiatives will generate additional subservicing volume;
- our ability to deploy the proceeds of the senior secured notes in suitable investments at appropriate returns;
- our ability to close announced bulk acquisitions of MSRs, including the ability to obtain regulatory approvals, enter into definitive financing arrangements, and satisfy closing conditions, and the timing for doing so;
- our ability to enter into definitive agreements relating to MSR acquisitions and other transactions under negotiation or subject to letters of intent;
- the timing of our MSR joint venture’s receipt of Fannie Mae approval;
- the adequacy of our financial resources, including our sources of liquidity and ability to sell, fund and recover servicing advances, forward and reverse whole loans, and Home Equity Conversion Mortgage (HECM) and forward loan buyouts and put-backs, as well as repay, renew and extend borrowings, borrow additional amounts as and when required, meet our MSR or other asset investment objectives and comply with our debt agreements, including the financial and other covenants contained in them;
- increased servicing costs based on rising borrower delinquency levels or other factors;
- reduced collection of servicing fees and ancillary income and delayed collection of servicing revenue as a result of forbearance plans and moratoria on evictions and foreclosure proceedings;
- our ability to continue to improve our financial performance through cost re-engineering initiatives and other actions;
- our ability to continue to grow our lending business and increase our lending volumes in a competitive market and uncertain interest rate environment;
- uncertainty related to our long-term relationship and remaining agreements with New Residential Investment Corp. (NRZ), our largest servicing client;
- uncertainty related to claims, litigation, cease and desist orders and investigations brought by government agencies and private parties regarding our servicing, foreclosure, modification, origination and other practices, including uncertainty related to past, present or future investigations, litigation, cease and desist orders and settlements with state regulators, the Consumer Financial Protection Bureau (CFPB), State Attorneys General, the Securities and Exchange Commission (SEC), the Department of Justice or the Department of Housing and Urban Development (HUD);
- adverse effects on our business as a result of regulatory investigations, litigation, cease and desist orders or settlements and the reactions of key counterparties, including lenders, the GSEs and Ginnie Mae;
- our ability to comply with the terms of our settlements with regulatory agencies and the costs of doing so;
- any adverse developments in existing legal proceedings or the initiation of new legal proceedings;
- our ability to effectively manage our regulatory and contractual compliance obligations;
- uncertainty related to changes in legislation, regulations, government programs and policies, industry initiatives, best servicing and lending practices, and media scrutiny of our business and industry;

- the extent to which a recent judicial interpretation of the Fair Debt Collection Practices Act may require us to modify our business practices and expose us to increased expense and litigation risk;
- our ability to interpret correctly and comply with liquidity, net worth and other financial and other requirements of regulators, the GSEs and Ginnie Mae, as well as those set forth in our debt and other agreements;
- our ability to comply with our servicing agreements, including our ability to comply with our agreements with, and the requirements of, the GSEs and Ginnie Mae and maintain our seller/servicer and other statuses with them;
- our servicer and credit ratings as well as other actions from various rating agencies, including the impact of prior or future downgrades of our servicer and credit ratings;
- failure of our information technology or other security systems or breach of our privacy protections, including any failure to protect customers' data;
- our reliance on our technology vendors to adequately maintain and support our systems, including our servicing systems, loan originations and financial reporting systems, and uncertainty relating to our ability to transition to alternative vendors, if necessary, without incurring significant cost or disruption to our operations;
- the loss of the services of our senior managers and key employees;
- uncertainty related to the actions of loan owners and guarantors, including mortgage-backed securities investors, the GSEs, Ginnie Mae and trustees regarding loan put-backs, penalties and legal actions;
- uncertainty related to the GSEs substantially curtailing or ceasing to purchase our conforming loan originations or the Federal Housing Administration (FHA) of the HUD or Department of Veterans Affairs (VA) ceasing to provide insurance;
- uncertainty related to our ability to continue to collect certain expedited payment or convenience fees and potential liability for charging such fees;
- uncertainty related to our reserves, valuations, provisions and anticipated realization of assets;
- uncertainty related to the ability of third-party obligors and financing sources to fund servicing advances on a timely basis on loans serviced by us;
- the characteristics of our servicing portfolio, including prepayment speeds along with delinquency and advance rates;
- our ability to successfully modify delinquent loans, manage foreclosures and sell foreclosed properties;
- uncertainty related to the processes for judicial and non-judicial foreclosure proceedings, including potential additional costs or delays or moratoria in the future or claims pertaining to past practices;
- our ability to adequately manage and maintain real estate owned (REO) properties and vacant properties collateralizing loans that we service;
- our ability to realize anticipated future gains from future draws on existing loans in our reverse mortgage portfolio;
- our ability to effectively manage our exposure to interest rate changes and foreign exchange fluctuations;
- our ability to effectively transform our operations in response to changing business needs, including our ability to do so without unanticipated adverse tax consequences;
- uncertainty related to the political or economic stability of the United States and of the foreign countries in which we have operations; and
- our ability to maintain positive relationships with our large shareholders and obtain their support for management proposals requiring shareholder approval.

Further information on the risks specific to our business is detailed within this report and our other reports and filings with the SEC including our Annual Report on Form 10-K for the year ended December 31, 2020 and our Quarterly Reports on Form 10-Q and Current Reports on Form 8-K since such date. Forward-looking statements speak only as of the date they were made and we disclaim any obligation to update or revise forward-looking statements whether because of new information, future events or otherwise.

PART I – FINANCIAL INFORMATION
ITEM 1. UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

OCWEN FINANCIAL CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED BALANCE SHEETS
(Dollars in thousands, except per share data)

	March 31, 2021	December 31, 2020
Assets		
Cash and cash equivalents	$ 259,108	$ 284,802
Restricted cash (amounts related to variable interest entities (VIEs) of $9,809 and $16,791)	77,319	72,463
Mortgage servicing rights (MSRs), at fair value	1,400,217	1,294,817
Advances, net (amounts related to VIEs of $623,570 and $651,576)	786,678	828,239
Loans held for sale ($500,814 and $366,364 carried at fair value)	517,823	387,836
Loans held for investment, at fair value (amounts related to VIEs of $8,820 and $9,770)	7,053,194	7,006,897
Receivables, net	178,209	187,665
Premises and equipment, net	14,369	16,925
Other assets ($17,307 and $25,476 carried at fair value) (amounts related to VIEs of $3,221 and $4,544)	484,871	571,483
Total assets	$ 10,771,788	$ 10,651,127
Liabilities and Equity		
Liabilities		
Home Equity Conversion Mortgage-Backed Securities (HMBS) related borrowings, at fair value	$ 6,778,195	$ 6,772,711
Advance match funded liabilities (related to VIEs)	550,437	581,288
Other financing liabilities, at fair value (amounts related to VIEs of $8,820 and $9,770)	559,184	576,722
Other secured borrowings, net	1,066,022	1,069,161
Senior notes, net	542,927	311,898
Other liabilities ($10,012 and $4,638 carried at fair value)	835,013	923,975
Total liabilities	10,331,778	10,235,755
Commitments and Contingencies (Notes 20 and 21)		
Stockholders' Equity		
Common stock, $.01 par value; 13,333,333 shares authorized; 8,701,530 and 8,687,750 shares issued and outstanding at March 31, 2021 and December 31, 2020, respectively	87	87
Additional paid-in capital	572,500	556,062
Accumulated deficit	(123,139)	(131,682)
Accumulated other comprehensive loss, net of income taxes	(9,438)	(9,095)
Total stockholders' equity	440,010	415,372
Total liabilities and stockholders' equity	$ 10,771,788	$ 10,651,127

The accompanying notes are an integral part of these unaudited consolidated financial statements

OCWEN FINANCIAL CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in thousands, except per share data)

	For the Three Months Ended March 31,	
	2021	**2020**
Revenue		
Servicing and subservicing fees	$ 171,738	$ 211,483
Reverse mortgage revenue, net	21,826	22,797
Gain on loans held for sale, net	5,721	13,331
Other revenue, net	8,309	6,231
Total revenue	207,594	253,842
MSR valuation adjustments, net	21,208	(174,120)
Operating expenses		
Compensation and benefits	68,281	60,728
Servicing and origination	27,470	20,256
Professional services	17,322	25,637
Technology and communications	13,143	15,193
Occupancy and equipment	8,852	11,969
Other expenses	4,561	3,431
Total operating expenses	139,629	137,214
Other income (expense)		
Interest income	3,936	5,395
Interest expense	(28,452)	(29,982)
Pledged MSR liability expense	(37,850)	(6,594)
Loss on extinguishment of debt	(15,458)	—
Other, net	290	1,328
Total other expense, net	(77,534)	(29,853)
Income (loss) before income taxes	11,639	(87,345)
Income tax expense (benefit)	3,096	(61,856)
Net income (loss)	$ 8,543	$ (25,489)
Earnings (loss) per share		
Basic	$ 0.98	$ (2.84)
Diluted	$ 0.96	$ (2.84)
Weighted average common shares outstanding		
Basic	8,688,009	8,990,589
Diluted	8,877,492	8,990,589

The accompanying notes are an integral part of these unaudited consolidated financial statements

OCWEN FINANCIAL CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Dollars in thousands)

	For the Three Months Ended March 31,	
	2021	**2020**
Net income (loss)	$ 8,543	$ (25,489)
Other comprehensive income, net of income taxes:		
Change in unfunded pension plan obligation liability	(367)	46
Other	24	36
Comprehensive income (loss)	$ 8,200	$ (25,407)

The accompanying notes are an integral part of these unaudited consolidated financial statements

OCWEN FINANCIAL CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2021 AND 2020
(Dollars in thousands)

	Common Stock					
	Shares	Amount	Additional Paid-in Capital	(Accumulated Deficit) Retained Earnings	Accumulated Other Comprehensive Income (Loss), Net of Income Taxes	Total
Balance at December 31, 2020	8,687,750	$ 87	$ 556,062	$ (131,682)	$ (9,095)	$ 415,372
Net income	—	—	—	8,543	—	8,543
Issuance of common stock warrants, net of issuance costs	—	—	15,753	—	—	15,753
Equity-based compensation and other	13,780	—	685	—	—	685
Other comprehensive loss, net of income taxes	—	—	—	—	(343)	(343)
Balance at March 31, 2021	8,701,530	$ 87	$ 572,500	$ (123,139)	$ (9,438)	$ 440,010
Balance at December 31, 2019	8,990,816	$ 90	$ 558,057	$ (138,542)	$ (7,594)	$ 412,011
Net loss	—	—	—	(25,489)	—	(25,489)
Cumulative effect of adoption of Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-13	—	—	—	47,038	—	47,038
Repurchase of common stock	(377,484)	(4)	(4,601)	—	—	(4,605)
Equity-based compensation and other	25,486	—	820	—	—	820
Other comprehensive income, net of income taxes	—	—	—	—	82	82
Balance at March 31, 2020	8,638,818	$ 86	$ 554,276	$ (116,993)	$ (7,512)	$ 429,857

The accompanying notes are an integral part of these unaudited consolidated financial statements

OCWEN FINANCIAL CORPORATION AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in thousands)

	For the Three Months Ended March 31,	
	2021	**2020**
Cash flows from operating activities		
Net income (loss)	$ 8,543	$ (25,489)
Adjustments to reconcile net income (loss) to net cash (used in) provided by operating activities:		
MSR valuation adjustments, net	(21,208)	174,120
Loss (gain) on sale of MSRs, net	25	(286)
Provision for bad debts	6,545	4,879
Depreciation	2,859	3,997
Amortization of debt issuance costs and discount	1,624	2,662
Equity-based compensation expense	863	746
Loss on extinguishment of debt	15,458	—
Loss (gain) on valuation of Pledged MSR financing liability	1,551	(30,697)
Net gain on valuation of loans held for investment and HMBS-related borrowings	(6,513)	(17,910)
Gain on loans held for sale, net	(5,721)	(13,331)
Origination and purchase of loans held for sale	(3,333,999)	(831,474)
Proceeds from sale and collections of loans held for sale	3,179,487	843,178
Changes in assets and liabilities:		
Decrease in advances, net	38,704	29,428
(Increase) decrease in receivables and other assets, net	(2,447)	13,642
(Decrease) increase in other liabilities	(13,245)	18,033
Other, net	(2,833)	(521)
Net cash (used in) provided by operating activities	(130,307)	170,977
Cash flows from investing activities		
Origination of loans held for investment	(326,735)	(294,932)
Principal payments received on loans held for investment	315,105	175,095
Purchase of MSRs	(41,556)	(29,828)
Proceeds from sale of real estate	2,306	2,814
Other, net	(1,952)	(476)
Net cash used in investing activities	(52,832)	(147,327)
Cash flows from financing activities		
Repayment of advance match funded liabilities, net	(30,851)	(53,158)
Repayment of other financing liabilities	(18,566)	(50,427)
Proceeds from (repayment of) mortgage loan warehouse facilities, net	157,720	(43,103)
Proceeds from MSR financing facilities	64,098	61,028
Repayment of MSR financing facilities	(44,661)	(115,447)
Repayment of Senior notes	(319,156)	—
Proceeds from issuance of Senior notes and warrants	572,944	—
Repayment of senior secured term loan (SSTL) borrowings	(188,700)	(126,066)
Payment of debt issuance costs	(6,795)	(7,267)
Proceeds from sale of Home Equity Conversion Mortgages (HECM, or reverse mortgages) accounted for as a financing (HMBS-related borrowings)	287,830	312,249
Repayment of HMBS-related borrowings	(311,562)	(172,429)
Repurchase of common stock	—	(4,605)
Other, net	—	(33)
Net cash provided by (used in) financing activities	162,301	(199,258)
Net decrease in cash, cash equivalents and restricted cash	(20,838)	(175,608)
Cash, cash equivalents and restricted cash at beginning of year	357,265	492,340
Cash, cash equivalents and restricted cash at end of period	$ 336,427	$ 316,732
Supplemental non-cash investing and financing activities:		
Recognition of gross right-of-use asset and lease liability:		
Right-of-use asset	$ 292	$ 2,695
Lease liability	292	2,695
Transfers of loans held for sale to real estate owned (REO)	$ 2,052	$ 768
Transfer from loans held for investment to loans held for sale	901	578
Derecognition of MSRs and financing liabilities:		
MSRs	$ —	$ (263,344)
Financing liability - MSRs pledged (Rights to MSRs)	—	(263,344)
Recognition of future draw commitments for HECM loans at fair value upon adoption of FASB ASU No. 2016-13	$ —	$ 47,038

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the unaudited consolidated balance sheets and the unaudited consolidated statements of cash flows:

	March 31, 2021	**March 31, 2020**
Cash and cash equivalents	$ 259,108	$ 263,555
Restricted cash and equivalents:		
Debt service accounts	15,930	15,868
Other restricted cash	61,389	37,309
Total cash, cash equivalents and restricted cash reported in the statements of cash flows	$ 336,427	$ 316,732

The accompanying notes are an integral part of these unaudited consolidated financial statements

Note 1 - Organization and Basis of Presentation

Organization

Ocwen Financial Corporation (NYSE: OCN) (Ocwen, OFC, we, us and our) is a non-bank mortgage servicer and originator providing solutions to homeowners, investors and others through its primary operating subsidiary, PHH Mortgage Corporation (PMC). We are headquartered in West Palm Beach, Florida with offices and operations in the United States (U.S.), the United States Virgin Islands (USVI), India and the Philippines. Ocwen is a Florida corporation organized in February 1988.

Ocwen directly or indirectly owns all of the outstanding common stock of its operating subsidiaries, including PMC since its acquisition on October 4, 2018, Ocwen Financial Solutions Private Limited (OFSPL) and Ocwen USVI Services, LLC (OVIS).

We perform servicing activities related to our own MSR portfolio (primary) and on behalf of other servicers (subservicing), the largest being New Residential Investment Corp. (NRZ), and investors (primary and master servicing), including the Federal National Mortgage Association (Fannie Mae) and Federal Home Loan Mortgage Corporation (Freddie Mac) (collectively, the GSEs), the Government National Mortgage Association (Ginnie Mae) and private-label securitizations (PLS, or non-Agency). As a subservicer or primary servicer, we may be required to make advances for certain property tax and insurance premium payments, default and property maintenance payments and principal and interest payments on behalf of delinquent borrowers to mortgage loan investors before recovering them from borrowers. Most, but not all, of our subservicing agreements provide for us to be reimbursed for any such advances by the owner of the servicing rights. Advances made by us as primary servicer are generally recovered from the borrower or the mortgage loan investor. As master servicer, we collect mortgage payments from primary servicers and distribute the funds to investors in the mortgage-backed securities. To the extent the primary servicer does not advance the scheduled principal and interest, as master servicer we are responsible for advancing the shortfall, subject to certain limitations.

We source our servicing portfolio through multiple channels, including recapture, retail, wholesale, correspondent, flow MSR purchase agreements, the GSE Cash Window programs and bulk MSR purchases. We originate, sell and securitize conventional (conforming to the underwriting standards of Fannie Mae or Freddie Mac; collectively referred to as Agency or GSE) loans and government-insured (Federal Housing Administration (FHA) or Department of Veterans Affairs (VA)) forward mortgage loans, generally with servicing retained. The GSEs or Ginnie Mae guarantee these mortgage securitizations. We originate and purchase Home Equity Conversion Mortgage (HECM) loans, or reverse mortgages, that are mostly insured by the FHA and we are an approved issuer of Home Equity Conversion Mortgage-Backed Securities (HMBS) that are guaranteed by Ginnie Mae.

We had a total of approximately 4,900 employees at March 31, 2021 of which approximately 3,000 were located in India and approximately 400 were based in the Philippines. Our operations in India and the Philippines primarily provide internal support services, principally to our loan servicing business and our corporate functions. Of our foreign-based employees, approximately 69% were engaged in supporting our loan servicing operations as of March 31, 2021.

Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in conformity with the instructions of the Securities and Exchange Commission (SEC) to Form 10-Q and SEC Regulation S-X, Article 10, Rule 10-01 for interim financial statements. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America (GAAP) for complete financial statements. In our opinion, the accompanying unaudited consolidated financial statements contain all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation. The results of operations and other data for the three months ended March 31, 2021 are not necessarily indicative of the results that may be expected for any other interim period or for the year ending December 31, 2021. The unaudited consolidated financial statements presented herein should be read in conjunction with the audited consolidated financial statements and related notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2020.

In August 2020, Ocwen implemented a reverse stock split of its shares of common stock in a ratio of one-for-15. The number of shares, loss per share amounts, repurchase price per share amounts, and Common stock and Additional paid-in capital balances have been retroactively adjusted for all periods presented in this Quarterly Report on Form 10-Q to give effect

to the reverse stock split as if it occurred at the beginning of the first period presented. See Note 13 – Equity for additional information.

Use of Estimates and Assumptions

The preparation of financial statements in conformity with GAAP requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Such estimates and assumptions include, but are not limited to, those that relate to fair value measurements, income taxes and the provision for losses that may arise from contingencies including litigation proceedings. In developing estimates and assumptions, management uses all available information; however, actual results could materially differ from those estimates and assumptions.

Recently Adopted Accounting Standards

Income Taxes (ASC Topic 740): Simplifying the Accounting for Income Taxes (ASU 2019-12)

The FASB issued this ASU to ASC Topic 740, Income Taxes, as part of its overall simplification initiative to reduce costs and complexity of applying accounting standards while maintaining or improving the usefulness of the information provided to users of financial statements. Amendments include the removal of certain exceptions to the general principles of ASC Topic 740 in such areas as intraperiod tax allocation, year to date losses in interim periods and deferred tax liabilities related to outside basis differences. Amendments also include simplification in other areas such as interim recognition of enactment of tax laws or rate changes and accounting for a franchise tax (or similar tax) that is partially based on income.

Our adoption of this standard on January 1, 2021 did not have a material impact on our consolidated financial statements.

Debt—Debt with Conversion and Other Options and Derivatives and Hedging—Contracts in Entity's Own Equity—Accounting for Convertible Instruments and Contracts in an Entity's Own Equity (ASU 2020-06)

The amendments in this ASU simplify the accounting for certain financial instruments with characteristics of liabilities and equity by reducing the number of accounting models for convertible debt and convertible preferred stock instruments. In addition, this ASU amended the derivative guidance for the “own stock” scope exception and certain aspects when calculating earnings per share. The amendments in this ASU affect entities that issue convertible instruments and/or contracts in an entity’s own equity.

The amendments in this ASU are effective on January 1, 2022, with early adoption permitted on January 1, 2021. Our early adoption of this standard on January 1, 2021 did not have a material impact on our consolidated financial statements.

Investments—Equity Securities (ASC Topic 321), Investments—Equity Method and Joint Ventures (ASC Topic 323), and Derivatives and Hedging (ASC Topic 815) (ASU 2020-01)

The amendments in this ASU affect all entities that apply the guidance in ASC Topics 321, 323, and 815 and (1) elect to apply the measurement alternative or (2) enter into a forward contract or purchase an option to purchase securities that, upon settlement of the forward contract or exercise of the purchased option, would be accounted for under the equity method of accounting. The amendments clarify that forward or option contracts to purchase investments that will be accounted for using the equity method that do not meet the definition of a derivative under ASC Topic 815 are in the scope of ASC Topic 321. Therefore, when the purchase contract is considered a forward or option contract in the scope of this guidance, the investor would account for changes in the contract’s fair value prior to closing through earnings, unless the contract qualifies for the measurement alternative and it is elected. If the measurement alternative is elected, the change in the fair value of the contract would be reflected in earnings upon closing. In addition, if there are observable transactions or impairments before closing, the guidance would require remeasurement of the contract to fair value.

The guidance in this ASU also specifies that when applying the measurement alternative in ASC Topic 321, observable transactions include those transactions by the investor that result in the application or discontinuation of the equity method of accounting.

The amendments under this ASU are effective prospectively. Our adoption of this standard on January 1, 2021 did not have a material impact on our consolidated financial statements.

Note 2 – Securitizations and Variable Interest Entities

We securitize, sell and service forward and reverse residential mortgage loans and regularly transfer financial assets in connection with asset-backed financing arrangements. We have aggregated these transfers of financial assets and asset-backed financing arrangements using special purpose entities (SPEs) or variable interest entities (VIEs) into three groups: (1)

securitizations of residential mortgage loans, (2) financings of advances and (3) MSR financings. Financing transactions that do not use SPEs or VIEs are disclosed in Note 11 – Borrowings.

Securitizations of Residential Mortgage Loans

Transfers of Forward Loans

We sell or securitize forward loans that we originate or purchase from third parties, generally in the form of mortgage-backed securities guaranteed by the GSEs or Ginnie Mae. Securitization typically occurs within 30 days of loan closing or purchase. We act only as a fiduciary and do not have a variable interest in the securitization trusts. As a result, we account for these transactions as sales upon transfer.

The following table presents a summary of cash flows received from and paid to securitization trusts related to transfers of loans accounted for as sales that were outstanding:

	Three Months Ended March 31,	
	2021	2020
Proceeds received from securitizations	$ 3,248,918	$ 820,001
Servicing fees collected (1)	13,178	12,252
Purchases of previously transferred assets, net of claims reimbursed	(3,239)	(2,607)
	$ 3,258,857	$ 829,646

(1) We receive servicing fees based upon the securitized loan balances and certain ancillary fees, all of which are reported in Servicing and subservicing fees in the unaudited consolidated statements of operations.

In connection with these transfers, we retained MSRs of $34.3 million and $6.6 million during the three months ended March 31, 2021 and 2020, respectively. We securitize forward and reverse residential mortgage loans involving the GSEs and loans insured by the FHA or VA through Ginnie Mae.

Certain obligations arise from the agreements associated with our transfers of loans. Under these agreements, we may be obligated to repurchase the loans, or otherwise indemnify or reimburse the investor or insurer for losses incurred due to material breach of contractual representations and warranties.

The following table presents the carrying amounts of our assets that relate to our continuing involvement with forward loans that we have transferred with servicing rights retained as well as an estimate of our maximum exposure to loss including the UPB of the transferred loans:

	March 31, 2021	December 31, 2020
Carrying value of assets		
MSRs, at fair value	$ 194,600	$ 137,029
Advances	140,720	143,361
UPB of loans transferred (1)	20,175,148	18,062,856
Maximum exposure to loss	$ 20,510,468	$ 18,343,246

(1) Includes $4.0 billion and $4.1 billion of loans delivered to Ginnie Mae as of March 31, 2021 and December 31, 2020, respectively, and includes loan modifications delivered through the Ginnie Mae Early Buyout Program (EBO).

At March 31, 2021 and December 31, 2020, 5.5% and 6.8%, respectively, of the transferred residential loans that we service were 60 days or more past due, including 60 days or more past due loans under forbearance. This includes 15.2% and 17.1%, respectively, of loans delivered to Ginnie Mae that are 60 days or more past due.

Transfers of Reverse Mortgages

We pool HECM loans into HMBS that we sell into the secondary market with servicing rights retained or we sell the loans to third parties with servicing rights released. We have determined that loan transfers in the HMBS program do not meet the definition of a participating interest because of the servicing requirements in the product that require the issuer/servicer to absorb some level of interest rate risk, cash flow timing risk and incidental credit risk. As a result, the transfers of the HECM loans do not qualify for sale accounting, and therefore, we account for these transfers as financings. Under this accounting treatment, the HECM loans are classified as Loans held for investment, at fair value, on our unaudited consolidated balance sheets. Holders of participating interests in the HMBS have no recourse against the assets of Ocwen, except with respect to standard representations and warranties and our contractual obligation to service the HECM loans and the HMBS.

Financings of Advances using SPEs

Match funded advances, i.e., advances that are pledged as collateral to our advance facilities, result from our transfers of residential loan servicing advances to SPEs in exchange for cash. We consolidate these SPEs because we have determined that Ocwen is the primary beneficiary of the SPEs. These SPEs issue debt supported by collections on the transferred advances, and we refer to this debt as Advance match funded liabilities. Holders of the debt issued by the SPEs have recourse only to the assets of the SPE for satisfaction of the debt.

The table below presents the carrying value and classification of the assets and liabilities of the advance financing facilities:

	March 31, 2021	December 31, 2020
Match funded advances (Advances, net)	$ 623,570	$ 651,576
Debt service accounts (Restricted cash)	7,186	14,195
Unamortized deferred lender fees (Other assets)	2,957	4,253
Prepaid interest (Other assets)	263	291
Advance match funded liabilities	550,437	581,288

MSR Financings using SPEs

In 2019, we entered into a financing facility with a third-party secured by certain Fannie Mae and Freddie Mac MSRs (Agency MSRs). Two SPEs (trusts) were established in connection with this facility.

We determined that the trusts are VIEs for which we are the primary beneficiary. Therefore, we have included the trusts in our consolidated financial statements. We have the power to direct the activities of the VIEs that most significantly impact the VIE's economic performance given that we are the servicer of the Agency MSRs that result in cash flows to the trusts. In addition, we have designed the trusts at inception to facilitate the third-party funding facility under which we have the obligation to absorb the losses of the VIEs that could be potentially significant to the VIEs.

The table below presents the carrying value and classification of the assets and liabilities of the Agency MSR financing facility:

	March 31, 2021	December 31, 2020
MSRs pledged (MSRs, at fair value)	$ 584,872	$ 476,371
Unamortized deferred lender fees (Other assets)	606	1,183
Debt service account (Restricted cash)	213	211
Outstanding borrowings (Other secured borrowings, net)	250,000	210,755

In 2019, we issued Ocwen Excess Spread-Collateralized Notes, Series 2019-PLS1 Class A (PLS Notes) secured by certain of PMC's private label MSRs (PLS MSRs). An SPE, PMC PLS ESR Issuer LLC (PLS Issuer), was established in this connection as a wholly owned subsidiary of PMC. Ocwen guarantees the obligations of PLS Issuer under the facility.

We determined that PLS Issuer is a VIE for which we are the primary beneficiary. Therefore, we have included PLS Issuer in our consolidated financial statements. We have the power to direct the activities of the VIE that most significantly impact the VIE's economic performance given that we are the servicer of the MSRs that result in cash flows to PLS Issuer. In addition, PMC has designed PLS Issuer at inception to facilitate the funding for general corporate purposes. Separately, in return for the participation interests, PMC received the proceeds from issuance of the PLS Notes. PMC is the sole member of PLS Issuer, thus PMC has the obligation to absorb the losses of the VIE that could be potentially significant to the VIE.

The table below presents the carrying value and classification of the assets and liabilities of the PLS Notes facility:

	March 31, 2021	December 31, 2020
MSRs pledged (MSRs, at fair value)	$ 123,422	$ 129,204
Debt service account (Restricted cash)	2,410	2,385
Outstanding borrowings (Other secured borrowings, net)	62,297	68,313
Unamortized debt issuance costs (Other secured borrowings, net)	764	894

Note 3 – Fair Value

Fair value is estimated based on a hierarchy that maximizes the use of observable inputs and minimizes the use of unobservable inputs. Observable inputs are inputs that reflect the assumptions that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy prioritizes the inputs to valuation techniques into three broad levels whereby the highest priority is given to Level 1 inputs and the lowest to Level 3 inputs.

The carrying amounts and the estimated fair values of our financial instruments and certain of our nonfinancial assets measured at fair value on a recurring or non-recurring basis or disclosed, but not measured, at fair value are as follows:

		March 31, 2021		December 31, 2020	
	Level	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets					
Loans held for sale					
Loans held for sale, at fair value (a) (e)	3, 2	$ 500,814	$ 500,814	$ 366,364	$ 366,364
Loans held for sale, at lower of cost or fair value (b)	3	17,009	17,009	21,472	21,472
Total Loans held for sale		$ 517,823	$ 517,823	$ 387,836	$ 387,836
Loans held for investment					
Loans held for investment - Reverse mortgages (a)	3	$ 7,044,374	$ 7,044,374	$ 6,997,127	$ 6,997,127
Loans held for investment - Restricted for securitization investors (a)	3	8,820	8,820	9,770	9,770
Total loans held for investment		$ 7,053,194	$ 7,053,194	$ 7,006,897	$ 7,006,897
Advances, net (c)	3	$ 786,678	$ 786,678	$ 828,239	$ 828,239
Receivables, net (c)	3	178,209	178,209	187,665	187,665
Mortgage-backed securities (a)	3	1,613	1,613	2,019	2,019
Corporate bonds (a)	2	211	211	211	211
Financial liabilities:					
Advance match funded liabilities (c)	3	$ 550,437	$ 550,862	$ 581,288	$ 581,997
Financing liabilities:					
HMBS-related borrowings (a)	3	$ 6,778,195	$ 6,778,195	$ 6,772,711	$ 6,772,711
Financing liability - MSRs pledged (Rights to MSRs) (a)	3	550,364	550,364	566,952	566,952
Financing liability - Owed to securitization investors (a)	3	8,820	8,820	9,770	9,770
Total Financing liabilities		$ 7,337,379	$ 7,337,379	$ 7,349,433	$ 7,349,433
Other secured borrowings:					
Senior secured term loan (c) (d)	2	$ —	$ —	$ 179,776	$ 184,639
Mortgage warehouse and MSR financing (c) (d)	3	1,066,022	1,037,199	889,385	858,573
Total Other secured borrowings		$ 1,066,022	$ 1,037,199	$ 1,069,161	$ 1,043,212

	Level	March 31, 2021		December 31, 2020	
		Carrying Value	Fair Value	Carrying Value	Fair Value
Senior notes:					
Senior notes (c) (d) (f)	2	391,377	399,537	311,898	320,879
OFC Senior notes due 2027 (c) (d) (f)	3	151,550	180,318	—	—
Total Senior notes		$ 542,927	$ 579,855	$ 311,898	$ 320,879
Derivative financial instrument assets (liabilities)					
Interest rate lock commitments (a)	3	$ 14,589	$ 14,589	$ 22,706	$ 22,706
Forward trades - Loans held for sale (a)	2	(52)	(52)	(50)	(50)
TBA / Forward mortgage-backed securities (MBS) trades (a)	1	480	480	(4,554)	(4,554)
Interest rate swap futures (a)	1	(9,532)	(9,532)	504	504
Other	3	(14)	(14)	—	—
MSRs (a)	3	$ 1,400,217	$ 1,400,217	$ 1,294,817	$ 1,294,817

(a) Measured at fair value on a recurring basis.
(b) Measured at fair value on a non-recurring basis.
(c) Disclosed, but not measured, at fair value.
(d) The carrying values are net of unamortized debt issuance costs and discount. See Note 11 – Borrowings for additional information.
(e) Loans repurchased from Ginnie Mae securitizations with a fair value of $71.4 million and $51.1 million at March 31, 2021 and December 31, 2020, respectively, are classified as Level 3. The remaining balance of loans held for sale at fair value is classified as Level 2.
(f) On March 4, 2021, PMC completed the issuance and sale of $400.0 million aggregate principal amount of senior secured notes. Fair value is based on valuation data obtained from a pricing service. Therefore, these notes are classified as Level 2. Additionally on March 4, 2021, Ocwen completed the private placement of $199.5 million aggregate principal amount of senior secured second lien notes. These notes are classified as Level 3 as we determine fair value based on valuations provided by third parties involved in the issuance and placement of the notes. These methodologies are consistent with our current fair value policies. See Note 11 – Borrowings for additional information.

The following tables present a reconciliation of the changes in fair value of Level 3 assets and liabilities that we measure at fair value on a recurring basis:

	Loans Held for Investment - Restricted for Securitization Investors	Financing Liability - Owed to Securitization Investors	Loans Held for Sale - Fair Value	Mortgage-Backed Securities	IRLCs
Three months ended March 31, 2021					
Beginning balance	$ 9,770	$ (9,770)	$ 51,072	$ 2,019	$ 22,706
Purchases, issuances, sales and settlements					
Purchases	—	—	58,916	—	—
Issuances	—	—	—	—	134,370
Sales	—	—	(32,889)	—	—
Settlements	(950)	950	—	—	—
Transfers (to) from:					
Loans held for sale, at fair value	—	—	—	—	(128,564)
Other assets	—	—	(96)	—	—
	(950)	950	25,931	—	5,806
Change in fair value included in earnings	—	—	(5,640)	(406)	(13,923)
Calls and other	—	—	4	—	—
	—	—	(5,636)	(406)	(13,923)
Ending balance	$ 8,820	$ (8,820)	$ 71,367	$ 1,613	$ 14,589

	Loans Held for Investment - Restricted for Securitization Investors	Financing Liability - Owed to Securitization Investors	Loans Held for Sale - Fair Value	Mortgage-Backed Securities	IRLCs
Three months ended March 31, 2020					
Beginning balance	$ 23,342	$ (22,002)	$ —	$ 2,075	$ —
Settlements	(781)	637	—	—	—
Change in fair value included in earnings	—	—		(405)	—
Transfers in and / or out of Level 3	—	—	25,582	—	10,478
Ending balance	$ 22,561	$ (21,365)	$ 25,582	$ 1,670	$ 10,478

A rollforward of the beginning and ending balances of Loans Held for Investment and HMBS-related borrowings, MSRs and Financing liability - MSRs pledged that we measure at fair value on a recurring and non-recurring basis is provided in Note 5 – Reverse Mortgages, Note 7 – Mortgage Servicing and Note 8 — Rights to MSRs, respectively.

During the three months ended March 31, 2021, there have been no changes to the methodologies that we use in estimating fair values or classifications under the valuation hierarchy as disclosed in our Annual Report on Form 10-K for the year ended December 31, 2020. The significant unobservable assumptions that we make to estimate the fair value of significant assets and liabilities classified as Level 3 and measured at fair value on a recurring or non-recurring basis are provided below.

Loans Held for Sale

The fair value of loans we purchased from Ginnie Mae guaranteed securitizations is estimated using both observable and unobservable inputs, including published forward Ginnie Mae prices or existing sale contracts, as well as estimated default, prepayment, and discount rates. The significant unobservable input in estimating fair value is the estimated default rate. Accordingly, these repurchased Ginnie Mae loans are classified as Level 3 within the valuation hierarchy.

Loans Held for Investment - Reverse Mortgages

Reverse mortgage loans held for investment are carried at fair value and classified as Level 3 within the valuation hierarchy. Significant unobservable assumptions include voluntary prepayment speeds, defaults and discount rate. The

conditional prepayment speed assumption displayed in the table below is inclusive of voluntary (repayment or payoff) and involuntary (inactive/delinquent status and default) prepayments. The discount rate assumption is primarily based on an assessment of current market yields on reverse mortgage loan and tail securitizations, expected duration of the asset and current market interest rates.

Significant unobservable assumptions	March 31, 2021	December 31, 2020
Life in years		
Range	0.9 to 7.9	0.9 to 8.0
Weighted average	5.5	5.9
Conditional prepayment rate, including voluntary and involuntary prepayments		
Range	10.7% to 37.6%	10.6% to 28.8%
Weighted average	16.5 %	15.4 %
Discount rate	2.4 %	1.9 %

Significant increases or decreases in any of these assumptions in isolation could result in a significantly lower or higher fair value, respectively. The effects of changes in the assumptions used to value the loans held for investment, excluding future draw commitments, are partially offset by the effects of changes in the assumptions used to value the HMBS-related borrowings that are associated with these loans.

MSRs

MSRs are carried at fair value and classified within Level 3 of the valuation hierarchy. The fair value is determined using the mid-point of the range of prices provided by third-party valuation experts, without adjustment, except in the event we have a potential or completed sale, including transactions where we have executed letters of intent, in which case the fair value of the MSRs is recorded at the estimated sale price.

A change in the valuation inputs or assumptions may result in a significantly higher or lower fair value measurement. Changes in market interest rates predominantly impact the fair value for Agency MSRs via prepayment speeds by altering the borrower refinance incentive and the non-Agency MSRs due to the impact on advance costs. The significant unobservable assumptions used in the valuation of these MSRs include prepayment speeds, delinquency rates, cost to service and discount rates.

	March 31, 2021		December 31, 2020	
Significant unobservable assumptions	Agency	Non-Agency	Agency	Non-Agency
Weighted average prepayment speed	10.0 %	11.4 %	11.8 %	11.5 %
Weighted average lifetime delinquency rate	2.6 %	27.8 %	3.0 %	28.0 %
Weighted average discount rate	9.2 %	11.5 %	9.2 %	11.4 %
Weighted average cost to service (in dollars)	$ 76	$ 270	$ 79	$ 270

Because the mortgages underlying these MSRs permit the borrowers to prepay the loans, the value of the MSRs generally tends to diminish in periods of declining interest rates, an improving housing market or expanded product availability (as prepayments increase) and increase in periods of rising interest rates, a deteriorating housing market or reduced product availability (as prepayments decrease). The following table summarizes the estimated change in the value of the MSRs as of March 31, 2021 given hypothetical shifts in lifetime prepayments and yield assumptions:

Adverse change in fair value	10%	20%
Weighted average prepayment speeds	$ (42,029)	$ (82,863)
Weighted average discount rate	(30,387)	(58,785)

The sensitivity analysis measures the potential impact on fair values based on hypothetical changes, which in the case of our portfolio at March 31, 2021 are increased prepayment speeds and an increase in the yield assumption.

Financing Liabilities

HMBS-Related Borrowings

HMBS-related borrowings are carried at fair value and classified as Level 3 within the valuation hierarchy. These borrowings are not actively traded, and therefore, quoted market prices are not available.

Significant unobservable assumptions include yield spread and discount rate. The yield spread and discount rate assumption for these liabilities are primarily based on an assessment of current market yields for newly issued HMBS, expected duration and current market interest rates.

Significant unobservable assumptions	March 31, 2021	December 31, 2020
Life in years		
Range	0.9 to 8.0	0.9 to 8.0
Weighted average	5.9	5.9
Conditional prepayment rate		
Range	10.7% to 37.6%	10.6% to 28.8%
Weighted average	16.5 %	15.4 %
Discount rate	2.3 %	1.7 %

Significant increases or decreases in any of these assumptions in isolation could result in a significantly higher or lower fair value, respectively. The effects of changes in the assumptions used to value the HMBS-related borrowings are partially offset by the effects of changes in the assumptions used to value the associated pledged loans held for investment, excluding future draw commitments.

MSRs Pledged (Rights to MSRs)

These liabilities carried at fair value and classified as Level 3 within the valuation hierarchy. We determine the fair value of the pledged MSR liability consistent with the mid-point of the range of prices provided by third-party valuation experts for the related MSR.

Significant unobservable assumptions	March 31, 2021	December 31, 2020
Weighted average prepayment speed	11.4 %	11.5 %
Weighted average delinquency rate	29.5 %	29.8 %
Weighted average discount rate	11.5 %	11.4 %
Weighted average cost to service (in dollars)	$ 286	$ 287

Significant increases or decreases in these assumptions in isolation would result in a significantly higher or lower fair value.

Derivative Financial Instruments

Interest rate lock commitments (IRLCs) are classified as Level 3 assets as fallout rates were determined to be significant unobservable assumptions.

Note 4 – Loans Held for Sale

Loans Held for Sale - Fair Value	Three Months Ended March 31, 2021	2020
Beginning balance	$ 366,364	$ 208,752
Originations and purchases	3,333,901	831,474
Proceeds from sales	(3,169,015)	(805,202)
Principal collections	(5,418)	(6,833)
Transfers from (to):		
Loans held for investment, at fair value	901	578
Receivables, net	(8,633)	(31,302)
REO (Other assets)	(2,052)	(768)
Gain (loss) on sale of loans	(13,732)	6,418
Decrease in fair value of loans	(5,256)	(1,642)
Other	3,754	2,117
Ending balance (1)	$ 500,814	$ 203,592

(1) At March 31, 2021 and 2020, the balances include $(12.0) million and $(9.4) million, respectively, of fair value adjustments.

Loans Held for Sale - Lower of Cost or Fair Value	Three Months Ended March 31, 2021	2020
Beginning balance - before Valuation Allowance	$ 27,652	$ 73,160
Purchases	98	—
Proceeds from sales	(4,840)	(30,492)
Principal collections	(214)	(651)
Transfers from (to):		
Receivables, net	—	266
Gain on sale of loans	389	1,842
Other	(614)	5,079
Ending balance - before Valuation Allowance	22,471	49,204
Beginning balance - Valuation Allowance	$ (6,180)	$ (6,643)
Provision	703	(570)
Transfer to (from) Liability for indemnification obligations (Other liabilities)	15	(25)
Sales of loans	—	457
Ending balance - Valuation Allowance	(5,462)	(6,781)
Ending balance, net	$ 17,009	$ 42,423

Gain on Loans Held for Sale, Net	Three Months Ended March 31, 2021	2020
Gain on sales of loans, net		
MSRs retained on transfers of forward mortgage loans	$ 34,260	$ 6,561
Gain (loss) on sale of forward mortgage loans	(18,567)	6,418
Gain on sale of repurchased Ginnie Mae loans	4,900	1,842
	20,593	14,821
Change in fair value of IRLCs	(8,618)	5,714
Change in fair value of loans held for sale	(4,981)	159
Gain (loss) on economic hedge instruments (1)	—	(7,192)
Other	(1,273)	(171)
	$ 5,721	$ 13,331

(1) Excludes $35.4 million gain on inter-segment economic hedge derivative presented within MSR valuation adjustments, net for the three months ended March 31, 2021. Third-party derivatives are hedging the net exposure of MSR and pipeline, and the change in fair value of derivatives are reported within MSR valuation adjustments, net. Inter-segment derivatives are established to transfer risk and allocate hedging gains/losses to the pipeline separately from the MSR portfolio. Refer to Note 18 – Business Segment Reporting.

Note 5 – Reverse Mortgages

	Three Months Ended March 31,			
	2021		2020	
	Loans Held for Investment - Reverse Mortgages	HMBS - Related Borrowings	Loans Held for Investment - Reverse Mortgages	HMBS - Related Borrowings
Beginning balance	$ 6,997,127	$ (6,772,711)	$ 6,269,596	$ (6,063,434)
Cumulative effect of fair value election (1)	—	—	47,038	—
Originations	326,735	—	294,932	—
Securitization of HECM loans accounted for as a financing	—	(287,830)	—	(312,249)
Additional proceeds from securitization of HECM loans and tails	—	(12,565)	—	(8,414)
Repayments (principal payments received)	(314,153)	311,562	(175,095)	172,429
Transfers to:				
Loans held for sale, at fair value	(901)	—	(578)	—
Receivables, net	(116)	—	(129)	—
Other assets	(111)	—	(265)	—
Change in fair value included in earnings	35,793	(16,651)	133,322	(111,423)
Ending Balance	$ 7,044,374	$ (6,778,195)	$ 6,568,821	$ (6,323,091)
Securitized loans (pledged to HMBS-Related Borrowings)	$ 6,874,880	$ (6,778,195)	$ 6,438,810	$ (6,323,091)
Unsecuritized loans	169,494		130,011	
Total	$ 7,044,374		$ 6,568,821	

(1) In conjunction with the adoption of ASU 2016-13, we elected the fair value option for future draw commitments (tails) on HECM reverse mortgage loans purchased or originated before December 31, 2018, which resulted in the recognition of the fair value of such tails through stockholders' equity on January 1, 2020.

Reverse Mortgage Revenue, net	Three Months Ended March 31,	
	2021	2020
Gain on new originations (1)	$ 17,107	$ 16,784
Change in fair value of securitized loans held for investment and HMBS-related borrowings, net	2,035	5,115
Change in fair value included in earnings, net	19,142	21,899
Loan fees and other	2,684	898
	$ 21,826	$ 22,797

(1) Includes the changes in fair value of newly originated loans held for investment in the period through securitization date.

Note 6 – Advances

	March 31, 2021	December 31, 2020
Principal and interest	$ 258,428	$ 277,132
Taxes and insurance	348,659	364,593
Foreclosures, bankruptcy, REO and other	185,750	192,787
	792,837	834,512
Allowance for losses	(6,159)	(6,273)
Advances, net	$ 786,678	$ 828,239

The following table summarizes the activity in net advances:

	Three Months Ended March 31,	
	2021	2020
Beginning balance	$ 828,239	$ 1,056,523
New advances	203,400	243,545
Sales of advances	(133)	(228)
Collections of advances and other	(244,942)	(277,585)
Net decrease in allowance for losses	114	2,552
Ending balance	$ 786,678	$ 1,024,807

Allowance for Losses	Three Months Ended March 31,	
	2021	2020
Beginning balance	$ 6,273	$ 9,925
Provision	1,502	(761)
Net charge-offs and other	(1,616)	(1,791)
Ending balance	$ 6,159	$ 7,373

Note 7 – Mortgage Servicing

MSRs – Fair Value Measurement Method	Three Months Ended March 31,					
	2021			2020		
	Agency	Non-Agency	Total	Agency	Non-Agency	Total
Beginning balance	$ 578,957	$ 715,860	$ 1,294,817	$ 714,006	$ 772,389	$ 1,486,395
Sales and other transfers	—	—	—	—	(56)	(56)
Additions:						
Recognized on the sale of residential mortgage loans	34,260	—	34,260	5,930	—	5,930
Purchase of MSRs	36,778	—	36,778	31,490	—	31,490
Servicing transfers and adjustments (1)	29	(557)	(528)	(263,630)	(893)	(264,523)
Changes in fair value:						
Changes in valuation inputs or assumptions (2)	82,486	1,529	84,015	(166,532)	5,871	(160,661)
Realization of expected cash flows (2)	(23,847)	(25,278)	(49,125)	(27,037)	(21,310)	(48,347)
Ending balance	$ 708,663	$ 691,554	$ 1,400,217	$ 294,227	$ 756,001	$ 1,050,228

(1) Servicing transfers and adjustments include a $263.7 million derecognition of MSRs effective with the February 20, 2020 notice of termination of the subservicing agreement between NRZ and PMC. See Note 8 — Rights to MSRs for further information.

(2) Effective January 1, 2021, changes in fair value due to actual vs. model variances are presented as Changes in valuation inputs or assumptions. Activity for the three months ended March 31,2020 in the table above has been recast to conform to current year disclosure, resulting in a $4.5 million loss reclassified from Realization of expected cash flows to Changes in valuation inputs or assumptions.

MSR UPB

	March 31, 2021	December 31, 2020	March 31, 2020
Owned MSRs	91,284,985	$ 90,174,495	$ 70,741,200
NRZ pledged MSRs (1)	61,841,181	64,061,198	70,914,910
Total MSR UPB	$ 153,126,166	$ 154,235,693	$ 141,656,110

(1) MSRs subject to sale agreements with NRZ that do not meet sale accounting criteria. See Note 8 — Rights to MSRs.

We purchased MSRs with a UPB of $6.0 billion and $2.9 billion during the three months ended March 31, 2021 and 2020, respectively. We sold MSRs with a UPB of $7.2 million and $17.6 million during the three months ended March 31, 2021 and 2020, respectively, mostly to Freddie Mac under the Voluntary Partial Cancellation (VPC) program for delinquent loans.

At March 31, 2021, the S&P Global Ratings, Inc.'s (S&P's) servicer ratings outlook for PMC is stable. On March 24, 2020, Fitch Ratings, Inc. (Fitch) placed all U.S Residential Mortgage Backed Securities (RMBS) servicer ratings on Outlook Negative, resulting from a rapidly evolving economic and operating environment due to the sudden impact of the COVID-19 virus. On April 28, 2021, Fitch affirmed PMC's servicer ratings and revised its outlook from Negative to Stable as PMC's performance in this evolving environment has not raised any elevated concerns. According to Fitch, the affirmation and stable outlook reflected PMC's diligent response to the coronavirus pandemic and its impact on servicing operations, effective enterprise-wide risk environment and compliance management framework, satisfactory loan servicing performance metrics, special servicing expertise, and efficient servicing technology. The ratings also consider the financial condition of PMC's parent, OFC.

Servicing Revenue	Three Months Ended March 31, 2021	2020
Loan servicing and subservicing fees		
Servicing	$ 63,892	$ 55,408
Subservicing	3,487	5,190
NRZ	80,385	119,669
	147,764	180,267
Ancillary income		
Late charges	9,231	14,639
Custodial accounts (float earnings)	1,008	6,141
Loan collection fees	2,949	4,256
Recording fees	3,651	2,558
Other, net	7,135	3,622
	23,974	31,216
	$ 171,738	$ 211,483

Float balances (balances in custodial accounts, which represent collections of principal and interest that we receive from borrowers) are held in escrow by unaffiliated banks and are excluded from our unaudited consolidated balance sheets. Float balances amounted to $2.4 billion, $1.7 billion and $1.9 billion at March 31, 2021, December 31, 2020 and March 31, 2020, respectively.

Note 8 — Rights to MSRs

Ocwen and PMC entered into agreements to sell MSRs or Rights to MSRs and the related servicing advances to NRZ, and in all cases have been retained by NRZ as subservicer. In the case of Ocwen Rights to MSRs transactions, while the majority of the risks and rewards of ownership were transferred in 2012 and 2013, legal title was retained by Ocwen, causing the Rights to MSRs transactions to be accounted for as secured financings. In the case of the PMC transactions, and for those Ocwen MSRs where consents were subsequently received and legal title was transferred to NRZ, due to the length of the non-cancellable term of the subservicing agreements, the transactions did not initially qualify for sale accounting treatment which resulted in such transactions being accounted for as secured financings. Until such time as the transaction qualifies as a sale for accounting purposes, we continue to recognize the MSRs and related financing liability on our consolidated balance sheets, as well as the full amount of servicing revenue and changes in the fair value of the MSRs and related financing liability in our unaudited consolidated statements of operations. Changes in fair value of the Rights to MSRs are recognized in MSR valuation adjustments, net in the unaudited consolidated statements of operations. Changes in fair value of the MSR related financing liability are reported in Pledged MSR liability expense.

The following tables present selected assets and liabilities recorded on our unaudited consolidated balance sheets as well as the impacts to our unaudited consolidated statements of operations in connection with our NRZ agreements.

Balance Sheets	March 31, 2021	December 31, 2020
MSRs, at fair value	$ 550,364	$ 566,952
Due from NRZ (Receivables): Advance funding, subservicing fees and reimbursable expenses	11,653	4,611
Due to NRZ (Other liabilities)	$ 94,535	$ 94,691
Financing liability - MSRs pledged, at fair value: Original Rights to MSRs Agreements	550,364	566,952

	Three Months Ended March 31,	
	2021	2020
Statements of Operations		
Servicing fees collected on behalf of NRZ	$ 80,385	$ 119,669
Less: Subservicing fee retained by Ocwen	23,991	29,331
Net servicing fees remitted to NRZ	56,394	90,338
Less: Reduction (increase) in financing liability		
Changes in fair value:		
Original Rights to MSRs Agreements (1)	(1,551)	(7,068)
2017 Agreements and New RMSR Agreements	—	(903)
PMC MSR Agreements	—	40,720
	(1,551)	32,749
Runoff and settlement:		
Original Rights to MSRs Agreements (1)	17,616	15,741
2017 Agreements and New RMSR Agreements	—	25,142
PMC MSR Agreements	—	7,492
	17,616	48,375
Other	2,479	2,620
Pledged MSR liability expense	$ 37,850	$ 6,594

(1) Effective January 1, 2021, changes in fair value due to actual vs. model variances are presented as Changes in valuation inputs or assumptions. Activity for the three months ended March 31,2020 in the table above has been recast to conform to current year disclosure, resulting in a $2.0 million gain reclassified from Runoff and settlement to Changes in fair value.

	Three Months Ended				
	March 31, 2021	March 31, 2020			
Financing Liability - MSRs Pledged	Original Rights to MSRs Agreements	Original Rights to MSRs Agreements	2017 Agreements and New RMSR Agreements	PMC MSR Agreements	Total
Beginning Balance	$ 566,952	$ 603,046	$ 35,445	$ 312,102	$ 950,593
Sales	—	—	—	(226)	(226)
Changes in fair value:					
Original Rights to MSRs Agreements (2)	1,551	7,068	—	—	7,068
2017 Agreements and New RMSR Agreements	—	—	903	—	903
PMC MSR Agreements	—	—	—	(40,720)	(40,720)
Runoff and settlement:					
Original Rights to MSRs Agreements (2)	(17,616)	(15,741)	—	—	(15,741)
2017 Agreements and New RMSR Agreements	—	—	(25,142)	—	(25,142)
PMC MSR Agreements	—	—	—	(7,492)	(7,492)
Derecognition of Pledged MSR financing liability due to termination of PMC MSR Agreements	—	—	—	(263,664)	(263,664)
Calls (1):					
Original Rights to MSRs Agreements	(523)	(2,668)	—	—	(2,668)
2017 Agreements and New RMSR Agreements	—	—	(1,227)	—	(1,227)
Ending Balance	$ 550,364	$ 591,705	$ 9,979	$ —	$ 601,684

(1) Represents the carrying value of MSRs in connection with call rights exercised by NRZ, for MSRs transferred to NRZ under the 2017 Agreements and New RMSR Agreements, or by Ocwen at NRZ's direction, for MSRs underlying the Original Rights to MSRs Agreements. Ocwen derecognizes the MSRs and the related financing liability upon collapse of the securitization.

(2) Effective January 1, 2021, changes in fair value due to actual vs. model variances are presented as Changes in valuation inputs or assumptions. Activity for the three months ended March 31,2020 in the table above has been recast to conform to current year disclosure, resulting in a $2.0 million gain reclassified from Runoff and settlement to Changes in fair value.

As of March 31, 2021, the UPB of loans serviced on behalf of NRZ comprised the following:

Ocwen servicer of record (MSR title retained by Ocwen) - Ocwen MSR (1) (2)	$ 13,673,665
NRZ servicer of record (MSR title transferred to NRZ) - Ocwen MSR (1)	48,153,327
Ocwen subservicer	2,505,208
Total NRZ UPB	$ 64,332,200

(1) The MSR sale transactions did not achieve sale accounting treatment.
(2) NRZ's associated outstanding servicing advances were approximately $535.5 million as of March 31, 2021.

Ocwen Transactions

Prior to the transfer of legal title under the Master Servicing Rights Purchase Agreement dated as of October 1, 2012, as amended, and certain Sale Supplements, as amended (collectively, the Original Rights to MSRs Agreements), Ocwen agreed to service the mortgage loans underlying the MSRs on the economic terms set forth in the Original Rights to MSRs Agreements. After the transfer of legal title as contemplated under the Original Rights to MSRs Agreements, Ocwen was to service the mortgage loans underlying the MSRs as subservicer on substantially the same economic terms.

On July 23, 2017 and January 18, 2018, we entered into a series of agreements with NRZ that collectively modify, supplement and supersede the arrangements among the parties as set forth in the Original Rights to MSRs Agreements. The July 23, 2017 agreements, as amended, include a Master Agreement, a Transfer Agreement and the Subservicing Agreement between Ocwen and New Residential Mortgage LLC (NRM), a subsidiary of NRZ, relating to non-agency loans (the NRM Subservicing Agreement) (collectively, the 2017 Agreements) pursuant to which the parties agreed, among other things, to undertake certain actions to facilitate the transfer from Ocwen to NRZ of Ocwen's legal title to the remaining MSRs that were subject to the Original Rights to MSRs Agreements and under which Ocwen would subservice mortgage loans underlying the MSRs for an initial term ending July 2022 (the Initial Term).

On January 18, 2018, the parties entered into new agreements (including a Servicing Addendum) regarding the Rights to MSRs related to MSRs that remained subject to the Original Rights to MSRs Agreements as of January 1, 2018 and amended the Transfer Agreement (collectively, New RMSR Agreements) to accelerate the implementation of certain parts of our arrangements in order to achieve the intent of the 2017 Agreements sooner. Under the new agreements, following receipt of the required consents and transfer of the MSRs, Ocwen subservices the mortgage loans underlying the transferred MSRs pursuant to the 2017 Agreements and the August 2018 subservicing agreement with NewRez LLC dba Shellpoint Mortgage Servicing (Shellpoint) described below.

Ocwen received lump-sum cash payments of $54.6 million and $279.6 million in September 2017 and January 2018 in accordance with the terms of the 2017 Agreements and New RMSR Agreements, respectively. These upfront payments generally represented the net present value of the difference between the future revenue stream Ocwen would have received under the Original Rights to MSRs Agreements and the future revenue stream Ocwen expected to receive under the 2017 Agreements and the New RMSR Agreements. We recognized the cash received as a financing liability that we accounted for at fair value through the term of the original agreements (April 2020). Changes in fair value were recognized in Pledged MSR liability expense in the unaudited consolidated statements of operations.

On August 17, 2018, Ocwen and NRZ entered into certain amendments (i) to the New RMSR Agreements to include Shellpoint, a subsidiary of NRZ, as a party to which legal title to the MSRs could be transferred after related consents are received, (ii) to add a Subservicing Agreement between Ocwen and Shellpoint relating to non-agency loans (the Shellpoint Subservicing Agreement), (iii) to add an Agency Subservicing Agreement between Ocwen and NRM relating to agency loans (the Agency Subservicing Agreement), and (iv) to conform the New RMSR Agreements and the NRM Subservicing Agreement to certain of the terms of the Shellpoint Subservicing Agreement and the Agency Subservicing Agreement.

At any time during the Initial Term, NRZ may terminate the Subservicing Agreements and Servicing Addendum for convenience, subject to Ocwen's right to receive a termination fee and 180 days' notice. The termination fee is calculated as specified in the Subservicing Agreements and Servicing Addendum, and is a discounted percentage of the expected revenues that would be owed to Ocwen over the remaining contract term based on certain portfolio run-off assumptions.

Following the Initial Term, NRZ may extend the term of the Subservicing Agreements and Servicing Addendum for additional three-month periods by providing proper notice. Following the Initial Term, the Subservicing Agreements and Servicing Addendum can be cancelled by Ocwen on an annual basis. NRZ and Ocwen have the ability to terminate the Subservicing Agreements and Servicing Addendum for cause if certain specified conditions occur. The terminations must be terminations in whole (i.e., cover all the loans under the relevant Subservicing Agreement or Servicing Addendum) and not in part, except for limited circumstances specified in the agreements. In addition, if NRZ terminates any of the NRM or Shellpoint Subservicing Agreements or the Servicing Addendum for cause, the other agreements will also terminate automatically.

Under the terms of the Subservicing Agreements and Servicing Addendum, in addition to a base servicing fee, Ocwen receives certain ancillary fees, primarily late fees, loan modification fees and convenience or Speedpay® fees. We may also receive certain incentive fees or pay penalties tied to various contractual performance metrics. NRZ receives all float earnings and deferred servicing fees related to delinquent borrower payments, as well as being entitled to receive certain REO related income including REO referral commissions.

As of March 31, 2021, the UPB of MSRs subject to the Servicing Agreements and the New RMSR Agreements is $64.3 billion, including $13.7 billion for which title has not transferred to NRZ. As the third-party consents required for title to the MSRs to transfer were not obtained by May 31, 2019, the New RMSR Agreements set forth a process under which NRZ's $13.7 billion Rights to MSRs may (i) be acquired by Ocwen at a price determined in accordance with the terms of the New RMSR Agreements, at the option of Ocwen, or (ii) be sold, together with Ocwen's title to those MSRs, to a third party in accordance with the terms of the New RMSR Agreements, subject to an additional Ocwen option to acquire at a price based on the winning third-party bid rather than selling to the third party. If the Rights to MSRs are not transferred pursuant to these alternatives, then the Rights to MSRs will remain subject to the New RMSR Agreements.

In addition, as noted above, during the Initial Term, NRZ has the right to terminate the $13.7 billion New RMSR Agreements for convenience, in whole but not in part, subject to payment of a termination fee and 180 days' notice. If NRZ exercises this termination right, NRZ has the option of seeking (i) the transfer of the MSRs through a sale to a third party of its

Rights to MSRs (together with a transfer of Ocwen's title to those MSRs) or (ii) a substitute RMSR arrangement that substantially replicates the Rights to MSRs structure (a Substitute RMSR Arrangement) under which we would transfer title to the MSRs to a successor servicer and NRZ would continue to own the economic rights and obligations related to the MSRs. In the case of option (i), we have a purchase option as specified in the New RMSR Agreements. If NRZ is not able to sell the Rights to MSRs or establish a Substitute RMSR Arrangement with another servicer, NRZ has the right to revoke its termination notice and re-instate the Servicing Addendum or to establish a subservicing arrangement whereby the MSRs remaining subject to the New RMSR Agreements would be transferred to up to three subservicers who would subservice under Ocwen's oversight. If such a subservicing arrangement were established, Ocwen would receive an oversight fee and reimbursement of expenses. We may also agree on alternative arrangements that are not contemplated under our existing agreements or that are variations of those contemplated under our existing agreements.

PMC Transactions

On December 28, 2016, PMC entered into an agreement to sell substantially all of its MSRs, and the related servicing advances, to NRM (the 2016 PMC Sale Agreement). In connection with this agreement, on December 28, 2016, PMC also entered into a subservicing agreement with NRZ which was subsequently amended and restated as of March 29, 2019 (together with the 2016 PMC Sale Agreement, the PMC MSR Agreements). The PMC subservicing agreement had an initial term of three years from the initial transaction date of June 16, 2017, subject to certain transfer and termination provisions. The MSR sale transaction did not originally achieve sale accounting treatment.

On February 20, 2020, we received a notice of termination from NRZ with respect to the PMC servicing agreement. This termination was for convenience and not for cause, and provided for loan deboarding fees to be paid by NRZ. As the sale accounting criteria were met upon the notice of termination, the MSRs and the Rights to MSRs were derecognized from our balance sheet on February 20, 2020 without any gain or loss on derecognition. We serviced these loans until deboarding in October 2020 representing $34.2 billion of UPB, and accounted for them as a subservicing relationship. Accordingly, we recognized subservicing fees associated with the subservicing agreement subsequent to February 20, 2020 and have not reported any servicing fees collected on behalf of, and remitted to NRZ, any change in fair value, runoff and settlement in financing liability thereafter. On September 1, 2020, 133,718 loans representing $18.2 billion of UPB were deboarded and the remaining 136,500 loans representing $16.0 billion of UPB were deboarded on October 1, 2020.

Note 9 – Receivables

	March 31, 2021	December 31, 2020
Servicing-related receivables:		
Government-insured loan claims - Forward	$ 101,598	$ 103,058
Government-insured loan claims - Reverse	29,138	32,887
Due from custodial accounts	18,596	19,393
Subservicing fees and reimbursable expenses - Due from NRZ	11,653	4,611
Reimbursable expenses	11,360	4,970
Other	4,850	1,087
	177,195	166,006
Income taxes receivable	39,233	57,503
Other receivables	2,828	3,200
	219,256	226,709
Allowance for losses	(41,047)	(39,044)
	$ 178,209	$ 187,665

At March 31, 2021 and December 31, 2020, the allowance for losses primarily related to receivables of our Servicing business. The allowance for losses related to FHA- or VA-insured loans repurchased from Ginnie Mae guaranteed securitizations (government-insured claims) was $40.4 million and $38.3 million at March 31, 2021 and December 31, 2020, respectively. The government-insured claims that do not exceed HUD, VA or FHA insurance limits are guaranteed by the U.S. government.

Allowance for Losses - Government-Insured Loan Claims	Three Months Ended March 31, 2021	2020
Beginning balance	$ 38,339	$ 56,868
Provision	4,958	5,072
Charge-offs and other, net	(2,860)	(3,837)
Ending balance	$ 40,437	$ 58,103

Note 10 – Other Assets

	March 31, 2021	December 31, 2020
Contingent loan repurchase asset	$ 399,126	$ 480,221
Prepaid expenses	26,725	21,176
Derivatives, at fair value	15,483	23,246
Prepaid representation, warranty and indemnification claims - Agency MSR sale	15,173	15,173
REO	8,827	7,771
Prepaid lender fees, net	7,071	9,556
Deferred tax asset, net	3,634	3,543
Security deposits	2,072	2,222
Mortgage backed securities, at fair value	1,613	2,019
Other	5,147	6,556
	$ 484,871	$ 571,483

Note 11 – Borrowings

Advance Match Funded Liabilities

Borrowing Type	Maturity (1)	Amort. Date (1)	Borrowing Capacity Total	Borrowing Capacity Available (2)	March 31, 2021 Weighted Average Interest Rate	March 31, 2021 Balance	December 31, 2020 Weighted Average Interest Rate	December 31, 2020 Balance
Advance Receivables Backed Notes - Series 2015-VF5 (3)	Jun. 2051	Jun. 2021	$ 250,000	$ 190,479	4.22 %	$ 59,521	4.26 %	$ 89,396
Advance Receivables Backed Notes, Series 2020-T1 (4)	Aug. 2052	Aug. 2022	475,000	—	1.49 %	475,000	1.49 %	475,000
Total Ocwen Master Advance Receivables Trust (OMART)			725,000	190,479	1.79 %	534,521	1.93 %	564,396
Ocwen Freddie Advance Funding (OFAF) - Advance Receivables Backed Notes, Series 2015-VF1 (5)	Jun. 2051	Jun. 2021	70,000	54,084	3.22 %	15,916	3.26 %	16,892
			$ 795,000	$ 244,563	1.83 %	$ 550,437	1.96 %	$ 581,288

(1) The amortization date of our facilities is the date on which the revolving period ends under each advance facility note and repayment of the outstanding balance must begin if the note is not renewed or extended. The maturity date is the date on which all outstanding balances must be repaid. In all of our advance facilities, there are multiple notes outstanding. For each note, after the amortization date, all collections that represent the repayment of advances pledged to the facility must be applied ratably to each outstanding amortizing note to reduce the balance and as such the collection of advances allocated to the amortizing note may not be used to fund new advances.

(2) Borrowing capacity under the OMART and OFAF facilities is available to us provided that we have sufficient eligible collateral to pledge. At March 31, 2021, none of the available borrowing capacity of the OMART and OFAF advance financing notes could be used based on the amount of eligible collateral.
(3) Interest is computed based on the lender's cost of funds plus a margin of 400 bps.
(4) The weighted average rate of the notes at March 31, 2021 is 1.49%, with rates on the individual classes of notes ranging from 1.28% to 5.42%.
(5) Interest is computed based on the lender's cost of funds plus a margin of 300 bps.

Financing Liabilities				**Outstanding Balance**	
Borrowing Type	**Collateral**	**Interest Rate**	**Maturity**	**March 31, 2021**	**December 31, 2020**
HMBS-related borrowings, at fair value (1)	Loans held for investment	1ML + 245 bps (1)	(1)	$ 6,778,195	$ 6,772,71
Other financing liabilities, at fair value					
MSRs pledged (Rights to MSRs), at fair value:					
Original Rights to MSRs Agreements	MSRs	(2)	(2)	550,364	566,95
Financing liability - Owed to securitization investors, at fair value:					
Residential Asset Securitization Trust 2003-A11 (RAST 2003-A11) (3)	Loans held for investment	4.25% - 5.75% fixed; 1ML plus 0.45% variable	Oct. 2033	8,820	9,77
Total Other financing liabilities, at fair value				559,184	576,72
				$ 7,337,379	$ 7,349,43

(1) Represents amounts due to the holders of beneficial interests in Ginnie Mae guaranteed HMBS which did not qualify for sale accounting treatment of HECM loans. Under this accounting treatment, the HECM loans securitized with Ginnie Mae remain on our consolidated balance sheets and the proceeds from the sale are recognized as a financing liability, which is recorded at fair value consistent with the related HECM loans. The beneficial interests in Ginnie Mae guaranteed HMBS have no maturity dates, and the borrowings mature as the related loans are repaid. Interest rate is a weighted average based on the pass-through rate of the loans. See Note 2 – Securitizations and Variable Interest Entities.
(2) This pledged MSR liability is recognized due to the accounting treatment of MSR sale transactions with NRZ which did not qualify as sales for accounting purposes. Under this accounting treatment, the MSRs transferred to NRZ remain on the consolidated balance sheet and the proceeds from the sale are recognized as a financing liability, which is recorded at fair value consistent with the related MSRs. This financing liability has no contractual maturity or repayment schedule. See Note 8 — Rights to MSRs for additional information.
(3) Consists of securitization debt certificates due to third parties that represent beneficial interests in trusts that we include in our unaudited consolidated financial statements, as more fully described in Note 2 – Securitizations and Variable Interest Entities.

Other Secured Borrowings				**Available Borrowing Capacity**		**Outstanding Balance**	
Borrowing Type	**Collateral**	**Interest Rate (1)**	**Maturity**	**Uncommitted**	**Committed (2)**	**March 31, 2021**	**December 31, 2020**
SSTL (3)	(3)	1-Month Euro-dollar rate + 600 bps with a Eurodollar floor of 100 bps (3)	May 2022 (3)	$ —	$ —	$ —	$ 185,000

Other Secured Borrowings				Available Borrowing Capacity		Outstanding Balance	
Borrowing Type	Collateral	Interest Rate (1)	Maturity	Uncommitted	Committed (2)	March 31, 2021	December 31, 2020
Master repurchase agreement (4)	Loans held for sale (LHFS)	1ML + 220 - 375 bps	June 2022	85,109	—	189,891	195,773
Mortgage warehouse agreement (5)	LHFS (reverse)	Greater of 1ML + 250 bps or 3.50%	August 2021	—	1,000	—	—
Master repurchase agreement (6)	LHFS (forward and reverse)	1ML + 325 bps forward; 1ML + 350 bps reverse	Nov. 2021	50,000	38,660	161,340	80,081
Master repurchase agreement (7)	N/A	SOFR + 190 bps; SOFR floor 25 bps	N/A	50,000	—	—	—
Participation agreement (8)	LHFS	(8)	June 2021	120,000	—	—	—
Master repurchase agreement (8)	LHFS	(8)	June 2021	—	49,231	40,769	63,281
Master repurchase agreement	LHFS	1 ML + 250 bps	June 2021	—	1,000	—	—
Mortgage warehouse agreement (9)	LHFS	1ML + 350 bps; Floor 5.25%	Jan. 2022	—	35,042	14,958	11,715
Mortgage warehouse agreement (10)	LHFS (reverse)	1ML + 250 bps; 3.25% floor	Oct. 2021	519	—	99,481	73,134
Mortgage warehouse agreement (11)	LHFS	(11)	N/A	48,671	—	51,329	27,729
Master repurchase agreement (12)	LHFS	1ML + 150 - 200 bps; Floor 250 bps	N/A	—	—	51,664	—
Total mortgage loan warehouse facilities		2.93% (17)		354,299	124,933	609,432	451,713

Other Secured Borrowings				Available Borrowing Capacity		Outstanding Balance	
Borrowing Type	**Collateral**	**Interest Rate (1)**	**Maturity**	**Uncommitted**	**Committed (2)**	**March 31, 2021**	**December 31, 2020**
Agency MSR financing facility (13)	MSRs, Advances	1ML + 450 bps	June 2021	—	—	250,000	210,755
Ginnie Mae MSR financing facility (14)	MSRs, Advances	1ML + 450 bps; 1ML floor 0.50%	Dec. 2021	25,216	—	99,784	112,022
Ocwen Excess Spread-Collateralized Notes, Series 2019-PLS1 (15)	MSRs	5.07%	Nov. 2024	—	—	62,297	68,313
Secured Notes, Ocwen Asset Servicing Income Series, Series 2014-1 (16)	MSRs	(16)	Feb. 2028	—	—	45,273	47,476
Total MSR financing facilities		4.77% (17)		25,216	—	457,354	438,566
				$ 379,515	$ 124,933	1,066,786	1,075,279
Unamortized debt issuance costs - SSTL and PLS Notes (18)						(764)	(5,761)
Discount - SSTL						—	(357)
						$ 1,066,022	$ 1,069,161
Weighted average interest rate						3.68 %	4.55 %

(1) 1ML was 0.11% and 0.14% at March 31, 2021 and December 31, 2020, respectively.
(2) Of the borrowing capacity on mortgage loan warehouse facilities extended on a committed basis, none of the available borrowing capacity could be used at March 31, 2021 based on the amount of eligible collateral that could be pledged.
(3) On March 4, 2021, we repaid in full the $185.0 million outstanding principal balance. The prepayment resulted in our recognition of an $8.4 million loss on debt extinguishment, including a prepayment premium of 2% of the outstanding principal balance, or $3.7 million.
(4) The maximum borrowing under this agreement is $275.0 million, of which $160.0 million is available on a committed basis and the remainder is available at the discretion of the lender. On March 31, 2021, we renewed the facility and the maturity date was extended to June 30, 2022.
(5) The participation agreement allows the lender to acquire a 100% beneficial interest in the underlying mortgage loans. The transaction does not qualify for sale accounting treatment and is accounted for as a secured borrowing.
(6) The maximum borrowing under this agreement is $250.0 million, of which $200.0 million is available on a committed basis and the remainder is available on an uncommitted basis. The agreement allows the lender to acquire a 100% beneficial interest in the underlying mortgage loans. The transaction does not qualify for sale accounting treatment and is accounted for as a secured borrowing.
(7) The lender provides financing for up to $50.0 million at the discretion of the lender. The agreement has no stated maturity date. Interest on this facility is based on the Secured Overnight Financing Rate (SOFR).
(8) This facility is comprised of two lines, a $120.0 million uncommitted participation agreement and a $90.0 million committed repurchase agreement. The agreements allow the lender to acquire a 100% beneficial interest in the underlying mortgage loans. The transactions do not qualify for sale accounting treatment and are accounted for as secured borrowings. The lender earns the stated interest rate of the underlying mortgage loans less 35 bps, with a floor of 3.50% for new originations and 3.75% for Ginnie Mae modifications, while the loans are financed under both the participation and repurchase agreements.
(9) Under this agreement, the lender provides financing for up to $50.0 million on a committed basis. On January 15, 2021, the maturity date of this facility was extended to January 15, 2022.
(10) Under this agreement, the lender provides financing for up to $100.0 million on an uncommitted basis. On February 1, 2021, the borrowing capacity was temporarily increased from $100.0 million to $150.0 million until February 28, 2021 when it was reduced to $100.0 million. On March 30, 2021, the borrowing capacity was temporarily increased to $150.0 million effective April 1, 2021 until May 30, 2021.
(11) This facility provides up to $100.0 million of uncommitted borrowing capacity. The agreement has no stated maturity date, however each transaction has a maximum duration of four years. The cost of this line is set at each transaction date and is based on the interest rate on the collateral.
(12) We entered into a repurchase agreement on March 29, 2021 which provides borrowing at our discretion up to a certain maximum amount of capacity on a rolling 30-day committed basis. This facility is structured as a gestation repurchase facility whereby dry Agency mortgage loans are sold to a trust which trust issues a trust certificate that is pledged as the collateral for the borrowings.
(13) PMC's obligations under this facility are secured by a lien on the related MSRs. Ocwen guarantees the obligations of PMC under this facility. The maximum amount which we may borrow pursuant to the repurchase agreements is $250.0 million on a committed basis. We also pledged the membership interest of the depositor for our OMART advance financing facility as additional collateral to this facility. See Note 2 – Securitizations and Variable Interest Entities for additional information. We are subject to daily margining requirements

under the terms of our MSR financing facilities. Declines in fair value of our MSRs due to declines in market interest rates, assumption updates or other factors require that we provide additional collateral to our lenders under these facilities. On March 31, 2021, the facility was upsized to $350.0 million, the interest rate reduced to 1ML plus 325bps, and the maturity was renewed to June 30, 2022. These changes became effective on April 15, 2021.

(14) PMC's obligations under this facility are secured by a lien on the related Ginnie Mae MSRs. Ocwen guarantees the obligations of PMC under the facility. The borrowing capacity is $125.0 million on an uncommitted basis. See (13) above regarding daily margining requirements.

(15) PLS Issuer's obligations under the facility are secured by a lien on the related PLS MSRs. Ocwen guarantees the obligations of PLS Issuer under the facility. The Class A PLS Notes issued pursuant to the credit agreement had an initial principal amount of $100.0 million and amortize in accordance with a pre-determined schedule subject to modification under certain events. See Note 2 – Securitizations and Variable Interest Entities for additional information. See (13) above regarding daily margining requirements.

(16) OASIS noteholders are entitled to receive a monthly payment equal to the sum of: (a) 21 basis points of the UPB of the reference pool of Freddie Mac mortgages; (b) any termination payment amounts; (c) any excess refinance amounts; and (d) the note redemption amounts, each as defined in the indenture supplement for the notes. Monthly amortization of the liability is estimated using the proportion of monthly projected service fees on the underlying MSRs as a percentage of lifetime projected fees, adjusted for the term of the notes.

(17) Weighted average interest rate at March 31, 2021, excluding the effect of debt issuance costs and discount.

(18) Balance at December 31, 2020 includes $4.9 million related to SSTL.

			Outstanding Balance	
Senior Notes	**Interest Rate**	**Maturity**	**March 31, 2021**	**December 31, 2020**
PMC Senior Secured Notes	7.875%	March 2026	$ 400,000	$ —
OFC Senior Secured Notes (1)	12% paid in cash or 13.25% paid-in-kind (see below)	March 2027	199,500	—
PHH Senior Notes	6.375%	August 2021	—	21,543
PMC Senior Secured Notes	8.375%	November 2022	—	291,509
Principal balance			599,500	313,052
Discount (2)				
PMC Senior Secured Notes			(2,025)	—
OFC Senior Secured Notes (1)			(40,707)	—
			(42,732)	—
Unamortized debt issuance costs (2)				
PMC Senior Secured Notes			(6,598)	(968)
OFC Senior Secured Notes			(7,243)	—
			(13,841)	(968)
Fair value adjustments			—	(186)
			$ 542,927	$ 311,898

(1) At date of issuance on March 4, 2021, the discount included $24.5 million original issue discount (OID) on the OFC Senior Secured Notes and $16.5 million of additional discount related to the concurrent issuance of warrants. See below for additional information.

(2) The discount and debt issuance costs are being amortized to interest expense through the maturity of the respective notes.

Redemption of 6.375% Senior Unsecured Notes due 2021 and 8.375% Senior Secured Notes due 2022

On March 4, 2021, we redeemed all of PHH's outstanding 6.375% Senior Notes due August 2021 at a price of 100% of the principal amount, plus accrued and unpaid interest, and all of PMC's 8.375% Senior Secured Notes due November 2022 at a price of 102.094% of the principal amount, plus accrued and unpaid interest. The redemption resulted in our recognition of a $7.1 million loss on debt extinguishment.

Issuance of 7.875% Senior Secured Notes due 2026

On March 4, 2021, PMC completed the issuance and sale of $400.0 million aggregate principal amount of 7.875% senior secured notes due March 15, 2026 (the PMC Senior Secured Notes) at a discount of $2.1 million. The PMC Senior Secured Notes are guaranteed on a senior secured basis by Ocwen and PHH (together, the Guarantors) and were sold in an offering exempt from the registration requirements of the Securities Act of 1933, as amended (the Securities Act).

Interest on the PMC Senior Secured Notes accrues at a rate of 7.875% per annum and is payable semi-annually in arrears on March 15 and September 15 of each year, beginning on September 15, 2021.

On or after March 15, 2023, PMC may redeem some or all of the PMC Senior Secured Notes at its option at the following redemption prices, plus accrued and unpaid interest, if any, on the notes redeemed to, but excluding, the redemption date if redeemed during the 12-month period beginning on March 15th of the years indicated below:

Redemption Year	Redemption Price
2023	103.938 %
2024	101.969
2025 and thereafter	100.000

Prior to March 15, 2023, PMC may, on any one or more occasions, redeem some or all of the PMC Senior Secured Notes at its option at a redemption price equal to 100% of the principal amount of the notes being redeemed, plus a "make-whole" premium equal to the greater of (i) 1.0% of the then outstanding principal amount of such note and (ii) the excess of (1) the present value at the redemption date of the sum of (A) the redemption price of the note at March 15, 2023 (such redemption price is set forth in the table above) plus (B) all required interest payments due on such notes through March 15, 2023 (excluding accrued but unpaid interest), such present value to be computed using a discount rate equal to the Treasury Rate (as defined in the Indenture) as of such redemption date plus 50 basis points; over (2) the then outstanding principal amount of such notes, plus accrued and unpaid interest, if any, on the notes redeemed to, but excluding, the redemption date.

In addition, on or prior to March 15, 2023, PMC may also redeem up to 35.0% of the principal amount of all of the PMC Senior Secured Notes originally issued under the Indenture (including any additional PMC Senior Secured Notes issued under the Indenture) using the net proceeds of certain equity offerings at a redemption price equal to 107.875% of the principal amount thereof, plus accrued and unpaid interest to, but excluding, the date of redemption (subject to the rights of holders of notes on the relevant regular record date to receive interest due on the relevant interest payment date that is on or prior to the applicable date of redemption); provided that: (i) at least 65.0% of the principal amount of all PMC Senior Secured Notes issued under the Indenture remains outstanding immediately after any such redemption; and (ii) PMC makes such redemption not more than 120 days after the consummation of any such equity offering.

The Indenture contains customary covenants for debt securities of this type that limit the ability of PHH and its restricted subsidiaries (including PMC) to, among other things, (i) incur or guarantee additional indebtedness, (ii) incur liens, (iii) pay dividends on or make distributions in respect of PHH's capital stock or make other restricted payments, (iv) make investments, (v) consolidate, merge, sell or otherwise dispose of certain assets, and (vi) enter into transactions with Ocwen's affiliates.

Issuance of OFC Senior Secured Notes

On March 4, 2021, Ocwen completed the private placement of $199.5 million aggregate principal amount of senior secured notes (the OFC Senior Secured Notes) with an OID of $24.5 million to certain special purpose entities owned by funds and accounts managed by Oaktree Capital Management, L.P. (the Oaktree Investors). The OFC Senior Secured Notes were issued pursuant to a Note and Warrant Purchase Agreement, dated February 9, 2021, between Ocwen and the Oaktree Investors. Concurrent with the issuance of the OFC Senior Secured Notes, Ocwen issued to the Oaktree Investors warrants to purchase 1,184,768 shares of its common stock at an exercise price of $26.82 per share, subject to antidilution adjustments. On March 4, 2021, the $175.0 million of total proceeds, net of OID, was allocated $158.5 million to the OFC Senior Secured Notes and $16.5 million to the warrants on a relative fair value basis. The warrants are accounted for as equity instruments and reported as Additional Paid-in Capital in our consolidated balance sheet, net of $0.8 million of allocated debt issuance costs. See Note 13 – Equity for additional information regarding the warrants.

The OFC Senior Secured Notes mature on March 4, 2027 with no amortization of principal. Interest is payable quarterly in arrears on the last business day of each March, June, September and December and accrues at the rate of 12% per annum to the extent interest is paid in cash or 13.25% per annum to the extent interest is "paid-in-kind" through an increase in the principal amount or the issuance of additional notes (PIK Interest). Prior to March 4, 2022, all of the interest on the OFC Senior Secured Notes may, at our option, be paid as PIK Interest. On or after March 4, 2022, a minimum amount of interest will be required to be paid in cash equal to the lesser of (i) 7% per annum of the outstanding principal amount of the OFC Senior Secured Notes and (ii) the total amount of unrestricted cash of Ocwen and its subsidiaries less the greater of $125.0 million and the minimum liquidity amounts required by any agency.

The OFC Senior Secured Notes are solely the obligation of Ocwen. The OFC Senior Secured Notes are secured by a pledge of substantially all of the assets of Ocwen, including a pledge of the equity of Ocwen's subsidiaries held directly by Ocwen. The lien on Ocwen's assets securing the OFC Senior Secured Notes is junior to the lien securing Ocwen's guarantee of the 7.875% PMC Senior Secured Notes described above. The OFC Senior Secured Notes are not guaranteed by any of Ocwen's subsidiaries nor are they secured by a pledge or lien on any assets of Ocwen's subsidiaries.

Prior to March 4, 2026, we are permitted to redeem the OFC Senior Secured Notes in whole or in part at any time at a redemption price equal to par, plus a make-whole premium, plus accrued and unpaid interest. On and after March 4, 2026, we

will be permitted to redeem the OFC Senior Secured Notes in whole or in part at any time at a redemption price equal to par plus accrued and unpaid interest.

The OFC Senior Secured Notes have two financial maintenance covenants: (1) a minimum book value of stockholders' equity of not less than $275.0 million and (2) a minimum amount of unrestricted cash of not less than $50.0 million at any time. The OFC Senior Secured Notes also have affirmative and negative covenants and events of default that are customary for debt securities of this type.

Credit Ratings

Credit ratings are intended to be an indicator of the creditworthiness of a company's debt obligation. At March 31, 2021, the S&P issuer credit rating for Ocwen was "B-". On February 24, 2021, concurrent with the launch of the PMC bond offering, S&P reaffirmed the ratings at B- and changed the outlook from Negative to Stable. Moody's reaffirmed their ratings of Caa1 and revised their outlook to Stable from Negative on February 24, 2021. It is possible that additional actions by credit rating agencies could have a material adverse impact on our liquidity and funding position, including materially changing the terms on which we may be able to borrow money.

Covenants

Under the terms of our debt agreements, we are subject to various affirmative and negative covenants. Collectively, these covenants include:

- Financial covenants, including, but not limited to, specified levels of net worth and liquidity;
- Covenants to operate in material compliance with applicable laws;
- Restrictions on our ability to engage in various activities, including but not limited to incurring or guarantying additional forms of debt, paying dividends or making distributions on or purchasing equity interests of Ocwen and its subsidiaries, repurchasing or redeeming capital stock or junior capital, repurchasing or redeeming subordinated debt prior to maturity, issuing preferred stock, selling or transferring assets or making loans or investments or other restricted payments, entering into mergers or consolidations or sales of all or substantially all of the assets of Ocwen and its subsidiaries or of PHH or PMC and their respective subsidiaries, creating liens on assets to secure debt, and entering into transactions with affiliates;
- Monitoring and reporting of various specified transactions or events, including specific reporting on defined events affecting collateral underlying certain debt agreements; and
- Requirements to provide audited financial statements within specified timeframes, including requirements that Ocwen's financial statements and the related audit report be unqualified as to going concern.

As of March 31, 2021, the most restrictive consolidated net worth requirement contained in our debt agreements is a minimum of $275.0 million book value of consolidated common stockholders' equity, as defined, under the Note Purchase Agreement for the OFC Senior Secured Notes. The most restrictive liquidity requirement under our debt agreements is for a minimum of $125.0 million in consolidated liquidity, as defined, under certain of our advance match funded debt and mortgage warehouse agreements.

We believe we were in compliance with all of the covenants in our debt agreements as of the date of these unaudited consolidated financial statements.

Note 12 – Other Liabilities

	March 31, 2021	December 31, 2020
Contingent loan repurchase liability	$ 399,126	$ 480,221
Due to NRZ - Advance collections, servicing fees and other	94,535	94,691
Other accrued expenses	63,648	87,898
Liability for indemnification obligations	43,289	41,920
Accrued legal fees and settlements	40,356	38,932
Servicing-related obligations	39,930	35,237
Checks held for escheat	39,842	35,654
Liability for uncertain tax positions	24,386	16,188
Lease liability	23,922	27,393
MSR purchase price holdback	16,140	20,923
Derivatives, at fair value	10,012	4,638
Liability for unfunded India gratuity plan	5,797	6,051
Accrued interest payable	5,502	4,915
Liability for unfunded pension obligation	12,587	12,662
Other	15,941	16,652
	$ 835,013	$ 923,975

Note 13 – Equity

On February 3, 2020, Ocwen's Board of Directors authorized a share repurchase program for an aggregate amount of up to $5.0 million of Ocwen's issued and outstanding shares of common stock. During the three months ended March 31, 2020, we completed the repurchase of 377,484 shares of common stock in the open market under this program at prevailing market prices for a total purchase price of $4.5 million for an average price paid per share of $11.90. In addition, Ocwen paid $0.1 million in commissions. The repurchased shares were formally retired as of March 31, 2020. No additional shares were repurchased prior to the program's expiration on February 3, 2021.

Effective August 13, 2020, Ocwen implemented a one-for-15 reverse stock split of all outstanding shares of its common stock and reduced the number of authorized shares of common stock by the same proportion. Shareholders entitled to receive fractional shares of common stock received shares rounded up to the nearest whole share in lieu of such fractional shares, with an aggregate 4,692 additional shares issued. The number of outstanding shares was reduced from 130,013,696 to 8,672,272 and the authorized shares from 200,000,000 to 13,333,333 effective August 13, 2020, with giving effect to the rounding up of fractional shares. The $0.01 par value per share of common stock remained unchanged.

As disclosed in Note 11 – Borrowings, concurrent with the issuance of the OFC Senior Secured Notes on March 4, 2021, Ocwen issued to Oaktree warrants to purchase 1,184,768 shares of its common stock (which amount, upon exercise of the warrants, would be equal to 12% of Ocwen's outstanding common stock as of the date of issuance of the warrants) at an exercise price of $26.82 per share, subject to antidilution adjustments. The warrants may be exercised at any time from the date of issuance through March 4, 2027. In lieu of a cash exercise price, the holder of the warrants may elect a net share exercise whereby the number of shares of common stock received upon exercise is reduced by the number of shares equivalent to the exercise price based on the fair market value of the stock, as defined. The warrants may not be exercised if Oaktree's ownership of Ocwen's common stock would exceed 19.9% without prior shareholder approval, or 9.9% without prior regulatory approvals. If these limitations apply, Oaktree would have the right to exercise the warrants to purchase shares of Ocwen non-voting perpetual preferred stock convertible into one share of Ocwen common stock. While the warrants will not be registered, we entered into a registration rights agreement with Oaktree pursuant to which we will register for resale the shares of common stock issuable upon exercise of the warrants within 18 months after March 4, 2021. On March 4, 2021, the $16.5 million allocated fair value of the warrants was reported as Additional Paid-in Capital in our consolidated balance sheet, net of allocated debt issuance costs of $0.8 million.

Note 14 – Derivative Financial Instruments and Hedging Activities

The table below summarizes the fair value, notional and maturity of derivative instruments. The notional amount of our contracts does not represent our exposure to credit loss. None of the derivatives were designated as a hedge for accounting purposes as of or during the three months ended March 31, 2021 and 2020.

	March 31, 2021			December 31, 2020		
	Maturities	Notional	Fair value	Maturities	Notional	Fair value
Derivative Assets						
Forward sales of Reverse loans	Apr. 2021 to May .2021	$ 70,000	$ 100	Jan. 2021	$ 30,000	$ 34
Forward loans IRLCs	Jul. 2021	916,930	13,622	Apr. 2021	619,713	22,224
Reverse loans IRLCs	Apr. 2021	50,197	967	Jan. 2021	11,692	482
TBA forward MBS trades	Apr. 2021 to May .2021	590,000	794	N/A	—	—
Interest rate swap futures	N/A	—	—	Mar. 2021	593,500	504
Other	N/A	—	—		—	2
Total		$ 1,627,127	$ 15,483		$ 1,254,905	$ 23,246
Derivative Liabilities						
Forward sales of Reverse loans	Apr. 2021	$ 35,000	$ (152)	Jan. 2021	$ 20,000	$ (84)
TBA forward MBS trades	Apr. 2021	10,000	(314)	Jan. 2021	400,000	(4,554)
Interest rate swap futures	Jun. 2021	1,400,000	(9,532)	N/A	—	—
Other	N/A	—	(14)	N/A	—	—
Total		$ 1,445,000	$ (10,012)		$ 420,000	$ (4,638)

The table below summarizes the net gains and losses of our derivative instruments recognized in our consolidated statement of operations.

	Three Months Ended March 31, 2021		Three Months Ended March 31, 2020	
	Gain / (Loss)		Gain / (Loss)	
	Amount	Financial Statement Line	Amount	Financial Statement Line
Derivative Assets (Liabilities)				
Forward loans IRLCs	$ (8,602)	Gain on loans held for sale, net	$ 5,714	Gain on loans held for sale, net
Reverse loans IRLCs	485	Reverse mortgage revenue, net	(115)	Reverse mortgage revenue, net
Interest rate swap futures and TBA forward MBS trades	—	Gain on loans held for sale, net (Economic hedge)	(7,192)	Gain on loans held for sale, net (Economic hedge)
Interest rate swap futures and TBA forward MBS trades	(13,682)	MSR valuation adjustments, net	35,291	MSR valuation adjustments, net
Forward sales of Reverse loans	(2)	Reverse mortgage revenue, net	(143)	Reverse mortgage revenue, net
Other	(16)	Gain on loans held for sale, net	—	Gain on loans held for sale, net
Total	$ (21,816)		$ 33,555	

Interest Rate Risk

MSR Hedging

MSRs are carried at fair value with changes in fair value being recorded in earnings in the period in which the changes occur. The fair value of MSRs is subject to changes in market interest rates and prepayment speeds, among other factors. Management implemented a hedging strategy to partially offset the changes in fair value of our net MSR portfolio to interest rate changes. We define our net MSR portfolio exposure as follows:

- our more interest rate-sensitive Agency MSR portfolio,
- less the Agency MSRs subject to our agreements with NRZ (See Note 8 — Rights to MSRs),
- less the asset value for securitized HECM loans, net of the corresponding HMBS-related borrowings, and
- less the net value of our held for sale loan portfolio and IRLCs (pipeline).

In the first quarter of 2021, we have included in our net MSR portfolio exposure to be hedged the exposure related to expected future MSR bulk acquisitions subject to letters of intent, representing approximately $68 billion of UPB. The expected future MSR bulk acquisitions subject to non-binding letters of intent were not recognized as an asset or liability in our financial statements as of March 31, 2021.

We determine and monitor daily a hedge coverage based on the duration and interest rate sensitivity measures of our net MSR portfolio exposure, considering market and liquidity conditions. At March 31, 2021, our hedging strategy provides for a partial coverage of our net MSR portfolio exposure.

We use forward trades of MBS or Agency TBAs with different banking counterparties and exchange-traded interest rate swap futures as hedging instruments. These derivative instruments are not designated as accounting hedges. TBAs, or To-Be-Announced securities are actively traded, forward contracts to purchase or sell Agency MBS on a specific future date. Interest rate swap futures are exchange-traded and centrally cleared. We report changes in fair value of these derivative instruments in MSR valuation adjustments, net in our unaudited consolidated statements of operations.

The TBAs and interest rate swap futures are subject to margin requirements. Ocwen may be required to post or may be entitled to receive cash collateral with its counterparties, based on daily value changes of the instruments. Changes in market factors, including interest rates, and our credit rating could require us to post additional cash collateral and could have a material adverse impact on our financial condition and liquidity.

Interest Rate Lock Commitments

A loan commitment binds us (subject to the loan approval process) to fund the loan at the specified rate, regardless of whether interest rates have changed between the commitment date and the loan funding date. As such, outstanding IRLCs are subject to interest rate risk and related price risk during the period from the date of the commitment through the loan funding date or expiration date. The borrower is not obligated to obtain the loan; thus, we are subject to fallout risk related to IRLCs, which is realized if approved borrowers choose not to close on the loans within the terms of the IRLCs. Our interest rate exposure on these derivative loan commitments had previously been economically hedged with freestanding derivatives such as forward contracts. Beginning in September 2019, this exposure is not individually hedged, but rather used as an offset to our MSR exposure and managed as part of our MSR hedging strategy described above.

Loans Held for Sale, at Fair Value

Mortgage loans held for sale that we carry at fair value are subject to interest rate and price risk from the loan funding date until the date the loan is sold into the secondary market. Generally, the fair value of a loan will decline in value when interest rates increase and will rise in value when interest rates decrease. To mitigate this risk, we had previously entered into forward MBS trades to provide an economic hedge against those changes in fair value on mortgage loans held for sale. Forward MBS trades were primarily used to fix the forward sales price that would be realized upon the sale of mortgage loans into the secondary market. Beginning in September 2019, this exposure is not individually hedged, but rather used as an offset to our MSR exposure and managed as part of our MSR hedging strategy described above.

Advance Match Funded Liabilities

When required by our advance financing arrangements, we purchase interest rate caps to minimize future interest rate exposure from increases in the interest on our variable rate debt as a result of increases in the index, such as 1ML, which is used in determining the interest rate on the debt. We currently do not hedge our fixed-rate debt.

Foreign Currency Exchange Rate Risk

Our operations in India and the Philippines expose us to foreign currency exchange rate risk to the extent that our foreign exchange positions remain unhedged. Depending on the magnitude and risk of our positions we may enter into any forward

exchange contracts to hedge against the effect of changes in the value of the India Rupee or Philippine Peso. We currently do not hedge our foreign currency exposure with derivative instruments. Foreign currency remeasurement exchange gains (losses) were $0.2 million and $(0.9) million during the three months ended March 31, 2021 and 2020, respectively, and are reported in Other, net in the consolidated statements of operations.

Note 15 – Interest Expense

	Three Months Ended March 31,	
	2021	**2020**
Senior notes	$ 9,495	$ 6,661
Mortgage loan warehouse facilities	5,283	3,460
MSR financing facilities	4,572	5,037
Advance match funded liabilities	4,496	5,665
SSTL	2,957	6,794
Other	1,649	2,365
	$ 28,452	$ 29,982

Note 16 – Income Taxes

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was signed into law. The CARES Act includes several significant business tax provisions that, among other things, temporarily repealed the taxable income limitation for certain net operating losses (NOL) and allows businesses to carry back NOLs arising in 2018, 2019, and 2020 tax years to the five prior tax years, accelerated refunds of previously generated corporate Alternative Minimum Tax (AMT) credits, and adjusted the business interest expense limitation under section 163(j) from 30% to 50% of Adjusted Taxable Income (ATI) for 2019 and 2020 tax years.

Based on information available at the time, we estimated that modifications to the tax rules for the carryback of NOLs and business interest expense limitations would result in U.S. and USVI federal net tax refunds of approximately $62.9 million and $1.9 million, respectively, and as such we recognized an income tax benefit of $64.8 million in our unaudited consolidated financial statements for the three months ended March 31, 2020.

The income tax benefit recognized represents the release of valuation allowances against certain NOL and Section 163(j) deferred tax assets that were realized as a result of certain provisions of the CARES Act as well as permanent income tax benefit related to the carryback of NOLs created in a tax year that was subject to U.S. federal tax at 21% to a tax year subject to tax at 35%.

We recognized income tax expense, exclusive of the impact of the CARES Act recognized in 2020, of $3.1 million and $2.9 million for the three months ended March 31, 2021 and 2020, respectively, due to the mix of earnings among different tax jurisdictions with different statutory tax rates. Under our transfer pricing agreements, our operations in India, Philippines, and USVI are compensated on a cost-plus basis for the services they provide, such that even when we incur a consolidated pre-tax loss from continuing operations these foreign operations generate taxable income, which is subject to statutory tax rates in these jurisdictions that are significantly higher than the U.S. statutory rate of 21%.

Note 17 – Basic and Diluted Earnings (Loss) per Share

Basic earnings or loss per share excludes common stock equivalents and is calculated by dividing net income or loss attributable to Ocwen common stockholders by the weighted average number of common shares outstanding during the period. We calculate diluted earnings or loss per share by dividing net income or loss attributable to Ocwen by the weighted average number of common shares outstanding including the potential dilutive common shares related to outstanding restricted stock awards, stock options and warrants as determined using the treasury stock method. For the three months ended March 31, 2020, we have excluded the effect of all stock options and common stock awards from the computation of diluted loss per share because of the anti-dilutive effect of our reported net loss.

	Three Months Ended March 31,	
	2021	2020
Basic earnings (loss) per share		
Net income (loss)	$ 8,543	$ (25,489)
Weighted average shares of common stock	8,688,009	8,990,589
Basic earnings (loss) per share	$ 0.98	$ (2.84)
Diluted earnings (loss) per share		
Net income (loss)	$ 8,543	$ (25,489)
Weighted average shares of common stock	8,688,009	8,990,589
Effect of dilutive elements		
Common stock warrants	34,309	—
Common stock awards	155,174	—
Dilutive weighted average shares of common stock	8,877,492	8,990,589
Diluted earnings (loss) per share	$ 0.96	$ (2.84)
Stock options and common stock awards excluded from the computation of diluted earnings (loss) per share		
Anti-dilutive (1)	180,225	249,188
Market-based (2)	157,581	125,397

(1) Includes stock options that are anti-dilutive because their exercise price was greater than the average market price of Ocwen's stock, and stock awards that are anti-dilutive based on the application of the treasury stock method.
(2) Shares that are issuable upon the achievement of certain market-based performance criteria related to Ocwen's stock price.

As disclosed in Note 13 – Equity, Ocwen implemented a reverse stock split in a ratio of one-for-15 effective on August 13, 2020. The above computations of earnings (loss) per share reflect the number of common stock shares after consideration for the reverse stock split. All common share and loss per share amounts have been adjusted retrospectively to give effect to the reverse stock split as if it occurred at the beginning of the first period presented.

Note 18 – Business Segment Reporting

Our business segments reflect the internal reporting that we use to evaluate operating performance of services and to assess the allocation of our resources. Our reportable business segments consist of Servicing, Originations, and Corporate Items and Other. During the three months ended March 31, 2021, there have been no changes to our business segments as disclosed in our Annual Report on Form 10-K for the year ended December 31, 2020.

Effective with the fourth quarter of 2020, we have reported the results of Reverse Servicing within the Servicing segment. Previously, the Reverse Servicing business was included in the reported results of the Originations segment. This alignment of our business segments is consistent with a change in the management of the business and a change in the internal management reporting to the chief operating decision maker. Segment results for 2020 have been recast to conform to the current segment presentation. Reverse Servicing generated Revenue and Income before income taxes of $16.0 million and $12.2 million, respectively, for the three months ended March 31, 2020. Reverse Servicing assets consist primarily of securitized Loans held for investment - Reverse Mortgages.

Revenues and expenses directly associated with each respective business segments are included in determining its results of operations. We allocate certain expenses incurred by corporate support services that are not directly attributable to a segment to each business segment. We allocate overhead costs incurred by corporate support services to the Servicing and Originations segments which incorporates the utilization of various measurements primarily based on time studies, personnel volumes and service consumption levels. Support services costs not allocated to the Servicing and Originations segments are retained in the Corporate Items and Other segment along with certain other costs including certain litigation and settlement related expenses or recoveries, costs related to our re-engineering initiatives, and other costs related to operating as a public company. We allocate a portion of interest income to each business segment, including interest earned on cash balances.

Interest expense on direct asset-backed financings are recorded in the respective Servicing and Originations segments. Beginning in the third quarter of 2020, we began allocating interest expense on corporate debt, including the SSTL and Senior Notes, used to fund servicing advances and other servicing assets from Corporate Items and Other to Servicing. Amortization of debt issuance costs and discount are excluded from the interest expense allocation. The interest expense related to the corporate debt has been allocated to the Servicing segment for periods prior to the third quarter of 2020 to conform to the current period presentation. The interest expense allocation is $10.5 million for the three months ended March 31, 2020.

As a result of our risk management strategy to hedge the interest rate risk of our net MSR portfolio, the fair value changes of third-party derivative instruments are reported within MSR valuation adjustments, net. For management segment reporting purposes, we establish inter-segment derivative instruments to transfer the risks and allocate the associated fair value changes of derivatives between Servicing and Originations, and specifically between MSR valuation adjustments, net and Gain on loans held for sale, net (Gain/loss on economic hedge instruments). The inter-segment derivative fair value changes are eliminated in the consolidated financial statements in the Corporate Elimination column in the table below.

Financial information for our segments is as follows:

Results of Operations	Three Months Ended March 31, 2021				
	Servicing	Originations	Corporate Items and Other	Corporate Eliminations (1)	Business Segments Consolidated
Servicing and subservicing fees	$ 169,354	$ 2,384	$ —	$ —	$ 171,738
Reverse mortgage revenue, net	2,035	19,791	—	—	21,826
Gain on loans held for sale, net	3,521	37,593	—	(35,393)	5,721
Other revenue, net	502	6,518	1,289	—	8,309
Revenue	175,412	66,286	1,289	(35,393)	207,594
MSR valuation adjustments, net	(22,690)	8,505	—	35,393	21,208
Operating expenses	82,753	37,328	19,548	—	139,629
Other (expense) income:					
Interest income	1,257	2,566	113	—	3,936
Interest expense	(20,309)	(3,552)	(4,591)	—	(28,452)
Pledged MSR liability expense	(37,883)	—	33	—	(37,850)
Loss on extinguishment of debt	—	—	(15,458)	—	(15,458)
Other	452	50	(212)	—	290
Other expense, net	(56,483)	(936)	(20,115)	—	(77,534)
Income (loss) before income taxes	$ 13,486	$ 36,527	$ (38,374)	$ —	$ 11,639

Results of Operations	Three Months Ended March 31, 2020				
	Servicing	Originations	Corporate Items and Other	Corporate Eliminations (1)	Business Segments Consolidated
Servicing and subservicing fees	$ 211,469	$ 1	$ 13	$ —	$ 211,483
Reverse mortgage revenue, net	16,673	6,124	—	—	22,797
Gain on loans held for sale, net	229	13,102	—	—	13,331
Other revenue, net	1,159	2,445 —	2,627	—	6,231
Revenue	229,530	21,672	2,640	—	253,842
MSR valuation adjustments, net	(174,448)	328	—	—	(174,120)
Operating expenses	84,479	22,952	29,783	—	137,214
Other (expense) income:					
Interest income	2,529	1,623	1,243	—	5,395
Interest expense	(24,581)	(2,433)	(2,968)	—	(29,982)
Pledged MSR liability expense	(6,623)	—	29	—	(6,594)
Other	3,655	(22)	(2,305)	—	1,328
Other expense, net	(25,020)	(832)	(4,001)	—	(29,853)
Loss before income taxes	$ (54,417)	$ (1,784)	$ (31,144)	$ —	$ (87,345)

(1) Corporate Eliminations for the three months ended March 31, 2021 includes an inter-segment derivatives elimination of $35.4 million with a corresponding offset in MSR valuation adjustments, net; nil for the three months ended March 31, 2020.

tal Assets	Servicing	Originations	Corporate Items and Other	Business Segments Consolidated
March 31, 2021	$ 9,869,673	$ 525,619	$ 376,505	10,771,788
December 31, 2020	$ 9,847,608	$ 379,233	$ 424,291	10,651,127
March 31, 2020	$ 9,321,628	$ 205,198	$ 459,198	9,986,024

Depreciation and Amortization Expense	Servicing	Originations	Corporate Items and Other	Business Segments Consolidated
Three months ended March 31, 2021				
Depreciation expense	$ 209	$ 24	$ 2,626	$ 2,859
Amortization of debt issuance costs and discount	129	—	1,495	1,624
Three months ended March 31, 2020				
Depreciation expense	$ 215	$ 37	$ 3,745	$ 3,997
Amortization of debt issuance costs and discount	112	—	2,550	2,662

Note 19 – Regulatory Requirements

Our business is subject to extensive regulation and supervision by federal, state and local governmental authorities, including the Consumer Financial Protection Bureau (CFPB), HUD, the SEC and various state agencies that license and conduct examinations of our servicing and lending activities. In addition, we operate under a number of regulatory settlements that subject us to ongoing reporting and other obligations. From time to time, we also receive requests (including requests in the form of subpoenas and civil investigative demands) from federal, state and local agencies for records, documents and information relating to our servicing and lending activities. The GSEs (and their conservator, the Federal Housing Finance Authority (FHFA)), Ginnie Mae, the United States Treasury Department, various investors, non-Agency securitization trustees and others also subject us to periodic reviews and audits.

We must comply with a large number of federal, state and local consumer protection and other laws and regulations, including, among others, the CARES Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act), the Telephone Consumer Protection Act (TCPA), the Gramm-Leach-Bliley Act, the Fair Debt Collection Practices Act (FDCPA), the Real Estate Settlement Procedures Act (RESPA), the Truth in Lending Act (TILA), the Servicemembers Civil Relief Act, the Homeowners Protection Act, the Federal Trade Commission Act, the Fair Credit Reporting Act, the Equal Credit Opportunity Act, as well as individual state and local laws, and federal and local bankruptcy rules. These laws and regulations apply to all facets of our business, including, but not limited to, licensing, loan originations, consumer disclosures, default servicing and collections, foreclosure, filing of claims, registration of vacant or foreclosed properties, handling of escrow accounts, payment application, interest rate adjustments, assessment of fees, loss mitigation, use of credit reports, and safeguarding of non-public personally identifiable information about our customers. These complex requirements can and do change as laws and regulations are enacted, promulgated, amended, interpreted and enforced, and the requirements applicable to our business have been changing especially rapidly in response to the COVID-19 pandemic. In addition, the actions of legislative bodies and regulatory agencies relating to a particular matter or business practice may or may not be coordinated or consistent. The general trend among federal, state and local legislative bodies and regulatory agencies as well as state attorneys general has been toward increasing laws, regulations, investigative proceedings and enforcement actions with regard to residential real estate lenders and servicers.

In addition, a number of foreign laws and regulations apply to our operations outside of the U.S., including laws and regulations that govern licensing, privacy, employment, safety, taxes and insurance and laws and regulations that govern the creation, continuation and the winding up of companies as well as the relationships between shareholders, our corporate entities, the public and the government in these countries.

Our licensed entities are required to renew their licenses, typically on an annual basis, and to do so they must satisfy the license renewal requirements of each jurisdiction, which generally include financial requirements such as providing audited financial statements and satisfying minimum net worth requirements and non-financial requirements such as satisfactory completion of examinations relating to the licensee's compliance with applicable laws and regulations. We are also subject to

seller/servicer obligations under agreements with the GSEs, HUD, FHA, VA and Ginnie Mae, including capital requirements related to tangible net worth, as defined by the applicable agency, an obligation to provide audited financial statements within 90 days of the applicable entity's fiscal year end as well as extensive requirements regarding servicing, selling and other matters. We believe our licensed entities were in compliance with all of their minimum net worth requirements at March 31, 2021. Our non-Agency servicing agreements also contain requirements regarding servicing practices and other matters, and a failure to comply with these requirements could have a material adverse impact on our business. The most restrictive of the various net worth requirements for licensing and seller/servicer obligations referenced above is based on the UPB of assets serviced by PMC. Under the applicable formula, the required minimum net worth was $272.0 million at March 31, 2021. PMC's net worth was $524.2 million at March 31, 2021. The most restrictive of the various liquidity requirements for licensing and seller/servicer obligations referenced above was $27.2 million at March 31, 2021. PMC's liquid assets were $227.0 million at March 31, 2021.

We have faced and expect to continue to face heightened regulatory and public scrutiny as an organization and have entered into a number of significant settlements with federal and state regulators and state attorneys general that have imposed additional requirements on our business. Our failure to comply with our settlement obligations to our regulators or with applicable federal, state and local laws, regulations, licensing requirements and agency guidelines could lead to (i) administrative fines, penalties, sanctions or litigation, (ii) loss of our licenses and approvals to engage in our servicing and lending businesses, (iii) governmental investigations and enforcement actions, (iv) civil and criminal liability, including class action lawsuits and actions to recover incentive and other payments made by governmental entities, (v) breaches of covenants and representations under our servicing, debt or other agreements, (vi) additional costs to address these matters and comply with the terms of any resulting resolutions, (vii) suspension or termination of our approved agency seller/servicer status, (viii) inability to raise capital or otherwise fund our operations and (ix) inability to execute on our business strategy, which could have a material adverse impact on our business, reputation, results of operations, liquidity and financial condition.

New York Department of Financial Services (NY DFS). We operate pursuant to certain regulatory requirements with the NY DFS, including obligations arising under a consent order entered into in March 2017 (the NY Consent Order) and the terms of the NY DFS' conditional approval in September 2018 of our acquisition of PHH. The conditional approval includes reporting obligations and record retention and other requirements relating to the transfer of loans collateralized by New York property (New York loans) onto our servicing system, the Financial Services, Inc. (Black Knight) LoanSphere MSP® servicing system (Black Knight MSP) and certain requirements with respect to the evaluation and supervision of management of both Ocwen and PMC. In addition, we were prohibited from boarding any additional loans onto the REALServicing system and we were required to transfer all New York loans off the REALServicing system by April 30, 2020. The conditional approval also restricts our ability to acquire MSRs with respect to New York loans, so that Ocwen may not increase its aggregate portfolio of New York loans serviced or subserviced by Ocwen by more than 2% per year. This restriction will remain in place until the NY DFS determines that all loans serviced on the REALServicing system have been successfully migrated to Black Knight MSP and that Ocwen has developed a satisfactory infrastructure to board sizable portfolios of MSRs. We transferred all loans onto Black Knight MSP in 2019 and no longer service any loans on the REALServicing system. We believe we have complied with all terms of the PHH acquisition conditional approval to date. We continue to work with the NY DFS to address matters they raise with us as well as to fulfill our commitments under the NY Consent Order and PHH acquisition conditional approval.

California Department of Financial Protection and Innovation (CA DFPI). In January 2015 and February 2017, Ocwen Loan Servicing, LLC (OLS) entered into consent orders with the CA DFPI (formerly known as the California Department of Business Oversight) relating to our alleged failure to produce certain information and documents during a routine licensing examination and relating to alleged servicing practices. We have completed all of our obligations under each of these consent orders. In October 2020, we entered into a consent order with the CA DFPI in order to resolve a legacy PHH examination finding and, in conjunction therewith, agreed to pay $62,000 (sixty-two thousand dollars) in penalties. We continue to work with the CA DFPI to address matters they raise with us as well as to fulfill our commitments under the consent order.

Note 20 — Commitments

Unfunded Lending Commitments

We have originated floating-rate reverse mortgage loans under which the borrowers have additional borrowing capacity of $2.1 billion at March 31, 2021. This additional borrowing capacity is available on a scheduled or unscheduled payment basis. During the three months ended March 31, 2021, we funded $47.8 million out of the $2.0 billion borrowing capacity as of December 31, 2020. We also had short-term commitments to lend $916.9 million and $50.2 million in connection with our forward and reverse mortgage loan IRLCs, respectively, outstanding at March 31, 2021. We finance originated and purchased forward and reverse mortgage loans with repurchase and participation agreements, referred to as warehouse lines.

HMBS Issuer Obligations

As an HMBS issuer, we are required to purchase loans out of the Ginnie Mae securitization pools once the outstanding principal balance of a reverse mortgage loan is equal to or greater than 98% of the maximum claim amount (MCA repurchases), or when they become inactive (the borrower is deceased, no longer occupies the property or is delinquent on tax and insurance payments).

Activity with regard to HMBS repurchases, primarily MCA repurchases, are as follows:

	Three Months Ended March 31, 2021					
	Active		Inactive		Total	
	Number	Amount	Number	Amount	Number	Amount
Beginning balance	141	$ 29,852	317	$ 56,449	458	$ 86,301
Additions	66	16,448	66	14,422	132	30,870
Recoveries, net (1)	(58)	(16,805)	(39)	(3,828)	(97)	(20,633)
Transfers	(12)	(3,727)	12	3,727	—	—
Changes in value	—	9	—	(897)	—	(888)
Ending balance	137	$ 25,777	356	$ 69,873	493	$ 95,650

(1) Includes amounts received upon assignment of loan to HUD, loan payoff, REO liquidation and claim proceeds less any amounts charged off as unrecoverable.

NRZ Relationship

Our Servicing segment has exposure to concentration risk and client retention risk. As of March 31, 2021, our servicing portfolio included significant client relationships with NRZ which represented 36% and 45% of our servicing portfolio UPB and loan count, respectively, and approximately 64% of all delinquent loans that Ocwen services. The current terms of our agreements with NRZ extend through July 2022. Currently, subject to proper notice (generally 180 days' notice), the payment of termination fees and certain other provisions, NRZ has rights to terminate the legacy Ocwen agreements for convenience.

Oaktree MAV (MSR Asset Vehicle, LLC) Transaction

On December 21, 2020, Ocwen entered into a transaction agreement (the Transaction Agreement) with Oaktree Capital Management L.P. and certain affiliates (collectively Oaktree) and OCW MAV Holdings, LLC (OMH), a special purpose entity managed by Oaktree. The Transaction Agreement provides for Ocwen and OMH to form a strategic relationship, which will be conducted through MSR Asset Vehicle, LLC (MAV), for the purpose of investing in MSRs pertaining to mortgage loans held or securitized by Fannie Mae and Freddie Mac, subject to certain terms and conditions. The Transaction Agreement includes customary representations, warranties, covenants and closing conditions, including receipt of required regulatory approvals. The closing of the transaction is expected to occur in the second quarter of 2021. The Transaction Agreement may be terminated on or prior to closing by mutual written agreement of Ocwen and OMH, and upon the occurrence of certain conditions including if the closing has not occurred by July 1, 2021, subject to the ability of either OMH or Ocwen to extend such date for up to an additional 60 days to obtain any outstanding required regulatory approvals.

At closing, OMH and Ocwen will initially hold 85% and 15%, respectively, in MAV, which is presently a wholly owned subsidiary of OMH. The parties have agreed to invest up to $250.0 million, contributed on a pro rata basis, over a term of three years following closing (subject to extension) for use in connection with eligible MSR investments and operating expenses. Following the execution of the Transaction Agreement and until the parties have contributed their respective aggregate $250.0 million capital contributions, Ocwen has an obligation to provide an indirect subsidiary of OMH with a "first look" at opportunities presented to Ocwen or its affiliates to acquire Fannie Mae and Freddie Mac MSRs that meet certain criteria.

Effective as of closing, PMC will enter into a subservicing agreement (Subservicing Agreement) with an indirect subsidiary of OMH to service the mortgage loans underlying the MSRs in exchange for a per-loan subservicing fee and certain other ancillary fees as set forth in the Subservicing Agreement.

Ocwen has agreed to sell to Oaktree and certain affiliates up to 4.9%, at Oaktree's sole discretion, of Ocwen's outstanding common stock at a price of $23.15 per share, and to issue to Oaktree warrants to purchase from Ocwen additional common stock equal to 3% of Ocwen's outstanding common stock at a purchase price of $24.31 per share (subject to anti-dilution adjustments), in each case, upon closing of the MAV transaction with Oaktree and subject to other customary closing conditions. The warrants expire four years after their issue date. Ocwen also agreed to grant Oaktree a pre-emptive right, effective from the date of the Transaction Agreement until 90 days after closing of the MAV transaction, to participate in certain future equity financings of Ocwen in an amount that would allow Oaktree to maintain its fully-diluted ownership

percentage of Ocwen as a result of its investment in Ocwen's common stock and warrants. Ocwen and Oaktree have agreed to enter into a securities purchase agreement (the Securities Purchase Agreement) and warrant agreement (Warrant Agreement) at closing of the MAV transaction to reflect these transactions. The Securities Purchase Agreement and the Warrant Agreement provide that the ownership of Oaktree and its affiliates in Ocwen's common stock on an as-converted basis may not exceed 19.9% at any time without receipt of shareholder approval subject to applicable NYSE listing rules.

See Note 22 – Subsequent Events for information regarding the closing of the MAV transaction on May 3, 2021.

Note 21 – Contingencies

When we become aware of a matter involving uncertainty for which we may incur a loss, we assess the likelihood of any loss. If a loss contingency is probable and the amount of the loss can be reasonably estimated, we record an accrual for the loss. In such cases, there may be an exposure to potential loss in excess of the amount accrued. Where a loss is not probable but is reasonably possible or where a loss in excess of the amount accrued is reasonably possible, we disclose an estimate of the amount of the loss or range of possible losses for the claim if a reasonable estimate can be made, unless the amount of such reasonably possible loss is not material to our financial position, results of operations or cash flows. If a reasonable estimate of loss cannot be made, we do not accrue for any loss or disclose any estimate of exposure to potential loss even if the potential loss could be material and adverse to our business, reputation, financial condition and results of operations. An assessment regarding the ultimate outcome of any such matter involves judgments about future events, actions and circumstances that are inherently uncertain. The actual outcome could differ materially. Where we have retained external legal counsel or other professional advisers, such advisers assist us in making such assessments.

Litigation

In the ordinary course of business, we are a defendant in, or a party or potential party to, many threatened and pending legal proceedings, including proceedings brought by regulatory agencies (discussed further under "Regulatory" below), those brought on behalf of various classes of claimants, and those brought derivatively on behalf of Ocwen against certain current or former officers and directors or others. In addition, we may be a party or potential party to threatened or pending legal proceedings brought by fair-housing advocates, commercial counterparties, including claims by parties who provide trustee services, parties to whom we have sold MSRs or other assets, parties on whose behalf we service mortgage loans, and parties who provide ancillary services including property preservation and other post-foreclosure related services.

The majority of these proceedings are based on alleged violations of federal, state and local laws and regulations governing our mortgage servicing and lending activities, including, among others, the Dodd-Frank Act, the Gramm-Leach-Bliley Act, the FDCPA, the RESPA, the TILA, the Fair Credit Reporting Act, the Servicemembers Civil Relief Act, the Homeowners Protection Act, the Federal Trade Commission Act, the TCPA, the Equal Credit Opportunity Act, as well as individual state licensing and foreclosure laws and federal and local bankruptcy rules. Such proceedings include wrongful foreclosure and eviction actions, payment misapplication actions, allegations of wrongdoing in connection with lender-placed insurance and mortgage reinsurance arrangements, claims relating to our property preservation activities, claims related to REO management, claims relating to our written and telephonic communications with our borrowers such as claims under the TCPA and individual state laws, claims related to our payment, escrow and other processing operations, claims relating to fees imposed on borrowers relating to payment processing, payment facilitation or payment convenience, claims related to ancillary products marketed and sold to borrowers, claims related to call recordings, and claims regarding certifications of our legal compliance related to our participation in certain government programs. In some of these proceedings, claims for substantial monetary damages are asserted against us. For example, we are currently a defendant in various matters alleging that (1) certain fees imposed on borrowers relating to payment processing, payment facilitation or payment convenience violate the FDCPA and similar state laws, (2) certain fees we assess on borrowers are marked up improperly in violation of applicable state and federal law, (3) we breached fiduciary duties we purportedly owe to benefit plans due to the discretion we exercise in servicing certain securitized mortgage loans and (4) certain legacy mortgage reinsurance arrangements violated RESPA. In the future, we are likely to become subject to other private legal proceedings alleging failures to comply with applicable laws and regulations, including putative class actions, in the ordinary course of our business.

In view of the inherent difficulty of predicting the outcome of any threatened or pending legal proceedings, particularly where the claimants seek very large or indeterminate damages, including punitive damages, or where the matters present novel legal theories or involve a large number of parties, we generally cannot predict what the eventual outcome of such proceedings will be, what the timing of the ultimate resolution will be, or what the eventual loss, if any, will be. Any material adverse resolution could materially and adversely affect our business, reputation, financial condition, liquidity and results of operations.

Where we determine that a loss contingency is probable in connection with a pending or threatened legal proceeding and the amount of our loss can be reasonably estimated, we record an accrual for the loss. We have accrued for losses relating to threatened and pending litigation that we believe are probable and reasonably estimable based on current information regarding

these matters. Where we determine that a loss is not probable but is reasonably possible or where a loss in excess of the amount accrued is reasonably possible, we disclose an estimate of the amount of the loss or range of possible losses for the claim if a reasonable estimate can be made, unless the amount of such reasonably possible loss is not material to our financial position, results of operations or cash flows. It is possible that we will incur losses relating to threatened and pending litigation that materially exceed the amount accrued. Our accrual for probable and estimable legal and regulatory matters, including accrued legal fees, was $40.4 million at March 31, 2021. We cannot currently estimate the amount, if any, of reasonably possible losses above amounts that have been recorded at March 31, 2021.

As previously disclosed, we are subject to individual lawsuits relating to our FDCPA compliance and putative state law class actions based on the FDCPA and state laws similar to the FDCPA. Ocwen has recently agreed to a settlement in principle of a putative class action, *Morris v. PHH Mortgage Corp.*, filed in March 2020 in the United States District Court for the Southern District of Florida, alleging that PMC's practice of charging a fee to borrowers who voluntarily choose to use certain optional expedited payment options violates the FDCPA and its state law analogs. Several similar putative class actions have been filed against PMC and Ocwen since July 2019. Following mediation, PMC agreed to the terms of a settlement agreement to resolve all claims in the *Morris* matter. A motion requesting preliminary approval of the settlement was filed on August 25, 2020. Several third parties, including a group of State Attorneys General, have filed papers opposing preliminary approval, and these third parties could ultimately file objections to the proposed settlement. Following the preliminary approval hearing, PMC and plaintiffs renegotiated portions of the settlement agreement to address several questions raised by the Court, and subsequently filed a renewed motion for preliminary approval. Ocwen expects final approval of the *Morris* settlement will resolve the claims of the substantial majority of the putative class members described in the other similar cases that Ocwen is defending. Ocwen cannot guarantee that the proposed settlement will receive final approval and in the absence of such approval, Ocwen cannot predict the eventual outcome of the *Morris* proceeding and similar putative class actions.

In addition, we continue to be involved in legacy matters arising prior to Ocwen's October 2018 acquisition of PHH, including a putative class action filed in 2008 in the United States District Court for the Eastern District of California against PHH and related entities in alleging that PHH's legacy mortgage reinsurance arrangements between its captive reinsurer, Atrium Insurance Corporation, and certain mortgage insurance providers violated RESPA. See Munoz v. PHH Mortgage Corp. et al., No. 1:08-cv-00759-DAD-BAM (E.D. Ca.). In June 2015, the court certified a class of borrowers who obtained loans with private mortgage insurance through PHH's captive reinsurance arrangement between June 2, 2007 and December 31, 2009. PHH has asserted numerous defenses to the merits of the case. On August 12, 2020, the Court granted, in part, Plaintiffs' Motion for Partial Summary Judgment. The only issue remaining for trial is whether the reinsurance services provided by PHH's captive reinsurance subsidiary, Atrium, were actually provided in order for the safe harbor provision of RESPA to apply. A pre-trial conference was held on February 1, 2021. The Court declined to set a trial date due to COVID issues and strained judicial resources. Instead, the Court will resume the Pre-Trial Conference on May 24, 2021, to determine when a trial may be feasible. PHH accrued $2.5 million when the case was filed in 2008 and that amount is included in the $40.4 million legal and regulatory accrual referenced above. At this time, Ocwen is unable to predict the outcome of this lawsuit or any additional lawsuits that may be filed, the possible loss or range of loss, if any, associated with the resolution of such lawsuits or the potential impact such lawsuits may have on us or our operations. Ocwen intends to vigorously defend against this lawsuit. If our efforts to defend this lawsuit are not successful, our business, reputation, financial condition liquidity and results of operations could be materially and adversely affected.

The same plaintiffs who filed a TCPA class action against Ocwen subsequently filed a similar class action against trustees of RMBS trusts based on vicarious liability for Ocwen's alleged non-compliance with the TCPA. Although they have yet to take any formal action, the trustees have indicated their intent to seek indemnification from Ocwen based on the vicarious liability claims. However, a recent Supreme Court decision significantly undercuts the predominant theory of liability under the TCPA, and should provide even greater defenses on which the Company can rely when defending existing lawsuits or any additional lawsuits that may be filed. Nevertheless, given the recency of this Supreme Court decision, and the lack of opportunity for lower courts to interpret and apply it, it remains difficult to predict the possible loss or range of loss, if any, above the amount accrued or the potential impact such lawsuits may have on us or our operations. Ocwen intends to vigorously defend against these lawsuits. If our efforts to defend these lawsuits are not successful, our business, reputation, financial condition, liquidity and results of operations could be materially and adversely affected.

Ocwen is a defendant in a certified class action in the U.S. District Court in the Eastern District of California where the plaintiffs claim Ocwen marked up fees for property valuations and title searches in violation of California state law. *See Weiner v. Ocwen Financial Corp., et al*.; 2:14-cv-02597-MCE-DB. Ocwen's motion for summary judgment, filed in June 2019, was denied in May 2020; however, the court did rule that plaintiff' recoverable damages are limited to out-of-pocket costs, *i.e.*, the amount of marked-up fees actually paid, rather than the entire cost of the valuation that plaintiffs sought. A jury trial was scheduled for August 30, 2021, however on April 12, 2021, the case was reassigned to a new district judge and we are anticipating the new judge will advise soon on any changes to the schedule. At this time, Ocwen is unable to predict the outcome of this lawsuit or any additional lawsuits that may be filed, the possible loss or range of loss, if any, associated with the resolution of such lawsuits or the potential impact such lawsuits may have on us or our operations. Ocwen intends to vigorously

defend against this lawsuit. If our efforts to defend this lawsuit are not successful, our business, financial condition liquidity and results of operations could be materially and adversely affected. Ocwen may have affirmative indemnification rights and/or other claims against third parties related to the allegations in the lawsuit. Although we may pursue these claims, we cannot currently estimate the amount, if any, of recoveries from these third parties.

From time to time we are also subject to indemnification claims from contractual parties (i) on whose behalf we service or subservice loans, or did so in the past and (ii) to whom we sold loans or MSRs.

We are currently involved in a dispute with a former subservicing client, HSBC Bank USA, N.A. (HSBC), which filed a complaint in the Supreme Court of the State of New York against PHH. See HSBC Bank USA, N.A. v. PHH Mortgage Corp.; (Supreme Court of the State of N.Y.; Index No. 655868/2020). HSBC's claims relate to alleged breaches of agreements entered into under a prior subservicing arrangement. We believe we have strong factual and legal defenses to all of HSBC's claims and are vigorously defending the action. Ocwen is currently unable to predict the outcome of this dispute or estimate the size of any loss which could result from a potential resolution reached through litigation or otherwise. We are also currently involved in three lawsuits pending in the Supreme Court of the State of New York with a purchaser of MSRs, Mr. Cooper (formerly Nationstar Mortgage Holdings Inc.), who alleges breaches of representations and warranties made by PHH in the MSR sale agreements. The initial complaint filed in the first case was dismissed in its entirety, but Mr. Cooper has since appealed that ruling, filed an amended complaint in that case, and commenced the second and third litigation. We believe we have strong factual and legal defenses to Mr. Cooper's claims and are vigorously defending ourselves. We have also received demands for indemnification for alleged breaches of representations and warranties from parties to whom we sold loans and we are currently a defendant in an adversary proceeding brought by a bankruptcy plan administrator seeking to enforce its right to contractual indemnification for the sale of allegedly defective mortgage loans.

Over the past several years, lawsuits have been filed by RMBS trust investors alleging that the trustees and master servicers breached their contractual and statutory duties by (i) failing to require loan servicers to abide by their contractual obligations; (ii) failing to declare that certain alleged servicing events of default under the applicable contracts occurred; and (iii) failing to demand that loan sellers repurchase allegedly defective loans, among other things. Ocwen has received several letters from trustees and master servicers purporting to put Ocwen on notice that the trustees and master servicers may ultimately seek indemnification from Ocwen in connection with the litigations. Ocwen has not yet been impleaded into any of these cases, but it has produced and continues to produce documents to the parties in response to third-party subpoenas.

Ocwen has, however, been impleaded as a third-party defendant into five consolidated loan repurchase cases first filed against Nomura Credit & Capital, Inc. in 2012 and 2013. Ocwen is vigorously defending itself in those cases against allegations by the mortgage loan seller-defendant that Ocwen failed to inform its contractual counterparties that it had discovered defective loans in the course of servicing them and had otherwise failed to service the loans in accordance with accepted standards. Ocwen is unable at this time to predict the ultimate outcome of these matters, the possible loss or range of loss, if any, associated with the resolution of these matters or any potential impact they may have on us or our operations. If, however, we were required to compensate claimants for losses related to the alleged loan servicing breaches, then our business, reputation, financial condition, liquidity and results of operations could be adversely affected.

In addition, several RMBS trustees have received notices of events of default alleging material failures by servicers to comply with applicable servicing agreements. Although Ocwen has not been sued by an RMBS trustee in response to an event of default notice, there is a risk that Ocwen could be replaced as servicer as a result of said notices, that the trustees could take legal action on behalf of the trust certificate holders, or, under certain circumstances, that the RMBS investors who issue notices of event of default could seek to press their allegations against Ocwen, independent of the trustees. We are unable at this time to predict what, if any, actions any trustee will take in response to an event of default notice, nor can we predict at this time the potential loss or range of loss, if any, associated with the resolution of any event of default notice or the potential impact on our operations. If Ocwen were to be terminated as servicer, or other related legal actions were pursued against Ocwen, it could have an adverse effect on Ocwen's business, reputation, financial condition, liquidity and results of operations.

Regulatory

We are subject to a number of ongoing federal and state regulatory examinations, consent orders, inquiries, subpoenas, civil investigative demands, requests for information and other actions. Where we determine that a loss contingency is probable in connection with a regulatory matter and the amount of our loss can be reasonably estimated, we record an accrual for the loss. Where we determine that a loss is not probable but is reasonably possible or where a loss in excess of the amount accrued is reasonably possible, we disclose an estimate of the amount of the loss or range of possible losses for the claim if a reasonable estimate can be made, unless the amount of such reasonably possible loss is not material to our financial position, results of operations or cash flows. It is possible that we will incur losses relating to regulatory matters that materially exceed any accrued amount. Predicting the outcome of any regulatory matter is inherently difficult and we generally cannot predict the eventual outcome of any regulatory matter or the eventual loss, if any, associated with the outcome.

To the extent that an examination, audit or other regulatory engagement results in an alleged failure by us to comply with applicable laws, regulations or licensing requirements, or if allegations are made that we have failed to comply with applicable laws, regulations or licensing requirements or the commitments we have made in connection with our regulatory settlements (whether such allegations are made through administrative actions such as cease and desist orders, through legal proceedings or otherwise) or if other regulatory actions of a similar or different nature are taken in the future against us, this could lead to (i) administrative fines and penalties and litigation, (ii) loss of our licenses and approvals to engage in our servicing and lending businesses, (iii) governmental investigations and enforcement actions, (iv) civil and criminal liability, including class action lawsuits and actions to recover incentive and other payments made by governmental entities, (v) breaches of covenants and representations under our servicing, debt or other agreements, (vi) damage to our reputation, (vii) inability to raise capital or otherwise fund our operations and (viii) inability to execute on our business strategy. Any of these occurrences could increase our operating expenses and reduce our revenues, hamper our ability to grow or otherwise materially and adversely affect our business, reputation, financial condition, liquidity and results of operations.

CFPB

In April 2017, the CFPB filed a lawsuit in the federal district court for the Southern District of Florida against Ocwen, Ocwen Mortgage Servicing, Inc. (OMS) and OLS alleging violations of federal consumer financial laws relating to our servicing business dating back to 2014. The CFPB's claims include allegations regarding (1) the adequacy of Ocwen's servicing system and integrity of Ocwen's mortgage servicing data, (2) Ocwen's foreclosure practices and (3) various purported servicer errors with respect to borrower escrow accounts, hazard insurance policies, timely cancellation of private mortgage insurance, handling of customer complaints, and marketing of optional products. The CFPB alleges violations of laws prohibiting unfair, deceptive or abusive acts or practices, as well as violations of other laws or regulations. The CFPB does not claim specific monetary damages, although it does seek consumer relief, disgorgement of allegedly improper gains, and civil money penalties. In September 2019, the court issued a ruling on our motion to dismiss, granting it in part and denying it in part. The court granted our motion dismissing the entire complaint without prejudice because the court found that the CFPB engaged in impermissible "shotgun pleading," holding that the CFPB must amend its complaint to specifically allege and distinguish the facts between all claims. The CFPB filed an amended complaint in October 2019, and we filed our answer and affirmative defenses in November 2019. Ocwen and the CFPB completed a summary judgment briefing on September 4, 2020. The parties participated in a mediation session on October 23, 2020,and held additional settlement discussions following the conclusion of the mediation session, however, the parties were unable to reach a resolution of the litigation.

On March 4, 2021, the court issued an order granting in part and reserving ruling in part on Ocwen's motion for summary judgment. In that order, the court granted Ocwen summary judgment on 9 of 10 counts in the CFPB's amended complaint, finding that the CFPB's allegations were barred under the principles of claim preclusion or *res judicata* to the extent those claims are premised on servicing activity occurring prior to February 26, 2017 and are covered by a 2014 Consent Judgment entered by the United States District Court for the District of Columbia. The court held that to the extent counts 1-9 concern servicing activity occurring after the expiration of the NMS consent judgment on February 26, 2017, *res judicata* is not a bar and therefore ordered the CFPB to submit a supplemental statement concerning its intent to pursue claims for servicing activity post-dating the expiration of the NMS Consent Judgment. As to the remaining count, the court denied the summary judgment motions of both parties, concluding that the summary judgment record revealed a genuine issue of fact. In a subsequently-filed position statement, the CFPB stated it would not be pursuing counts 1–9 for any conduct that took place after February 26, 2017, and on April 19, 2021, the CFPB filed its Second Amended Complaint to remove count 10 as well as allegations in counts 1-9 concerning servicing activity that occurred after February 26, 2017. On April 21, 2021, the court entered final judgment in our favor, denied all pending motions as moot, and closed the case. The CFPB has filed a notice of appeal.

Our current accrual with respect to this matter is included in the $40.4 million legal and regulatory accrual referenced above. The outcome of the matters raised by the CFPB, whether through negotiated settlements, court rulings or otherwise, could potentially involve monetary fines or penalties or additional restrictions on our business and could have a material adverse impact on our business, reputation, financial condition, liquidity and results of operations.

State Licensing, State Attorneys General and Other Matters

Our licensed entities are required to renew their licenses, typically on an annual basis, and to do so they must satisfy the license renewal requirements of each jurisdiction, which generally include financial requirements such as providing audited financial statements or satisfying minimum net worth requirements and non-financial requirements such as satisfactorily completing examinations as to the licensee's compliance with applicable laws and regulations. Failure to satisfy any of the requirements to which our licensed entities are subject could result in a variety of regulatory actions ranging from a fine, a directive requiring a certain step to be taken, entry into a consent order, a suspension or ultimately a revocation of a license, any of which could have a material adverse impact on our results of operations and financial condition. In addition, we receive information requests and other inquiries, both formal and informal in nature, from our state financial regulators as part of their general regulatory oversight of our servicing and lending businesses. We also regularly engage with state attorneys general and the CFPB and, on occasion, we engage with other federal agencies, including the Department of Justice and various inspectors

general on various matters, including responding to information requests and other inquiries. Many of our regulatory engagements arise from a complaint that the entity is investigating, although some are formal investigations or proceedings. The GSEs (and their conservator, FHFA), HUD, FHA, VA, Ginnie Mae, the United States Treasury Department, and others also subject us to periodic reviews and audits. We have in the past resolved, and may in the future resolve, matters via consent orders, payments of monetary amounts and other agreements in order to settle issues identified in connection with examinations or other oversight activities, and such resolutions could have material and adverse effects on our business, reputation, operations, results of operations and financial condition.

In April 2017 and shortly thereafter, mortgage and banking regulatory agencies from 29 states and the District of Columbia took administrative actions against OLS and certain other Ocwen companies that alleged deficiencies in our compliance with laws and regulations relating to our servicing and lending activities. An additional state regulator brought legal action together with that state's attorney general, as described below. These administrative actions were applicable to OLS, but additional Ocwen entities were named in some actions, including Ocwen Financial Corporation, OMS, Homeward, Liberty, OFSPL and Ocwen Business Solutions, Inc. (OBS).

As discussed further below, we have now resolved all of the state regulatory matters arising in April 2017. In resolving these matters, we entered into agreements containing certain restrictions and commitments with respect to the operation of our business and our regulatory compliance activities, including restrictions and conditions relating to acquisitions of MSRs, a transition to an alternate loan servicing system from the REALServicing system, engagement of third-party auditors, escrow and data testing, error remediation, and financial condition reporting. In some instances, we also provided borrower financial remediation and made payments to state regulators.

We have taken substantial steps toward fulfilling our commitments under the agreements described above, including completing the transfer of loans to Black Knight MSP, completing pre-transfer and post-transfer data integrity audits, developing and implementing certain enhancements to our consumer complaint process, completing a third-party escrow review and ongoing reporting and information sharing. We continue to be subject to obligations under these agreements, including completing the final phase of a data integrity audit under our agreement with the State of Massachusetts.

Concurrent with the initiation of the administrative actions and the filing of the CFPB lawsuit discussed above, the Florida Attorney General, together with the Florida Office of Financial Regulation, filed a lawsuit in the federal district court for the Southern District of Florida against Ocwen, OMS and OLS alleging violations of federal and state consumer financial laws relating to our servicing business. These claims are similar to the claims made by the CFPB. The Florida lawsuit seeks injunctive and equitable relief, costs, and civil money penalties in excess of $10,000 (ten thousand dollars) per confirmed violation of the applicable statute. In September 2019, the court issued its ruling on our motion to dismiss, granting it in part and denying it in part. The court granted our motion dismissing the entire complaint without prejudice because the court found that the plaintiffs engaged in impermissible "shotgun pleading," holding that the plaintiffs must amend their complaint to specifically allege and distinguish the facts between all claims. The plaintiffs filed an amended complaint in November 2019. We filed a partial motion to dismiss the amended complaint in December 2019. On April 22, 2020, the court granted our motion and dismissed Count V of the amended complaint with prejudice holding the plaintiff failed to plead an actionable claim under the Florida Deceptive and Unfair Trade Practices Act. On May 6, 2020, Ocwen filed its answer and affirmative defenses to the amended complaint. Ocwen and the plaintiffs completed a summary judgment briefing on September 4, 2020.

On October 15, 2020, we announced that we had reached an agreement to resolve the Florida plaintiffs' lawsuit. Pursuant to that agreement, Ocwen was required to pay the State of Florida $5.2 million within 60 days of the Court entering the final consent judgment between the parties. Ocwen then has an additional two years to provide debt forgiveness totaling at least $1.0 million to certain Florida borrowers. If Ocwen is unable to do so, then two years from now it will owe the State of Florida an additional $1.0 million. We anticipate that we will be able to satisfy the debt forgiveness obligation and therefore do not presently anticipate that the additional $1.0 million payment will be required. In addition, Ocwen agreed to certain late fee waivers, a targeted loan modification program for certain eligible Florida borrowers, and certain non-monetary reporting and handling obligations. Ocwen did not admit any fault or liability as part of the settlement. An Amended Final Consent Judgment was entered on October 27, 2020 and Ocwen satisfied the monetary portions of the settlement on December 17, 2020. Although we believe we had strong defenses to all of Florida's claims, this was an opportunity to resolve one of Ocwen's remaining significant legacy matters, and to do so without incurring further expense in preparing for trial.

Our accrual with respect to the administrative and legal actions initiated in April 2017 is included in the $40.4 million litigation and regulatory matters accrual referenced above. We have also incurred, and will continue to incur costs to comply with the terms of the settlements we have entered into, including the costs of conducting an escrow review, Maryland organizational assessments and Massachusetts data integrity audits, and costs relating to the transition to Black Knight MSP. With respect to the escrow review, the third-party auditor has issued its final report and we have completed all required remediation measures required as part of that review. In addition, it is possible that legal or other actions could be taken against us with respect to such errors, which could result in additional costs or other adverse impacts. If we fail to comply with the

terms of our settlements, additional legal or other actions could be taken against us. Such actions could have a materially adverse impact on our business, reputation, financial condition, liquidity and results of operations.

Certain of the state regulators' cease and desist orders referenced a confidential supervisory memorandum of understanding (MOU) that we entered into with the Multistate Mortgage Committee (MMC) and six states relating to a servicing examination from 2013 to 2015. Among other things, the MOU prohibited us from repurchasing stock during the development of a going forward plan and, thereafter, except as permitted by the plan. We submitted a plan in 2016 that contained no stock repurchase restrictions and, therefore, we do not believe we are currently restricted from repurchasing stock. We requested confirmation from the signatories of the MOU that they agree with this interpretation, and received affirmative responses from the MMC and five states, and a response declining to take a legal position from the remaining state.

On occasion, we engage with agencies of the federal government on various matters. For example, OLS received a letter from the Department of Justice, Civil Rights Division, notifying OLS that the Department of Justice had initiated a general investigation into OLS's policies and procedures to determine whether violations of the Servicemembers Civil Relief Act by OLS might exist. The Department of Justice has informed us that it has decided not to take enforcement action related to this matter at this time and has, consequently, closed its investigation. In addition, Ocwen was named as a defendant in a HUD administrative complaint filed by a non-profit organization alleging discrimination in the manner in which Ocwen maintains REO properties in minority communities. In February 2018, this matter was administratively closed, and similar claims were filed in federal court. We believe these claims are without merit and intend to vigorously defend ourselves.

In May 2016, Ocwen received a subpoena from the Office of Inspector General of HUD requesting the production of documentation related to HECM loans originated by Liberty. We understand that other lenders in the industry have received similar subpoenas. In April 2017, Ocwen received a subpoena from the Office of Inspector General of HUD requesting the production of documentation related to lender-placed insurance arrangements with a mortgage insurer and the amounts paid for such insurance. We understand that other servicers in the industry have received similar subpoenas. In May 2017, Ocwen received a subpoena from the Office of the Special Inspector General for the Troubled Asset Relief Program requesting documents and information related to Ocwen's participation from 2009 to the present in the Treasury Department's Making Home Affordable Program and its HAMP. We have been providing documents and information in response to these subpoenas. In April 2019, PMC received a subpoena from the VA Office of the Inspector General requesting the production of documentation related to the origination and underwriting of loans guaranteed by the Veterans Benefits Administration. We understand that other servicers in the industry have received similar subpoenas.

Loan Put-Back and Related Contingencies

We have exposure to representation, warranty and indemnification obligations relating to our Originations business, including lending, sales and securitization activities, and relating to our servicing practices.

At March 31, 2021 and March 31, 2020, we had outstanding representation and warranty repurchase demands of $53.6 million UPB (275 loans) and $44.7 million UPB (277 loans), respectively. We review each demand and monitor through resolution, primarily through rescission, loan repurchase or make-whole payment.

The following table presents the changes in our liability for representation and warranty obligations and similar indemnification obligations:

	Three Months Ended March 31,	
	2021	**2020**
Beginning balance (1)	$ 40,374	$ 50,838
Provision (reversal) for representation and warranty obligations	400	(768)
New production liability	1,273	170
Charge-offs and other (2)	(358)	(3,161)
Ending balance (1)	$ 41,689	$ 47,079

(1) The liability for representation and warranty obligations and compensatory fees for foreclosures is reported in Other liabilities (a component of Liability for indemnification obligations) on our unaudited consolidated balance sheets.
(2) Includes principal and interest losses realized in connection with repurchased loans, make-whole, indemnification and fee payments and settlements net of recoveries, if any.

We believe that it is reasonably possible that losses beyond amounts currently recorded for potential representation and warranty obligations and other claims described above could occur, and such losses could have an adverse impact on our results of operations, financial condition or cash flows. However, based on currently available information, we are unable to estimate a range of reasonably possible losses above amounts that have been recorded at March 31, 2021.

Other

Ocwen, on its own behalf and on behalf of various mortgage loan investors, is engaged in a variety of activities to seek payments from mortgage insurers for unpaid claims, including claims where the mortgage insurers paid less than the full claim amount. Ocwen believes that many of the actions by mortgage insurers were in violation of the applicable insurance policies and insurance law. In some cases, Ocwen has entered into tolling agreements, initiated arbitration or litigation, engaged in settlement discussions, or taken other similar actions. To date, Ocwen has settled with five mortgage insurers, and expects the ultimate outcome to result in recovery of additional unpaid claims, although we cannot quantify the likely amount at this time.

We may, from time to time, have affirmative indemnification and other claims against service providers and parties from whom we purchased MSRs or other assets. Although we pursue these claims, we cannot currently estimate the amount, if any, of further recoveries. Similarly, from time to time, indemnification and other claims are made against us by parties to whom we sold MSRs or other assets or by parties on whose behalf we service mortgage loans. We cannot currently estimate the amount, if any, of reasonably possible loss above amounts recorded.

Note 22 – Subsequent Events

On May 3, 2021, pursuant to the previously disclosed Transaction Agreement dated December 21, 2020 (see Note 20 — Commitments), we entered into a definitive agreement with special purpose entities owned by funds and accounts managed by Oaktree Capital Management, L.P. (collectively Oaktree) to operate an MSR investment joint venture, MSR Asset Vehicle LLC (MAV). Ocwen contributed MAV, which had total member's equity of approximately $5 million on May 3, 2021, to an intermediate holding company held by Oaktree, MAV Canopy HoldCo I, LLC (MAV Canopy), and received 15% of MAV Canopy. We obtained all necessary approvals or non-objection confirmations from state regulators, Freddie Mac and Fannie Mae to close the MAV transaction. MAV is currently approved to purchase Freddie Mac MSRs throughout the continental United States, with the exception of one state. We expect to receive Fannie Mae's approval to purchase Fannie Mae MSRs in the near future and continue working to finalize one remaining state regulatory approval.

In connection with closing, we issued Oaktree 426,705 shares of our common stock, representing 4.9% of our outstanding common stock, at a price per share of $23.15 for an aggregate purchase price of approximately $9.9 million, and 261,248 four-year warrants to purchase shares of our common stock at a price per share of $24.31 in consideration of the transaction.

The closing of the MAV transaction also satisfied the remaining closing condition to the issuance to Oaktree of the second tranche of the OFC Senior Secured Notes in an aggregate principal amount of $85.5 million. The net proceeds before expenses from the closing of the tranche of OFC Senior Secured Notes were approximately $75.0 million (after $10.5 million of OID) and are expected to be used to fund our investment in MAV, investments in MSRs and for general corporate purposes.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (Dollars in millions, except per share amounts and unless otherwise indicated)

Effective February 10, 2021, the SEC issued Release No. 33-10890 adopting amendments to Regulation S-K to modernize, simplify and enhance certain financial disclosure requirements. This release amends, among other items, Item 303 of Regulation S-K (Management's Discussion and Analysis of Financial Condition and Results of Operations, or MD&A). While adoption is not required until fiscal years ending on or after August 9, 2021, we have elected to adopt the amended Item 303 of Regulation S-K commencing with this Quarterly Report on Form 10-Q for the quarter ended March 31, 2021. As a result, we compare our quarterly results to the immediately preceding quarter instead of the corresponding quarter of the preceding year.. We believe it is helpful to compare our quarterly results to the immediately preceding quarter, because the mortgage industry and our business can be affected by a rapidly changing environment. In addition, we continuously transform our operations and internally measure our performance relative to the most recent period. Accordingly, we believe a comparison of our results of operations to the immediately preceding quarter provides a more relevant and meaningful analysis for investors to assess our performance than a comparison to the corresponding quarter of the preceding year. As required, we continue to compare our year-to-date results to the preceding year-to-date results.

OVERVIEW

General

We are a financial services company that services and originates mortgage loans. We are a leading mortgage special servicer, servicing approximately 1.1 million loans with a total UPB of $179.4 billion on behalf of more than 4,000 investors

and 126 subservicing clients. We service all mortgage loan classes, including conventional, government-insured and non-Agency loans. Our originations business is part of our balanced business model to generate gains on loan sales and profitable returns, and to support the replenishment and the growth of our servicing portfolio. Through our recapture, retail, correspondent and wholesale channels, we originate and purchase conventional and government-insured forward and reverse mortgage loans that we sell or securitize on a servicing retained basis. In addition, we grow our mortgage servicing volume through MSR flow purchase agreements, GSE Cash Window programs, bulk MSR purchase transactions, and subservicing agreements.

We operate a multi-channel, scalable origination platform that creates sustainable sources of replenishment and growth of our servicing portfolio, as detailed in the table below. We determine our target returns for each channel, however, the channel and delivery selection is generally our clients' decision.

The table below summarizes the new volume of Originations by channel, in the current quarter, compared with the preceding quarter and the same quarter of the prior year. The new volume of Originations is a key driver of our net Originations segment revenue and expenses, together with margins, and a key driver of the replenishment and growth of our Servicing segment. In the first quarter of 2021, our Originations volume remained mostly consistent with the prior quarter ($9.4 billion vs $10.0 billion) despite increased competition, including within the GSE Cash Window programs. We closed large bulk MSR acquisitions in the fourth quarter of 2020 that aggregated to $15.0 billion, In March 2021, we entered into non-binding letters of intent to acquire MSRs in bulk, representing approximately $54.0 billion of UPB, that we expect to close in the third quarter of 2021. In addition, in April 2021, we entered into an agreement to acquire MSR in bulk approximating $13.6 billion, that we expect to close in the second quarter of 2021.

$ in billions	UPB		
	Quarter Ended March 31, 2021	**Quarter Ended December 31, 2020**	**Quarter Ended March 31, 2020**
Mortgage servicing originations			
Recapture MSR (1)	$ 0.56	$ 0.43	$ 0.20
Correspondent MSR (1)	2.63	2.59	0.51
Flow and GSE Cash Window MSR purchases (3)	5.99	6.73	1.34
Reverse mortgage servicing (2)	0.26	0.27	0.23
Total servicing originations	9.44	10.01	2.28
Bulk MSR purchases (3)	—	15.02	1.54
Total servicing additions	9.44	25.04	3.82
Subservicing additions (4)	4.09	5.08	3.14
Total servicing and subservicing UPB additions (2)	$ 13.53	$ 30.11	$ 6.96

(1) Represents the UPB of loans that have been originated or purchased during the respective periods and for which we recognize a new MSR on our consolidated balance sheets upon sale or securitization.
(2) Represents the UPB of reverse mortgage loans that have been securitized on a servicing retained basis. The loans are recognized on our consolidated balance sheets under GAAP without any separate recognition of MSRs.
(3) Represents the UPB of loans for which the MSR is purchased.
(4) Interim subservicing, excluding the volume UPB associated with short-term interim subservicing for some clients as a support to their originate-to-sell business, where loans are boarded and de-boarded within the same quarter.

The following table summarizes the average volume of our Servicing segment during the current quarter, compared with the preceding quarter and the same quarter of the prior year. The volume of Servicing is a key driver of our net Servicing revenue and expenses. In the first quarter of 2021, we have increased our owned MSR portfolio and maintained our subservicing volume despite significant MSR runoff due to historical refinancing activities by borrowers. In addition to runoff, the NRZ portfolio declined as a result of the termination by NRZ of the PMC servicing agreement resulting in the deboarding of loans with $34.2 billion of UPB in September and October 2020.

$ in billions	Average UPB		
	Quarter Ended March 31, 2021	**Quarter Ended December 31, 2020**	**Quarter Ended March 31, 2020**
Owned MSR	$ 90.4	76.6	$ 67.5
NRZ	65.8	72.3	118.1
Subservicing	22.7	23.0	16.8
Reverse mortgage loans	6.7	6.7	5.5
Commercial and other servicing	0.7	0.7	1.0
Total	$ 186.3	$ 179.4	$ 208.9

Financial Highlights

Results of operations for the first quarter of 2021

- Net income of $9 million, or $0.98 per share basic and $0.96 per share diluted
- Servicing fee revenue of $172 million
- Originations gain on sale of $38 million

Financial condition at the end of the first quarter of 2021

- Stockholders' equity of $440 million, or $50.57 book value per common share
- MSR investment of $1.4 billion
- Liquidity position of $259 million
- Total assets of $10.77 billion
- Corporate refinancing in March 2021, with $400 million PMC senior secured notes maturing 2026, $199.5 million OFC senior secured notes maturing 2027 and warrants issued to Oaktree. Prepayment of $185 million SSTL and $313 million senior notes maturing 2021/2022.

Business Initiatives

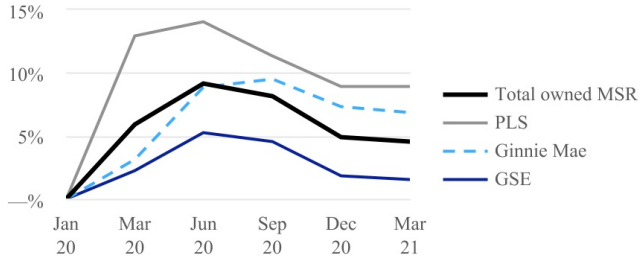
In 2021, we have established five key operating objectives to drive improved value for shareholders, as our near-term priority remains to return to sustainable profitability. Our objectives are focused on:

- Accelerating growth, by expanding our client base, our product offering and by leveraging our MSR asset vehicle with Oaktree;
- Strengthening recapture performance, by expanding our operating capacity;
- Improving our cost leadership position, by driving productivity and efficiencies, with our technology and continuous improvement initiatives;
- Maintaining high quality operational execution, through our technology and continuous improvement initiatives, and our commitment to employee engagement and customer satisfaction; and
- Expanding servicing and other revenue opportunities.

COVID-19 Pandemic Update

In March 2020, the Coronavirus Disease 2019 (COVID-19) was categorized as a pandemic by the WHO and declared a national emergency in the U.S. The pandemic has adversely affected economic conditions since March 2020, with high levels of unemployment, and prompted unprecedented government measures to contain the pandemic and to support individuals and companies. Our financial performance in 2020 was affected by the pandemic, mostly due to large losses on MSRs and lower revenue in our Servicing business, partially offset by the growth and profitability of our Originations business. Furthermore, the CARES Act allowed us to recognize income tax benefits in 2020 mostly due to the carryback of a portion of our prior net operating losses.

During the first quarter of 2021, our businesses continued to be impacted by the COVID-19 pandemic, with the Servicing business negatively affected by the loans placed under forbearance and the moratorium on foreclosures, and by elevated prepayments of our servicing portfolio. Conversely, our Originations business has continued to benefit from high refinance activities during the first quarter of 2021, despite higher competition and lower margins. As of March 31, 2021, we managed 76,100 loans under forbearance, 21,300 of which related to our owned MSRs (excluding NRZ), or 7.2% of our total portfolio and 4.2% of our owned MSR servicing portfolio (excluding NRZ), respectively. The number of loans under forbearance remained at an elevated level, as illustrated by the below chart of forbearance plans by investor during COVID-19 for our owned MSR portfolio (excluding NRZ).



We continue to operate through a secure remote workforce model for approximately 98% of our global workforce and continue to adhere to COVID-19 health and safety-related requirements and best practices across all of our locations. We monitor the impact of the pandemic on our workforce and established business contingency plans in regions where the pandemic may surge or re-surge, such as in India and in the Philippines. At March 31, 2021, we had approximately 4,900 employees, of which approximately 3,000 were located in India and approximately 400 were based in the Philippines. Due to the rising incidence of COVID-19 illness in these areas, we could face a reduction in employee availability which could impact our operations generally and loan servicing operations especially. While we have contingency and continuity plans in place, we cannot guarantee that our operations will not be negatively impacted. To date, our operations have not been significantly affected, but we have incurred additional operating expenses to adjust to the COVID-19 environment, including additional compensation, technology equipment and legal consulting fees among others.

Uncertainties related to the duration and severity of the pandemic and related economic downturn remain and make it difficult for us to determine the continued ongoing impact the pandemic may have on us and our business, financial condition, liquidity or results of operations.

Results of Operations and Financial Condition

The following discussion and analysis of our results of operations and financial condition should be read in conjunction with our unaudited consolidated financial statements and the related notes thereto appearing elsewhere in this Quarterly Report on Form 10-Q and with our audited consolidated financial statements and notes thereto and management's discussion and analysis of financial condition and results of operations appearing in our Annual Report on Form 10-K for the fiscal year ended December 31, 2020.

Results of Operations Summary	Three Months Ended March 31, 2021	Three Months Ended December 31, 2020	% Change	Three Months Ended March 31, 2020	% Change
Revenue					
Servicing and subservicing fees	$ 171.7	$ 168.9	2 %	$ 211.5	(19)%
Reverse mortgage revenue, net	21.8	9.7	126	22.8	(4)%
Gain on loans held for sale, net	5.7	44.5	(87)	13.3	(57)
Other revenue, net	8.3	8.0	4	6.2	33
Total revenue	207.6	231.0	(10)	253.8	(18)
MSR valuation adjustments, net	21.2	(20.6)	(203)	(174.1)	(112)
Operating expenses					
Compensation and benefits	68.3	69.9	(2)	60.7	12
Servicing and origination	27.5	16.7	64	20.3	36
Professional services	17.3	29.1	(40)	25.6	(32)
Technology and communications	13.1	12.4	6	15.2	(13)
Occupancy and equipment	8.9	9.8	(10)	12.0	(26)
Other expenses	4.6	6.2	(27)	3.4	33
Total operating expenses	139.6	144.2	(3)	137.2	2
Other income (expense)					
Interest income	3.9	3.2	22	5.4	(27)
Interest expense	(28.5)	(25.8)	10	(30.0)	(5)
Pledged MSR liability expense, net	(37.9)	(46.7)	(19)	(6.6)	474
Loss on extinguishment of debt	(15.5)	—	n/m	—	n/m
Other, net	0.3	2.1	(86)	1.3	(78)
Total other expense, net	(77.5)	(67.1)	16	(29.9)	160
Income (loss) before income taxes	11.6	(0.8)	n/m	(87.3)	(113)
Income tax (benefit) expense	3.1	6.4	(52)	(61.9)	(105)
Net income (loss)	$ 8.5	$ (7.2)	(218)	$ (25.5)	(134)
Segment income (loss) before income taxes					
Servicing	$ 13.5	$ (1.5)	(999)%	$ (54.4)	(125)%
Originations	36.5	33.0	11	(1.8)	n/m
Corporate Items and Other	(38.4)	(32.3)	19	(31.1)	23
	$ 11.6	$ (0.8)	n/m	$ (87.3)	(113)%

n/m: not meaningful

Total Revenue

The below table presents total revenue by segment and at the consolidated level:

	Three Months Ended				
Revenue	**March 31, 2021**	**December 31, 2020**	**% Change**	**Three Months Ended March 31, 2020**	**% Change**
Servicing	$ 175.4	$ 165.6	6 %	$ 229.5	(24)%
Originations	66.3	54.5	22	21.7	206 %
Corporate	1.3	1.3	(4)	2.6	(51)
Total segment revenue	**243.0**	**221.5**	10	**253.8**	**(4)**
Inter-segment elimination (1)	(35.4)	9.5	(471)	—	n/m
Total revenue	**$ 207.6**	**231.0**	**(10)**	**$ 253.8**	**(18)**

(1) The fair value change of inter-segment economic hedge derivatives reported within Total revenue (gain on loans held for sale) is eliminated at the consolidated level with an offset in MSR valuation adjustments, net.

Total segment revenue was $243.0 million for the first quarter of 2021, $21.5 million or 10% higher than the fourth quarter of 2020, driven by a $9.8 million revenue increase from Servicing and a $11.8 million revenue increase from Originations. The Servicing revenue increase is mostly due to the net growth of our owned MSR portfolio, including the large MSR bulk acquisitions in December 2020. The increase in Originations revenue is mostly due to higher gains on sale from our Recapture channel with increased production volumes.

Total revenue (after elimination of inter-segment derivative fair value changes) was $207.6 million for the first quarter of 2021, $23.4 million or 10% lower than the fourth quarter of 2020, mostly due to the presentation of macro-hedging derivative gains and losses reported within MSR valuation adjustments, net at the consolidated level, as disclosed in Note 4 – Loans Held for Sale, Note 14 – Derivative Financial Instruments and Hedging Activities and Note 18 – Business Segment Reporting. The below table presents the individual financial statement line item impacted by the inter-segment derivative allocation:

	Servicing	**Originations**	**Inter-segment Elimination**	**Business Segments Consolidated**
Three Months Ended March 31, 2021				
Gain on loans held for sale, net	$ 3.5	37.6	(35.4)	$ 5.7
MSR valuation adjustments, net	(22.7)	8.5	35.4	21.2
Three Months Ended December 31, 2020				
Gain on loans held for sale, net	3.9	31.0	9.5	44.5
MSR valuation adjustments, net	$ (26.4)	15.4	(9.5)	$ (20.6)

As compared to the first quarter of 2020, total revenue for the first quarter of 2021 was $46.2 million or 18% lower, mostly due to $54.1 million, or 24% decline in Servicing revenue. We collected $39.3 million lower servicing fees on behalf of NRZ, as a result of portfolio run-off and the derecognition of the MSRs in connection with the termination of the PMC agreement by NRZ in February 2020 with the transfer of $34.2 billion UPB of loans completed in October 2020. The decline in servicing fees collected on behalf of NRZ is partially offset by a $33.9 million decline in servicing fees remitted to NRZ that are separately reported as Pledged MSR liability expense (Other expense), with a $5.3 million net decline in the NRZ servicing fee retained. Originations revenue in the first quarter of 2021 were $44.6 million or 206% higher than the fourth quarter of 2020, due to the significant volume increases in our Originations channels including Recapture, fueled by borrower refinance activities. The $7.6 million, or 57%, decrease in gain on loans held for sale is mostly due to the presentation of $35.4 million derivative gains reported in the first quarter of 2021 within MSR valuation adjustments, net, that were economically hedging the gains on loans held for sale.

See the respective Segment Results of Operations for additional information.

MSR Valuation Adjustments, Net

We reported a $21.2 million gain in MSR valuation adjustments, net for the first quarter of 2021, resulting in a $41.8 million favorable change in fair value as compared to the fourth quarter of 2020. The $21.2 million gain recognized in the first quarter of 2021 comprised a $22.7 million loss in Servicing, a $8.5 million gain on MSR purchases and a $35.4 million inter-segment derivative gain reported in gain on loans held for sale. The $22.7 million net loss in Servicing is due to the $49.1 million MSR portfolio runoff, and the effect of the rise of interest rates, increasing the fair value of the MSR portfolio by $75.5

million, partially offset by $49.1 million MSR hedging losses. MSR portfolio runoff represents the realization of expected cash flows and yield based on projected borrower behavior, including scheduled amortization of the loan UPB together with prepayments.

In the first quarter of 2020, we reported a $174.1 million loss in MSR valuation adjustments, net, mostly due to the COVID-19 distressed conditions as of March 31, 2020. The total loss included a $161.3 million fair value loss on the MSR portfolio due to the decline in interest rates, partially offset by $35.3 million favorable fair value gain from our MSR hedging strategy, and a $48.1 million portfolio runoff. The loss on the NRZ pledged MSRs was offset by a $56.9 million gain recorded as MSR pledged liability expense.

See Segment Results of Operations - Servicing and Originations for additional information.

Compensation and Benefits

Compensation and benefits expense for the first quarter of 2021 decreased $1.6 million, or 2%, as compared to the fourth quarter of 2020. Incentive compensation declined $3.5 million, mostly due to the annual adjustment of incentives recorded in the fourth quarter of 2020. Originations segment compensation and benefits increased by $1.5 million, mostly due to additional headcount to support higher loan production levels. The total Ocwen headcount declined by 3% from the fourth quarter of 2020 to the first quarter of 2021, driven by the reduction in Servicing headcount, that reflects the scaling down of our platform to the loans being serviced. Overall, our offshore-to-total headcount ratio decreased from 71% in the fourth quarter of 2020 to 69% in the first quarter of 2021.

As compared to the first quarter of 2020, compensation and benefits expense for the first quarter of 2021 increased $7.6 million, or 12%, Originations segment compensation and benefits expense increased by $9.0 million, mostly due to additional commissions and salaries driven by additional headcount to support higher loan production levels. Servicing segment compensation and benefits expense decreased by $2.3 million, mostly driven by a decrease in average headcount, that was largely due to the scaling down of our workforce to our volumes and our cost re-engineering initiatives. Our average headcount declined by 8%, and overall, our offshore-to-total headcount ratio decreased from 72% in the first quarter of 2020 to 69% in the first quarter of 2021.

Servicing and Origination Expense

Servicing and origination expense for the first quarter of 2021 increased $10.8 million, or 64%, as compared to the fourth quarter of 2020 as Servicing expenses increased $10.6 million. The increase was largely due to favorable servicing reserve provisions of $10.2 million recorded during the fourth quarter of 2020 associated with recoveries in excess of the allowance, and recoveries of previously recognized expenses in connection with a settlement from a mortgage insurer. In addition, while servicing expense increased by $1.0 million due to higher satisfaction and interest of payoff expenses attributable to higher payoffs, other loan related expenses (e.g., credit report expenses) decreased in line with the lower serviced volume in the first quarter of 2021.

Servicing and origination expense for the first quarter of 2021 increased $7.2 million, or 36%, as compared to the first quarter of 2020, primarily due to a $6.1 million increase in Servicing expenses largely as a result of a $2.2 million increase in satisfaction and interest payoff expenses attributable to higher payoffs, a $2.1 million increase in provisions for non-recoverable servicing advances and receivables, and a $2.0 million increase in other servicer-related expenses driven by the favorable release of a legal accrual in the first quarter of 2020.

See Segment Results of Operations - Servicing for additional information.

Other Operating Expenses

Professional services expense for the first quarter of 2021 decreased $11.7 million, or 40%, as compared to the fourth quarter of 2020, primarily due to a $7.0 million decline in legal expenses and $4.1 million decline in other professional services. During the fourth quarter of 2020, we recorded a $13.1 million increase in our accrual related to the CFPB matter and recognized the recovery of $8.5 million prior expenses in connection with a settlement from a mortgage insurer. Nonrecurring costs recorded in the fourth quarter of 2020, including costs related to 2020 reengineering activities, resulted in lower other professional services expenses in the first quarter of 2021.

Professional services expense for the first quarter of 2021 decreased $8.3 million, or 32%, as compared to the first quarter of 2020, primarily due to a $7.7 million decline in legal expenses largely due to $6.6 million recorded in the first quarter of 2020 related to the CFPB matter.

Occupancy and equipment expense for the first quarter of 2021 decreased $1.0 million, or 10%, as compared to the fourth quarter of 2020 primarily due to a $0.8 million decline in depreciation expense, in part due to accelerated amortization in the fourth quarter of 2020 resulting from our early exit from one of our leased facilities.

Occupancy and equipment expense for the first quarter of 2021 decreased $3.1 million, or 26%, as compared to the first quarter of 2020. Depreciation expense decreased $0.6 million compared to the first quarter of 2020, largely due to our cost reduction efforts in 2020 which included closing and consolidating certain facilities. Postage and mailing expenses decreased $1.5 million compared to the first quarter of 2020, largely due to a decline in letter volume attributed to COVID-19 during first quarter of 2021.

Technology and communication expense for the first quarter of 2021 decreased $2.1 million, or 13%, as compared to the first quarter of 2020. Maintenance expense decreased $1.1 million compared to first quarter of 2020, largely driven by the effects of implementing cost-saving enhancements in the second quarter of 2020. Telephone expense declined $1.2 million as compared to the first quarter of 2020, largely driven by our transition to a more cost-effective alternative telephone system.

Other Income (Loss)

Pledged MSR liability expense for the first quarter of 2021 decreased $8.8 million, as compared to the fourth quarter of 2020, largely due to a $4.8 million favorable fair value adjustment and a $3.9 million decline in servicing fee remittance due to runoff of the portfolio.

Pledged MSR liability expense for the first quarter of 2021 increased $31.3 million as compared to the first quarter of 2020, primarily due to a $40.8 million unfavorable fair value change. Also, the lump-sum cash payments received from NRZ in 2017 and 2018 were fully amortized as of the end of the second quarter of 2020 ($24.2 million in the first quarter of 2020). These increases were partially offset by a $33.9 million decline in servicing fee remittance. The decline in net servicing fee remittance to NRZ was driven by the runoff of the portfolio and the termination of the PMC agreement by NRZ in February 2020.

See Segment Results of Operations - Servicing for additional information.

Loss on debt extinguishment of $15.5 million recognized in the first quarter of 2021 resulted from our early repayment of the SSTL due May 2022, PHH 6.375% senior unsecured notes due August 2021, and PMC 8.375% senior secured notes due November 2022. The loss includes the write-off of unamortized debt issuance costs and discount, as well as contractual prepayment premiums totaling $9.8 million on the SSTL and PMC 8.375% senior secured notes.

Income Tax Benefit (Expense)

The $3.3 million decrease in income tax expense for the first quarter of 2021, compared with the fourth quarter of 2020, was primarily due to a decrease in the projected income tax benefit related to the CARES Act that we recognized in the fourth quarter of 2020. This expense recognized in the fourth quarter of 2020 was offset in part by the accrual of projected taxes due of $3.1 million on first quarter of 2021 earnings.

Our overall effective tax rates for the first quarter of 2021 and fourth quarter of 2020 were 26.6% and (792.8)%, respectively. As disclosed above, during the fourth quarter of 2020 we recognized $6.4 million of income tax expense related to a reduction in the projected benefits under the CARES Act on a $0.8 million pre-tax loss, resulting in the large negative tax rate of (792.8)%. During the first quarter of 2021, we recognized $3.1 million of tax expense on $11.6 million of pre-tax income resulting in an effective tax rate of 26.6%. Our U.S., as well as our foreign operations that are compensated on a cost-plus basis under our transfer pricing agreements for the services they provide, all recognized pre-tax income in the first quarter of 2021 and are projected to be subject to tax on a full-year basis.

The $65.0 million change in income tax expense for the first quarter of 2021, compared with the first quarter of 2020, is primarily due to $64.8 million of estimated income tax benefit recognized under the CARES Act during the three months ended March 31, 2020 as a result of modification of the tax rules to allow the carryback of NOLs arising in 2018, 2019 and 2020 tax years to the five prior tax years and the increase to the business interest expense limitation under IRC Section 163(j). In 2020, we collected $51.4 million, which represents the tax refund associated with the NOLs generated in 2018 carried back to prior tax years, and recognized a $24.0 million receivable which represents the tax refund associated with the NOLs generated in 2019. We collected this $24.0 million tax refund receivable from the U.S. Internal Revenue Service in January 2021. See Note 16 – Income Taxes for additional information.

Our overall effective tax rates for the first quarter of 2021 and 2020 were 26.6% and 70.8%, respectively. During the first quarter of 2020, the income tax benefit recorded was driven by the $64.8 million of estimated income tax benefit recognized under the CARES Act as noted above. The estimated benefit recorded related solely to prior period losses with no relationship to operating results of that period, which in turn resulted in the high effective tax rate of 70.8% for first quarter of 2020.

Financial Condition Summary	March 31, 2021	December 31, 2020	$ Change	% Change
Cash	$ 259.1	$ 284.8	$ (25.7)	(9)%
Restricted cash	77.3	72.5	4.8	7
MSRs, at fair value	1,400.2	1,294.8	105.4	8
Advances, net	786.7	828.2	(41.5)	(5)
Loans held for sale	517.8	387.8	130.0	34
Loans held for investment, at fair value	7,053.2	7,006.9	46.3	1
Receivables	178.2	187.7	(9.5)	(5)
Other assets	499.2	588.4	(89.2)	(15)
Total assets	$ 10,771.8	$ 10,651.1	$ 120.7	1 %
Total Assets by Segment				
Servicing	$ 9,869.7	$ 9,847.6	$ 22.1	— %
Originations	525.6	379.2	146.4	39
Corporate Items and Other	376.5	424.3	(47.8)	(11)
	$ 10,771.8	$ 10,651.1	$ 120.7	1 %
HMBS-related borrowings, at fair value	$ 6,778.2	$ 6,772.7	$ 5.5	— %
Advance match funded liabilities	550.4	581.3	(30.9)	(5)
Other financing liabilities, at fair value	559.2	576.7	(17.5)	(3)
Other secured borrowings, net	1,066.0	1,069.2	(3.2)	—
Senior notes, net	542.9	311.9	231.0	74
Other liabilities	835.0	924.0	(89.0)	(10)
Total liabilities	10,331.8	10,235.8	96.0	1 %
Total stockholders' equity	440.0	415.4	24.6	6
Total liabilities and equity	$ 10,771.8	$ 10,651.2	$ 120.6	1 %
Total Liabilities by Segment				
Servicing	$ 9,161.1	$ 9,163.5	$ (2.4)	— %
Originations	480.0	428.5	51.5	12
Corporate Items and Other	690.7	643.7	47.0	7
	$ 10,331.8	$ 10,235.8	$ 96.0	1 %
Book value per share	$ 50.57	$ 47.81	$ 2.76	6 %

Total assets increased $120.7 million between December 31, 2020 and March 31, 2021, mostly due to the $130.0 million increase in our loans held for sale portfolio - driven by higher production volumes - and a $105.4 million or 8% increase in the MSR portfolio - driven by MSR valuation gain and new capitalized MSR. Loans held for investment increased by $46.3 million mostly due to the continued growth of our reverse mortgage business. Servicing advances declined $41.5 million mostly due to heightened payoff activity. The $89.2 million decrease in other assets is mostly attributable to the decrease in the Ginnie Mae contingent repurchase rights of loans under forbearance.

Total liabilities decreased by $96.0 million as compared to December 31, 2020, with similar effects as described above. Our senior notes increased $231.0 million due to the refinancing transactions completed on March 4, 2021. On that date, we issued $556.4 million of new senior notes, net of discount, and repaid in full $313.1 million of existing notes. The decrease in other secured borrowings due to the $185.0 million repayment of the SSTL on March 4, 2021 was largely offset by an increase in borrowings under our warehouse lines. Advance match funded liabilities decreased $30.9 million consistent with the decline in servicing advances. Further, the $89.0 million decrease in other liabilities is mostly attributable to the decrease in the Ginnie Mae contingent repurchase rights of loans under forbearance.

Total equity increased $24.6 million due to net income of $8.5 million for the first quarter of 2021 and the issuance of common stock warrants on March 4, 2021.

Outlook

The following discussion provides outlook information for certain key drivers of our financial performance. Also refer to the Segment results of operations section for further detail and the description of our business initiatives.

Servicing fee revenue - Our servicing fee revenue is a function of the volume being serviced - UPB for servicing fees and loan count for subservicing fees. We expect we will continue to replenish and grow our servicing portfolio through our multi-channel Originations platform, with additional bulk acquisitions and the expected launch of MAV in the second quarter of 2021. We recently signed letters of intent (non-binding) and entered into an agreement to purchase bulk MSRs representing a total $68 billion of UPB. The expected volume increase is also intended to exceed the portfolio serviced on behalf of NRZ that may end in July 2022. Ancillary income has been adversely impacted by COVID-19 and the low rate environment, which may persist throughout 2021.

Gain on sale of loans held for sale - Our gain on sale is driven by both volume and margin and is channel-sensitive, with recapture generating relatively higher margins than correspondent. While we intend to increase our recapture rate by expanding our channel operating capacity, the volume of refinance activity by borrowers is expected to decline with relatively higher interest rates. Intense competition is expected in the correspondent channel or through GSE Cash Window and co-issue programs for the remainder of 2021 imposing a trade-off between volumes and margins.

Reverse mortgage revenue, net - The reverse mortgage origination gain is driven by the same factors as gain on sale of loans held for sale, with smaller volumes in the reverse mortgage market and generally larger margins. With our experience and brand in the marketplace, we expect to continue to grow our volumes at similar margins in each channel, however the channel mix may vary. With a relatively stable UPB, reverse mortgage servicing revenue is expected to generate a stable return on the portfolio, absent any significant change in interest rates.

Operating expenses - Compensation and benefits is a significant component of our cost-to-service and cost-per-loan, and is directly correlated to headcount levels. We have recently scaled down our Servicing workforce to adjust for portfolio termination and attempt to maintain the relative income contribution of our Servicing business. The COVID-19 environment required us to maintain additional resources to support borrowers, for example through the offering and management of forbearance plans, or as the eviction and foreclosure moratorium was postponed several times, As servicing volume is expected to increase (see above), we expect an increase in our workforce, some of which may be in anticipation of the expected loan transfers. We expect we will continue to increase our Originations workforce for the remainder of 2021 to accompany the growth of the channels. Other operating expenses are expected to favorably correlate with volumes, as productivity and efficiencies are expected with our technology and continuous improvement initiatives.

Stockholders' equity - With the above considerations, we expect our businesses to generate net income and increase our equity for the remainder of 2021. We expect additional capital from Oaktree with the issuance of shares and warrants upon closing of the MAV transaction.

SEGMENT RESULTS OF OPERATIONS

Our activities are organized into two reportable business segments that reflect our primary lines of business - Servicing and Originations - as well as a Corporate Items and Other segment.

SERVICING

We earn contractual monthly servicing fees pursuant to servicing agreements, which are typically payable as a percentage of UPB, as well as ancillary fees, including late fees, modification incentive fees, REO referral commissions, float earnings and Speedpay/collection fees. In addition, we earn performance or incentive fees depending on operational and other metrics exceeding certain service level agreement targets. We also earn fees under both subservicing and special servicing arrangements with banks and other institutions that own the MSRs. Subservicing and special servicing fees are earned either as a percentage of UPB or on a per-loan basis. Per-loan fees typically vary based on type of investor and on delinquency status. As of March 31, 2021, we serviced approximately 1.1 million mortgage loans with an aggregate UPB of $179.4 billion. The average UPB of loans serviced during the first quarter of 2021 increased by 4% or $6.9 billion compared to the fourth quarter of 2020, mostly due to our replenishment and growth strategy that resulted in newly originated and purchased MSRs exceeding high levels of portfolio runoff. Compared to the first quarter of 2020, the average UPB of loans serviced during the first quarter of

2021 decreased by 11% or $22.6 billion mostly due to the heightened portfolio runoff due to low rate environment and the termination of the PMC MSR Agreements by NRZ with the transfer of $34.2 billion UPB of loans completed in October 2020.

NRZ is our largest subservicing client, accounting for 36% and 45%, respectively, of the UPB and loan count in our servicing portfolio as of March 31, 2021. NRZ servicing fees retained by Ocwen represented approximately 21% of the total servicing and subservicing fees earned by Ocwen, net of servicing fees remitted to NRZ and excluding ancillary income, for the first quarter of 2021, and 22% for the fourth quarter of 2020. This compares to 24% for the first quarter of 2020. NRZ's portfolio represents approximately 64% of all delinquent loans that Ocwen serviced, for which the cost to service and the associated risks are higher. However, consistent with a subservicing relationship, NRZ is responsible for funding the advances we service for NRZ.

Our MSR portfolio is carried at fair value, with changes in fair value recorded in MSR valuation adjustments, net. The value of our MSRs is typically correlated to changes in interest rates; as interest rates decrease, the value of the servicing portfolio typically decreases as a result of higher anticipated prepayment speeds. The sensitivity of MSR fair value to interest rates is typically higher for higher credit quality loans, such as our Agency loans. Our Non-Agency portfolio is significantly seasoned, with an average loan age of approximately 15 years, exhibiting little response to movements in market interest rates. Valuation is also impacted by loan delinquency rates whereby as delinquency rates rise, the value of the servicing portfolio declines. The MSR portfolio is an investment that decreases in value over time, through portfolio runoff, as we realize its cash flows and yield. MSR portfolio runoff is an expense to our Servicing segment as a fair value loss, and represents the realization of expected cash flows and yield based on projected borrower behavior, including scheduled amortization of the loan UPB together with prepayments.

For those MSR sale transactions with NRZ that do not achieve sale accounting treatment, we present on a gross basis the pledged MSR as an asset at fair value and the corresponding liability amount pledged MSR liability on our balance sheet. The changes in fair value of the pledged MSR are reflected as MSR valuation adjustments, net and the corresponding changes in fair value of the pledged MSR liability are reported within Pledged MSR liability expense, without any net earnings impact. In addition, the total servicing fees collected on behalf of NRZ are reported within Servicing and subservicing fees, and the servicing fees remitted to NRZ are presented within Pledged MSR liability expense.

Loan Resolutions

We have a strong track record of success as a leader in the servicing industry in foreclosure prevention and loss mitigation that helps homeowners stay in their homes and improves financial outcomes for mortgage loan investors. Reducing delinquencies also enables us to recover advances and recognize additional ancillary income, such as late fees, which we do not recognize on delinquent loans until they are brought current. Loan resolution activities address the pipeline of delinquent loans and generally lead to (i) modification of the loan terms, (ii) repayment plan alternatives, (iii) a discounted payoff of the loan (e.g., a "short sale"), or (iv) foreclosure or deed-in-lieu-of-foreclosure and sale of the resulting REO. Loan modifications must be made in accordance with the applicable servicing agreement as such agreements may require approvals or impose restrictions upon, or even forbid, loan modifications. To select an appropriate loan modification option for a borrower, we perform a structured analysis, using a proprietary model, of all options using information provided by the borrower as well as external data, including recent broker price opinions to value the mortgaged property. Our proprietary model includes, among other things, an assessment of re-default risk.

Our future financial performance will be less impacted by loan resolutions because, under our NRZ agreements, NRZ receives all deferred servicing fees. Deferred servicing fees related to delinquent borrower payments were $162.8 million at March 31, 2021, of which $128.5 million were attributable to NRZ agreements.

Advance Obligation

As a servicer, we are generally obligated to advance funds in the event borrowers are delinquent on their monthly mortgage related payments. We advance principal and interest (P&I Advances), taxes and insurance (T&I Advances) and legal fees, property valuation fees, property inspection fees, maintenance costs and preservation costs on properties that have been foreclosed (Corporate Advances). For certain loans in non-Agency securitization trusts, we have the ability to cease making P&I advances and immediately recover advances previously made from the general collections of the respective trust if we determine that our P&I advances cannot be recovered from the projected future cash flows. With T&I and Corporate advances, we continue to advance if net future cash flows exceed projected future advances without regard to advances already made.

Most of our advances have the highest reimbursement priority (i.e., they are "top of the waterfall") so that we are entitled to repayment from respective loan or REO liquidation proceeds before any interest or principal is paid on the bonds that were issued by the trust. In the majority of cases, advances in excess of respective loan or REO liquidation proceeds may be recovered from pool-level proceeds. The costs incurred in meeting these obligations consist principally of the interest expense incurred in financing the servicing advances. Most subservicing agreements, including our agreements with NRZ, provide for prompt reimbursement of any advances from the owner of the servicing rights.

Third-Party Servicer Ratings

Like other servicers, we are the subject of mortgage servicer ratings or rankings (collectively, ratings) issued and revised from time to time by rating agencies including Moody's, S&P and Fitch. Favorable ratings from these agencies are important to the conduct of our loan servicing and lending businesses.

The following table summarizes our key servicer ratings:

	PHH Mortgage Corporation (PMC)		
	Moody's	**S&P**	**Fitch**
Residential Prime Servicer	SQ3	Average	RPS3
Residential Subprime Servicer	SQ3	Average	RPS3
Residential Special Servicer	SQ3	Average	RSS3
Residential Second/Subordinate Lien Servicer	SQ3	Average	RPS3
Residential Home Equity Servicer	—	—	RPS3
Residential Alt-A Servicer	—	—	RPS3
Master Servicer	SQ3	Average	RMS3
Ratings Outlook	N/A	Stable	Stable
Date of last action	August 29, 2019	December 27, 2019	April 28, 2021

In addition to servicer ratings, each of the agencies will from time to time assign an outlook (or a ratings watch such as Moody's review status) to the rating status of a mortgage servicer. A negative outlook is generally used to indicate that a rating "may be lowered," while a positive outlook is generally used to indicate a rating "may be raised." On March 24, 2020, Fitch placed all U.S RMBS servicer ratings on Negative outlook resulting from a rapidly evolving economic and operating environment due to the sudden impact of the COVID-19 virus. On April 28, 2021, Fitch affirmed PMC's servicer ratings and revised its outlook from Negative to Stable as PMC's performance in this evolving environment has not raised any elevated concerns. According to Fitch, the affirmation and stable outlook reflected PMC's diligent response to the coronavirus pandemic and its impact on servicing operations, effective enterprise-wide risk environment and compliance management framework, satisfactory loan servicing performance metrics, special servicing expertise, and efficient servicing technology. The ratings also consider the financial condition of PMC's parent, OFC.

The following table presents selected results of operations of our Servicing segment. The amounts presented are before the elimination of balances and transactions with our other segments:

	Three Months Ended				
	March 31, 2021	December 31, 2020	% Change	Three Months Ended March 31, 2020	% Change
Revenue					
Servicing and subservicing fees					
Residential	$ 168.7	$ 165.0	2	$ 210.7	(20)
Commercial	0.7	1.0	(30)	0.7	—
	169.4	166.0	2	211.5	(20)
Gain on loans held for sale, net	3.5	3.9	(10)	0.2	n/m
Reverse mortgage revenue, net	2.0	(5.3)	(138)	16.7	(88)
Other revenue, net	0.5	0.9	(44)	1.2	(58)
Total revenue	175.4	165.6	6	229.5	(24)
MSR valuation adjustments, net	(22.7)	(26.4)	(14)	(174.4)	(87)
Operating expenses					
Compensation and benefits	25.1	27.9	(10)	27.2	(8)
Servicing and origination	24.5	13.8	78	18.4	33
Occupancy and equipment	6.5	6.8	(4)	9.1	(29)
Professional services	7.1	8.3	(14)	5.1	39
Technology and communications	5.7	5.2	10	7.3	(22)
Corporate overhead allocations	12.2	12.7	(4)	17.8	(31)
Other expenses	1.6	1.6	—	(0.4)	(500)
Total operating expenses	82.8	76.4	8	84.5	(2)
Other income (expense)					
Interest income	1.3	0.7	86	2.5	(48)
Interest expense (1)	(20.3)	(20.9)	(3)	(24.6)	(17)
Pledged MSR liability expense	(37.9)	(46.7)	(19)	(6.6)	474
Other, net	0.5	2.5	(80)	3.7	(86)
Total other expense, net	(56.5)	(64.4)	(12)	(25.0)	126
Income (loss) before income taxes	$ 13.5	$ (1.5)	n/m	$ (54.4)	(125)%

n/m: not meaningful

(1) Beginning in the third quarter of 2020, we began allocating interest expense on the corporate debt used to fund servicing advances and other servicing assets from Corporate Items and Other to Servicing. The interest expense related to the corporate debt has been allocated from Corporate Items and Other to the Servicing segment for prior periods to conform to the current period presentation. See Note 18 – Business Segment Reporting.

The following tables provide selected operating statistics:

	March 31, 2021	December 31, 2020	% Change	March 31, 2020	% Change
Residential Assets Serviced					
Unpaid principal balance (UPB) in billions:					
Performing loans (1)	$ 169.7	$ 177.6	(4)%	$ 196.1	(13)%
Non-performing loans	8.8	10.3	(15)	10.6	(17)
Non-performing real estate	0.9	0.9	—	2.1	(57)
Total	179.4	188.8	(5)	208.8	(14)%
Conventional loans (2)	$ 75.6	$ 77.0	(2)%	$ 92.8	(19)%
Government-insured loans	29.4	34.8	(16)	31.6	(7)
Non-Agency loans	74.3	77.0	(4)	84.3	(12)
Total	$ 179.4	$ 188.8	(5)%	$ 208.8	(14)%
Servicing portfolio (5)	$ 98.7	$ 97.4	1 %	$ 77.2	28 %
Subservicing portfolio	16.3	24.3	(33)	17.7	(8)
NRZ (3) (6)	64.3	67.1	(4)	113.9	(44)
Total	$ 179.4	$ 188.8	(5)%	$ 208.8	(14)
Prepayment speed (CPR) (4):					
3-month % Voluntary CPR	21.7 %	18.30 %	19 %	10.5 %	107 %
3-month % Involuntary CPR	0.8 %	1.50 %	(47)	1.2	(33)
Total 3-month % CPR	25.2 %	22.80 %	11	15.3 %	65
Number (in 000's):					
Performing loans (2)	1,011.1	1,048.7	(4)%	1,326.6	(24)%
Non-performing loans	45.5	52.2	(13)	55.9	(19)
Non-performing real estate	6.7	6.7	—	13.8	(51)
Total	1,063.2	1,107.6	(4)%	1,396.3	(24)%
Conventional loans (1)	344.3	349.6	(2)%	593.2	(42)%
Government-insured loans	180.2	201.9	(11)	193.7	(7)
Non-Agency loans	538.6	556.1	(3)	609.4	(12)
Total	1,063.2	1,107.6	(4)%	1,396.3	(24)%
Servicing portfolio	513.0	511.6	— %	474.9	8 %
Subservicing portfolio	67.5	96.3	(30)	79.3	(15)
NRZ (4)	482.7	499.6	(3)	842.2	(43)
Total	1,063.2	1,107.6	(4)%	1,396.3	(24)
Number of completed modifications *(in 000's)*	4.8	5.8	(17)%	8.3	(42)%

(1) Performing loans include those loans that are less than 90 days past due and those loans for which borrowers are making scheduled payments under loan modification, forbearance or bankruptcy plans. We consider all other loans to be non-performing.
(2) Conventional loans include 85,479 and 89,458 prime loans with a UPB of $15.3 billion and $16.1 billion at March 31, 2021 and December 31, 2020, respectively, that we service or subservice. This compares to 107,352 prime loans with a UPB of $19.6 billion at March 31, 2020. Prime loans are generally good credit quality loans that meet GSE underwriting standards.
(3) Loans serviced or subserviced pursuant to our agreements with NRZ.
(4) Average CPR includes voluntary and involuntary prepayments and scheduled principal amortization (not reflected in the above table).
(5) Includes $6.7 billion UPB of reverse mortgage loans that are recognized in our consolidated balance sheet at March 31, 2021.
(6) Includes $2.5 billion UPB of subserviced loans at March 31, 2021.

The following table provides selected operating statistics related to our reverse mortgage loans reported within our Servicing segment:

	March 31, 2021	December 31, 2020	% Change	March 31, 2020	% Change
Reverse Mortgage Loans at December 31					
Unpaid principal balance (UPB) in millions:					
Loans held for investment (1)	$ 6,326.1	$ 6,299.6	— %	$ 5,864.2	7 %
Active Buyouts (2)	27.0	28.4	(5)	15.0	89
Inactive Buyouts (2)	75.9	64.2	18	35.6	80
Total	$ 6,429.0	$ 6,392.3	1	$ 5,914.7	8
Inactive buyouts % to total	1.18 %	1.00 %	18	0.60 %	67
Future draw commitments (UPB) in millions:	2,052.6	2,044.4	—	1,574.6	30
Fair value in millions:					
Loans held for investment (1)	$ 6,874.9	$ 6,872.3	—	$ 6,438.8	7
HMBS related borrowings	6,778.2	6,772.7	—	6,323.1	7
Net asset value	$ 96.7	$ 99.5	(3)	$ 115.7	(14)

(1) Securitized loans only; excludes unsecuritized loans as reported within the Originations segment.
(2) Buyouts are reported as Loans held for sale, Accounts Receivable or REO depending on the loan and foreclosure status.

The following table provides selected operating statistics related to advances for our Servicing segment:

	March 31, 2021				December 31, 2020			
Advances by investor type	**Principal and Interest**	**Taxes and Insurance**	**Foreclosures, bankruptcy, REO and other**	**Total**	**Principal and Interest**	**Taxes and Insurance**	**Foreclosures, bankruptcy, REO and other**	**Total**
Conventional	$ 2	$ 27	$ 5	$ 35	$ 4	$ 30	$ 5	$ 38
Government-insured	1	49	27	76	1	55	28	84
Non-Agency	255	272	149	676	272	279	155	705
Total, net	$ 258	$ 349	$ 180	$ 787	$ 277	$ 365	$ 187	$ 828

The following table provides information regarding the changes in our portfolio of residential assets serviced or subserviced:

	Amount of UPB (*$ in billions*)		Count (000's)	
	2021	**2020**	**2021**	**2020**
Portfolio at January 1	$ 188.8	$ 212.4	1,107.6	1,419.9
Additions (1)	13.5	6.9	49.4	28.8
Sales	—	(0.1)	(0.1)	(0.7)
Servicing transfers (2)	(10.9)	(2.2)	(42.5)	(8.5)
Runoff	(12.1)	(8.2)	(51.2)	(43.2)
Portfolio at March 31	$ 179.4	$ 208.8	1,063.2	1,396.3

(1) Additions include purchased MSRs on portfolios consisting of 5,971 loans with a UPB of $1.6 billion that have not yet transferred to the Black Knight MSP servicing system as of March 31, 2021. Because we have legal title to the MSRs, the UPB and count of the loans are included in our reported servicing portfolio. The seller continues to subservice the loans on an interim basis until the servicing transfer date.

(2) Excludes the volume UPB associated with short-term interim subservicing for some clients as a support to their originate-to-sell business, where loans are boarded and deboarded within the same quarter.

Servicing and Subservicing Fees

	Three Months Ended				
	March 31, 2021	December 31, 2020	% Change	Three Months Ended March 31, 2020	% Change
Loan servicing and subservicing fees:					
Servicing	$ 63.9	$ 55.1	16 %	$ 55.4	15 %
Subservicing	3.5	2.7	30	5.2	(33)
NRZ	80.4	84.6	(5)	119.7	(33)
Servicing and subservicing fees	147.8	142.4	4	180.3	(18)
Ancillary income	21.6	23.6	(8)	31.2	(31)
	$ 169.4	$ 166.0	2	$ 211.5	(20)%

We reported $169.4 million total servicing and subservicing fees in the first quarter of 2021, a $3.3 million, or 2% increase as compared to the fourth quarter of 2020. Our fee income increase is primarily due to an $8.8 million, or 16% increase in servicing fees on our owned MSR driven by a 16% increase in our average UPB serviced. Partially offsetting this increase, fees collected on behalf of NRZ declined by $4.2 million due to a 9% decline in average UPB. These changes reflect our strategy to grow our owned MSR and subservicing portfolios while reducing our concentration on the NRZ portfolio.

The $42.1 million, or 20% decline in total servicing and subservicing fees in the first quarter of 2021 as compared to the first quarter of 2020 is primarily driven by three main factors: the reduction in fees collected on behalf of NRZ, the reduction in ancillary income, mostly due to the COVID-19 environment and lower interest rates, and the partially offsetting increase in our owned MSR servicing fee income. The $8.5 million, or 15% increase in servicing fees on our owned MSR as compared to the first quarter of 2020 is due to a 32% increase our average volume serviced.

The following table below presents the respective drivers of residential loan servicing (owned MSR) and subservicing fees.

	Three Months Ended				
	March 31, 2021	December 31, 2020	% Change	Three Months Ended March 31, 2020	% Change
Servicing and subservicing fee					
Servicing fee	$ 63.9	$ 55.1	16 %	$ 55.4	15 %
Average servicing fee (% of UPB)	0.26	0.26	— %	0.30	(13)%
Subservicing fee (1)	$ 3.5	$ 2.7	30	$ 5.2	(33)
Average monthly fee per loan (in dollars)	$ 13	$ 10	30	$ 8	63
Residential assets serviced					
Average UPB ($ in billions):					
Servicing portfolio	$ 97.8	$ 84.0	16 %	$ 74.0	32 %
Subservicing portfolio	22.7	23.0	(1)	16.8	35
NRZ	65.8	72.3	(9)	118.1	(44)
Total	$ 186.3	$ 179.4	4 %	$ 208.9	(11)%
Average number (in 000's):					
Servicing portfolio	510.8	474.7	8 %	451.8	13 %
Subservicing portfolio	90.3	91.7	(2)	226.5	(60)
NRZ	491.5	541.2	(9)	721.8	(32)
	1,092.6	1,107.6	(1)%	1,400.1	(22)%

The following table presents both servicing fees collected and subservicing fees retained by Ocwen under the NRZ agreements, together with the previously recognized amortization gain of the lump-sum payments received in connection with the 2017 Agreements and New RMSR Agreements (through the first quarter of 2020 only):

NRZ servicing and subservicing fees	**Three Months Ended**		
	March 31, 2021	**December 31, 2020**	**Three Months Ended March 31, 2020**
Servicing fees collected on behalf of NRZ	$ 80.4	$ 84.6	$ 119.7
Servicing fees remitted to NRZ (1)	(56.4)	(60.3)	(90.4)
Retained subservicing fees on NRZ agreements (2)	$ 24.0	$ 24.3	$ 29.3
Amortization gain of lump-sum cash payments received (including fair value change) (1)(3)	—	—	24.2
Total retained subservicing fees and amortization gain of lump-sum cash payments (including fair value change)	$ 24.0	$ 24.3	$ 53.5
Average NRZ UPB ($ in billions) (4)	$ 65.8	$ 72.3	$ 101.1
Average annualized retained subservicing fees as a % of NRZ UPB (excluding amortization gain of lump-sum cash payments)	0.15 %	0.13 %	0.12 %

(1) Reported within Pledged MSR liability expense. The NRZ servicing fee includes the total servicing fees collected on behalf of NRZ relating to the MSR sold but not derecognized from our balance sheet. Under GAAP, we separately present servicing fee collected and remitted on a gross basis, with the servicing fee remitted to NRZ reported as Pledged MSR liability expense.

(2) Excludes the servicing fees of loans under the PMC Servicing Agreement after February 20, 2020 due to the notice of termination by NRZ, and subservicing fees earned under subservicing agreements.

(3) In 2017 and early 2018, we renegotiated the Ocwen agreements with NRZ to more closely align with a typical subservicing arrangement whereby we receive a base servicing fee and certain ancillary fees, primarily late fees, loan modification fees and Speedpay fees. We may also receive certain incentive fees or pay penalties tied to various contractual performance metrics. We received upfront cash payments in 2018 and 2017 of $279.6 million and $54.6 million, respectively, from NRZ in connection with the resulting 2017 and New RMSR Agreements. These upfront payments generally represented the net present value of the difference between the future revenue stream Ocwen would have received under the original agreements and the future revenue Ocwen received under the renegotiated agreements. These upfront payments received from NRZ were deferred and recorded within Other income (expense), Pledged MSR liability expense, as they amortized through the term of the original agreements (April 2020). See Note 8 — Rights to MSRs for further information.

(4) Excludes the UPB of loans subserviced under the PMC Servicing Agreement after February 20, 2020 due to the notice of termination by NRZ, and excludes the UPB of loans under subservicing agreements.

The net retained fee of our NRZ portfolio remained constant (-1%) in the first quarter of 2021 as compared to the fourth quarter of 2020. Additional incentive and performance fees in the first quarter of 2021 offset the 9% decline in UPB serviced, resulting in an increase in the average annualized retained subservicing fee from 13 to 15 basis points. The net retained fee of our NRZ portfolio decreased by $29.6 million, as compared to the first quarter of 2020, mostly due to the $24.2 million 2017/2018 upfront payment amortization gain (see note (3) above).

The NRZ collected fee in the first quarter of 2021 decreased by $4.2 million and $39.3 million, as compared to the fourth quarter of 2020 and first quarter of 2020, respectively. The decline in the NRZ fee collection is driven by the decline in the average UPB of 9% and 44% as compared to the fourth quarter of 2020 and first quarter of 2020, respectively. The volume decline is mostly explained by the NRZ portfolio runoff and the derecognition of the MSRs in connection with the termination of the PMC agreement by NRZ on February 20, 2020. As the NRZ relationship is effectively a subservicing agreement, the COVID-19 environment, loans under forbearance and the fee collection do not impact our financial results to the same extent as for serviced loans with our owned MSRs.

The following table presents the detail of our ancillary income:

Ancillary Income	Three Months Ended				
	March 31, 2021	December 31, 2020	% Change	Three Months Ended March 31, 2020	% Change
Late charges	$ 9.2	$ 9.4	(1)%	$ 14.6	(37)%
Custodial accounts (float earnings)	1.0	1.2	(13)	6.1	(84)
Loan collection fees	2.9	2.9	—	4.3	(33)
Recording fees	3.7	3.3	12	2.6	42
Other	4.7	6.8	(31)	3.6	31
Ancillary income	$ 21.6	$ 23.6	(9)%	$ 31.2	(31)%

Ancillary income decreased by $2.0 million, or 9% in the first quarter of 2021 as compared to the fourth quarter of 2020, mostly due to the deboarding fee recorded (in Other) in the fourth quarter of 2020 on the NRZ-PMC portfolio and the overall decline in UPB serviced.

As compared to the first quarter of 2020, ancillary income declined by $9.6 million due to the combined effect of lower servicing volume, the COVID-19 environment restricting late fees or collection fees on loans under forbearance, and lower interest rates on float earnings. The average 1-month LIBOR rate dropped 80 basis points as compared to the first quarter of 2020.

Reverse Mortgage Revenue, Net

Reverse mortgage revenue, net is the net change in fair value of securitized loans held for investment and HMBS-related borrowings. The following table presents the components of the net fair value change and is comprised of net interest income and other fair value gains or losses. Net interest income is primarily driven by the volume of securitized UPB as it is the interest income earned on the securitized loans offset against interest expense incurred on the HMBS-related borrowings, and typically represents our compensation for servicing the portfolio. Other fair value changes are primarily driven by changes in market-based inputs or assumptions. Lower interest rates generally result in favorable net fair value impacts on our HECM reverse mortgage loans and the related HMBS financing liability and higher interest rates generally result in unfavorable net fair value impacts.

	Three Months Ended				
	March 31, 2021	December 31, 2020	% Change	Three Months Ended March 31, 2020	% Change
Net interest income	$ 5.0	$ 4.9	2 %	$ 4.9	2 %
Other fair value changes	(2.9)	(10.1)	(71)	11.8	(125)
Reverse mortgage revenue, net (Servicing)	$ 2.0	$ (5.3)	(139)%	$ 16.7	(88)%

The increase of $7.3 million, or 139%, for the first quarter of 2021 as compared to the fourth quarter of 2020 is primarily attributable to tightening of yield spreads observed in the market during the first quarter of 2021 and a favorable adjustment due to prepayment assumptions. The increase in net interest income is due to the increase in the UPB of securitized loans and HMBS-related borrowings.

As compared to the first quarter of 2020, Reverse mortgage revenue during the first quarter of 2021 decreased $14.6 million, or 88%, primarily due to the impact of decreasing interest rates partially offset by widening of yield spreads observed in the market during the first quarter of 2020.

MSR Valuation Adjustments, Net

The following tables summarize the MSR valuation adjustments, net reported in our Servicing segment, with the breakdown of the total MSRs recorded on our balance sheet between our owned MSRs and the pledged MSRs transferred to NRZ that did not achieve sale accounting treatment:

	Three Months Ended March 31, 2021			Three Months Ended December 31, 2020		
	Total (1)	Owned MSR (1)	Pledged MSR (NRZ) (2)	Total (1)	Owned MSR (1)	Pledged MSR (NRZ) (2)
Runoff	$ (49.1)	(31.5)	$ (17.6)	$ (43.5)	(35.3)	$ (8.2)
Rate and assumption change (1)	75.5	73.9	1.6	19.3	22.4	(3.1)
Hedging loss	(49.1)	(49.1)	—	(2.2)	(2.2)	—
Total	$ (22.7)	$ (6.7)	$ (16.1)	$ (26.4)	$ (15.1)	$ (11.3)

	Three Months Ended March 31, 2020		
	Total (1)	Owned MSR	Pledged MSR (NRZ) (2)
Runoff	$ (48.5)	(25.3)	$ (23.2)
Rate and assumption change (1)	(161.3)	(127.6)	(33.7)
Hedging gain	35.3	35.3	—
Total	$ (174.4)	$ (117.6)	$ (56.9)

(1) Excludes gains of $8.5 million, $15.4 million and $0.3 million in the first quarter of 2021, fourth quarter of 2020 and first quarter of 2020, respectively, on the revaluation of MSR purchased in disorderly markets, that is reported in the Originations segment as MSR valuation adjustments, net.

(2) For those MSR sale transactions with NRZ that do not achieve sale accounting treatment, we present gross the pledged MSR as an asset and the corresponding liability amount pledged MSR liability on our balance sheet. Because we record both our pledged MSRs with NRZ and the associated MSR liability at fair value, the changes in fair value of the pledged MSR liability are offset by the changes in fair value of the associated pledged MSR asset, presented in MSR valuation adjustments, net. Although fair value changes are separately presented in our statement of operations, we are not exposed to any fair value changes of the MSR pledged to NRZ. See Note 8 — Rights to MSRs for further information.

We reported a $22.7 million loss in MSR valuation adjustments, net for the first quarter of 2021, comprised of a $6.7 million loss on our owned MSRs and a $16.1 million loss on the MSRs transferred and pledged to NRZ.

The $6.7 million loss on our owned MSRs for the first quarter of 2021 is comprised of $31.5 million portfolio runoff and a $49.1 million hedging loss, largely offset by a $73.9 million gain due to changes in interest rates and assumptions as interest rates increased during the quarter. MSR portfolio runoff represents the realization of expected cash flows and yield based on projected borrower behavior, including scheduled amortization of the loan UPB together with prepayments.

The following table provides information regarding the changes in the fair value and the UPB of our portfolio of owned MSRs during the first quarter of 2021, with the breakdown by investor type.

	Fair Value				UPB ($ in billions)			
	GSEs	Ginnie Mae	Non-Agency	Total	GSEs	Ginnie Mae	Non-Agency	Total
Beginning balance	$ 507.90	$ 75.40	$ 144.50	$ 727.80	$ 55.10	$ 13.10	$ 22.1	$ 90.3
Additions								
New cap.	32.3	2.0	—	34.3	3.2	0.1	—	3.3
Purchases	37.0	—	—	37.0	6.0	—	—	6.0
Sales/servicing transfers	—	—	—	—	—	—	—	—
Sales/calls	(0.2)	—	—	(0.2)	(0.1)	—	—	(0.1)
Change in fair value:								
Inputs and assumptions (1)	62.2	21.2	(0.9)	82.5	—	—	—	—
Realization of cash flows	(21.4)	(2.9)	(7.3)	(31.6)	(5.9)	(1.0)	(1.1)	(8.0)
Ending balance	$ 617.8	$ 95.7	$ 136.3	**$ 849.8**	$ 58.3	$ 12.2	$ 21.0	**$ 91.5**
Fair value (% of UPB)	1.06 %	0.78 %	0.65 %	0.93 %				
Fair value multiple (2)	4.05 x	2.24 x	2.07 x	3.26 x				

(1) Includes gains of $8.5 million on the revaluation of MSRs purchased in a COVID-19 market conditions, that is reported in the Originations segment.
(2) Multiple of average servicing fee and UPB.

The $16.1 million loss on the MSRs transferred to NRZ does not affect our net income as it is offset by a corresponding $16.1 million gain on the pledged MSR liability, reported as Pledged MSR liability expense. The factors underlying the fair value loss of the NRZ Pledged MSR are similar to our owned MSR, discussed above, including runoff, noting that the NRZ MSR portfolio is significantly smaller, with a $34.2 billion lower UPB due to the termination of the PMC servicing agreement by NRZ in February 2020.

Compensation and Benefits

	Three Months Ended			Three Months Ended	
	March 31, 2021	December 31, 2020	% Change	March 31, 2020	% Change
Compensation and benefits	$ 25.1	27.9	(10)%	$ 27.2	(8)%
Average Employment					
India and other	2,410	2,635	(9)%	3,018	(20)
U.S.	681	708	(4)	752	(9)
Total	3,091	3,343	(8)	3,770	(18)

Compensation and benefits expense for the first quarter of 2021 declined $2.8 million, or 10%, as compared to the fourth quarter of 2020, due to two main reasons. First, the expense declined by $1.3 million due to additional incentive compensation recorded in the fourth quarter of 2020. Second, salaries and benefit expenses declined $1.2 million primarily due to an 8% decline in average servicing headcount compared to the fourth quarter of 2020. The decline in servicing headcount reflects the scaling of our platform to the loans being serviced.

Compensation and benefits expense for the first quarter of 2021 declined $2.1 million, or 8%, as compared to the first quarter of 2020, primarily salaries and benefit expenses, as a result of the decline in our average servicing headcount. The decline in servicing headcount reflects the scaling down of our platform to the loans being serviced. In the first quarter of 2021, we serviced 22% less loans, on average, as compared to the first quarter of 2020.

Servicing Expense

Servicing expense primarily includes claim losses and interest curtailments on government-insured loans and provision expense for advances and servicing representation and warranties. Servicing expense increased in the first quarter of 2021 by

$10.6 million, or 77%, as compared to the fourth quarter of 2020, primarily due to provision releases recorded in the fourth quarter of 2020 associated with recoveries in excess of the allowance for losses, and recoveries of previously recognized expenses in connection with a settlement from a mortgage insurer. In addition, while servicing expense increased by $1.0 million due to higher satisfaction and interest of payoff expenses attributable to higher payoffs, other loan related expenses (e.g., credit report expenses) decreased in line with the lower serviced volume in the first quarter of 2021.

Servicing expense for the first quarter of 2021 increased $6.1 million, or 33%, as compared to the first quarter of 2020, primarily due to a $2.2 million increase in satisfaction and interest payoff expenses attributable to higher payoffs, a $2.1 million increase in provisions for non-recoverable servicing advances and receivables, and a $2.0 million increase in other servicer-related expenses driven by the favorable release of a legal accrual in the first quarter of 2020.

Other Operating Expenses

Other operating expenses (total operating expenses less compensation and benefit expense and servicer expense) remained mostly constant during the first quarter of 2021 as compared to the fourth quarter of 2020, with the exception of a $1.2 million reduction in Professional services expense. The reduction in Professional services expense is mostly driven by higher legal fees and settlement expenses recorded in the fourth quarter of 2020.

Other operating expenses decreased by $5.7 million in the first quarter of 2021 as compared to the first quarter of 2020, mostly due to the effect of cost saving initiatives with a $5.6 million reduction of Corporate overhead allocations, attributable to the decline in operating expenses of the Corporate segment, and the lower relative weight of Servicing headcount to the consolidated organization.

Other Income (Expense)

Other income (expense) includes primarily net interest expense and the pledged MSR liability expense.

	Three Months Ended				
	March 31, 2021	December 31, 2020	% Change	Three Months Ended March 31, 2020	% Change
Interest Expense					
Advance match funded liabilities	$ 4.5	$ 4.6	(2)%	$ 5.7	(21)%
Mortgage loan warehouse facilities	1.7	1.5	13 %	1.0	70 %
MSR financing facilities	4.6	3.2	44 %	5.0	(8)%
Corporate debt interest expense allocation	7.9	9.5	(17)	10.5	(25)
Escrow and other	1.6	2.2	(24)	2.4	(33)
Total interest expense	$ 20.3	$ 20.9	(3)%	$ 24.6	(17)%
Average balances					
Average balance of advances	$ 772.7	$ 793.0	(3)%	$ 1,067.3	(28)%
Advance match funded liabilities	537.5	534.8	1	674.4	(20)
Mortgage loan warehouse facilities	157.0	128.6	22	108.9	44
MSR financing facilities	408.0	284.1	44	352.0	16
Effective average interest rate					
Advance match funded liabilities	3.35 %	3.43 %	(2)%	3.36 %	— %
Mortgage loan warehouse facilities	4.41	4.54	(3)%	3.77	17 %
MSR financing facilities	4.48	4.55	(1)%	5.72	(22)%
Average 1ML	0.12 %	0.15 %	(20)%	0.92 %	(87)%

Interest expense for the first quarter of 2021 declined by $0.6 million, or 3%, as compared to the fourth quarter of 2020, primarily due to the $1.6 million decline in the amount of corporate debt allocated to fund servicing advances and other servicing assets. Offsetting this decline, interest expense on MSR financing facilities increased $1.3 million due to a 44% increase in average borrowings as we continue to grow our owned MSR portfolio.

As compared to the first quarter of 2020, interest expense for the first quarter of 2021 declined $4.3 million, or 17%. Interest expense allocated from the Corporate segment declined $2.6 million, primarily due to the decline in the amount of

corporate debt and the relative increase of capital to finance the growth in the Owned MSR portfolio. In addition, interest expense on advance match funded facilities declined $1.2 million as average advances and borrowings were lower.

Pledged MSR liability expense relates to the MSR sale agreements with NRZ that do not achieve sale accounting and are presented on a gross basis in our financial statements. See Note 8 — Rights to MSRs to the Unaudited Consolidated Financial Statements. Pledged MSR liability expense includes the servicing fee remittance to NRZ and the fair value changes of the pledged MSR liability.

	Three Months Ended				
	March 31, 2021	December 31, 2020	$ Change	Three Months Ended March 31, 2020	$ Change
Net servicing fee remittance to NRZ (1)	$ 56.4	$ 60.3	$ (3.9)	$ 90.3	$ (33.9)
Pledged MSR liability fair value (gain) loss (2)	(16.1)	(11.3)	(4.8)	(56.9)	40.8
2017/2018 lump sum amortization gain	—	—	—	(24.2)	24.2
Other	(2.5)	(2.4)	(0.1)	(2.6)	0.1
Pledged MSR liability expense	$ 37.8	$ 46.7	$ (8.8)	$ 6.6	$ 31.2

(1) Offset by corresponding amount recorded in Servicing and subservicing fee. See table below.
(2) Offset by corresponding amount recorded in MSR valuation adjustments, net. See table below.

Pledged MSR liability expense for the first quarter of 2021 decreased $8.8 million, as compared to the fourth quarter of 2020, largely due to a $4.8 million favorable fair value adjustment and a $3.9 million decline in servicing fee remittance due to runoff of the portfolio. Refer to the above discussions of MSR valuation adjustments, net (Pledged MSR to NRZ) and Servicing and subservicing fees (NRZ).

Pledged MSR liability expense for the first quarter of 2021 increased $31.3 million, as compared to the first quarter of 2020, primarily due to a $40.8 million unfavorable fair value change on the Pledged MSR liability - as the offset of a fair value gain on the pledged MSR asset. In addition, the lump-sum cash payments received from NRZ in 2017 and 2018 were fully amortized as of the end of the second quarter of 2020 ($24.2 million in the first quarter of 2020). These increases were partially offset by a $33.9 million decline in servicing fee remittance, driven by the runoff of the portfolio and the termination of the PMC agreement by NRZ in February 2020. Refer to the above discussions of MSR valuation adjustments, net (Pledged MSR to NRZ) and Servicing and subservicing fees (NRZ).

The table below reflects the condensed consolidated statement of operations together with the amounts related to the NRZ pledged MSRs that offset each other (nil impact on net income/loss). The table provides information related to the impact of the accounting for the NRZ relationship that did not achieve sale accounting treatment, and is not intended to reflect the profitability of the NRZ relationship. Net servicing fee remittance and pledged MSR fair value changes are presented on a gross basis and are offset by corresponding amounts presented in other statement of operations line items. In addition, because we record both our pledged MSRs and the associated pledged MSR liability at fair value, the changes in fair value of the pledged MSR liability were offset by the changes in fair value of the MSRs pledged, presented in MSR valuation adjustments, net. Accordingly, only the lump sum amortization gain and the amount reported in “Other” in the table above affect our net earnings.

	Three Months Ended					
	March 31, 2021		December 31, 2020		March 31, 2020	
	Statement of Operations	NRZ Pledged MSR-related Amounts (a)	Statement of Operations	NRZ Pledged MSR-related Amounts (a)	Statement of Operations	NRZ Pledged MSR-related Amounts (a)
Total revenue	$ 207.6	$ 56.4	$ 231.0	$ 60.3	$ 253.8	$ 90.3
MSR valuation adjustments, net	21.2	(16.1)	(20.6)	(11.3)	(174.1)	(56.9)
Total operating expenses	139.6	—	144.2	—	137.2	—
Total other expense, net	(77.5)	(40.3)	(67.1)	(49.0)	(29.9)	(33.5)
Income (loss) before income taxes	$ 11.6	$ —	$ (0.8)	$ —	$ (87.3)	$ —

ORIGINATIONS

We originate and purchase loans and MSRs through multiple channels, including recapture, retail, wholesale, correspondent, flow MSR purchase agreements, the GSE Cash Window and Co-issue programs and bulk MSR purchases.

We originate and purchase conventional loans (conforming to the underwriting standards of Fannie Mae or Freddie Mac; collectively referred to as Agency loans) and government-insured (FHA or VA) forward mortgage loans. The GSEs and Ginnie Mae guarantee these mortgage securitizations. We originate HECM loans, or reverse mortgages, that are mostly insured by the FHA and we are an approved issuer of HMBS that are guaranteed by Ginnie Mae.

Our recapture channel focuses on targeting existing Ocwen customers by offering them competitive mortgage refinance opportunities (i.e., portfolio recapture), where permitted by the governing servicing and pooling agreement. In doing so, we generate revenues for our forward lending business and protect the servicing portfolio by retaining these customers. A portion of our servicing portfolio is susceptible to refinance activity during periods of declining interest rates. Our recapture lending activity partially mitigates this risk. Origination volume and related gains are a natural economic hedge, to a certain degree, to the impact of declining MSR values as interest rates decline.

We re-entered the forward lending correspondent channel in the second quarter of 2019 to drive higher servicing portfolio replenishment. We purchase closed loans from our network of correspondent sellers and sell and securitize them. As of March 31, 2021, we have relationships with 163 approved correspondent sellers, or 32 new sellers since December 31, 2020.

We originate and purchase reverse mortgage loans through our retail, wholesale and correspondent lending channels under the guidelines of the HECM reverse mortgage insurance program of HUD. Loans originated under this program are generally insured by the FHA, which provides investors with protection against risk of borrower default.

After origination, we package and sell the loans in the secondary mortgage market, through GSE and Ginnie Mae securitizations on a servicing retained basis. Origination revenues mostly include interest income earned for the period the loans are held by us, gain on sale revenue, which represents the difference between the origination value and the sale value of the loan including its MSR value, and fee income earned at origination. As the securitizations of reverse mortgage loans do not achieve sale accounting treatment and the loans are classified as loans held for investment, at fair value, reverse mortgage revenues include the fair value changes of the loan from lock date to securitization date.

We provide customary origination representations and warranties to investors in connection with our GSE loan sales and securitization activities. We receive customary origination representations and warranties from our network of approved correspondent lenders. We recognize the fair value of the liability for our representations and warranties at the time of sale. In the event we cannot remedy a breach of a representation or warranty, we may be required to repurchase the loan or provide an indemnification payment to the mortgage loan investor. To the extent that we have recourse against a third-party originator, we may recover part or all of any loss we incur. We actively monitor our counterparty risk associated with our network of correspondent lenders-sellers.

We purchase MSRs through flow purchase agreements, the GSE Cash Window programs and bulk MSR purchases. The GSE Cash Window programs we participate in, and purchase MSR from, allow mortgage companies and financial institutions to sell whole loans to the respective agency and sell the MSR to the winning bidder servicing released. In addition, we partner with other originators to replenish our MSR through flow purchase agreements. We do not provide any origination representations and warranties in connection with our MSR purchases through MSR flow purchase agreements or GSE Cash Window programs. As of March 31, 2021, we have relationships with 378 sellers, including 215 MSR co-issue and flow sellers and 163 correspondent sellers.

We initially recognize our MSR origination with the associated economics in our Originations business, and subsequently transfer the MSR to our Servicing segment at fair value. Our Servicing segment reflects all subsequent performance associated with the MSR, including funding cost, run-off and other fair value changes.

We source additional servicing volume through our subservicing and interim servicing agreements and we intend to grow our subservicing business through our enterprise sales. We do not report any revenue or gain associated with subservicing, as it is reported within the Servicing segment. However, sales efforts and certain costs - marginal compensation and benefits - are managed and reported within the Originations segment.

For the first quarter of 2021, our Originations business originated or purchased forward and reverse mortgage loans with a UPB of $3.2 billion and $263.1 million, respectively. In addition, we opportunistically purchased $4.5 billion UPB MSR through the GSE Cash Window during the first quarter of 2021.

The following table presents the results of operations of our Originations segment. The amounts presented are before the elimination of balances and transactions with our other segments:

	Three Months Ended				
	March 31, 2021	December 31, 2020	% Change	Three Months Ended March 31, 2020	% Change
Revenue					
Gain on loans held for sale, net	$ 37.6	$ 31.0	21 %	$ 13.1	187 %
Reverse mortgage revenue, net	19.8	14.9	33	6.1	223
Other revenue, net (1)	8.9	8.6	4	2.4	264
Total revenue	66.3	54.5	22	21.7	206
MSR valuation adjustments, net	8.5	15.4	(45)	0.3	n/m
Operating expenses					
Compensation and benefits	21.5	19.8	9	12.5	73
Servicing and origination	2.8	2.5	13	1.2	125
Occupancy and equipment	1.5	1.3	11	1.4	3
Technology and communications	1.6	2.0	(20)	0.7	128
Professional services	3.1	3.6	(13)	1.1	193
Corporate overhead allocations	5.0	4.6	10	4.4	14
Other expenses	1.8	2.3	(22)	1.6	9
Total operating expenses	37.3	36.0	4	23.0	63
Other income (expense)					
Interest income	2.6	2.3	13	1.6	58
Interest expense	(3.6)	(3.2)	9	(2.4)	46
Other, net	0.1	0.2	(67)	—	(327)
Total other expense, net	(0.9)	(0.8)	14	(0.8)	13
Income (loss) before income taxes	$ 36.5	$ 33.0	11 %	$ (1.8)	n/m

n/m: not meaningful

(1) Includes $2.4 million, $2.9 million and $0.0 million ancillary fee income related to MSR acquisitions reported as Servicing and subservicing fees at the consolidated level for the three months periods ended March 31, 2021, December 31, 2020 and March 31, 2020, respectively.

The following table provides selected operating statistics for our Originations segment:

	Three Months Ended				
	March 31, 2021	December 31, 2020	% Change	Three Months Ended March 31, 2020	% Change
Originations by Channel					
Forward loans					
Correspondent	$ 2,626.8	$ 2,585.3	2%	$ 514.3	411%
Recapture	563.4	425.9	32 %	195.9	188
	$ 3,190.2	$ 3,011.2	6%	$ 710.2	349%
% Purchase production	15 %	16 %	(9)	26 %	(42)
% Refinance production	85	84	1	74	15
Reverse loans (1)					
Correspondent	$ 150.0	$ 134.0	12 %	$ 116.2	29 %
Wholesale	53.6	74.7	(28)	79.0	(32)
Retail	59.5	63.1	(6)	30.8	93
	$ 263.1	$ 271.8	(3)%	$ 226.0	16 %
MSR Purchases by Channel (Forward only)					
GSE Cash Window / Flow MSR	5,985.2	6,729.8	(11)%	1,343.2	346%
Bulk MSR purchases	—	15,024.8	(100)	1,541.3	(100)
	$ 5,985.2	$ 21,754.6	(72)	$ 2,884.5	107
Total	$ 9,438.5	$ 25,037.6	(62)	$ 3,820.7	147
Short term loan commitment (at period end)					
Forward loans	$ 916.9	$ 619.7	48 %	$ 357.2	157 %
Reverse loans	50.2	11.7	329	25.6	96
Average Employment					
U.S.	577	521	11	421	37
India and other	280	257	9	94	198
Total	857	778	10	515	66

(1) Loan production excludes reverse mortgage loan draws by borrowers disbursed subsequent to origination.

Gain on Loans Held for Sale

The following table provides information regarding Gain on loans held for sale by channel and the related forward loan origination volume and margins:

	Three Months Ended				
	March 31, 2021	December 31, 2020	% Change	Three Months Ended March 31, 2020	% Change
Gain on Loans Held for Sale (1)					
Correspondent	$ 3.5	$ 7.0	(49)%	$ 1.6	119 %
Recapture	34.1	24.0	42	11.5	196
	$ 37.6	$ 31.0	21 %	$ 13.1	187 %
% Gain on Sale Margin (2)					
Correspondent	0.12 %	0.30 %	(60)	0.26 %	(54)
Recapture	5.12	5.39	(5)	4.54	13
	1.08 %	1.12 %	(4)	1.52 %	(29)%
Origination UPB (3)					
Correspondent	$ 2,822.3	$ 2,329.7	21.1	$ 609.0	363%
Recapture	665.6	445.7	49	253.2	163
	$ 3,487.9	$ 2,775.5	26 %	$ 862.2	305 %

(1) Includes realized gains on loan sales and related new MSR capitalization, changes in fair value of IRLCs, changes in fair value of loans held for sale and economic hedging gains and losses.
(2) Ratio of gain on Loans held for sale to volume UPB. See (3) below. Note that the ratio differs from the day-one gain on sale margin upon lock.
(3) Defined as the UPB of loans funded in the period plus the change in the period in the pull-through adjusted UPB of IRLCs.

We recognized a $37.6 million gain on loans held for sale, net for the first quarter of 2021, a $6.6 million, or 21% increase as compared to the fourth quarter of 2020. The increase is due to higher loan production volume, partially offset by a decline in our margins, for both channels. Margins were lower due to increased competition in the marketplace and rising interest rates. Despite a lower margin, our recapture channel generated a $10.1 million increase in our gain on loans held for sale with an increased pull-through of loan commitments to loan funding, as interest rates rose and our recapture performance strengthened.

Gain on loans held for sale, net for the first quarter of 2021 increased $24.5 million, or 187%, as compared to the first quarter of 2020, mostly due to the increase in our total forward loan production volume. The $2.6 billion, or 305% new production volume increase in both our correspondent and recapture channels is due to favorable market conditions for borrower refinancing and the demonstrated capability of our Originations platform. We have expanded our correspondent seller network from 58 to 163, a 181% increase in twelve months. In addition, the increase in the new production volume of our recapture channel is the result of investments in staffing we made to develop the capabilities of our platform.

Reverse Mortgage Revenue, Net

The following table provides information regarding Reverse mortgage revenue, net of the Originations segment that comprises fair value changes of the pipeline and unsecuritized reverse mortgage loans held for investment, at fair value, together with volume and margin:

	Three Months Ended				
	March 31, 2021	December 31, 2020	% Change	Three Months Ended March 31, 2020	% Change
Origination UPB (1)	$ 296.8	$ 249.4	19 %	$ 212.0	40 %
Origination margin (2)	6.67 %	5.99 %	11 %	2.89 %	131
Reverse mortgage revenue, net (Originations) (3)	$ 19.8	$ 14.9	33 %	$ 6.1	223 %

(1) Defined as the UPB of loans funded in the period plus the change in the period in the pull-through adjusted UPB of IRLCs.
(2) Ratio of origination gain and fees - see (3) below - to origination UPB - see (1) above.

(3) Includes gain on new origination, and loan fees and other.

We reported $19.8 million Reverse mortgage revenue, net for the first quarter of 2021, a $4.9 million, or 33% increase as compared to the fourth quarter of 2020. As detailed in the above table, the increase is driven by both a volume increase and a higher average margin. Our correspondent channel generated higher volumes at a higher margin and explains most of the revenue increase in the quarter. The higher margin is mostly due to increased investor demand and tightening yield spreads observed in the market during first quarter of 2021.

Reverse mortgage revenue, net for the first quarter of 2021 increased $13.7 million, or 223% as compared to the first quarter of 2020, primarily driven by a higher margin across all channels, and increased volume, to a lesser extent. Both retail and correspondent channels mostly contributed to the growth. The higher margin is mostly due to widening yield spreads observed in the market during the first quarter of 2020.

Other Revenue

Other revenue for the first quarter of 2021 increased $0.3 million and $6.5 million as compared to the fourth quarter of 2020 and the first quarter of 2020, respectively. The increase is primarily driven by increased loan production volumes in both recapture and correspondent channels.

MSR Valuation Adjustments, Net

MSR valuation adjustments, net includes a gain of $8.5 million for the first quarter of 2021 due to the revaluation gains on certain MSRs opportunistically purchased through the GSE Cash Window programs, and flow purchases. Due to the current market environment, we seized the opportunity to purchase certain MSRs with a purchase price at a discount to fair value. In addition, as an aggregator of MSRs, we recognized valuation adjustments for differences in exit markets in accordance with the accounting fair value guidance. We record such valuation adjustments as MSR valuation adjustments, net within the Originations segment since the segment's business objective is the sourcing of new MSRs at targeted returns. We transfer the MSR from the Originations segment to the Servicing segment at fair value upon closing.

MSR valuation adjustments, net for the first quarter of 2021 declined $6.9 million as compared to the fourth quarter of 2020. Opportunities for fair value discount or margins were larger in the early period of the pandemic and have reduced as markets start to normalize. We did not record any such gain prior to the pandemic in the first quarter of 2020.

Operating Expenses

Operating expenses for the first quarter of 2021 increased $1.3 million, or 4%, as compared to the fourth quarter of 2020, primarily due to a $1.8 million, or 9% increase in Compensation and benefits. Originations average headcount increased 10% as compared to the fourth quarter of 2020, reflecting increases in staffing levels as part of our initiative to expand our origination platform and increase volumes. The net $0.4 million decrease in other operating expenses is driven by expenses recorded during the fourth quarter of 2020 related to our 2020 re-engineering initiatives and outsourced services to support the surge in our Originations business.

Operating expenses for the first quarter of 2021 increased $14.4 million, or 63%, as compared to the first quarter of 2020, primarily due to a $9.0 million, or 73% increase in Compensation and benefits. Originations average headcount increased 66% as compared to the first quarter of 2020, reflecting an increase in staffing levels as part of our initiative to expand our origination platform and increase volumes. Other operating expenses increased primarily due to a $2.1 million increase in Professional Services and a $1.5 million increase in origination expenses. Certain other operating expenses are variable, and as a result, as origination volume increased so did the related expenses. Examples include credit reports included in origination expenses or certain outsourced services recorded in Professional services.

Other Income (Expense)

Interest income consists primarily of interest earned on newly-originated and purchased loans prior to sale to investors. Interest expense is incurred to finance the mortgage loans. We finance originated and purchased forward and reverse mortgage loans with repurchase and participation agreements, commonly referred to as warehouse lines. The increase in interest income and interest expense as compared to the fourth quarter of 2020 and first quarter of 2020, is primarily the result of the increase in the average held for sale loan and warehouse debt balances due to increased loan production volumes.

CORPORATE ITEMS AND OTHER

Corporate Items and Other includes revenues and expenses of corporate support services, our reinsurance business CRL, and inactive entities, and our other business activities that are currently individually insignificant, revenues and expenses that are not directly related to other reportable segments, interest income on short-term investments of cash, gain or loss on repurchases of debt, interest expense on corporate debt and foreign currency exchange gains or losses. Interest expense on direct asset-backed financings are recorded in the respective Servicing and Originations segments, while interest expense on the

SSTL and the Senior Notes is recorded in Corporate Items and Other and was not allocated. Beginning in the third quarter of 2020, we began allocating interest expense on such corporate debt used to fund servicing advances and other servicing assets from Corporate Items and Other to Servicing. The interest expense related to the corporate debt has been allocated to the Servicing segment for prior periods to conform to the current period presentation. Our cash balances are included in Corporate Items and Other.

Corporate support services include finance, facilities, human resources, internal audit, legal, risk and compliance and technology functions. Corporate Items and Other also includes severance, retention, facility-related and other expenses incurred in 2020related to our re-engineering initiatives and have not been allocated to other segments.

CRL, our wholly-owned captive reinsurance subsidiary, provides re-insurance related to coverage on REO properties owned or serviced by us. CRL assumes a quota share of REO insurance coverage written by a third-party insurer under a blanket policy issued to PMC. The underlying REO policy provides coverage for direct physical loss on commercial and residential properties, subject to certain limitations. Under the terms of the reinsurance agreement, CRL assumes a 50% quote share of premiums and all related losses incurred by the third-party insurer, effective June 2020, and 40% through May 2020. The initial term of the reinsurance agreement expired December 31, 2020, and was automatically renewed for an additional one-year term.

Certain expenses incurred by corporate support services that are not directly attributable to a segment are allocated to the Servicing and Originations segments. We allocate overhead costs incurred by corporate support services to the Servicing and Originations segments which now incorporates the utilization of various measurements primarily based on time studies, personnel volumes and service consumption levels. Support service costs not allocated to the Servicing and Originations segments are retained in the Corporate Items and Other segment along with certain other costs including certain litigation and settlement related expenses or recoveries, costs related to our 2020 re-engineering initiatives, and other costs related to operating as a public company.

The following table presents selected results of operations of Corporate Items and Other. The amounts presented are before the elimination of balances and transactions with our other segments:

	Three Months Ended				
	March 31, 2021	December 31, 2020	% Change	Three Months Ended March 31, 2020	% Change
Revenue					
Premiums (CRL)	$ 1.2	$ 1.3	(3)%	$ 2.5	(51)%
Other revenue	0.1	0.1	(26)	0.1	(49)
Total revenue	1.3	1.3	(4)	2.6	(51)
Operating expenses					
Compensation and benefits	21.7	22.3	(3)	21.0	3
Professional services	7.0	17.1	(59)	19.5	(64)
Technology and communications	5.8	5.2	11	7.2	(20)
Occupancy and equipment	0.9	1.8	(51)	1.5	(42)
Servicing and origination	0.2	0.4	(45)	0.6	(62)
Other expenses	1.3	2.3	(46)	2.2	(43)
Total operating expenses before corporate overhead allocations	36.8	49.1	(25)	52.0	(29)
Corporate overhead allocations					
Servicing segment	(12.2)	(12.7)	(4)	(17.8)	(31)
Originations segment	(5.0)	(4.6)	10	(4.4)	14
Total operating expenses	19.5	31.8	(38)	29.8	(34)
Other income (expense), net					
Interest income	0.1	0.2	(49)	1.2	(91)
Interest expense	(4.6)	(1.6)	179	(3.0)	55
Loss on extinguishment of debt	(15.5)	—	n/m	—	n/m
Other, net	(0.2)	(0.5)	(61)	(2.3)	(92)
Total other expense, net	(20.1)	(1.9)	968	(4.0)	403
Loss before income taxes	$ (38.4)	$ (32.3)	19 %	$ (31.1)	23 %

n/m: not meaningful

Compensation and Benefits

Compensation and benefits expense for the first quarter of 2021 declined $0.6 million, or 3%, as compared to the fourth quarter of 2020. Incentive compensation declined $2.1 million, mostly due to the annual adjustment of incentives recorded in the fourth quarter of 2020. Partially offsetting this decline, salaries and benefit expenses increased $0.9 million and severance expense increased $0.5 million. The average corporate headcount and the mix between onshore and offshore was mostly unchanged.

As compared to the first quarter of 2020, compensation and benefits expense for the first quarter of 2021 increased $0.6 million, or 3%despite the reduction in the corporate headcount. Incentive compensation increased $1.3 million and benefit administration and recruitment expenses increased $0.9 million, offset by a $1.8 million decline in salaries and benefit expenses due to the effects of a 10% decline in average corporate headcount, including a 24% decrease in average onshore headcount from 343 to 259.

Professional Services

Professional services expense for the first quarter of 2021 declined $10.1 million, or 59%, as compared to the fourth quarter of 2020, primarily due to a $5.9 million decrease in legal expenses and a $3.3 million decline in other professional fees. The net decrease in legal expenses is largely due to the $13.1 million increase in our accrual related to the CFPB matter recorded in the fourth quarter of 2020, partially offset by the $8.5 million recovery of prior expenses also recorded in the fourth quarter of 2020 in connection with a settlement from a mortgage insurer. Nonrecurring costs recorded in the fourth quarter of

2020, including costs related to 2020 reengineering activities, resulted in lower professional services expenses in the first quarter of 2021.

As compared to the first quarter of 2020, professional services expense for the first quarter of 2021 declined $12.4 million, or 64%, primarily due to an $8.4 million decline in legal expenses and a $3.7 million decline in other professional services. The net decline in legal expenses is largely due to $6.6 million recorded in the first quarter of 2020 related to the CFPB matter. Cost reduction initiatives in 2020 resulted in lower other professional fees in the first quarter of 2021.

Other Operating Expenses

Technology and communications, Occupancy and equipment, and Other expenses for the first quarter of 2021 decreased $1.4 million and $3.0 million as compared to the fourth quarter of 2020 and the first quarter of 2020, respectively. Cost re-engineering initiatives in 2020 resulted in lower other operating expenses in the first quarter of 2021, including the transition to a more cost-effective alternative telephone system and the rationalization of our office space.

Corporate overhead allocations remained mostly constant in the first quarter of 2021 as compared to the fourth quarter of 2020, and decreased $5.0 million as compared to the first quarter of 2020, mostly due to the reduction of the relative size of the Servicing segment and the cost savings discussed above.

Total expenses for the first quarter of 2021, after corporate overhead allocations decreased $12.2 million, or 38%, as compared to the fourth quarter of 2020, and decreased by $10.2 million, or 34%, as compared to the first quarter of 2020, primarily due to declines in Professional services expenses, as discussed above, which were not allocated.

Other Income (Expenses)

Interest expense of the Corporate segment relates to the remaining corporate debt unallocated to other segments. Interest expense for the first quarter of 2021 increased $2.9 million, or 179%, as compared to the fourth quarter of 2020, and $1.6 million, or 55%, as compared to the first quarter of 2020. The increase is driven by a lower allocation of corporate debt to the servicing segment and a higher cost of corporate debt in the first quarter of 2021. In addition, the partial prepayment of the SSTL in January 2020 resulted in incremental expenses recorded during the first quarter of 2020. The higher effective rate of our corporate debt in the first quarter of 2021 is mostly due to the senior secured notes issued at a discount on March 4, 2021 together with warrants, resulting in an incremental discount that amortizes over the six-year life of the notes.

On March 4, 2021, we recognized a loss on debt extinguishment of $15.5 million resulting from our early repayment of the SSTL due May 2022, 6.375% PHH senior unsecured notes due August 2021, and 8.375% PMC senior secured notes due November 2022. The loss on debt extinguishment includes the write-off of unamortized debt issuance costs and discount, as well as contractual prepayment premiums.

Other expense, net decreased $2.1 million, or 92% in the first quarter of 2021, as compared to the first quarter of 2020, mostly due to foreign currency losses related to our operations in India recorded in the first quarter of 2020.

LIQUIDITY AND CAPITAL RESOURCES

Overview

On March 4, 2021, we successfully completed a comprehensive refinancing of our corporate debt and a capital contribution to our licensed entity PHH Mortgage Company, through the following transactions:

- We redeemed all of PHH's outstanding 6.375% Senior Notes due August 2021 at a price of 100% of the $21.5 million principal amount, plus accrued and unpaid interest, and all of PMC's 8.375% Senior Secured Notes due November 2022 at a price of 102.094% of the $291.5 million principal amount, plus accrued and unpaid interest.
- We repaid in full the $185.0 million outstanding principal balance of the SSTL due May 2022, with a 2% prepayment premium of the outstanding principal balance, or $3.7 million.
- PMC completed the issuance and sale of $400.0 million aggregate principal amount of 7.875% senior secured notes due March 15, 2026 (the PMC Senior Secured Notes).
- Ocwen Financial Corporation, completed the private placement of $199.5 million aggregate principal amount of senior secured notes due March 4, 2027 (the OFC Senior Secured Notes) together with the issuance of warrants to certain special purpose entities owned by funds and accounts managed by Oaktree Capital Management, L.P. (the Oaktree Investors).
- Ocwen Financial Corporation contributed the $175.0 million net proceeds from the issuance of the OFC Senior Secured Notes to its wholly owned subsidiary, PHH, and PHH contributed $153.4 million to its wholly owned subsidiary PMC, as permanent equity, after redeeming PHH's 6.375% Senior Notes disclosed above.

With the completion of the corporate debt refinancing, we have reduced corporate indebtedness at the PHH and PMC level by approximately $100 million and extended overall corporate debt maturities by over three years resulting in a better alignment of the debt profile with our investments. We now have greater financial flexibility than with the prior capital structure, and we believe, an opportunity to negotiate better terms for our future financing needs.

In addition, in the normal course of business, we are actively engaged with our lenders and as a result, have successfully completed at market terms the following with respect to our current and anticipated financing needs:

- On March 29, 2021, we entered into a gestation repurchase agreement which provides borrowing at our discretion up to a certain maximum amount of capacity on a rolling 30-day committed basis. Under this facility, dry Agency mortgage loans are sold to a trust which issues a trust certificate that is pledged as the collateral for any borrowings.
- On March 30, 2021, the borrowing capacity on our $100.0 million reverse mortgage loan facility was temporarily increased to $150.0 million effective April 1, 2021 until May 30, 2021 when it will then be reduced to $100.0 million.
- On March 31, 2021, we extended the maturity date on a $275.0 million repurchase facility to June 30, 2022.

See Note 11 – Borrowings to the Unaudited Consolidated Financial Statements for additional information.

A summary of borrowing capacity under our advance facilities, mortgage warehouse facilities and MSR financing facilities is as follows at the dates indicated:

	March 31, 2021			December 31, 2020		
	Total Borrowing Capacity (1)	Available Borrowing Capacity - Committed (1)	Available Borrowing Capacity - Uncommitted (1)	Total Borrowing Capacity (1)	Available Borrowing Capacity - Committed (1)	Available Borrowing Capacity - Uncommitted (1)
Advance facilities	$ 795.0	$ 244.6	$ —	$ 795.0	$ 213.7	$ —
Mortgage loan warehouse facilities	1,088.7	124.9	354.3	1,037.0	186.9	398.4
MSR financing facilities	375.0	—	25.2	375.0	39.2	13.0
Total	$ 2,258.7	$ 369.5	$ 379.5	$ 2,207.0	$ 439.8	$ 411.4

(1) Total Borrowing Capacity represents the maximum amount which can be borrowed, subject to eligible collateral. Available Borrowing Capacity represents Total Borrowing Capacity less outstanding borrowings.

The available borrowing capacity under our advance financing facilities increased by $30.9 million as compared to December 31, 2020 due to the $30.9 million decrease in outstanding borrowings. At March 31, 2021, none could be funded under the available borrowing capacity based on the amount of eligible collateral that had been pledged to our advance financing facilities. However, $17.0 million of uncommitted borrowing capacity was available to fund advances at March 31, 2021 under our Ginnie Mae MSR financing facility based on the amount of eligible collateral as disclosed below.

We may utilize committed borrowing capacity under our mortgage warehouse facilities and MSR financing facilities to the extent we have sufficient eligible collateral to borrow against and otherwise satisfy the applicable conditions to funding. At March 31, 2021, we had no committed borrowing capacity, based on the amount of eligible collateral, and an additional $17.0 million uncommitted borrowing capacity. Uncommitted amounts can be advanced at the discretion of the lender, and there can be no assurance that any uncommitted amounts will be available to us at any particular time.

At March 31, 2021, our unrestricted cash position was $259.1 million compared to $284.8 million at December 31, 2020. In addition, we had voluntarily paid down or foregone $17.0 million of borrowings on our facilities to reduce interest costs. We typically invest cash in excess of our immediate operating needs in deposit accounts and other liquid assets.

We closely monitor our liquidity position and ongoing funding requirements, and we regularly monitor and project cash flows over various time horizons as a way to anticipate and mitigate liquidity risk. As uncertainties in market conditions decline, we will continue to seek to optimize our cash management and may reduce our unrestricted cash position to further fund our growth.

In assessing our liquidity outlook, our primary focus is on available cash on hand, unused available funding and the following forecast measures:

- Financial projections for ongoing net income, excluding the impact of non-cash items, and working capital needs including loan repurchases;
- Requirements for amortizing and maturing liabilities;
- The projected change in advances compared to the projected borrowing capacity to fund such advances under our facilities, including capacity for monthly peak needs;
- Projected funding requirements for acquisitions of MSRs and other investment opportunities;
- Funding capacity for whole loans and tail draws under our reverse mortgage commitments subject to warehouse eligibility requirements;
- Potential payments or recoveries related to legal and regulatory matters, insurance, taxes and others; and
- Margining requirements associated with our borrowing facilities and hedging program.

Use of Funds

Our primary near-term uses of funds in the normal course include:

- Payment of operating costs and corporate expenses;
- Payments for advances in excess of collections;
- Investing in our servicing and originations businesses, including MSR and other asset acquisitions;
- Originated and repurchased loans, including scheduled and unscheduled equity draws on reverse mortgage loans;
- Payment of margin calls under our MSR financing facilities and derivative instruments;
- Repayments of borrowings, including under our MSR financing, advance financing and warehouse facilities, and payment of interest expense; and
- Net negative working capital and other general corporate cash outflows.

We have originated floating-rate reverse mortgage loans under which the borrowers have additional borrowing capacity of $2.1 billion at March 31, 2021. This additional borrowing capacity is available on a scheduled or unscheduled payment basis. During the three months ended March 31, 2021, we funded 47.8 million out of this $2.0 billion borrowing capacity as of December 31, 2020. We also had short-term commitments to lend $916.9 million and $50.2 million in connection with our forward and reverse mortgage loan IRLCs, respectively, outstanding at March 31, 2021. We finance originated and purchased forward and reverse mortgage loans with repurchase and participation agreements, referred to as warehouse lines.

Regarding the current maturities of our borrowings, as of March 31, 2021, we have approximately $871.7 million of debt outstanding that would either come due, begin amortizing or require partial repayment in the next 12 months. This amount is comprised of $419.5 million of borrowings under forward and reverse mortgage warehouse facilities, $75.4 million of variable funding notes under advance financing facilities that will enter their respective amortization periods, $349.8 million outstanding under our Agency and Ginnie Mae MSR financing facilities and $26.9 million of scheduled principal amortization on the PLS Notes secured by PLS MSRs.

The COVID-19 environment created unprecedented changes in the economy, volatility in the capital markets, and uncertainties in the mortgage industry. In our liquidity management, we consider two factors more specifically as a result of COVID-19 and the volatile interest rate environment: our increased advancing requirements as servicer during each investor remittance period, and the uncertainties of daily margin calls on our collateralized debt facilities and derivative instruments.

First, as servicer, we are required to advance to investors the loan P&I installments not collected from borrowers for those delinquent loans, including those on forbearance plans. We also advance T&I and Corporate advances primarily on properties that are in default or have been foreclosed. Our obligations to make these advances are governed by servicing agreements or

guides, depending on investors or guarantor. Refer to Note 25 — Commitments to the Consolidated Financial Statements in our Annual Report on Form 10-K for the year ended December 31, 2020 for further description of our servicer advance obligations. As subservicer, we are also required to make P&I, T&I and Corporate advances on behalf of servicers following the servicing agreements or guides. However, servicers are generally required to reimburse us within 30 days of our advancing under the terms of the subservicing agreements, and we are generally reimbursed by NRZ the same day we fund P&I advances, or within no more than three days for servicing advances and certain P&I advances under the Ocwen agreements.

Second, we are generally subject to daily margining requirements under the terms of our MSR financing facilities and daily cash calls for our TBAs and interest rate swap futures. Declines in fair value of our MSRs due to declines in market interest rates, assumption updates or other factors require that we provide additional collateral to our lenders under MSR financing facilities. Similarly, declines in fair value of our derivative instruments require that we provide additional collateral to the clearing counterparties.

If we complete the MAV transaction with Oaktree, we have agreed to invest up to $37.5 million in MAV for use in connection with eligible MSR investments and operating expenses.

We recently signed non-binding letters of intent to purchase MSR portfolios in bulk, representing an aggregate UPB of approximately $54 billion, expected to close in the second quarter of 2021 and expected to transfer on our servicing platform in the third quarter of 2021. In addition, on April 20, 2021, we entered into an agreement with Texas Capital Bank (TCB) to purchase, in bulk, mortgage servicing rights and related servicing advances attributable to a mortgage loan portfolio approximating $13.6 billion as of March 31, 2021. The transaction is expected to close in the second quarter of 2021, subject to customary closing conditions, with approximately 60,000 loans expected to transfer to our servicing platform in the third quarter of 2021 (subject to pay-offs occurring prior to transfer date). The purchase is expected to be funded from a combination of available cash and borrowings under our debt facilities. We intend to either assign the agreement in whole or in part to MAV, or sell MAV the MSRs acquired under the agreement when MAV becomes operational, subject to receipt of any remaining regulatory approvals required for closing the MAV transaction.

We have also entered into a binding letter of intent with TCB pursuant to which we have agreed to offer employment to certain of TCB's Correspondent Lending personnel and TCB will cooperate to transition to us related customers and vendors. The transition is expected to begin during the second quarter of 2021, with an expected increased volume in our Correspondent channel.

Our medium- and long-term requirements for cash include:

- Payment of interest and principal repayment of our corporate debt that matures in 2026 and 2027;
- Any payments associated with the confirmation of loss contingencies; and
- Any other payments required under contractual obligations discussed above that extend beyond one year, e.g., lease payments.

We are focused on ensuring that we have sufficient liquidity sources to continue to operate through the pandemic as well as after. We continuously evaluate alternative financings to diversify our sources of funds, optimize maturities and reduce our funding cost. See "Sources of Funds" below.

Sources of Funds

Our primary sources of funds for near-term liquidity in normal course include:

- Collections of servicing fees and ancillary revenues;
- Collections of advances in excess of new advances;
- Proceeds from match funded advance financing facilities;
- Proceeds from other borrowings, including warehouse facilities and MSR financing facilities;
- Proceeds from sales and securitizations of originated loans and repurchased loans; and
- Net positive working capital from changes in other assets and liabilities.

Servicing advances are an important component of our business and represent amounts that we, as servicer, are required to advance to, or on behalf of, our servicing clients if we do not receive such amounts from borrowers. Our use of advance financing facilities is integral to our cash and liquidity management strategy. Revolving variable funding notes issued by our advance financing facilities to financial institutions typically have a revolving period of 12 months. Term notes are generally issued to institutional investors with one-, two- or three-year revolving periods. Additionally, certain of our financing and subservicing agreements permit us to retain advance collections for a period ranging from one to two business days before remittance, thus providing a source of short-term liquidity.

We use mortgage loan repurchase and participation facilities (commonly called warehouse lines) to fund newly-originated loans on a short-term basis until they are sold to secondary market investors, including GSEs or other third-party investors, and to fund repurchases of certain Ginnie Mae forward loans, HECM loans, second-lien loans and other types of loans. Warehouse

facilities are structured as repurchase or participation agreements under which ownership of the loans is temporarily transferred to the lender. These facilities contain eligibility criteria that include aging and concentration limits by loan type among other provisions. Currently, our master repurchase and participation agreements generally have maximum terms of 364 days. The funds are typically repaid using the proceeds from the sale of the loans to the secondary market investors, usually within 30 days.

We also rely on the secondary mortgage market as a source of consistent liquidity to support our lending operations. Substantially all of the mortgage loans that we originate or purchase are sold or securitized in the secondary mortgage market in the form of residential mortgage backed securities guaranteed by Fannie Mae or Freddie Mac and, in the case of mortgage backed securities guaranteed by Ginnie Mae, are mortgage loans insured or guaranteed by the FHA, VA or United States Department of Agriculture (USDA).

We regularly evaluate financing structure options that we believe will most effectively provide the necessary capacity to support our investment plans, address upcoming debt maturities and accommodate our business needs. As noted above, we completed a significant refinancing on March 4, 2021. Our subsidiary PMC issued $400.0 million of senior secured notes maturing in 2026, and Ocwen Financial Corporation issued $199.5 million of senior secured notes maturing in 2027 and warrants to Oaktree. We used the proceeds received from these note issuances to prepay the $185.0 million outstanding balance of our SSTL and $313.1 million outstanding balance of senior notes maturing in 2021 and 2022, as well as the related prepayment premiums. The remainder of the proceeds were used for general corporate purposes. Our financing structure actions are targeted at optimizing access to capital and debt financing, improving our cost of funds, enhancing financial flexibility, bolstering liquidity and reducing funding risk while maintaining leverage within our risk tolerances.

Oaktree Investment and Strategic Relationship

In December 2020, we agreed to create a strategic alliance with Oaktree to launch MAV pursuant to which Oaktree has agreed to fund $212.5 million into MAV and we have agreed to invest $37.5 million into MAV. In addition, on February 9, 2021, Oaktree agreed to invest into Ocwen up to a $250.0 million investment. The investment by Oaktree facilitated the refinancing of our corporate debt on March 4, 2021 and the remainder is expected to accelerate the growth of our Originations and Servicing businesses.

The $250.0 million investment by Oaktree is structured as senior secured notes issued by Ocwen Financial Corporation, in two tranches, for an aggregate of $285.0 million principal, with $35.0 million of original issue discount (OID). The $175.0 million first tranche of the investment was completed on March 4, 2021 and resulted in the issuance of $199.5 million OFC Senior Secured Notes, with a $24.5 million OID, and warrants. The $75.0 million second investment ($85.5 million principal and $10.5 million OID) was completed following the launch of MAV on May 3, 2021.

As part of the first tranche investment on March 4, 2021, we issued 1,184,768 warrants to the Oaktree Investors to purchase shares of our common stock equal to 12.0% of our then outstanding common stock at an exercise price of $26.82 per share, subject to anti-dilution adjustments. In addition, Oaktree purchased 4.9%, or 426,705 shares of our fully diluted outstanding common stock at the closing of the MAV transaction on May 3, 2021 at a purchase price of $23.15 per share, and Oaktree was issued 261,248 warrants to purchase additional common stock equal to 3% of our then outstanding common stock at a purchase price of $24.31 per share, subject to anti-dilution adjustments. See Note 22 – Subsequent Events for additional information.

Collateral

The following table lists selected assets on our consolidated balance sheet held as collateral for secured borrowings and other unencumbered assets which may be subject to a lien under various collateralized borrowings at March 31, 2021:

$ in millions	Total Assets (Consolidated)	Pledged Assets	Collateralized Borrowings	Net (1)	Unencumbered Assets (1)	Total (1)
Cash	$ 259.1	—	—	—	259.1	$ 259.1
Restricted cash	77.3	77.3	0	77.3	—	77.3
Loans held for sale	517.8	490.1	462.7	27.4	27.7	55.1
Loans held for investment - unsecuritized	169.5	131.7	112.4	19.3	37.8	57.1
MSR (2)	849.9	849.9	372.4	477.5	—	477.5
Advances	786.7	657.3	635.4	21.9	129.4	151.3
Receivables, net	178.2	41.5	30.9	10.6	136.7	147.3
REO	8.8	6.5	3.4	3.1	—	3.1
Total - Consolidated (3)	$ 2,847.3	2,254.3	1,617.2	637.1	590.7	$ 1,227.8

(1) Certain assets are pledged as collateral to the $400.0 million PMC Senior Secured Notes and $199.5 million OFC Senior Secured (second lien) Notes.

(2) Excludes MSR pledged to NRZ and associated pledged MSR liability recorded as sale accounting criteria are not met.

(3) The total of selected assets disclosed in the above table does not represent the total consolidated assets of Ocwen. For example, the total excludes reverse mortgage loans, premises and equipment and certain other assets.

In addition, as part of our reverse mortgage securitization activities, $6.9 billion in UPB of reverse mortgage loans and real estate owned was pledged as collateral to the HMBS beneficial interest holders, and are not available to satisfy the claims of our creditors. Ginnie Mae, as guarantor of the HMBS, is obligated to the holders of the HMBS in an instance of PMC's default on its servicing obligations, or if the proceeds realized on HECMs are insufficient to repay all outstanding HMBS related obligations. Ginnie Mae has recourse to PMC in connection with certain claims relating to the performance and obligations of PMC as both issuer of HMBS and servicer of HECMs underlying HMBS.

The OFC Senior Secured Notes due 2027 have a second lien priority on specified assets carried on PMC's balance sheet, as defined under the OFC Senior Secured Note Agreement and listed in the table below, and have a priority lien on the following assets: Investments by our holding company in subsidiaries not guaranteeing the $400.0 million PMC Senior Secured Notes, including PHH Corporation and MAV; cash and investment accounts at the holding company; and certain other assets, including receivables.

$ in millions	As of March 31, 2021
Specified net servicing advances	$ 174.7
Specified deferred servicing fee	—
Specified MSR value less borrowings	608.9
Specified unrestricted cash balances (1)	—
Specified advance facility reserves	7.2
Specified loan value	111.5
Specified residual value	47.9
Specified fair value of marketable securities	—
Total Value - PMC (1)	$ 950.2

(1) Unrestricted cash was not subject to a priority lien as of March 31, 2021 under the PMC Senior Secured Note agreement.

Covenants

Our debt agreements contain various qualitative and quantitative covenants including financial covenants, covenants to operate in material compliance with applicable laws and regulations, monitoring and reporting obligations and restrictions on our ability to engage in various activities, including but not limited to incurring or guarantying additional debt, paying dividends or making distributions on or purchasing equity interests of Ocwen and its subsidiaries, repurchasing or redeeming capital stock or

junior capital, repurchasing or redeeming subordinated debt prior to maturity, issuing preferred stock, selling or transferring assets or making loans or investments or other restricted payments, entering into mergers or consolidations or sales of all or substantially all of the assets of Ocwen and its subsidiaries, creating liens on assets to secure debt, and entering into transactions with affiliates. These covenants may limit the manner in which we conduct our business and may limit our ability to engage in favorable business activities or raise additional capital to finance future operations or satisfy future liquidity needs. In addition, breaches or events that may result in a default under our debt agreements include, among other things, nonpayment of principal or interest, noncompliance with our covenants, breach of representations, the occurrence of a material adverse change, insolvency, bankruptcy, certain material judgments and litigation and changes of control. See Note 11 – Borrowings for additional information regarding our covenants.

In addition, our debt agreements generally include cross default provisions such that a default under one agreement could trigger defaults under other agreements. If we fail to comply with our debt agreements and are unable to avoid, remedy or secure a waiver of any resulting default, we may be subject to adverse action by our lenders, including termination of further funding, acceleration of outstanding obligations, enforcement of liens against the assets securing or otherwise supporting our obligations, and other legal remedies, any of which could have a material adverse effect on our business, financial condition, liquidity and results of operations. We believe that we are in compliance with the covenants in our debt agreements as of the date this Quarterly Report on Form 10-Q is filed with the SEC.

Credit Ratings

Credit ratings are intended to be an indicator of the creditworthiness of a company's debt obligations. Lower ratings generally result in higher borrowing costs and reduced access to capital markets. The following table summarizes our current ratings and outlook by the respective nationally recognized rating agencies. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

Rating Agency	Long-term Corporate Rating	Review Status / Outlook	Date of last action
Moody's	Caa1	Stable	February 24, 2021
S&P	B-	Stable	February 24, 2021

On February 24, 2021, concurrent with the launch of the $400.0 million PMC Senior Secured Notes offering, both Moody's and S&P reaffirmed the corporate ratings at Caa1 and B-, respectively. In addition, both agencies revised the outlook of the corporate ratings to Stable from Negative. This change in outlook was driven by the elimination of the short debt maturity runway and refinancing risk, which was listed as an area of concern by both Moody's and S&P. It is possible that additional actions by credit rating agencies could have a material adverse impact on our liquidity and funding position, including materially changing the terms on which we may be able to borrow money.

Cash Flows

Our operating cash flow is primarily impacted by operating results, including Originations gains on loan sales, changes in our servicing advance balances, the level of mortgage loan production, the timing of sales and securitizations of mortgage loans, and the margin calls required under our MSR financing facilities or derivative instruments. We classify proceeds from the sale of servicing advances, including advances sold in connection with the sale of MSRs, purchase of MSRs through flow purchase agreements, GSE Cash Window and bulk acquisitions as investing activity. MSR investments represent a key indicator of our ability to generate future income in our Servicing business, together with originated MSR. We classify changes in HECM loans held for investment as investing activity, changes in the related HMBS borrowings as financing activity.

Our NRZ agreements have a significant impact on our consolidated statements of cash flows. Because the lump-sum payments we received in connection with our 2017 Agreements and New RMSR Agreements were recorded as secured financings, additions to, and reductions in, the balance of those secured financings were recognized as financing activity in our consolidated statements of cash flows through April 2020. Excluding the impact of changes to the secured financings attributed to changes in fair value, changes in the balance of these secured financings are reflected in cash flows from operating activities despite having no impact on our consolidated cash balance. Net cash provided by operating activities for the first quarter of 2020 includes $25.1 million of such cash flows and they were offset by corresponding amounts in net cash used in financing activities in the same periods.

Cash flows for the first quarter of 2021

Our operating activities used $130.3 million of cash largely due to the growth of our new Originations production with net cash paid on loans held for sale of $154.5 million for the first quarter of 2021, partially offset by $38.7 million of net collections of servicing advances, mostly P&I advances.

Our investing activities used $52.8 million of cash. The primary uses of cash in our investing activities include $41.6 million to purchase MSRs and net cash outflows in connection with our HECM reverse mortgages of $11.6 million.

Our financing activities provided $162.3 million of cash. Cash inflows include $572.9 million from the issuance of the PMC Senior Secured Notes and the OFC Senior Secured Notes and warrants, $287.8 million received in connection with our reverse mortgage securitizations, which are accounted for as secured financings, offset by repayments on the related financing liability of $311.6 million, and a $177.2 million net increase in borrowings under our mortgage warehouse and MSR financing facilities. Cash outflows include $319.2 million to repay our 6.375% senior unsecured notes and 8.375% senior secured notes, $188.7 million repayment of the SSTL, $30.9 million of net repayments on advance match funded liabilities and $50.4 million of net payments on the financing liabilities related to MSRs pledged. In addition, we paid debt issuance costs of $6.8 million in connection with the issuance of the PMC Senior Secured Notes and OFC Senior Secured Notes.

Cash flows for the fourth quarter of 2020

Our operating activities provided $12.9 million of cash including $9.1 million of net collections of servicing advances, mostly P&I advances, and offset in part by net cash paid on loans held for sale of $1.6 million for the fourth quarter of 2020.

Our investing activities used $199.8 million of cash. The primary uses of cash in our investing activities include $190.2 million to purchase MSRs and net cash outflows in connection with our HECM reverse mortgages of $10.7 million.

Our financing activities provided $161.1 million of cash. Cash inflows include $148.8 million net cash received in connection with our MSR financing facilities, net cash received of $10.0 million on warehouse facilities and $346.7 million reverse mortgage securitizations, less repayments on the related financing liability of $322.8 million. Cash outflows include the quarterly payment of $5.0 million on the SSTL and $17.6 million of payments on the financing liabilities related to MSRs pledged.

Cash flows for the first quarter of 2020

Our operating activities provided $171.0 million of cash including $121.1 million net collections for servicing and ancillary income, $29.4 million of net collections of servicing advances, and net cash received on loans held for sale of $11.7 million for the first quarter of 2020..

Our investing activities used $147.3 million of cash. The primary uses of cash in our investing activities include net cash outflows in connection with our HECM reverse mortgages of $119.8 million. Cash outflows also include $29.8 million to purchase MSRs.

Our financing activities used $199.3 million of cash. Cash outflows include the partial prepayment of $126.1 million on the SSTL, $53.2 million of net repayments on advance match funded liabilities, a $97.2 million decrease in borrowings under our mortgage warehouse and MSR financing facilities, $50.4 million of net payments on the financing liabilities related to MSRs pledged. In addition, we also paid $7.3 million of debt issuance costs related to our SSTL facility amendment and repurchased 5.7 million shares of our common stock for $4.6 million. Cash inflows include $312.2 million received in connection with our reverse mortgage securitizations less repayments on the related financing liability of $172.4 million.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our ability to measure and report our financial position and operating results is influenced by the need to estimate the impact or outcome of future events based on information available at the date of the financial statements. An accounting estimate is considered critical if it requires that management make assumptions about matters that were highly uncertain at the time the accounting estimate was made. If actual results differ from our judgments and assumptions, then it may have an adverse impact on the results of operations and cash flows. We have processes in place to monitor these judgments and assumptions, and management is required to review critical accounting policies and estimates with the Audit Committee of the Board of Directors. The following is a summary of certain accounting policies and estimates involving significant judgments. Our significant accounting policies and critical accounting estimates are disclosed in our Annual Report on Form 10-K for the year ended December 31, 2020 in Note 1 to the Consolidated Financial Statements and in Management's Discussion and Analysis of Financial Condition and Results of Operations under "Critical Accounting Policies and Estimates." There have not been any material changes to our critical accounting policies and estimates as disclosed in the Annual Report on Form 10-K.

Fair Value Measurements

We use fair value measurements to record fair value adjustments to certain instruments in our statement of operations and to determine fair value disclosures. As of March 31, 2021, 83% of our assets and 71% of our liabilities were reported at fair value, with fair value changes reported in our statement of operations. Substantially all our assets and liabilities at fair value were classified as Level 3 instruments. The determination of the fair value of these Level 3 financial assets and liabilities and MSRs requires significant management judgment and estimation. See Part I., Item 3. Quantitative and Qualitative Disclosures about Market Risk below for a sensitivity analysis reflecting the estimated change in the fair value of our MSRs, HECM loans held for investment and loans held for sale carried at fair value as well as any related derivatives at March 31, 2021, given hypothetical instantaneous parallel shifts in the yield curve.

Valuation of Reverse Mortgage Loans Held for Investment

During the first quarter of 2021, we recorded a net $2.0 million fair value gain in reverse mortgage revenue in our Servicing segment. The fair value of both reverse mortgage loans held for investment and corresponding HMBS-related borrowings is based primarily on discounted cash flow methodologies. Inputs to the discounted cash flows of these assets include future draws and tail spread gains, voluntary prepayments, defaults and discount rate. The determination of fair value requires management judgment due to the significant unobservable assumptions, including voluntary prepayment speeds, defaults and discount rate.

We engage third-party valuation experts to support our valuation and provide observations and assumptions related to market activities. We evaluate the reasonableness of our fair value estimate and assumptions using historical experience, or cash flow backtesting, adjusted for prevailing market conditions and benchmarks with third-party expert valuations. We believe that our back-testing and benchmarking procedures provide reasonable assurance that the fair value used in our consolidated financial statements comply with the accounting guidance for fair value measurements and disclosures and reflect the assumptions that a market participant would use.

Valuation of MSRs

During the first quarter of 2021, we recorded a $34.9 million fair value gain on the revaluation of our MSRs. We determine the fair value of MSRs primarily using discounted cash flow methodologies. The significant estimated future cash inflows for MSRs include servicing fees, late fees, float earnings and other ancillary fees, and cash outflows include the cost of servicing, the cost of financing servicing advances and compensating interest payments. The determination of the fair value of MSRs requires management judgment relating to the significant unobservable assumptions that underlie the valuation, including prepayment speed, delinquency rates, cost to service and discount rate. Our judgement is informed by the transactions we observe in the market, by our actual portfolio performance and by the advice and information we obtain from our valuation experts, amongst other factors.

To assist in the determination of fair value, we engage third-party valuation experts who generally utilize: (a) transactions involving instruments with similar collateral and risk profiles, adjusted as necessary based on specific characteristics of the asset or liability being valued; and/or (b) industry-standard modeling, such as a discounted cash flow model and a prepayment model, in arriving at their estimate of fair value. The prices provided by the valuation experts reflect their observations and assumptions related to market activity, incorporating available industry survey results, and including risk premiums and liquidity adjustments. While the models and related assumptions used by the valuation experts are proprietary to them, we understand the methodologies and assumptions used to develop the prices based on our ongoing due diligence, which includes regular discussions with the valuation experts, and we perform additional verification and analytical procedures. We evaluate the reasonableness of our third-party experts' assumptions using historical experience adjusted for prevailing market conditions and benchmarks with third-party expert valuation and market participant surveys. We believe that our procedures provide

reasonable assurance that the fair value used in our consolidated financial statements comply with the accounting guidance for fair value measurements and disclosures and reflect the assumptions that a market participant would use.

Allowance for Losses on Servicing Advances and Receivables

During the first quarter of 2021, we recorded a $1.5 million provision expense for losses on servicing advances. At March 31, 2021, the allowance was $6.2 million, which represented 0.8% of total servicing advances. We record an allowance for losses on servicing advances to the extent we believe that a portion of advances are uncollectible under the provisions of each servicing contract taking into consideration, among other factors, our historical collection rates, probability of default, cure or modification, length of delinquency and the amount of the advance. We continually assess collectability using proprietary cash flow projection models that incorporate a number of different factors, depending on the characteristics of the mortgage loan or pool, including, for example, the probable loan liquidation path, estimated time to a foreclosure sale, estimated costs of foreclosure action, estimated future property tax payments and the estimated value of the underlying property net of estimated carrying costs, commissions and closing costs.

During the first quarter of 2021, we recorded a $5.0 million provision expense on receivables related to government-insured claims. At March 31, 2021, the allowance for losses on receivables related to government-insured claims was $40.4 million, which represents 31% of total government-insured claims receivables. The allowance for losses relates to defaulted FHA or VA insured loans repurchased from Ginnie Mae guaranteed securitizations. This allowance is based upon continuing assessments of collectability, historical loss experience, current conditions and reasonable and supportable forecasts.

Determining an allowance for losses involves management judgment and assumptions that, given similar information at any given point, may result in a different but reasonable estimate.

Indemnification Obligations

During the first quarter of 2021, we recorded a $0.6 million provision expense for indemnification. As of March 31, 2021, we have recorded a liability for representation and warranty obligations, and similar indemnification obligations of $41.7 million. We have exposure to representation, warranty and indemnification obligations because of our lending, sales and securitization activities, our acquisitions to the extent we assume one or more of these obligations, and in connection with our servicing practices. We initially recognize these obligations at fair value. Thereafter, the estimation of the liability considers probable future obligations based on industry data of loans of similar type segregated by year of origination, to the extent applicable, and estimated loss severity based on current loss rates for similar loans, our historical rescission rates and the current pipeline of unresolved demands. Our historical loss severity considers the historical loss experience that we incur upon sale or liquidation of a repurchased loan as well as current market conditions. We monitor the adequacy of the overall liability and make adjustments, as necessary, after consideration of other qualitative factors including ongoing dialogue and experience with our counterparties. See Note 21 – Contingencies to the Unaudited Consolidated Financial Statements for additional information.

Litigation

During the first quarter of 2021, we recorded a $0.7 million provision expense for loss contingencies. Our total accrual for probable and estimable legal and regulatory matters, including accrued legal fees, was $40.4 million as of March 31, 2021. It is possible that we will incur losses relating to threatened and pending litigation that materially exceed the amount accrued. We cannot currently estimate the amount, if any, of reasonably possible losses above amounts that have been recorded as of March 31, 2021. In the ordinary course of business, we are a defendant in, or a party or potential party to, many threatened and pending litigation matters. We monitor our litigation matters, including advice from external legal counsel, and regularly perform assessments of these matters for potential loss accrual and disclosure. We establish liabilities for settlements, judgments on appeal and filed and/or threatened claims for which we believe it is probable that a loss has been or will be incurred and the amount can be reasonably estimated based on current information regarding these matters. Where we determine that a loss is not probable but is reasonably possible or where a loss in excess of the amount accrued is reasonably possible, we disclose an estimate of the amount of the loss or range of possible losses for the claim if a reasonable estimate can be made, unless the amount of such reasonably possible loss is not material to our financial position, results of operations or cash flows. Management’s assessment involves the use of estimates, assumptions, and judgments, including progress of the matter, prior experience, available defenses, and the advice of legal counsel and other experts. Accruals are adjusted as more information becomes available or when an event occurs requiring a change.

Income Taxes

We record a tax provision for the anticipated tax consequences of the reported results of operations. We compute the provision for income taxes using the asset and liability method, under which deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial reporting and tax bases of assets and liabilities, and for operating losses and tax credit carryforwards. We measure deferred tax assets and liabilities using the currently enacted tax rates in each jurisdiction that applies to taxable income in effect for the years in which those tax assets are

expected to be realized or settled. We record a valuation allowance to reduce deferred tax assets to the amount that is believed more likely than not to be realized.

We conduct periodic evaluations of positive and negative evidence to determine whether it is more likely than not that the deferred tax asset can be realized in future periods. In these evaluations, we gave more significant weight to objective evidence, such as our actual financial condition and historical results of operations, as compared to subjective evidence, such as projections of future taxable income or losses.

For the three-year periods ended December 31, 2020 and 2019, the US and USVI filing jurisdictions were in material cumulative loss positions. We recognize that cumulative losses in recent years is an objective form of negative evidence in assessing the need for a valuation allowance and that such negative evidence is difficult to overcome. Other factors considered in these evaluations are estimates of future taxable income, future reversals of temporary differences, tax character and the impact of tax planning strategies that may be implemented, if warranted.

As a result of these evaluations, we recognized a full valuation allowance of $182.7 million and $199.5 million on our U.S. deferred tax assets at December 31, 2020 and 2019, respectively, and a full valuation allowance of $0.4 million on our USVI deferred tax assets at both December 31, 2020 and 2019. The U.S. and USVI jurisdictional deferred tax assets are not considered to be more likely than not realizable based on all available positive and negative evidence. We intend to continue maintaining a full valuation allowance on our deferred tax assets in both the U.S. and USVI until there is sufficient evidence to support the reversal of all or some portion of these allowances. Release of the valuation allowance would result in the recognition of certain deferred tax assets and a decrease to income tax expense for the period in which the release is recorded. However, the exact timing and amount of the valuation allowance release are subject to change based on the profitability that we achieve.

We recognize tax benefits from uncertain tax positions only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such positions are then measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement.

NOL carryforwards may be subject to annual limitations under Internal Revenue Code Section 382 (Section 382) (or comparable provisions of foreign or state law) in the event that certain changes in ownership were to occur. In addition, tax credit carryforwards may be subject to annual limitations under Internal Revenue Code Section 383 (Section 383). We periodically evaluate our NOL and tax credit carryforwards and whether certain changes in ownership have occurred as measured under Section 382 that would limit our ability to utilize a portion of our NOL and tax credit carryforwards. If it is determined that an ownership change(s) has occurred, there may be annual limitations on the use of these NOL and tax credit carryforwards under Sections 382 and 383 (or comparable provisions of foreign or state law).

Ocwen and PHH have both experienced historical ownership changes that have caused the use of certain tax attributes to be limited and have resulted in the write-off of certain of these attributes based on our inability to use them in the carryforward periods defined under the tax laws. Ocwen continues to monitor the ownership in its stock to evaluate whether any additional ownership changes have occurred that would further limit its ability to utilize certain tax attributes. As such, our analysis regarding the amount of tax attributes that may be available to offset taxable income in the future without restrictions imposed by Section 382 may continue to evolve.

RECENT ACCOUNTING DEVELOPMENTS

See Note 1 - Organization and Basis of Presentation to the Unaudited Consolidated Financial Statements for information related to recent accounting standards updates.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK (Dollars in millions unless otherwise indicated)

Interest Rates

Our principal market risk exposure is the impact of interest rate changes on our mortgage-related assets and commitments, including MSRs, loans held for sale, loans held for investment and IRLCs. In addition, changes in interest rates could materially and adversely affect our volume of mortgage loan originations or result in MSR fair value changes. We also have exposure to the effects of changes in interest rates on our floating-rate borrowings, including advance financing facilities.

Our management-level Market Risk Committee establishes and maintains policies that govern our hedging program, including such factors as market volatility, duration and interest rate sensitivity measures, targeted hedge ratios, the hedge instruments that we are permitted to use in our hedging activities and the counterparties with whom we are permitted to enter

into hedging transactions and our liquidity risk profile. See Note 14 – Derivative Financial Instruments and Hedging Activities to the Unaudited Consolidated Financial Statements for additional information regarding our use of derivatives.

Our market risk exposure may also be affected by the replacement of LIBOR, which is expected to be phased out and completely replaced by June 30, 2023. The LIBOR administrator has advised that no new contracts using U.S. dollar LIBOR should be entered into after December 31, 2021. Many of our debt facilities incorporate LIBOR. These facilities either mature prior to the end of 2021 or have terms in place that provide for an alternative to LIBOR upon its phase-out. As we renew or replace these debt facilities, we are working with our counterparties to incorporate alternative benchmarks.

MSR Hedging Strategy

MSRs are carried at fair value with changes in fair value being recorded in earnings in the period in which the changes occur. The fair value of MSRs is subject to changes in market interest rates and prepayment speeds. Management implemented a hedging strategy to partially offset the changes in fair value of our net MSR portfolio attributable to interest rate changes. As a general matter, the impact of interest rates on the fair value of our MSR portfolio is naturally offset by other exposures, including our loan pipeline and our economic MSR value embedded in our reverse mortgage loan portfolio. Our hedging strategy is targeted at mitigating the residual exposure, which we refer to as our net MSR portfolio exposure. We define our net MSR portfolio exposure as follows:

- our more interest rate-sensitive Agency MSR portfolio,
- less the Agency MSRs subject to our agreements with NRZ (See Note 8 — Rights to MSRs),
- less the unsecuritized reverse mortgage loans and tails classified as held for investment,
- less the asset value for securitized HECM loans, net of the corresponding HMBS-related liability, and
- less the net value of our held for sale loan portfolio and lock commitments (pipeline).

In the first quarter of 2021, we have included in our MSR portfolio exposure to be hedged the exposure related to expected future MSR bulk acquisitions subject to letters of intent.

We determine and monitor daily the hedge coverage based on the duration and interest rate sensitivity measures of our net MSR portfolio exposure, considering market and liquidity conditions. During the first quarter of 2021, and consistent with prior periods, our hedging strategy was targeted to provide partial coverage of our net MSR portfolio exposure between 40% and 60%. The changes in fair value of our hedging instruments may not fully offset the changes in fair value of our net MSR portfolio exposure attributable to interest rate changes due to the partial hedge coverage and other factors.

The following table illustrates the composition of our net MSR portfolio exposure and its hedge at March 31, 2021 with the interest rate sensitivity for hypothetical, instantaneous changes in interest rate of 25 basis points assuming a parallel shift in interest rate yield curves (refer to the description below under Sensitivity Analysis). Changes in fair value cannot be extrapolated because the relationship to the change in fair value may not be linear. The amounts based on market risk sensitive measures are hypothetical and presented for illustrative purposes only.

	Fair value at March 31, 2021	Hypothetical change in fair value due to 25 bps rate decrease	Hypothetical change in fair value due to 25 bps rate increase
Agency MSRs - interest rate sensitive	$ 708.7	$ (33.7)	$ 31.9
Expected MSR bulk acquisitions under LOI (2)		(33.2)	39.9
Total Agency MSRs - interest rate sensitive (2)		(66.9)	71.8
Asset value of securitized HECM loans, net of HMBS-related borrowing	96.7	3.7	(3.7)
Loans held for investment - Unsecuritized HECM loans and tails	169.5	0.1	(0.1)
Loans held for sale	500.8	12.2	(14.1)
IRLCs	14.6	(0.7)	0.9
Natural hedges (sum of the above)		15.2	(17.0)
Derivative instruments	$ (9.1)	17.3	(15.6)
Total hedge position (1)		$ 32.5	$ (32.6)
Hypothetical hedge coverage ratio (2)(3)		49 %	45 %
Hypothetical residual exposure to changes in interest rates		(34.4)	39.2

(1) Total hedge position is defined as the sum of the fair value changes of hedging derivatives and the fair value changes of natural hedges due to interest rate risks, i.e., pipeline and economic MSR of reverse mortgage loans.
(2) Includes the hedged exposure related to the expected future MSR bulk acquisitions subject to letters of intent (UPB of $68 billion as of March 31, 2021 for which the MSR purchase price is indicated in the letter of intent).
(3) Hedge coverage ratio is calculated as the total hedge position divided by total Agency MSRs - interest rate sensitive.

We use forward trades of MBS or Agency TBAs with different banking counterparties and exchange-traded interest rate swap futures as hedging instruments. These derivative instruments are not designated as accounting hedges. TBAs, or To-Be-Announced securities are actively traded, forward contracts to purchase or sell Agency MBS on a specific future date. We report changes in fair value of these derivative instruments in MSR valuation adjustments, net in our consolidated statements of operations.

The TBAs and Interest rate swap futures are subject to margin requirements. Ocwen may be required to post or may be entitled to receive cash collateral with its counterparties, based on daily value changes of the instruments. Changes in market factors, including interest rates, and our credit rating could require us to post additional cash collateral and could have a material adverse impact on our financial condition and liquidity.

MSRs and MSR Financing Liabilities

Our entire portfolio of MSRs is accounted for using the fair value measurement method. MSRs are subject to interest rate risk as the mortgage loans underlying the MSRs permit borrowers to prepay their loans. The fair value of MSRs generally decreases in periods where interest rates are declining, as prepayments increase, and generally increases in periods where interest rates are increasing, as prepayments decrease.

While the majority of our non-Agency MSRs have been sold to NRZ, these transactions did not initially qualify as sales and are accounted for as secured financings until such time as the transactions meet the requirements for sale accounting treatment and are derecognized from our consolidated balance sheet. We have elected fair value accounting for these MSR financing liabilities. Through these transactions, the majority of the risks and rewards of ownership of the MSRs transferred to NRZ, including interest rate risk. Changes in the fair value of the MSRs sold to NRZ are offset by a corresponding change in the fair value of the MSR financing liabilities, which are recognized as pledged MSR liability expense in our consolidated statements of operations.

Loans Held for Sale, Loans Held for Investment and IRLCs

In our Originations business, we are exposed to interest rate risk and related price risk during the period from the date of the lock commitment through (i) the lock commitment cancellation or expiration date or (ii) through the date of sale of the resulting loan into the secondary mortgage market. Loan commitments for forward loans generally range from 5 to 90 days, but the majority of our commitments are for 60 days. Our holding period for forward mortgage loans from funding to sale is typically less than 30 days. Loan commitments for reverse mortgage loans range from 10 to 30 days. The majority of our

reverse loans are variable-rate loan commitments. This interest rate exposure is not individually hedged, but rather used as an offset to our MSR exposure and managed as part of our MSR hedging strategy described above.

Loans Held for Investment and HMBS-related Borrowings

The fair value of our HECM loan portfolio generally decreases as market interest rates rise and increases as market rates fall. As our HECM loan portfolio is predominantly comprised of ARMs, higher interest rates cause the loan balance to accrue and reach a 98% maximum claim amount liquidation event more quickly, with lower interest rates extending the timeline to liquidation.

The fair value of our HECM loan portfolio net of the fair value of the HMBS-related borrowings comprise the fair value of reverse mortgage loans and tails that are unsecuritized at the balance sheet date (reverse pipeline) and the fair value of securitized HECM loans net of the corresponding HMBS-related borrowings that represent the reverse mortgage economic MSR (HMSR) for risk management purposes. Both reverse assets (reverse pipeline and HMSR) act as a partial hedge for our forward MSR value sensitivity. This exposure is used as an offset to our MSR exposure and managed as part of our MSR hedging strategy described above.

Advance Match Funded Liabilities

We monitor the effect of increases in interest rates on the interest paid on our variable-rate advance financing debt. Earnings on cash and float balances are a partial offset to our exposure to changes in interest expense. We purchase interest rate caps as economic hedges (not designated as a hedge for accounting purposes) when required by our advance financing arrangements.

Interest Rate-Sensitive Financial Instruments

The tables below present the notional amounts of our financial instruments that are sensitive to changes in interest rates and the related fair value of these instruments at the dates indicated. We use certain assumptions to estimate the fair value of these instruments. See Note 3 – Fair Value to the Unaudited Consolidated Financial Statements for additional information regarding fair value of financial instruments.

	March 31, 2021		December 31, 2020	
	Balance	Fair Value (1)	Balance	Fair Value (1)
Rate-Sensitive Assets:				
Interest-earning cash	$ 231.4	$ 231.4	$ 261.5	$ 261.5
Loans held for sale, at fair value	500.8	500.8	366.4	366.4
Loans held for sale, at lower of cost or fair value (2)	17.0	17.0	21.5	21.5
Loans held for investment, at fair value	7,044.4	7,044.4	6,997.1	6,997.1
Debt service accounts and time deposits	16.5	16.5	20.7	20.7
Total rate-sensitive assets	$ 7,810.1	$ 7,810.1	$ 7,667.2	$ 7,667.2
Rate-Sensitive Liabilities:				
Advance match funded liabilities	$ 550.4	$ 550.9	$ 581.3	$ 582.0
HMBS-related borrowings, at fair value	6,778.2	6,778.2	6,772.7	6,772.7
SSTL and other secured borrowings (3) (4)	1,066.8	1,037.2	1,075.3	1,043.2
Senior notes (4)	599.5	579.9	313.1	320.9
Total rate-sensitive liabilities	$ 8,994.9	$ 8,946.2	$ 8,742.4	$ 8,718.8

	March 31, 2021		December 31, 2020	
	Notional Balance	Fair Value	Notional Balance	Fair Value
Rate-Sensitive Derivative Financial Instruments:				
Derivative assets (liabilities):				
IRLCs	$ 967.1	$ 14.6	$ 631.4	$ 22.7
Forward trades	105.0	(0.1)	50.0	(0.1)
Interest rate swap futures	1,400.0	(9.5)	593.5	0.5
TBA / Forward MBS trades	600.0	0.5	400.0	(4.6)
Derivatives, net		$ 5.5		$ 18.6

(1) See Note 3 – Fair Value to the Unaudited Consolidated Financial Statements for additional fair value information on financial instruments.
(2) Net of valuation allowances and including non-performing loans.
(3) Excludes financing liabilities that result from sales of assets that do not qualify as sales for accounting purposes and, therefore, are accounted for as secured financings, which have no contractual maturity and are amortized over the life of the related assets.
(4) Balances are exclusive of any related discount or unamortized debt issuance costs.

Sensitivity Analysis

Fair Value MSRs, Loans Held for Sale, Loans Held for Investment and Related Derivatives

The following table summarizes the estimated change in the fair value of our MSRs, HECM loans held for investment and loans held for sale that we have elected to carry at fair value as well as any related derivatives at March 31, 2021, given hypothetical instantaneous parallel shifts in the yield curve. We used March 31, 2021 market rates to perform the sensitivity analysis. The estimates are based on the interest rate risk sensitive portfolios described in the preceding paragraphs and assume instantaneous, parallel shifts in interest rate yield curves. These sensitivities are hypothetical and presented for illustrative purposes only. Changes in fair value based on variations in assumptions generally cannot be extrapolated because the relationship to the change in fair value may not be linear.

	Change in Fair Value	
	Down 25 bps	Up 25 bps
Asset value of securitized HECM loans, net of HMBS-related borrowing	$ 3.7	$ (3.7)
Loans held for investment - Unsecuritized HECM loans and tails	0.1	(0.1)
Loans held for sale	12.2	(14.1)
Derivative instruments	17.3	(15.6)
Total MSRs - Agency and non-Agency (1)	(33.3)	31.9
Interest rate lock commitments (2)	(0.7)	0.9
Total, net	$ (0.7)	$ (0.7)

(1) Primarily reflects the impact of market interest rate changes on projected prepayments on the Agency MSR portfolio and on advance funding costs on the non-Agency MSR portfolio carried at fair value. Fair value adjustments to our MSRs are offset, in part, by fair value adjustments related to the NRZ financing liabilities, which are recorded in Pledged MSR liability expense.
(2) Forward mortgage loans only.

Borrowings

The majority of the debt used to finance much of our operations is exposed to interest rate fluctuations. We may purchase interest rate swaps and interest rate caps to minimize future interest rate exposure from increases in interest rates, or when required by the financing agreements.

Based on March 31, 2021 balances, if interest rates were to increase by 1% on our variable-rate debt and interest earning cash and float balances, we estimate a net positive impact of approximately $17.9 million resulting from an increase of $28.6 million in annual interest income and an increase of $10.6 million in annual interest expense.

Foreign Currency Exchange Rate Risk

Our operations in India and the Philippines expose us to foreign currency exchange rate risk to the extent that our foreign exchange positions remain unhedged. Depending on the magnitude and risk of our positions we may enter into forward exchange contracts to hedge against the effect of changes in the value of the India Rupee or Philippine Peso.

Home Prices

Inactive reverse mortgage loans for which the maximum claim amount has not been met are generally foreclosed upon on behalf of Ginnie Mae with the REO remaining in the related HMBS until liquidation. Inactive MCA repurchased loans are generally foreclosed upon and liquidated by the HMBS issuer. Although active and inactive reverse mortgage loans are insured by FHA, we may incur expenses and losses in the process of repurchasing and liquidating these loans that are not reimbursable by FHA in accordance with program guidelines. In addition, in certain circumstances, we may be subject to real estate price risk to the extent we are unable to liquidate REO within the FHA program guidelines. As our reverse mortgage portfolio seasons, and the volume of MCA repurchases increases, our exposure to this risk will increase.

ITEM 4. CONTROLS AND PROCEDURES

Our management, under the supervision of and with the participation of our principal executive officer and principal financial officer, has evaluated the effectiveness of our disclosure controls and procedures, as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (Exchange Act), as of March 31, 2021.

Based on such evaluation, management concluded that our disclosure controls and procedures as of March 31, 2021 were (1) designed and functioning effectively to ensure that material information relating to Ocwen, including its consolidated subsidiaries, is made known to our principal executive officer and principal financial officer by others within those entities, particularly during the period in which this report was being prepared and (2) operating effectively in that they provided reasonable assurance that information required to be disclosed by Ocwen in the reports that it files or submits under the Securities Exchange Act of 1934 (i) is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to management, including our principal executive officer or principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

There have not been any changes in our internal control over financial reporting that occurred during the fiscal quarter ended March 31, 2021 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

See Note 19 – Regulatory Requirements and Note 21 – Contingencies to the Unaudited Consolidated Financial Statements. That information is incorporated into this item by reference.

ITEM 1A. RISK FACTORS

An investment in our common stock involves significant risk. We describe the most significant risks that management believes affect or could affect us under Part I of our Annual Report on Form 10-K for the year ended December 31, 2020 and in Item 1A. Risk Factors under Part II of our Quarterly Report on Form 10-Q for the period ended March 31, 2021. Understanding these risks is important to understanding any statement in such reports and in our subsequent SEC filings (including this Form 10-Q) and to evaluating an investment in our common stock. You should carefully read and consider the risks and uncertainties described therein together with all the other information included or incorporated by reference in such Annual Report and in our subsequent SEC filings before you make any decision regarding an investment in our common stock. You should also consider the information set forth under "Forward-Looking Statements." If any of the risks actually occur, our business, financial condition, liquidity and results of operations could be materially and adversely affected. If this were to happen, the value of our common stock could significantly decline, and you could lose some or all of your investment.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

All unregistered sales of equity securities during the period have been previously disclosed.

ITEM 6. EXHIBITS

3.1	Amended and Restated Articles of Incorporation, as amended (1)
3.2	Amended and Restated Bylaws of Ocwen Financial Corporation (2)
4.1	The Company agrees to furnish to the Securities and Exchange Commission upon request a copy of each instrument with respect to the issuance of long-term debt of the Company and its subsidiaries, the authorized principal amount of which does not exceed 10% of the consolidated assets of the Company and its subsidiaries.
10.1*	Severance Agreement with Timothy J. Yanoti, effective March 2, 2021 (filed herewith)
10.2†	Note and Warrant Purchase Agreement, dated as of February 9, 2021, by and among Ocwen Financial Corporation, the purchasers signatory thereto, and Oaktree Fund Administration, LLC, as collateral agent (filed herewith)
10.3†	Second Lien Notes Pledge and Security Agreement, dated as of March 4, 2021, among Ocwen Financial Corporation and Oaktree Fund Administration, LLC (filed herewith)
10.4	Form of $199,500,000 aggregate principal amount Senior Secured Notes due 2027 (filed herewith) Acquisition LLC, and New Residential Mortgage LLC (filed herewith)
10.5	Form of Warrant issued March 4, 2021 (filed herewith)
10.6	Registration Rights Agreement dates as of March 4, 2021 (filed herewith)
10.7†	First Lien Notes Pledge and Security Agreement dated as of March 4, 2021 among PHH Mortgage Corporation, PHH Corporation, other guarantors thereto, and Wilmington Trust, National Association (filed herewith)

10.8†	Indenture, dated as of March 4, 2021, among PHH Mortgage Corporation, as the issuer, Ocwen Financial Corporation, as the parent, and the other guarantors thereto, and Wilmington Trust, National Association, as the trustee and collateral trustee (filed herewith)
10.9	Form of $400,000,000 aggregate principal amount 7.875% Senior Secured Notes due 2026 (filed herewith)
10.10†	First Amendment to Transaction Agreement, dated as of March 4, 2021, by and among OCW MAV Holdings, LLC, Ocwen Financial Corporation, and affiliates of Oaktree Capital Management L.P. (filed herewith)
10.11*	Form of Stock-Settled Performance-Based Restricted Stock Unit Agreement dated March 2, 2021 (filed herewith)
10.12*	Form of Hybrid (Cash and Stock Settled) Performance-Based Restricted Stock Unit Agreement dated March 2, 2021 (filed herewith)
10.13*	Form of Stock-Settled Time-Based Restricted Stock Unit Agreement dated March 2, 2021 (filed herewith)
10.14*	Form of Hybrid (Cash and Stock Settled) Time-Based Restricted Stock Unit Agreement dated March 2, 2021 (filed herewith)
31.1	Certification of the principal executive officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)
31.2	Certification of the principal financial officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith)
32.1	Certification of the principal executive officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)
32.2	Certification of the principal financial officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)
101	The following financial statements from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2021 were formatted in Inline XBRL: (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Comprehensive Income (Loss), (iv) Consolidated Statements of Changes in Equity, (v) Consolidated Statements of Cash Flows, and (v) the Notes to Unaudited Consolidated Financial Statements, tagged as blocks of text and including detailed tags.
104	The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2021, formatted in Inline XBRL (Included as Exhibit 101).

* Management contract or compensatory plan or agreement.

† Certain schedules and exhibits have been omitted in accordance with Item 601(a)(5) of Regulation S-K. A copy of any referenced schedules will be furnished supplementally to the SEC upon request.

(1) Incorporated by reference to the similarly described exhibit to the Registrant's Form 10-Q for the period ended September 30, 2020.

(2) Incorporated by reference to the similarly described exhibit to the Registrant's Form 8-K filed on February 25, 2019.

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Ocwen Financial Corporation

By: /s/ June C. Campbell

Executive Vice President and Chief Financial Officer
(On behalf of the Registrant and as its principal financial officer)

Date: May 4, 2021

SEPARATION AGREEMENT AND FULL RELEASE

This Separation Agreement and Full Release (the "Agreement"), dated as of February 19, 2021 is by and between Timothy J. Yanoti (the "Individual") and Ocwen Financial Corporation, its subsidiaries and affiliates, including without limitation PHH Mortgage Corporation (collectively, "Ocwen" or the "Company").

In consideration for the benefits Individual will receive pursuant to the Ocwen Financial Corporation United States Basic Severance Plan (the "Plan") and the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Termination Date and Acknowledgments. Individual and the Company will end their employment relationship on February 28, 2021 ("Termination Date"). The Company may relieve Individual of all duties and place the Individual on administrative leave prior to the Termination Date by providing written notice. Further, Individual agrees to resign from any and all positions as an officer, employee, director, member manager or any other position he serves in for Ocwen. Individual no longer will be authorized to transact business or incur any expenses, obligations and liabilities on behalf of the Company after the earlier of being placed on administrative leave or the Termination Date. Individual acknowledges (i) receipt of all compensation for all hours worked and benefits due through the Termination Date as a result of services performed for the Company with the receipt of a final paycheck except as provided in this Agreement; (ii) Individual has reported to the Company any and all work-related injuries incurred during employment; (iii) the Company properly provided any leave of absence because of Individual's or a family member's health condition and Individual has not been subjected to any improper treatment, conduct or actions due to a request for or taking such leave; (iv)

___ (initials)

Individual has had the opportunity to provide the Company with written notice of any and all concerns regarding suspected ethical and compliance issues or violations on the part of the Company or any other Released Parties; and (v) Individual has reported any pending judicial or administrative complaints, claims, or actions filed against the Company or any other Released Parties. Further, Individual acknowledges and agrees that, except as specifically provided in paragraph 2, below, no modification is being made to any equity award agreement currently in effect between Individual and Ocwen, and Individual shall not be entitled to any further vesting, issuance, exercise or payment under any such equity award agreement other than as specifically provided under the terms of such agreements.

2. Consideration. The Company will provide Individual the gross sum of $675,000, less applicable withholding and taxes (the "Payment"), contingent upon the Company's receipt of this fully executed agreement, the return of any Company property, and the expiration of any applicable revocation period. The Payment will be issued within 30 days of the completion of these contingencies.

The Company will further provide Individual $700,000 pursuant to the 2020 Annual Incentive Plan.

For awards granted pursuant to Ocwen Financial Corporation's 2017 Performance Incentive Plan, your separation will be treated as an involuntary termination without cause, thereby preserving your eligibility to vest in some granted units, as outlined in each individual award agreement. Additionally, the Company will use a termination date of March 31, 2021 to calculate the number of units eligible to vest pursuant to the 2019 Long Term Incentive Program ("LTIP") awards granted March 29, 2019, the 2020 LTIP awards granted March 30, 2020 and the Restricted Stock Unit award granted September 10, 2020.

___ (initials)

Amounts the Company is paying in consideration for the Agreement will be treated as taxable compensation but are not intended by either party to be treated, and will not be treated, as compensation for purposes of eligibility or benefits under any benefit plan of the Company. The Company will apply standard tax and other applicable withholdings to payments made to Individual. Individual agrees that the consideration the Company will provide, including a COBRA subsidy, if any, provided pursuant to the terms and conditions of the Plan, includes amounts in addition to anything of value to which Individual already is entitled. The Company also will pay Individual accrued but unused vacation regardless of whether Individual signs this Agreement.

3. Full and Final Release. In consideration of benefits provided by the Company, if any, paid pursuant to and under the terms of the Plan, Individual, for Individual personally and Individual's representatives, heirs, executors, administrators, successors and assigns, fully, finally and forever releases and discharges the Company and its affiliates, as well as their respective successors, assigns, officers, owners, directors, agents, representatives, attorneys, and employees (all of whom are referred to throughout this Agreement as the "Released Parties"), of and from all claims, demands, actions, causes of action, suits, damages, losses, and expenses, of any and every nature whatsoever, individually or as part of a group action, known or unknown, as a result of actions or omissions occurring through the date Individual signs this Agreement. Specifically included in this waiver and release are, among other things, claims of unlawful discrimination, harassment, or failure to accommodate; claims related to terms and conditions of employment; claims for compensation or benefits; and/or claims for wrongful termination of employment, claims under Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, the Age Discrimination in Employment Act, the Older Workers' Benefit

___ (initials)

Protection Act, the National Labor Relations Act (NLRA), Connecticut Fair Employment Practices Act, CONN. GEN. STAT. §§ 31-51m; 31-51kk et seq.; 38a-538, 546; 38a-543; 46a-51; 46a-58; 46a-60; 46a-81c; and Connecticut's Wage Hour and Wage Payment Laws.

4. Agreement Not To Sue. Other than an action for breach of this Release Agreement or as otherwise provided in paragraphs 6 and 7, Individual expressly acknowledges that if Individual files any claim or lawsuit, or causes or aids any claim or arbitration to be filed on Individual's behalf, regarding any matter described in this Release Agreement, Employer may be entitled to recover from Individual some or all money paid under this Release Agreement, plus attorneys' fees and costs incurred in defending against such action, to the extent permitted by law.

5. OWBPA, Advice of Counsel, Consideration and Revocation Periods, Other Information.

Individual understands and agrees that:

i. Rights or claims under the Age Discrimination in Employment Act of 1967 (29 U.S.C. § 621, et seq.) are being waived, except as provided herein.

ii. Individual has had the opportunity of a full 21 days within which to consider this Agreement and release provided herein before signing it, but may not sign before the Termination Date. ("Consideration Period"). If Individual has not taken the full Consideration Period before signing, Individual has done so knowingly and voluntarily, thereby expressly waiving this time period and agreeing not to assert the invalidity of this Agreement and the general release above. Individual agrees with the Company that changes, whether material or immaterial, do not restart the running of the Consideration Period.

iii. Individual has carefully read and fully understands all of the provisions of this Agreement and general release provided herein and is knowingly and voluntarily agreeing to be legally bound by all of the terms set forth in this Agreement. Any modification or alteration of any terms of this Agreement by Individual voids this Agreement in its entirety.

iv. Individual is, through this Agreement and the general release provided herein, releasing the Released Parties from any and all claims Individual may have against the Company or such individuals.

v. Individual is hereby advised in writing to consider the terms of this Agreement and the general release provided herein and consult with an attorney of Individual's choice prior to signing this Agreement.

___ (initials)

vi. Individual has a full 7 days following the execution of this Agreement to revoke this Agreement and the general release provided herein, and has been and hereby is advised in writing that this Agreement and general release shall not become effective or enforceable until the revocation period has expired. (The Revocation Period). Revocation of this Agreement and the general release provided herein must be made in writing and must be received by Ocwen Financial Corporation, no later than close of business on the seventh full day after the execution of this Agreement and General Release. If the Revocation period expires on a weekend or holiday, Individual will have until the end of the next business day to revoke. This Agreement will become effective on the eighth day after Individual signs this Agreement provided Individual does not revoke this Agreement (Effective Date).

vii. Individual understands that rights or claims under the Age Discrimination in Employment Act of 1967 (29 U.S.C. § 621, et seq.) that may arise after the date this Agreement and General Release is signed are not waived.

viii. The Company advises Individual to consult with an attorney prior to signing this Agreement.

ix. Individual must return this signed Agreement to the Company's representative identified below within the Consideration Period but not prior to the Termination Date. If Individual signs and returns this Agreement before the end of the Consideration Period, it is because Individual freely chose to do so after carefully considering its terms.

6. No Interference with Rights. Nothing in this Agreement is intended to waive claims (i) for unemployment or workers' compensation benefits; (ii) for vested rights under ERISA-covered employee benefit plans as applicable on the date Individual signs this Agreement; (iii) that may arise after Individual signs this Agreement;(iv) for reimbursement of expenses under the Company's expense reimbursement policies; or (v) which cannot be released by private agreement. In addition, nothing in this Agreement including but not limited to the acknowledgments, release of claims, proprietary information, confidentiality, cooperation, and non-disparagement provisions, (i) limits or affects Individual's right to challenge the validity of this Agreement under the ADEA or the OWBPA, (ii) prevents Individual from filing a charge or complaint with or from participating in an investigation or proceeding conducted by the Equal Employment Opportunity Commission, the Occupational Safety and Health Administration,

___ (initials)

National Labor Relations Board, the Securities and Exchange Commission, or any other any federal, state or local agency charged with the enforcement of any laws, including providing documents or any other information, without notice to the Company or (iii) limits Individual from exercising rights under Section 7 of the NLRA to engage in protected, concerted activity with other employees, although by signing this Agreement Individual is waiving rights to individual relief (including backpay, frontpay, reinstatement or other legal or equitable relief) in any charge, complaint, or lawsuit or other proceeding brought by Individual or on Individual's behalf by any third party, except for any right Individual may have to receive a payment from a government agency (and not the Company) for information provided to the government agency.

7. Federal Defend Trade Secrets Act. Notwithstanding the confidentiality and non-disclosure obligations in this Release and otherwise, Individual understands that as provided by the Federal Defend Trade Secrets Act, Individual will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret made: (1) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (2) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

8. Executive Cooperation. Individual shall reasonably cooperate with Ocwen in connection with: (a) any internal or governmental investigation or administrative, regulatory, arbitral or judicial proceeding involving Ocwen with respect to matters relating to Individual's employment with Ocwen (collectively, "Litigation"); (b) any audit of the financial statements of Ocwen with respect to the period of time when Individual was employed by or provided services to Ocwen ("Audit"); and (c) providing such other occasional advice, assistance and consultation as Ocwen

___ (initials)

may reasonably request from time to time on matters with which Individual was familiar and/or about which Individual acquired knowledge, expertise and/or experience during the time that Individual was employed by Ocwen to help ensure a smooth transition of his position; provided that such cooperation does not unreasonably interfere with Individual's then-current professional or personal commitments. Individual acknowledges that such cooperation may include, but shall not be limited to, Individual making himself available to Ocwen (or their respective attorneys or auditors) upon reasonable notice for: (i) interviews, factual investigations, and providing declarations or affidavits that provide truthful information in connection with any Litigation or Audit; (ii) appearing at the request of Ocwen to give truthful testimony without requiring service of a subpoena or other legal process; (iii) volunteering to Ocwen pertinent information related to any Litigation or Audit; and (iv) turning over to Ocwen any documents relevant to any Litigation or Audit that are or may come into Individual's possession. Notwithstanding anything to the contrary, Individual will have no obligation to act against his own legal or financial interests or to forgo any constitutional rights (including, but not limited to, in connection with any regulatory investigation), and this Section 8 will not affect his Indemnification Rights. Ocwen and agrees to reimburse Individual for his actual and reasonable expenses in performing any services pursuant to this Section 8 that are requested by Ocwen, provided that Individual promptly submits such expenses for reimbursement along with reasonable and customary supporting documentation for the same. Any such reimbursement shall be paid within sixty days after receipt by Ocwen of such materials from Individual.

9. Company Property and Confidential Proprietary Information. Individual further agrees and covenants that Individual has not and will not remove from the Company premises any item belonging to the Company and its affiliates, including office equipment, files, business records or

___ (initials)

correspondence, customer lists, computer data and proprietary or confidential information ("Information") and that Individual has not and will not disclose or use any Information and/or trade secrets of the Company and its affiliates. To the extent individual has Information in his possession, Individual agrees to return to the Company prior to the Termination Date all confidential and proprietary information and all other Company property, as well as all copies or excerpts of any property, files or documents obtained as a result of employment with the Company, except those items that the Company specifically agrees in writing to permit Individual to retain. Individual agrees to keep all such information confidential and not disclose or use the Information for any purpose, or divulge or disclose that Information to any person other than employees of the Company, except as compelled by legal process or pursuant to paragraph 6 and 7 of this Agreement. In addition, Individual reaffirms his obligations pursuant to the Intellectual Property Agreement signed by him.

10. Post-Employment Restrictions. Individual acknowledges that during his time of employment he was provided access to confidential information and Company's clients, customers and others with whom the Company has formed valuable business arrangements. Individual agrees that he will not:

(i) For a period of two **(2)** years following the date of this Agreement take any action that would interfere with, diminish or impair the valuable relationships that the Company has with its clients, customers and others with which the Company has business relationships or to which services are rendered;

(ii) Recruit or otherwise solicit for employment or induce to terminate the Company's employment of or consultancy with, any person (natural or otherwise) who is or becomes an employee or consultant of the Company, or hire any such employee

___ (initials)

or consultant who has left the employ of the Company within one **(**1**)** year after the termination or expiration of such employee's or consultant's employment with the Company, as the case may be; or

(iii) Assist with others engaging in any of the foregoing.

11. Confidentiality of Agreement Terms. Individual shall not, either directly or indirectly, disclose, discuss or communicate to any entity or person, except his attorney and/or his spouse, any information whatsoever regarding the existence or the terms of this Agreement, its nature or scope or the negotiations leading to it, unless he is compelled to disclose such information pursuant to legal process, and only then after reasonable notice to the Company. Individual shall be responsible for assuring that his spouse complies with the nondisclosure commitments of this section. A breach by Individual's spouse will be considered a breach by Individual.

12. Non-Disparagement. Individual agrees not to make statements to clients, customers and suppliers of the Released Parties or to other members of the public that are in any way disparaging or negative towards the Released Parties or their products and services.

13. Subpoena. Except as provided in paragraphs 6 and 7, Individual further agrees not to testify for, appear on behalf of, or otherwise assist in any way any individual or company in any claim against Ocwen, except, unless and only pursuant to a lawful subpoena or other legal process issued to Individual. If such a subpoena is issued, Individual will immediately notify Ocwen's Legal Department and provide it with a copy of the subpoena, unless the subpoena reflects that Ocwen has already received a copy.

14. Action for Breach. Violation of any provision of this Agreement by Individual will subject Individual to an action for breach of this Agreement, and an action to obtain reimbursement of all monies paid pursuant to Paragraph 12 of this Agreement.

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15. Choice of Law, Jurisdiction and Venue and Jury Waiver. It is the intention of the parties hereto that all questions with respect to the construction of this Agreement and the rights and liabilities of the parties hereunder shall be determined in accordance with the laws of the State of Connecticut, without regard to conflict of law principles. Any dispute with respect to this Agreement or Individual's employment with the Company shall be decided in the state or federal courts located in Fairfield County, CT. The parties hereby consent and agree to the exclusive jurisdiction of the courts of the State of Connecticut sitting in Fairfield County, CT, or the corresponding United States District Court for that county, as well as to the jurisdiction of all courts from which an appeal may be taken from the aforesaid courts, for the purpose of any suit, action or other proceeding arising out of this Agreement or relating to Individual's employment. The parties further expressly waive any and all objections they may have to venue in any such courts. The parties knowingly and voluntarily waive any right which either or both of them shall have to receive a trial by jury with respect to any claims, controversies or disputes which arise out of or relate to this Agreement or Individual's employment with the Company.

16. Agreement of the Parties And Other Acknowledgements. The parties agree that this Agreement sets forth all the promises and agreements between them and supersedes all prior and contemporaneous agreements, understandings, inducements or conditions, express or implied, oral or written, except as contained herein. Notwithstanding any term contained herein, Individual acknowledges and reaffirms his obligations in the Employee Intellectual Property Agreement (attached hereto) and understands that those obligations remain effective following his separation from the Company.

Both parties acknowledge that they have had the opportunity to freely consult, if they so desire, with attorneys of their own choosing prior to signing this document regarding the contents

___ (initials)

and consequences of this document. The parties understand that the payment and other matters agreed to herein are not to be construed as an admission of or evidence of liability for any violation of the law, willful or otherwise, by any person or entity.

Individual fully understands the terms and contents of this Agreement and voluntarily, knowingly, and without coercion enters into this Agreement.

The Parties acknowledge that this Agreement is deemed to have been drafted jointly by the parties and, in the event of a dispute, shall not be construed in favor of or against any party by reason of such party's contribution to the drafting of the Agreement.

17. No Admission of Liability. Nothing in this Release Agreement shall be construed to be an admission of liability by the Company or the Released Parties for any alleged violation of any of Individual's statutory rights or any common law duty imposed upon Company.

18. Successors and Assigns. Except as otherwise provided in specific provisions above, this Release Agreement shall be binding upon and inure to the benefit of Individual, Individual's spouse, Individual's heirs, executors, administrators, designated beneficiaries and upon anyone claiming under Individual or Individual's spouse, and shall be binding upon and inure to the benefit of the Company, and its successors and assigns. Individual warrants and represents that, except as provided herein, no right, claim, cause of action or demand, or any part thereof, which Individual may have arising out of or in any way related to Individual's employment with the Company, has been or will be assigned, granted or transferred in any way to any other person, entity, firm or corporation, in any manner, including by subrogation or by operation of marital property rights.

19. Exemption from § 409A of the Internal Revenue Code of 1986, as amended (the "Code"). All payments due under this Release Agreement will be paid no later than March 31, 2020. It is

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the intent of the Parties that all such payments are to be considered to be short-term deferrals to which Code Section 409A is not applicable by reason of Treasury Regulation Section 1.409A-1(b)(4).

20. Counterparts and Facsimiles. This Agreement may be executed, including execution by facsimile signature, in multiple counterparts, each of which will be deemed an original, and all of which together will be deemed to be one and the same instrument.

By: /s/ Timothy J. Yanoti

Timothy J. Yanoti

Date: February 19, 2021

By: /s/ Dennis Zeleny

Ocwen Financial Corporation, Human Resources

Date: March 2, 2021

___ (initials)

IN WITNESS WHEREOF,

THE PARTIES HAVE READ AND FULLY CONSIDERED THIS AGREEMENT AND GENERAL RELEASE AND ARE MUTUALLY DESIROUS OF ENTERING INTO SUCH AGREEMENT AND GENERAL RELEASE.

INDIVIDUAL UNDERSTANDS THAT THIS DOCUMENT SETTLES, BARS AND WAIVES ANY AND ALL CLAIMS INDIVIDUAL HAD OR MIGHT HAVE AGAINST OCWEN UP THROUGH THE EFFECTIVE DATE OF THIS RELEASE; AND INDIVIDUAL ACKNOWLEDGES THAT HE OR SHE IS NOT RELYING ON ANY OTHER REPRESENTATIONS, WRITTEN OR ORAL, NOT SET FORTH IN THIS DOCUMENT. HAVING ELECTED TO EXECUTE THIS AGREEMENT AND GENERAL RELEASE, TO FULFILL THE PROMISES SET FORTH HEREIN, AND TO RECEIVE THEREBY THE SUMS AND BENEFITS SET FORTH ABOVE, INDIVIDUAL FREELY AND KNOWINGLY, AND AFTER DUE CONSIDERATION, ENTERS INTO THIS AGREEMENT AND GENERAL RELEASE.

IF THIS DOCUMENT IS RETURNED EARLIER THAN 21 DAYS, THEN INDIVIDUAL ADDITIONALLY ACKNOWLEDGES AND WARRANTS THAT JHE OR SHE HAS VOLUNTARILY AND KNOWINGLY WAIVED THE 21 DAY REVIEW PERIOD, AND THIS DECISION TO ACCEPT A SHORTENED PERIOD OF TIME IS NOT INDUCED BY OCWEN THROUGH FRAUD, MISREPRESENTATION, A THREAT TO WITHDRAW OR ALTER THE OFFER PRIOR TO THE EXPIRATION OF THE 21 DAYS, OR BY PROVIDING DIFFERENT TERMS TO INDIVIDUALS WHO SIGN RELEASES PRIOR TO

___ (initials)

THE EXPIRATION OF SUCH TIME PERIOD. INDIVIDUAL, HAVING READ THE FOREGOING RELEASE, UNDERSTANDING ITS CONTENT AND HAVING HAD AN OPPORTUNITY TO CONSULT WITH COUNSEL OF MY CHOICE, DO HEREBY KNOWINGLY AND VOLUNTARILY SIGN THIS AGREEMENT, THEREBY WAIVING AND RELEASING MY CLAIMS, ON _____ ___, 2021.

_____

Individual

SSN: _____ - _____-_____

OCWEN FINANCIAL CORPORATION

By: _____

Human Resources

___ (initials)

Certain schedules and exhibits have been omitted in accordance with Item 601(a)(5) of Regulation S-K. A copy of any referenced schedules will be furnished supplementally to the SEC upon request.

Ocwen Financial Corporation

Senior Secured Notes due 2027

Note and Warrant Purchase Agreement

Dated as of February 9, 2021

Table of Contents

Ocwen Financial Corporation

1661 Worthington Road, Suite 100
West Palm Beach, Florida 33409

Senior Secured Notes due 2027

Dated as of
February 9, 2021

To the Purchasers signatory hereto:

Ladies and Gentlemen:

Ocwen Financial Corporation, a corporation organized under the laws of Florida (the "*Company*"), agrees with the Purchasers signatory hereto and Oaktree Fund Administration, LLC, in its capacity as collateral agent for the Holders (together with its permitted successors in such capacity, "*Collateral Agent*"), on the date specified above (the "*Signing Date*") as follows:

SECTION 1. Authorization of Notes and Warrants.

Section 1.1. Authorization of Notes.

The Company has authorized the issuance and sale of (i) $199,500,000 of Senior Secured Notes due 2027 (the "*Initial Notes*"), which shall, subject to the conditions set forth herein, be issued at the Initial Closing (as defined below) and (ii) up to $85,500,000 of additional Senior Secured Notes due 2027 (the "*Additional Notes*"), which shall, subject to the conditions set forth herein, be issued at the Subsequent Closing (as defined below) on the same terms and conditions as the Initial Notes and (iii) PIK Notes (as defined below), which may be issued from time to time hereunder after the Initial Closing as payment of interest hereunder. The "*Initial Notes*", the "*Additional Notes*" and the "*PIK Notes*" are collectively referred to hereunder as the "*Notes*". The "*Notes*" shall include any such notes issued in substitution therefor pursuant to Section 13 of this Agreement. The Notes shall be substantially in the forms set out in Exhibit 1, with such changes therefrom, if any, as may be approved by each Purchaser and the Company. Certain capitalized terms used in this Agreement are defined in Schedule B; references to an "Annex", a "Schedule" or an "Exhibit" are, unless otherwise specified, to an Annex, a Schedule or an Exhibit attached to this Agreement.

Section 1.2. Authorization of Warrants.

The Company has authorized the issuance and sale of warrants entitling the holders thereof to purchase from the Company at the Initial Closing a number of shares (in the aggregate) equal to 12.0% of the Company's outstanding Common Stock (not on a fully diluted basis) at the Initial Closing pro forma for the transactions contemplated hereby (including the issuance of the Warrant Shares on exercise of the Warrants) at a price equal to $26.82 per share (such warrants,

the "*Warrants*"), on the terms set forth in the Form of Warrant Certificate attached hereto as Exhibit 2.

SECTION 2. Notes; Warrants.

Section 2.1. Sale and Purchase of Notes; PIK Notes.

Subject to the terms and conditions of this Agreement, including the satisfaction of the conditions precedent set forth in Section 4 of this Agreement, the Company may after the Signing Date, require that the Purchasers purchase Initial Notes from the Company by delivery of a written notice (an "*Initial Notes Notice*") to the Purchasers. Subject to the conditions specified in Section 4, on not less than seven calendar days after delivery of an Initial Notes Notice or such earlier date to which the Company and the Purchasers may otherwise agree (such date, the "*Initial Issue Date*"), the Company will issue and sell to each Purchaser and each Purchaser will purchase from the Company, at the Initial Closing provided for in Section 3, Initial Notes in the principal amount specified opposite such Purchaser's name in Schedule A under the heading "Principal Amount of Initial Notes" at the purchase price specified opposite such Purchaser's name under the heading "Purchase Price for Initial Notes". The aggregate principal amount of Initial Notes that may be authenticated and delivered under this Agreement on the Initial Issue Date is $199,500,000. On the earliest to occur of (x) 5:00 P.M., New York time, on March 31, 2021, if the Initial Issue Date has not yet then occurred, (y) the issuance of the New First Lien Notes without the substantially concurrent occurrence of the Initial Issue Date, and (z) any other consummation of an Alternate Transaction (such earliest date, the "*Outside Date*"), the Purchasers' commitments hereunder to purchase Notes shall immediately terminate. For the avoidance of doubt, the Company's obligation to pay the Alternate Transaction Fee shall survive such termination of the Purchasers' commitments.

Subject to the terms and conditions of this Agreement, including the conditions precedent set forth in Section 4A of this Agreement, the Company may after the Initial Issue Date, require that the Purchasers purchase Additional Notes from the Company by delivery of a written notice (an "*Additional Notes Notice*") to the Purchasers. Subject to the conditions specified in Section 4A, on the tenth Business Day after delivery of an Additional Notes Notice or such earlier date to which the Company and the Purchasers may otherwise agree (such date, the "*Subsequent Issue Date*"), the Company will issue and sell to each Purchaser and each Purchaser will purchase from the Company, at the Subsequent Closing provided for in Section 3, Additional Notes in the principal amount specified opposite such Purchaser's name in Schedule A under the heading "Principal Amount of Additional Notes" at the purchase price specified opposite such Purchaser's name under the heading "Purchase Price for Additional Notes". The aggregate principal amount of Additional Notes which may be authenticated and delivered under this Agreement on the Subsequent Issue Date is $85,500,000. On the one-year anniversary of the Initial Issue Date, if the Subsequent Issue Date has not yet then occurred, the Purchasers' commitments hereunder to purchase Additional Notes shall immediately terminate, and the Company shall promptly (and, in any event, within three (3) Business Days) pay the Purchasers the Additional Notes Termination Fee (to the extent required pursuant to the terms of Section 2.2(b) hereof).

On any Interest Payment Date (as defined in the Note) on which the Company pays PIK Interest (as defined in the Note) by issuing an additional note (a "*PIK Note*") (such payment, a "*PIK Payment")*, the Company shall issue a principal amount of PIK Notes to each Holder in the amount of the PIK Payment, which amount shall be rounded up to the nearest whole dollar.

The obligations of each Purchaser hereunder are several and not joint obligations and no Purchaser shall have any obligation or liability to any Person for the performance or nonperformance by any other Purchaser hereunder.

The Initial Notes, any Additional Notes and any PIK Notes will be treated as a single class for all purposes under this Agreement, including waivers, amendments, redemptions and offers to purchase. Unless the context requires otherwise, references to "Notes" for all purposes of this Agreement include any Additional Notes and PIK Notes that are actually issued. The Initial Notes, the Additional Notes and the PIK Notes shall be issued and evidenced in electronic form (in "portable document format" (".pdf") form or any other electronic form).

Section 2.2. Alternate Transaction Fee; Additional Notes Termination Fee.

(a) If the Initial Issue Date shall not have occurred (other than as a result of any breach by the Purchasers of their obligations to purchase Notes) and, on or prior to August 9, 2021, the Company or any of its Subsidiaries, in one or more transactions, issues or incurs any Indebtedness for borrowed money (whether in the form of bank or other credit financing or the issuance and/or sale of debt securities (including, for the avoidance of doubt, the New First Lien Notes) or otherwise, but excluding Indebtedness of the type described in clauses (2), (5), (6), (7), (10), (11), (12), (15), (18), (20), (23), (25), (26), (29) and (31) of the definition of "Permitted Indebtedness" incurred in the ordinary course of business) or issues or sells any equity interests, in each case to a Person other than the Purchasers, which generate proceeds in excess of $100,000,000 in the aggregate (any such transaction or transactions, an "*Alternate Transaction*"), then the Company shall pay (or cause to be paid) to the Purchasers an alternate transaction fee (the "*Alternate Transaction Fee*") in an aggregate amount equal to $35,000,000 immediately upon consummation of such Alternate Transaction, which Alternate Transaction Fee shall be allocated ratably to the Purchasers based on their respective obligations to purchase Notes as set forth on Schedule A.

(b) If (x) the Initial Issue Date shall have occurred, (y) the MAV Condition shall have been satisfied and (z) the Subsequent Issue Date does not occur on or prior to the one-year anniversary of the Initial Issue Date (other than as a result of any breach by the Purchasers of their obligations to purchase Additional Notes), then on the one-year anniversary of the Initial Closing, in connection with the termination of the Purchasers' commitments to purchase Additional Notes, the Company shall pay to the Purchasers a termination fee (which shall be allocated ratably to the Purchasers based on their respective obligations to purchase Additional Notes as set forth on Schedule A) equal to the sum of (i) the original issue discount with respect to the Additional Notes that would have been received by the Purchasers if the Subsequent Issue Date had occurred and (ii) the Make-Whole Amount with respect to the Additional Notes, assuming for such

purpose that all of the Additional Notes had been issued on the one-year anniversary of the Initial Issue Date and immediately redeemed thereafter (the "*Additional Notes Termination Fee*").

Section 2.3. Tax Treatment.

The parties hereto agree to treat the Notes as indebtedness of the Company for U.S. federal income tax purposes. Each Purchaser and the Company hereby acknowledge and agree (i) to treat the Notes and the Warrants as part of an "investment unit" within the meaning of Section 1273(c)(2) of the Code and, correspondingly, the Notes as having been issued with original issue discount for U.S. federal income tax purposes including the fair market value of the Warrants at the time of the issuance thereof, and (ii) that the aggregate fair market value of the Warrants will be based on a valuation as of the Initial Issue Date, which valuation shall be completed by the Company within thirty (30) calendar days of the Initial Issue Date; provided that the Company shall cooperate with the Purchasers and their Affiliates in completing such valuation, including by allowing the Purchasers or any of their Affiliates to review and comment on such valuation before it is finalized, and that such amount will be allocable ratably to the Warrants pursuant to Treasury Regulations Section 1.1273-2(h), with the balance of the issue price of the investment unit allocable to the Notes. The Purchasers and the Company shall prepare their respective U.S. federal and applicable state and local income tax returns in a manner consistent with the foregoing treatment.

Section 2.4. Warrants.

Subject to the terms and conditions of this Agreement, including the satisfaction of the conditions precedent set forth in Section 4, at the Initial Closing, the Company will issue and sell to each Purchaser and each Purchaser will purchase from the Company for the consideration with respect to the Notes specified in Section 2.1 above (and no additional consideration), Warrants to purchase such Purchaser's ratable allocation (based on the Purchasers' respective obligations to purchase Notes as set forth on Schedule A) of 12.0% of the Company's outstanding Common Stock (not on a fully diluted basis) as of the Initial Issue Date pro forma for the transactions contemplated hereby (including the issuance of the Warrant Shares on exercise of the Warrants).

SECTION 3. Closing.

The sale and purchase of (i) the Initial Notes and the Warrants to be purchased by each Purchaser shall occur at the offices of Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, NY at a closing (the "*Initial Closing*") to take place at 11:00 A.M., New York time, on the Initial Issue Date and (ii) any Additional Notes to be purchased by each Purchaser shall occur at the offices of Paul, Weiss, Rifkind, Wharton & Garrison LLP, 1285 Avenue of the Americas, New York, NY, at 11:00 A.M., New York time, at the closing (the "*Subsequent Closing*", together with the Initial Closing, each a "*Closing*") on the Subsequent Issue Date. At each Closing, the Company shall deliver to each Purchaser the Notes to be purchased by such Purchaser in the form of a single Note (or such greater number of Notes in denominations of at least $100,000 as such Purchaser may request) dated the date of the applicable Closing and registered in such Purchaser's name (or in the name of such Purchaser's

nominee), against delivery by such Purchaser to the Company or its order of immediately available funds in the amount of the purchase price therefor by wire transfer of immediately available funds to an account or accounts specified in writing by the Company no later than three (3) Business Days prior to the applicable Closing. At the Initial Closing, the Company shall deliver to each Purchaser the Warrants to be purchased by such Purchaser. If, at the applicable Closing, the Company shall fail to tender such Notes or such Warrants to any Purchaser as provided above in this Section 3, or any of the applicable conditions specified in Section 4 or 4A shall not have been fulfilled, such Purchaser shall, at such Purchaser's election, be relieved of its obligations under this Agreement to consummate the applicable purchase of Initial Notes, Additional Notes or Warrants on such Closing.

SECTION 4. Conditions to Initial Closing.

The obligation of each Purchaser to purchase and pay for the Initial Notes and the Warrants to be sold to such Purchaser at the Initial Closing is subject to the satisfaction, at the Initial Closing, of the following conditions:

Section 4.1. Representations and Warranties of the Company.

The representations and warranties of the Company in this Agreement shall (a) with respect to representations and warranties that contain a materiality qualification, be true and correct in all respects when made and at the time of and immediately after giving effect to the Initial Closing, and (b) with respect to representations and warranties that do not contain a materiality qualification, be true and correct in all material respects when made and at the time of and immediately after giving effect to the Initial Closing.

Section 4.2. Performance; No Default.

The Company shall have performed and complied with all agreements and conditions contained in this Agreement required to be performed or complied with by it prior to or at the Initial Closing. Before and after giving effect to the issue and sale of the Initial Notes (and the application of the proceeds thereof as contemplated by Section 10 of Annex A) and the Warrants, no Default or Event of Default shall have occurred and be continuing.

Section 4.3. Certificates.

(a) *Officer's Certificate of Company.* The Company shall have delivered to such Purchaser an Officer's Certificate, dated the date of the Initial Closing, certifying that the conditions specified in Sections 4.1, 4.2 and 4.9 have been satisfied.

(b) *Secretary's Certificate of Company.* The Company shall have delivered to such Purchaser a certificate of its Secretary or Assistant Secretary, dated the date of the Initial Closing, certifying as to the bylaws and resolutions attached thereto, the incumbency of officers signatory thereto and other corporate proceedings relating to the authorization, execution and delivery of the Notes and this Agreement and the issuance of the Warrants required to be issued at the Initial Closing pursuant to Section 4.7.

(d) *Certificate of Status*. The Company shall have delivered to such Purchaser a certificate of status dated as of a recent date from the Secretary of State of Florida.

(e) *Certified Articles.* The Company shall have delivered to such Purchaser certified copies of the articles or certificate of incorporation or other registered organizational documents from the Secretary of State of Florida.

(f) *Solvency Certificate.* The Company shall have delivered to such Purchaser a certificate dated the date of the Initial Closing from the chief executive officer or chief financial officer of the Company certifying as to the Solvency of the Company and its Subsidiaries (on a consolidated basis) before and after giving effect to the issuance of the Initial Notes, the Warrants and the New First Lien Notes (and the application of the proceeds thereof as contemplated by Section 5.23).

Section 4.4. Opinions of Counsel.

Such Purchaser shall have received opinions in form and substance reasonably satisfactory to such Purchaser, dated the date of the Initial Closing, from (i) Mayer Brown LLP, as New York special counsel for the Company and (ii) Greenberg Traurig, LLP, as Florida special counsel for the Company (and the Company hereby instructs its special counsel to deliver such opinion to such Purchaser).

Section 4.5. Existing Indebtedness.

Substantially concurrent with the issuance of the Initial Notes, any commitments in respect of the Existing Indebtedness shall be terminated, all amounts outstanding with respect thereto shall be repaid in full, there shall be no obligations, contingent or otherwise (other than with respect to unasserted indemnification obligations), continuing thereunder, and any Liens securing the Existing Indebtedness shall be terminated, released and discharged. The Company shall provide to each Purchaser evidence reasonably satisfactory to such Purchaser of such.

Section 4.6. Purchase Permitted by applicable law, Etc.

On the date of the Initial Closing, the purchase of the Initial Notes and Warrants shall (i) be permitted by the laws and regulations of each jurisdiction to which each Purchaser is subject, (ii) not violate any applicable law or regulation (including Regulation T, U or X of the Board of Governors of the Federal Reserve System) and (iii) not subject any Purchaser to any tax, penalty or liability under or pursuant to any applicable law or regulation. If requested by any Purchaser in writing at least one (1) Business Day prior to the Initial Closing, such Purchaser shall have received an Officer's Certificate from the Company certifying as to such matters of fact as such Purchaser may reasonably specify to enable such Purchaser to determine whether such purchase is so permitted.

Section 4.7. Initial Notes; Warrants.

The Company shall have issued to such Purchaser such Purchaser's pro rata portion of (x) the Initial Notes in the form of the Form of Note attached as Exhibit 1 and in accordance with Section 2.1 and (y) the Warrants in the form of the Form of Warrant Certificate attached as Exhibit 2 and in accordance with Section 2.4.

Section 4.8. Payment of Special Counsel Fees.

Subject to Section 15.1, the Company shall have paid on or before the Initial Closing the reasonable and documented fees, charges and disbursements of Paul, Weiss, Rifkind, Wharton & Garrison LLP.

Section 4.9. Changes in Corporate Structure.

The Company shall not have changed its jurisdiction of incorporation or been a party to any merger or consolidation nor shall have succeeded to all or any substantial part of the liabilities of any other entity, at any time following the date of the most recent financial statements referred to in Section 5.6.

Section 4.10 Board Observers.

As of the Initial Closing, Brian Laibow and Jason Keller shall have been appointed as Board Observers in accordance with Section 9 of Annex A.

Section 4.11. Proceedings and Documents.

All corporate and other proceedings in connection with the transactions contemplated by this Agreement and all documents and instruments incident to such transactions shall be reasonably satisfactory to such Purchaser and Paul, Weiss, Rifkind, Wharton & Garrison LLP, and such Purchaser and Paul, Weiss, Rifkind, Wharton & Garrison LLP shall have received all such counterpart originals or certified or other copies of such documents related to the transactions contemplated hereby as such Purchaser or Paul, Weiss, Rifkind, Wharton & Garrison LLP may reasonably request.

Section 4.12. Intercreditor Agreement; Security Documents.

The Company (and, in the case of the Junior Priority Intercreditor Agreement, the New Notes Collateral Trustee) shall have entered into this Agreement, the Junior Priority Intercreditor Agreement and the Security Agreement, in each case, in form and substance reasonably satisfactory to such Purchaser.

Section 4.13. UCC-1 Financing Statement.

The Company shall have delivered to the Collateral Agent a UCC-1 financing statement with respect to the Company that, upon filing, shall perfect the security interest of the Collateral

Agent in the assets of the Company pledged to the Collateral Agent as Collateral pursuant to the Security Agreement.

Section 4.14. Approvals, Consents.

All approvals, authorizations, consents or orders of and filings, registrations and qualification with, any Governmental Authority required in connection with the execution, delivery and performance of this Agreement and the other Transaction Documents by the Company and its consummation of the transactions contemplated herein or thereunder shall have been obtained.

Section 4.15. New First Lien Notes.

The Purchasers shall have received evidence, in form and substance reasonably satisfactory to the Purchasers, that the New First Lien Notes shall have been issued and that the New First Lien Notes and all related documents remain in full force and effect. The net cash proceeds of the New First Lien Notes and the Initial Notes, in each case, before all fees and expenses associated therewith, shall exceed the amount required to satisfy the Existing Indebtedness in full by at least $35,000,000.

Section 4.16. MAV.

The MAV Transaction Agreement shall remain in full force and effect, and the parties thereto shall have entered into an amendment in respect thereof, in substantially the form attached hereto as Exhibit 5, permitting the transactions contemplated hereby (including the purchase by the Purchasers of the Warrants and the issuance of Warrant Shares on exercise thereof).

Section 4.17. Registration Rights Agreement.

The Company and the Purchasers shall have executed the Registration Rights Agreement, in substantially the form attached hereto as Exhibit 4 (the "*Registration Rights Agreement*").

Section 4.18. Outside Date.

The Initial Issue Date shall have occurred on or prior to the Outside Date.

Section 4.19. Schedule Update.

The Company shall have delivered to each Purchaser an updated Schedule 5.7, setting forth the number of shares of Company Common Stock (x) issued and outstanding and (y) on a fully diluted basis, in each case as of the close of business on the Business Day immediately prior to the Initial Issue Date.

Section 4A. Conditions to Closing of Additional Notes.

The obligation of each Purchaser to purchase and pay for the Additional Notes to be sold to such Purchaser at the Subsequent Closing is subject to the satisfaction, at the Subsequent Closing, of the following conditions:

Section 4A.1. Representations and Warranties of the Company.

The representations and warranties of the Company in this Agreement shall (a) with respect to representations and warranties that contain a materiality qualification, be true and correct in all respects when made and at the time of and immediately after giving effect to the Subsequent Closing, and (b) with respect to representations and warranties that do not contain a materiality qualification, be true and correct in all material respects when made and at the time of and immediately after giving effect to the Subsequent Closing.

Section 4A.2. No Default or Event of Default,

Before and after giving effect to the issue and sale of the Additional Notes (and the application of the proceeds thereof as contemplated by Section 5.24), no Default or Event of Default shall have occurred and be continuing.

Section 4A.3. Compliance Certificates.

(a) *Officer's Certificate of Company.* The Company shall have delivered to such Purchaser an Officer's Certificate, dated the date of the Closing, certifying that the conditions specified in Sections 4A.1, 4A.2 and 4A.4 have been fulfilled.

(b) *Solvency Certificate*. The Company shall have delivered to such Purchaser a certificate dated the Subsequent Issue Date from the chief executive officer or chief financial officer of the Company certifying as to the Solvency of the Company and its Subsidiaries (on a consolidated basis) before and after giving effect to the issuance of Additional Notes (and the application of the proceeds thereof as contemplated by Section 5.23).

Section 4A.4. Pro Forma Compliance with Covenants.

Before and after giving effect to the issue and sale of the Additional Notes (and the application of the proceeds thereof as contemplated by Section 5.24), the Company shall be in pro forma compliance with the financial covenants set forth in Section 10A.

Section 4A.5. Purchase Permitted by Applicable Law, Etc.

On the Subsequent Issue Date, the purchase of Additional Notes shall (i) be permitted by the laws and regulations of each jurisdiction to which each Purchaser is subject, (ii) not violate any applicable law or regulation (including Regulation T, U or X of the Board of Governors of the Federal Reserve System) and (iii) not subject any Purchaser to any tax, penalty or liability under or pursuant to any applicable law or regulation. If requested by any Purchaser in writing at

least one (1) Business Day prior to the Subsequent Issue Date, such Purchaser shall have received an Officer's Certificate from the Company certifying as to such matters of fact as such Purchaser may reasonably specify to enable such Purchaser to determine whether such purchase is so permitted.

Section 4A.6. MAV.

(x) The Purchasers shall have received evidence, in form and substance reasonably satisfactory to the Purchasers, that the MAV Condition shall have been satisfied and (y) the MAV Transaction shall have been consummated or, if the requisite regulatory approvals for the MAV Transaction shall not have been received, the Alternate MAV Transaction shall have been consummated.

Section 4A.7. Initial Closing.

The Initial Closing shall have occurred.

Section 4A.8. Subsequent Closing.

The Subsequent Closing shall occur no later than the one year anniversary of the Initial Closing.

Section 4A.9. Book Value of Equity.

Immediately before giving effect to the issuance of the Additional Notes, the book value of the common equity of the Company and its Subsidiaries, calculated on a consolidated basis, shall be no less than $360,000,000.

Section 4A.10. Additional Notes.

The Company shall have issued to such Purchaser such Purchaser's pro rata portion of the Additional Notes in the form of the Form of Note attached as Exhibit 1 and in accordance with Section 2.1.

SECTION 5. Representations and Warranties of the Company.

The Company represents and warrants to each Purchaser that:

Section 5.1. SEC Reports.

The Company has timely filed all reports, schedules, forms, statements and other documents required to be filed by the Company under the Securities Act and the Exchange Act (the foregoing materials, including the exhibits thereto and documents incorporated by reference therein, being collectively referred to herein as the "*SEC Reports*"), since January 1, 2018. The SEC Reports (i) as of the time they were filed (or if subsequently amended, when amended, and as of the Signing Date, the Initial Issue Date and the Subsequent Issue Date), complied, and comply, in all material respects with the requirements of the Securities Act and the Exchange Act, as the case may be, and (ii) did not, at the time they were filed (or if subsequently amended

or superseded by an amendment or other filing, then, on the date of such subsequent filing), contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

Section 5.2. Organization; Power and Authority.

The Company and each Significant Subsidiary has been duly incorporated, formed or organized and is validly existing as a corporation, general or limited partnership or limited liability company in good standing under the laws of its respective jurisdiction of incorporation, formation or organization with full power and authority to own its respective properties and to conduct its respective businesses except as described the SEC Reports, and, in the case of the Company, to execute and deliver the Transaction Documents and to consummate the transactions contemplated herein and therein.

Section 5.3. Qualification.

Each of the Company and the Subsidiaries is duly qualified or licensed and in good standing in each jurisdiction in which it conducts its businesses or in which it owns or leases real property or otherwise maintains an office, except where the failure to be so qualified or licensed would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 5.4. Compliance.

Neither the Company nor any of its Subsidiaries is (i) in violation of its Organizational Documents; (ii) in default, and no event has occurred that, with notice or lapse of time or both, would constitute such a default, in the due performance or observance of any term, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound or to which any of the property or assets of the Company or any of its Subsidiaries is subject; or (iii) in violation of any law or statute or any judgment, order, rule or regulation of any court or arbitrator or governmental or regulatory authority (each, a "*Law*") applicable to the Company or any Subsidiary, except, in the case of clauses (ii) and (iii) above, for any such default or violation that would not reasonably be expected to, individually or in the aggregate, have a Material Adverse Effect.

Section 5.5. No Conflicts. The issuance and sale of the Notes and the Warrants, the execution, delivery and performance of the Transaction Documents, and the consummation of the transactions contemplated herein and therein (including the issuance of the Warrant Shares upon any exercise of the Warrants, as applicable) will not (i) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under (nor constitute any event which with notice, lapse of time or both would constitute a breach of, or default under), or result in the creation or imposition of any Lien (other than Permitted Liens) upon any property or assets of the Company or any of its Subsidiaries pursuant to, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any of its

Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound or to which any of the property or assets of the Company or any of its Subsidiaries is subject, (ii) result in any violation of the provisions of the Organizational Documents of the Company or any of its Subsidiaries or (iii) result in the violation of any Law to which the Company or a Subsidiary is subject, or by which any property or asset of the Company or a Subsidiary is bound or affected, except, in the case of clauses (i) and (iii) above, for any such conflict, breach, violation or default that would not reasonably be expected to, individually or in the aggregate, have a Material Adverse Effect. The Company has reserved from its duly authorized capital stock the maximum number of shares of Common Stock issuable pursuant to the Warrants.

Section 5.6. Financial Statements.

The consolidated financial statements, including the notes thereto, included in the SEC Reports (i) present fairly, in all material respects, the financial position of the Company and its consolidated Subsidiaries as of the dates indicated and the results of their operations and the changes in their cash flows for the periods specified; (ii) comply in all material respects with applicable accounting requirements and the rules and regulations of the Commission with respect thereto in effect at the time of such filings; (iii) have been prepared in conformity with GAAP applied on a consistent basis during the periods covered and in accordance with Regulation S-X promulgated by the Commission; and (iv) all disclosures contained in the SEC Reports, or incorporated by reference therein, regarding "non-GAAP financial measures" (as such term is defined by the rules and regulations of the Commission) comply with Regulation G of the Exchange Act and Item 10 of Regulation S-K of the Securities Act, to the extent applicable.

Section 5.7. Capitalization.

All of the outstanding shares of capital stock of the Company have been duly and validly authorized and issued and are fully paid and nonassessable, and issued without violation of any statutory or contractual preemptive right or right of first refusal. All of the outstanding shares of capital stock, partnership interests and membership interests, as the case may be, of the Company's Subsidiaries have been duly authorized and are validly issued, fully paid and nonassessable securities thereof and, except as disclosed in the SEC Reports, all of the outstanding shares of capital stock, partnership interest or membership interests, as the case may be, of the Company's Subsidiaries are directly or indirectly owned of record and beneficially by the Company free and clear of Liens except for Permitted Liens; and except as disclosed in the SEC Reports, there are no outstanding rights (including, without limitation, pre-emptive rights), warrants or options to acquire, or instruments convertible into or exchangeable for, any shares of capital stock or other equity interest in the Company or any of its Subsidiaries, or any contract, commitment, agreement, understanding or arrangement of any kind relating to the issuance of any capital stock of the Company or any such Subsidiary, any such convertible or exchangeable securities or any such rights, warrants or options. Schedule 5.7 sets forth the number of shares of Company Common Stock (x) issued and outstanding and (y) on a fully diluted basis, in each case as of the close of business on the Business Day immediately prior to the Signing Date.

Section 5.8. Warrant Shares Authorized.

The Warrant Shares have been duly and validly authorized and reserved for issuance by the Company, and, when issued upon exercise of the Warrants, in accordance with the terms of the Warrants, will be fully paid and nonassessable, and the issuance of the Warrant Shares will not be subject to any statutory or contractual preemptive right, right of first refusal or other similar rights; the Warrant Shares, when issued and delivered against payment therefor as provided in the Warrants will be free of any restriction upon the voting or transfer thereof other than the restrictions on ownership and transfer set forth in the Company's charter or this Agreement.

Section 5.9. Filings, Consents and Approvals.

No approval, authorization, consent or order of or filing, registration or qualification with, any Governmental Authority is required in connection with the execution, delivery and performance of the Transaction Documents or its consummation of the transactions contemplated herein or therein (including the Company's sale and delivery of the Notes and the Warrants and the Company's issuance of the Warrant Shares upon exercise of the Warrants), other than (i) the filings listed on Schedule 5.9 hereof, (ii) the filing with the Commission of SEC Reports, (iii) application(s) to NYSE for the listing of the Warrant Shares for trading thereon in the time and manner required thereby, (iv) such filings as are required to be made under applicable state securities laws and (v) filing with the Commission, for its approval, of the registration statement pursuant to the Registration Rights Agreement. Except as provided in Schedule 5.9, no stockholder approvals are required under the rules of the NYSE in connection with the issuance and sale of the Notes or the Warrants, or the issuance of the Warrant Shares upon exercise of the Warrants.

Section 5.10. Authorization and Enforcement.

The Company has the requisite corporate power and authority to enter into this Agreement and the other Transaction Documents and to consummate the transactions contemplated hereby and thereby and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of this Agreement and each of the other the Transaction Documents by the Company and the consummation by it of the transactions contemplated hereby and thereby have been duly authorized by all necessary action on the part of the Company. This Agreement and each of the other Transaction Documents have been (or upon delivery will have been) duly executed by the Company and, when delivered in accordance with the terms hereof and thereof, will constitute the valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

Section 5.11. Accountants.

Deloitte & Touche LLP, whose reports on the consolidated financial statements of the Company and its Subsidiaries are filed with the Commission as part of the SEC Reports, is, and was during the periods covered by its reports, an independent registered public accounting firm

as required by the Securities Act and the Exchange Act and is registered with the Public Company Accounting Oversight Board.

Section 5.12. Litigation.

Except as described in the SEC Reports filed or furnished on or prior to the Signing Date, since January 1, 2018, there are no legal, governmental or regulatory investigations, actions, suits or proceedings pending to which the Company or any of its Subsidiaries or any of their respective executive officers or directors in the performance of their duties to the Company or any Subsidiary, is or may be a party or to which any property of the Company or any of its Subsidiaries is or may be the subject that, individually or in the aggregate, if determined adversely to the Company or any Subsidiary or such executive officer or director, would reasonably be expected to have a Material Adverse Effect; no such investigations, actions, suits or proceedings are, to the knowledge of the Company, threatened or contemplated by any Governmental Authority or threatened by others; and (i) there are no current or pending legal, governmental or regulatory actions, suits or proceedings that are required under the Securities Act to be described in the SEC Reports that are not so described in the SEC Reports and (ii) there are no statutes, regulations or contracts or other documents that are required under the Securities Act to be filed as exhibits to the SEC Reports or described in the SEC Reports that are not so filed as exhibits to the SEC Reports or described in the SEC Reports.

Section 5.13. Insurance.

Except as disclosed in the SEC Reports, the Company and its Subsidiaries have insurance covering their respective properties, operations, personnel and businesses, including business interruption insurance, which insurance is in amounts and insures against such losses and risks as are customary and prudent, and in the Company's reasonable belief, are adequate to protect the Company and its Subsidiaries and their respective businesses; and neither the Company nor any of its Subsidiaries has (i) received notice from any insurer or agent of such insurer that capital improvements or other expenditures are required or necessary to be made in order to continue such insurance or (ii) any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage at reasonable cost from similar insurers as may be necessary to continue its business without significant increase in cost.

Section 5.14. Regulatory Permits.

Each of the Company and the Subsidiaries has all necessary licenses, authorizations, consents and approvals and has made all necessary filings required under any Law and in connection with the issuance and sale of the Notes and the Warrants, the Warrant Shares to be issued upon exercise of the Warrants, and the consummation by the Company of the transactions contemplated hereby. Each of the Company and the Subsidiaries has obtained all necessary licenses, authorizations, consents and approvals from other persons required in order to conduct their respective businesses as described in the SEC Reports, except to the extent that any failure to have any such licenses, authorizations, consents or approvals, to make any such filings or to obtain any such authorizations, consents or approvals would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; neither the Company nor any of the

Subsidiaries is required by any applicable Law to obtain any additional accreditation or certification from any Governmental Authority in order to provide the products and services which it currently provides or which it proposes to provide as set forth in the SEC Reports, except to the extent that any failure to have such accreditation or certification would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; neither the Company, nor any of the Subsidiaries is in violation of, in default under, or has received any notice regarding a possible violation, default or revocation of any such license, authorization, consent or approval or any federal, state, local or foreign law, regulation or rule or any decree, order or judgment applicable to the Company or any of the Subsidiaries the effect of which would reasonably be expected to result in a Material Adverse Effect; and no such license, authorization, consent or approval contains a materially burdensome restriction that is not adequately disclosed in the SEC Reports.

Section 5.15. Title to Assets.

The Company and its Subsidiaries have good and marketable title in fee simple (in the case of real property) to, or have valid and marketable rights to lease or otherwise use, all items of real and personal property and assets that are material to the business of the Company and its Subsidiaries taken as a whole, in each case free and clear of all Liens, encumbrances, claims and defects and imperfections of title (other than Permitted Liens).

Section 5.16. Internal Accounting Controls.

The Company and its Subsidiaries maintain systems of "internal control over financial reporting" (as defined in Rule 13a-15(f) of the Exchange Act) that comply with the requirements of the Exchange Act and have been designed by, or under the supervision of, their respective principal executive and principal financial officers, or persons performing similar functions, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles, including, but not limited to, internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. Except as disclosed in the SEC Reports, there are no material weaknesses in the Company's internal controls. The Company's auditors and the Audit Committee of the Board of Directors of the Company have been advised of: (i) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which have adversely affected or are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls over financial reporting.

Section 5.17. Disclosure Controls.

The Company and its Subsidiaries maintain an effective system of "disclosure controls and procedures" (as defined in Rule 13a-15(e) of the Exchange Act) that complies with the requirements of the Exchange Act and that has been designed to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms, including controls and procedures designed to ensure that such information is accumulated and communicated to the Company's management as appropriate to allow timely decisions regarding required disclosure. The Company and its Subsidiaries have carried out evaluations of the effectiveness of their disclosure controls and procedures as required by Rule 13a-15 of the Exchange Act. Since the end of the period covered by the most recently filed periodic report under the Exchange Act, there have been no changes in the internal control over financial reporting (as such term is defined in the Exchange Act) of the Company and its Subsidiaries that have materially affected, or is reasonably likely to materially affect, the internal control over financial reporting of the Company and its Subsidiaries.

Section 5.18. Sarbanes-Oxley.

There is and has been no failure on the part of the Company and the Subsidiaries and any of the officers and directors of the Company and the Subsidiaries, in their capacities as such, to comply with the provisions of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated thereunder and with which the Company is required to comply, including Section 402 related to loans and Sections 302 and 906 related to certifications.

Section 5.19. Certain Fees.

Except for the placement agent fees payable to Credit Suisse Securities (USA) LLC and Barclays Capital Inc. at the Initial Closing, in their respective capacities as placement agents with respect to the issuance and the sale of the Notes and the Warrants, no brokerage or finder's fees or commissions are or will be payable by the Company or any of its subsidiaries to any broker, financial advisor or consultant, finder, placement agent, investment banker, bank or other person with respect to the transactions contemplated herein. The Purchasers shall have no obligation with respect to any fees or with respect to any claims made by or on behalf of other Persons for fees of a type contemplated in this Section 5.19 that may be due in connection with the transactions contemplated by the Transaction Documents.

Section 5.20. Descriptions in SEC Reports.

The shares of the Company's Common Stock conform in all material respects to the descriptions thereof contained in the SEC Reports, this Agreement and the Warrants.

Section 5.21. Registration Rights.

Except as disclosed in the SEC Reports and other than the Registration Rights Agreement and the registration rights agreement with respect to the MAV Transaction, there are no persons with

registration or other similar rights to have any equity or debt securities, including securities which are convertible into or exchangeable for equity securities, registered pursuant to any registration statement or otherwise registered by the Company under the Securities Act, all of which registration or similar rights are fairly summarized in the SEC Reports.

Section 5.22. Compliance with ERISA.

(a) The Company and each ERISA Affiliate have operated and administered each Plan in compliance with all applicable laws, and to the knowledge of the Company, each Multiemployer Plan has been administered in compliance with all applicable laws, except for such instances of noncompliance as have not resulted in and would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect. Neither the Company nor any ERISA Affiliate has incurred any liability pursuant to Title I or IV of ERISA (other than to satisfy the minimum funding standards of ERISA or to pay required premiums to the PBGC) or the penalty or excise tax provisions of the Code relating to employee benefit plans (as defined in section 3(3) of ERISA), and no event, transaction or condition has occurred or exists that could, individually or in the aggregate, reasonably be expected to result in the incurrence of any such liability by the Company or any ERISA Affiliate, or in the imposition of any Lien on any of the rights, properties or assets of the Company or any ERISA Affiliate, in either case pursuant to Title I or IV of ERISA or to sections 412, 430(k) or 436(f) of the Code or to any such penalty or excise tax provisions under the Code or federal law or section 4068 of ERISA or by the granting of a security interest in connection with the amendment of a Plan, other than such liabilities or Liens as would not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect.

(b) The present value of the aggregate benefit liabilities under each of the Plans (other than Multiemployer Plans), determined as of the end of such Plan's most recently ended plan year on the basis of the actuarial assumptions specified for funding purposes in such Plan's most recent actuarial valuation report, did not exceed the aggregate current value of the assets of such Plan allocable to such benefit liabilities by an amount that could reasonably be expected to have a Material Adverse Effect. The term "*benefit liabilities*" has the meaning specified in section 4001 of ERISA and the terms "*current value*" *and* "*present value*" have the meanings specified in section 3 of ERISA.

(c) The Company and its ERISA Affiliates have not incurred any withdrawal liabilities (and are not subject to contingent withdrawal liabilities) under section 4201 or 4204 of ERISA in respect of Multiemployer Plans that individually or in the aggregate would reasonably be expected to result in a Material Adverse Effect.

(d) Except as would not reasonably be expected to result in a Material Adverse Effect, the expected post-retirement benefit obligation (determined as of the last day of the Company's most recently ended Fiscal Year in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 715, without

regard to liabilities attributable to continuation coverage mandated by section 4980B of the Code) of the Company and its Subsidiaries is disclosed in the audited financial statements for the Fiscal Year ended December 31, 2019 filed with the Commission.

Section 5.23. Use of Proceeds; Margin Regulations.

The Company will use the proceeds of the sale of the Notes solely for the purpose set forth in Section 10 of Annex A. No part of the proceeds from the sale of the Notes hereunder will be used, directly or indirectly, for the purpose of buying or carrying any margin stock within the meaning of Regulation U of the Board of Governors of the Federal Reserve System (12 CFR 221), or for the purpose of buying or carrying or trading in any securities under such circumstances as to involve the Company in a violation of Regulation X of said Board (12 CFR 224) or to involve any broker or dealer in a violation of Regulation T of said Board (12 CFR 220). The Company does not own any margin stock in an amount in excess of 5% of Total Assets. As used in this Section, the terms "*margin stock*" *and* "*purpose of buying or carrying*" *shall* have the meanings assigned to them in said Regulation U.

Section 5.24. Environmental Laws.

Except as would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect, (i) neither the Company nor the Subsidiaries is in violation of any federal, state, local or foreign statute, law, rule, regulation, ordinance, code, policy or rule of common law or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent, decree or judgment, relating to pollution or protection of human health, the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata) or wildlife, including, without limitation, laws and regulations relating to the release of any material, chemical, substance, waste, pollutant, contaminant, compound, mixture, or constituent thereof, in any form or amount, including petroleum (including crude oil or any fraction thereof) and petroleum products, natural gas liquids, asbestos and asbestos containing materials, naturally occurring radioactive materials, brine, and drilling mud, regulated or which can give rise to liability under any Environmental Law (collectively, "*Hazardous Materials*") or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials (collectively, "*Environmental Laws*"), (ii) each of the Company and the Subsidiaries has received and is in compliance with all permits, authorizations and approvals required under any applicable Environmental Laws and are each in compliance with their requirements, (iii) there are no pending or, to the knowledge of the Company, threatened administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, notices of noncompliance or violation, investigations or proceedings relating to any Environmental Law against the Company or the Subsidiaries, and (iv) to the knowledge of the Company, there are no events or circumstances that would reasonably be expected to form the basis an action, suit or proceeding by any private party or Governmental Authority, against or affecting the Company or the Subsidiaries relating to Hazardous Materials or any Environmental Laws.

Section 5.25. No Changes from SEC Reports.

Since December 31, 2019, there has not been any Material Adverse Effect or any development that, individually or in the aggregate, would reasonably be expected to result in a Material Adverse Effect. Subsequent to the respective dates as of which information is given in the SEC Reports, and except as may be otherwise stated in such documents, there has not been (A) any transaction that is material to the Company and the Subsidiaries taken as a whole, contemplated or entered into by the Company or any of the Subsidiaries, (B) any obligation, contingent or otherwise, directly or indirectly incurred by the Company or any Subsidiary that is material to the Company and the Subsidiaries taken as a whole, or (C) any dividend or distribution of any kind declared, paid or made by the Company on any class of its capital stock.

Section 5.26. Labor Relations.

No labor disturbance by or dispute with employees of the Company or any of its Subsidiaries exists or, to the knowledge of the Company, is imminent that would reasonably be expected to have a Material Adverse Effect.

Section 5.27. Title to Intellectual Property.

Except as disclosed in the SEC Reports furnished or filed as of the Signing Date or as would not, individually or in the aggregate, have a Material Adverse Effect, the Company and its Subsidiaries own or possess adequate rights to use all material patents, patent applications, trademarks, service marks, trade names, trademark registrations, service mark registrations, copyrights, licenses and know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures) necessary for the conduct of their respective businesses as currently conducted, and the conduct of their respective businesses will not conflict in any material respect with any such rights of others. The Company and its Subsidiaries have not received any notice of any claim of infringement, misappropriation or conflict with any such rights of others in connection with its patents, patent rights, licenses, inventions, trademarks, service marks, trade names, copyrights and know-how, which would reasonably be expected to have a Material Adverse Effect.

Section 5.28. Investment Company.

Neither the Company nor any of its Subsidiaries is, and immediately after receipt of payment for the Notes and the Warrants, will not be, an “investment company” or a company “controlled” by an “investment company”, within the meaning of the Investment Company Act of 1940, as amended.

Section 5.29. No Integrated Offering.

Assuming the accuracy of the representations and warranties of the Purchasers set forth in Section 5A, other than the MAV Transaction, neither the Company nor any Person acting on behalf of the Company has, directly or indirectly, sold or issued any securities, under circumstances that would cause this offering of the Warrants to be integrated with prior offerings by the Company for purposes of any applicable shareholder approval provisions of NYSE on which any of the securities of the Company are listed or designated.

Section 5.30. Tax Status.

The Company and its Subsidiaries have paid all federal, state, local and foreign taxes and filed all tax returns required to be paid or filed through the Signing Date, except where the failure to pay or file such taxes would not have a Material Adverse Effect; and except as otherwise disclosed in the SEC Reports furnished or filed as of the Signing Date, there is no tax deficiency that has been, or would reasonably be expected to be, asserted against the Company or any of its Subsidiaries or any of their respective properties or assets, except for any deficiency that would not have a Material Adverse Effect.

Section 5.31. Foreign Corrupt Practices.

Neither the Company nor any Subsidiary, nor to the knowledge of the Company, any agent or other person acting on behalf of the Company or any Subsidiary, has (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee or to any political parties or campaigns from corporate funds; (iii) violated or is in violation of any provision of the Foreign Corrupt Practices Act of 1977; or (iv) made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment. No part of the proceeds from the sale of the Notes or Warrants hereunder will be used, directly or indirectly, for any improper payments, including bribes, to any governmental official or commercial counterparty in order to obtain, retain or direct business or obtain any improper advantage.

Section 5.32. Money Laundering.

The operations of the Company and its Subsidiaries are and since January 1, 2014 have been conducted at all times in compliance with applicable financial record-keeping and reporting requirements of the Currency and Foreign Transactions Reporting Act of 1970, as amended, applicable money laundering statutes and applicable rules and regulations thereunder (collectively, the "*Money Laundering Laws*"), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator in the United States or, to the knowledge of the Company, outside of the United States involving the Company or any of its subsidiaries with respect to the Money Laundering Laws is pending or, to the knowledge of the Company, threatened.

Section 5.33. Foreign Assets Control Regulations, Etc.

(a) Neither the Company nor any Controlled Entity is (i) a Person whose name appears on the list of Specially Designated Nationals and Blocked Persons published by the Office of Foreign Assets Control, United States Department of the Treasury ("*OFAC*") (an "*OFAC Listed Person*"), (ii) an agent, department, or instrumentality of, or is otherwise beneficially owned by, controlled by or acting on behalf of, directly or indirectly, (x) any OFAC Listed Person or (y) any Person, entity, organization, foreign country or regime that is subject to any OFAC Sanctions Program, or (iii) otherwise blocked, subject to sanctions under or engaged in any activity in

violation of other United States economic sanctions, including but not limited to, the Trading with the Enemy Act, the International Emergency Economic Powers Act, the Comprehensive Iran Sanctions, Accountability and Divestment Act ("*CISADA*") or any similar law or regulation with respect to Iran or any other country, the Sudan Accountability and Divestment Act, any OFAC Sanctions Program, or any economic sanctions regulations administered and enforced by the United States or any enabling legislation or executive order relating to any of the foregoing (collectively, "*U.S. Economic Sanctions*") (each OFAC Listed Person and each other Person, entity, organization and government of a country described in clause (i), clause (ii) or clause (iii), a "*Blocked Person*"); *provided, however,* that the representation and warranty in clause (ii) above, as it relates to any beneficial owner of any publicly traded Controlled Entity, is only made to the Company's knowledge. Neither the Company nor any Controlled Entity has been notified that its name appears or may in the future appear on a state list of Persons that engage in investment or other commercial activities in Iran or any other country that is subject to U.S. Economic Sanctions.

(b) No part of the proceeds from the sale of the Notes or the Warrants hereunder constitutes or will constitute funds obtained on behalf of any Blocked Person or will otherwise be used by the Company or any Controlled Entity, directly or indirectly, (i) in connection with any investment in, or any transactions or dealings with, any Blocked Person, or (ii) otherwise in violation of U.S. Economic Sanctions.

(c) Neither the Company nor any Controlled Entity (i) has been found in violation of any U.S. Economic Sanctions, (ii) to the Company's actual knowledge after making due inquiry, is under investigation by any Governmental Authority for possible violation of any U.S. Economic Sanctions or (iii) has been assessed civil penalties under any U.S. Economic Sanctions. The Company has established procedures and controls which it reasonably believes are adequate (and otherwise comply with applicable law) to ensure that the Company and each Controlled Entity is and will continue to be in compliance with all applicable current and future U.S. Economic Sanctions.

Section 5.34. No Registration.

Assuming the accuracy of the representations and warranties of the Purchasers set forth in Section 5A and the Purchasers' compliance with its obligations set forth herein, no registration under the Securities Act is required for the offer and sale of the Warrants.

Section 5.36. Issued and Outstanding Shares.

The issued and outstanding shares of Common Stock of the Company are registered pursuant to Section 12(b) of the Exchange Act and are listed for trading on NYSE under the symbol "OCN". Except as disclosed in the Company's filings with the Commission and except for such matters as have not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, there is no action, claim, suit, proceeding or investigation pending or, to the knowledge of the Company, threatened against the Company by NYSE or the Commission, respectively, to prohibit or terminate the listing of the Company's Common Stock on NYSE or

to deregister the Common Stock under the Exchange Act. The Company has taken no action that is designed to terminate the registration of the Common Stock under the Exchange Act.

Section 5.37. Solvency.

On the Signing Date, the Initial Issue Date and the Subsequent Issue Date, after giving effect to the transactions contemplated hereby and the other Transaction Documents, the Company and its Subsidiaries, on a consolidated basis, are Solvent.

SECTION 5A. Representations of the Purchaser.

Each Purchaser represents, severally and not jointly, to the Company as of the Signing Date (and, solely with respect to the representations and warranties set forth in Sections 5A.1, 5A.2, 5A.3, 5A.4, 5A.5, 5A.6, 5A.7, 5A.8, 5A.10 and 5A.11, as of the Initial Issue Date and the Subsequent Issue Date) that:

Section 5A.1. Experience.

(i) Such Purchaser is knowledgeable, sophisticated and experienced in financial and business matters, in making, and is qualified to make, decisions with respect to investments in shares representing an investment decision like that involved in the purchase of the Notes and the Warrants, including investments in securities issued by the Company and comparable entities, has the ability to bear the economic risks of an investment in the Notes and the Warrants; (ii) such Purchaser is acquiring the Notes and the Warrants in the ordinary course of its business and for its own account for investment only and with no present intention of distributing the Notes or the Warrants or any arrangement or understanding with any other persons regarding the distribution of any Notes or Warrants (this representation and warranty does not limit such Purchaser's right to sell in compliance with the Securities Act and the rules and regulations promulgated under the Exchange Act and the Securities Act (together, the "Rules and Regulations"); (iii) such Purchaser will not, directly or indirectly, offer, sell, pledge, transfer or otherwise dispose of (or solicit any offers to buy, purchase or otherwise acquire or take a pledge of) any Notes or Warrants, nor will such Purchaser engage in any Short Sale (as defined below) that results in a disposition of any Notes or Warrants by such Purchaser, except in compliance with the Securities Act and the Rules and Regulations and any applicable state securities laws; and (iv) such Purchaser has had an opportunity to discuss this investment with representatives of the Company and ask questions of them.

Section 5A.2. Institutional Accredited Investor.

At the time such Purchaser was offered the Notes and Warrants, and as of the date of this Agreement, it is either: (i) an "accredited investor" as defined in Rule 501(a)(1), (a)(2), (a)(3), (a)(7) or (a)(8) under the Securities Act or (ii) a "qualified institutional buyer" as defined in Rule 144A(a) under the Securities Act.

Section 5A.3. Reliance on Exemptions.

Such Purchaser understands that the Notes and the Warrants are being offered and sold to it in reliance upon specific exemptions from the registration requirements of the Securities Act, the Rules and Regulations and state securities laws and that the Company is relying upon the truth and accuracy of, and such Purchaser's compliance with, the representations, warranties, agreements, acknowledgments and understandings of such Purchaser set forth herein in order to determine the availability of such exemptions and the eligibility of such Purchaser to acquire the Notes and the Warrants.

Section 5A.4. No Reliance.

In making a decision to purchase the Notes and the Warrants, such Purchaser: (i) is capable of evaluating investment risks independently, both in general and with regard to all transactions and investment strategies involving securities; (ii) will exercise independent judgment in evaluating the recommendations of any broker-dealer or its associated persons; and (iii) confirms that it has undertaken an independent analysis of the merits and risks of an investment in the Company, based on such Purchaser's own financial circumstances.

Section 5A.5. Investment Decision.

Such Purchaser understands that nothing in this Agreement or any other materials presented to such Purchaser in connection with the purchase and sale of the Notes and the Warrants constitutes legal, tax or investment advice. Such Purchaser has consulted such legal, tax and investment advisors as it, in its sole discretion, has deemed necessary or appropriate in connection with its purchase of the Notes and the Warrants.

Section 5A.6. Legend.

Such Purchaser understands that, until such time as the Warrants and any Warrant Shares may be sold pursuant to Rule 144 under the Securities Act without any restriction as to the number of securities as of a particular date that can then be immediately sold and except if and to the extent otherwise provided below in this Section 5A.6, the Warrants and any Warrant Shares will bear a restrictive legend in substantially the following form:

> "THE SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. THE SECURITIES MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR (2) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE STATE SECURITIES LAWS AND THE SECURITIES LAWS OF OTHER JURISDICTIONS, AND IN THE CASE OF A TRANSACTION EXEMPT FROM REGISTRATION, UNLESS THE COMPANY HAS RECEIVED AN OPINION OF COUNSEL REASONABLY SATISFACTORY

TO IT THAT SUCH TRANSACTION DOES NOT REQUIRE REGISTRATION UNDER THE SECURITIES ACT AND SUCH OTHER APPLICABLE LAWS."

The Warrant Shares shall not be required to contain any legend (including the legend set forth above in this Section 5A.6) while a registration statement covering the resale of such Warrant Shares is effective under the Securities Act. The Company shall cause its counsel to issue a legal opinion to American Stock Transfer & Trust Company, LLC, in its capacity as the Company's transfer agent for the Common Stock (the "*Transfer Agent*"), if required by the Transfer Agent to effect the removal of the legend hereunder, *provided* that such legend is not required pursuant to the foregoing provisions of this paragraph.

Section 5A.7. Stop Transfer.

When issued, the Warrants purchased hereunder and any Warrant Shares will be subject to a stop transfer order with the Transfer Agent that restricts the transfer of such shares except upon receipt by the Transfer Agent, of a written confirmation from such Purchaser to the effect that such Purchaser has satisfied its prospectus delivery requirements or upon receipt by the Transfer Agent of written instructions from the Company authorizing such transfer.

Section 5A.8. Authority; Validity; Enforcement.

Such Purchaser further represents and warrants to, and covenants with, the Company that (i) such Purchaser has full right, power, authority and capacity to enter into this Agreement and to consummate the transactions contemplated hereby and has taken all necessary action to authorize the execution, delivery and performance of this Agreement, (ii) the making and performance of this Agreement by such Purchaser and the consummation of the transactions herein contemplated will not violate any applicable provision of the Organizational Documents of such Purchaser or conflict with, result in the breach or violation of, or constitute, either by itself or upon notice or the passage of time or both, a default under any material agreement, mortgage, deed of trust, lease, franchise, license, indenture, permit or other instrument to which such Purchaser is a party or, any Law applicable to such Purchaser, (iii) no consent, approval, authorization or other order of any Governmental Authority is required on the part of such Purchaser for the execution and delivery of this Agreement or the consummation of the transactions contemplated by this Agreement, (iv) upon the execution and delivery of this Agreement by each of the parties hereto, this Agreement shall constitute a legal, valid and binding obligation of such Purchaser, enforceable in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application relating to or the enforcement of creditor's rights and the application of equitable principles relating to the availability of remedies, and except as rights to indemnity or contribution may be limited by federal or state securities laws or the public policy underlying such laws and (v) there is not in effect any order enjoining or restraining such Purchaser from entering into or engaging in any of the transactions contemplated by this Agreement.

Section 5A.9. Certain Transactions.

Other than consummating the transactions contemplated hereunder or with respect to the MAV Transaction, such Purchaser has not, nor has any Person acting on behalf of or pursuant to any understanding with such Purchaser, directly or indirectly executed any purchases or sales, including all "short sales" as defined in Rule 200 of Regulation SHO under the Exchange Act ("*Short Sales*"), of the securities of the Company during the period commencing as of the time that such Purchaser first received a term sheet (written or oral) from the Company or any other Person representing the Company setting forth the material pricing terms of the transactions contemplated hereunder and ending immediately prior to the execution of this Agreement. Notwithstanding the foregoing, in the case of a Purchaser that is a multi-managed investment vehicle whereby separate portfolio managers manage separate portions of such Purchaser's assets and the portfolio managers have no direct knowledge of the investment decisions made by the portfolio managers managing other portions of such Purchaser's assets, the representation set forth above shall only apply with respect to the portion of assets managed by the portfolio manager that made the investment decision to purchase the Notes and the Warrants covered by this Agreement.

Section 5A.10. Access to Information.

Such Purchaser acknowledges that it has had the opportunity to review the Transaction Documents (including all exhibits and schedules thereto), the SEC Reports and has been afforded (i) the opportunity to ask such questions as it has deemed necessary of, and to receive answers from, representatives of the Company concerning the terms and conditions of the offering of the Notes and the Warrants and the merits and risks of investing in the Notes and the Warrants; (ii) access to information about the Company and its financial condition, results of operations, business, properties, management and prospects sufficient to enable it to evaluate its investment; and (iii) the opportunity to obtain such additional information that the Company possesses or can acquire without unreasonable effort or expense that is necessary to make an informed investment decision with respect to the investment.

Section 5A.11. Securities Law Restriction.

Such Purchaser hereby acknowledges that it has received and may remain in possession of material non-public information about the Company. Such Purchaser further acknowledges that it and its representatives are aware that the U.S. securities laws prohibit any person who has material non-public information about an issuer from purchasing or selling, directly or indirectly, securities of such issuer (including entering into hedge transactions involving such securities), or from communicating such information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities. Such Purchaser hereby agrees that it will not use or knowingly permit any controlled affiliate to use any of the material non-public information about the Company in contravention of the U.S. securities laws, and such Purchaser will not purchase or sell the Company's securities or any securities convertible into or exchangeable for any of the Company's securities at any time that such Purchaser is in possession of material non-public information about the Company. Without limiting, in any way, the foregoing representation, acknowledgement and agreement by such Purchaser, from and after three months after the Initial Issue Date or Subsequent Issue Date, as

applicable, the Company agrees, to the extent not prohibited by federal securities laws, to notify such Purchaser of each "closing" and "opening date" under the Trading Window (as defined below), in each case, at least two Business Days prior to each such date, and at such Purchaser's request, confirm to such Purchaser whether a Trading Window is open at such time. The term "*Trading Window*" means each period during which directors and executive officers of the Company are permitted to trade the securities of the Company under the insider trading policy or similar policy of the Company then in effect.

Section 5A.12. Issuance Cap.

Notwithstanding any other provision of this Agreement, the Company shall not issue, such Purchaser shall not be entitled to receive, and such Purchaser shall not, and shall cause its Affiliates (other than Brookfield) to not, directly or indirectly acquire, offer to acquire, solicit an offer to sell, own, or purchase, any shares of Common Stock of the Company or warrants (including, but not limited to, the Warrants and the warrants issued in connection with the MAV Transaction and any shares of Common Stock issuable upon exercise thereof) which, when aggregated with all other shares of Common Stock of the Company then beneficially owned (as calculated pursuant to Section 13(d) of the Exchange Act and Rule 13d-3 promulgated thereunder) by such Purchaser and its Affiliates (other than Brookfield), would result in the beneficial ownership (as calculated pursuant to Section 13(d) of the Exchange Act and Rule 13d-3 promulgated thereunder) by such Purchaser of more than 19.9% of the then issued and outstanding shares of Common Stock of the Company (the "*Maximum Percentage*"), unless shareholder approval is obtained in accordance with the listing rules of the NYSE or is otherwise permitted by the NYSE. In addition, unless such shareholder approval is obtained or otherwise permitted by the NYSE, the Company shall not issue, such Purchaser shall not be entitled to receive, and such Purchaser shall not, and shall cause its Affiliates (other than Brookfield) to not, directly or indirectly acquire, offer to acquire, solicit an offer to sell, own, or purchase, any shares of Common Stock of the Company or warrants, in excess of the Maximum Percentage measured as of the day immediately preceding the Signing Date. Nothing in this Section 5A.12 or Section 5A.13 shall constitute an admission by any Purchaser to a third party that Brookfield is an Affiliate of such Purchaser or that Brookfield's beneficial ownership of Common Stock of the Company should be aggregated with that of such Purchaser or its Affiliates for any purpose.

Section 5A.13. Beneficial Ownership Limitation.

Such Purchaser represents and warrants on behalf of itself and all of its Non-Excluded Affiliates that assuming the accuracy of Section 5.7 and without giving effect to the issuance, conversion or exercise of the Warrants, as of the Signing Date, the Purchaser, together with its Non-Excluded Affiliates, beneficially owns (as calculated pursuant to Section 13(d) of the Exchange Act and Rule 13d-3 promulgated thereunder) less than 9.9% of the issued and outstanding Common Stock of the Company. Notwithstanding any other provision of this Agreement, without the prior written consent of the Company, such Purchaser shall not, and shall cause its Affiliates (other than Brookfield) to not, directly or indirectly: (a) acquire, offer to acquire, solicit an offer to sell, own, or purchase, any shares of Common Stock of the Company which, when aggregated with all other shares of Common Stock of the Company then

beneficially owned (as calculated pursuant to Section 13(d) of the Exchange Act and Rule 13d-3 promulgated thereunder) by the Purchaser and its Affiliates (other than Brookfield) (but not including any shares of Common Stock that are issuable, but have not yet been issued, upon exercise of the Warrants or any other warrants held by such Purchaser or its Affiliates (other than Brookfield)), would result in the beneficial ownership (as calculated pursuant to Section 13(d) of the Exchange Act and Rule 13d-3 promulgated thereunder) by such Purchaser and its Affiliates (other than Brookfield) of more than 9.9% of the then issued and outstanding shares of Common Stock of the Company (unless and until such Purchaser (or such Affiliate, as applicable) shall have obtained any and all state and federal agency "change of control" regulatory approvals that are applicable to the Company and its regulated Subsidiaries required in order to exceed such threshold (which, upon the request of such Purchaser, the Company shall take reasonable best efforts to assist such Purchaser in obtaining)); or (b) except as permitted by this Agreement, the other Transaction Documents, the MAV Transaction Agreement or any of the Transaction Agreements (as defined in the MAV Transaction Agreement), during the period beginning on the date of this Agreement and ending at such time as the Purchasers and their Affiliates (other than Brookfield) beneficially own (as calculated pursuant to Section 13(d) of the Exchange Act and Rule 13d-3 promulgated thereunder), in the aggregate, a number of shares of Common Stock equal to less than 10% of the then issued and outstanding Common Stock of the Company, (i) make, or in any way participate, in any "solicitation" of "proxies" to vote (as such terms are used in the Exchange Act), or seek to advise or influence any person or entity with respect to the voting of any voting securities of the Company, (ii) make any public announcement with respect to, or submit a proposal for, or offer of (with or without conditions) any merger, business combination, recapitalization, restructuring or other extraordinary transaction involving the Company or any of its securities or material assets, (iii) form, join or in any way participate in a "group" as defined in Section 13(d)(3) of the Exchange Act (other than with any other Purchaser, any Affiliate of any Purchaser, or any entities, funds, accounts, or clients managed, sponsored or advised by OCM or any of its Affiliates) in connection with any of the foregoing, (iv) make a public announcement in connection with seeking to control or influence the management, Board of Directors or policies of the Company, or (v) take any action that would reasonably be expected to require the Company to make a public announcement regarding the possibility of any of the events described in clause (a) above or this clause (b). Notwithstanding anything to the contrary herein, (x) the provisions set forth in this Section 5A.13 shall terminate upon the earlier of (1) the Outside Date, if the Initial Closing has not yet then occurred, and (2) the occurrence of an Event of Default or a Fundamental Change Event and (y) nothing in this Section 5A.13, shall restrict or prevent any Purchaser or any of its Affiliates from (i) purchasing, acquiring or investing in, holding, voting or taking any other action with respect to, or making any offer to purchase, acquire or invest in, any indebtedness or preferred equity of any Person, including the Company or any of its Affiliates, (ii) exercising or enforcing rights expressly set forth in this Agreement, the Transaction Documents, the MAV Transaction Agreement or any of the Transaction Agreements (as defined in the MAV Transaction Agreement) or as a creditor under applicable law, (iii) making or submitting (on a strictly private basis) to the Board of Directors any proposal or offer that is intended to be made and submitted on a non-publicly disclosed or announced basis (and would not reasonably be expected to require public disclosure by any Person), (iv) receiving any dividends, similar distributions or interest with respect to any securities of the Company held by any Purchaser or any of its Affiliates or (v) voting (or

abstaining from voting) any shares of Common Stock of the Company in any manner that such Purchaser or Affiliate deems appropriate.

Section 5A.14. ERISA. Such Purchaser represents and warrants throughout its holding of the Notes and Warrants, as applicable, that either (i) such Purchaser will not acquire or hold a Note or Warrant with the assets of a plan or entity that is subject to (a) Title I of ERISA, (b) Section 4975 of the Code or (c) any laws that are similar to Section 406 of ERISA or 4975 of the Code or (ii) such Purchaser's acquisition and holding of the Notes and Warrants will not result in a non-exempt prohibited transaction under Section 406 of ERISA, Section 4975 of the Code or a violation of any similar law.

The Company acknowledges and agrees that the representations contained in this Section 5A shall not modify, amend or affect any Purchaser's right to rely on the Company's representations and warranties contained in this Agreement or any representations and warranties contained in any other Transaction Document or any other document or instrument executed and/or delivered in connection with this Agreement or the consummation of the transaction contemplated hereby.

SECTION 6. Collateral Agent.

Section 6.1. Collateral Agent.

Each Holder hereby irrevocably designates and appoints the Collateral Agent as the collateral agent under this Agreement and the Notes Documents, and each such Holder irrevocably authorizes the Collateral Agent, in such capacity, to take such action on its behalf under the provisions of this Agreement and the Notes Documents and to exercise such powers and perform such duties as are expressly delegated to the Collateral Agent by the terms of this Agreement and the Notes Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, the Collateral Agent shall not have any duties or responsibilities, except those expressly set forth herein or in the Notes Documents, or any fiduciary relationship with any Holder, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or the Notes Documents or otherwise exist against the Collateral Agent.

In furtherance of the foregoing, each Holder hereby appoints and authorizes the Collateral Agent to act as the agent of such Holder for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by the Company or any Subsidiary to secure any of the obligations owing under this Agreement or the Notes Documents, together with such powers and discretion as are reasonably incidental thereto. In this connection, the Collateral Agent shall be entitled to the benefits of this Section 6.

The Collateral Agent may execute any of its duties under this Agreement and the Notes Documents (including for purposes of holding or enforcing any Lien on the Collateral (or any portion thereof)) by or through agents, employees or attorneys-in-fact and shall be entitled to advice of counsel and other consultants or experts concerning all matters pertaining to such duties. The Collateral Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care. The Collateral Agent may also

from time to time, when it deems it to be necessary or desirable, appoint one or more trustees, co-trustees, collateral co-agents, collateral subagents or attorneys-in-fact (each, a "***Subagent***") with respect to all or any part of the Collateral; provided, that no such Subagent shall be authorized to take any action with respect to any Collateral unless and except to the extent expressly authorized in writing by the Collateral Agent. Should any instrument in writing from the Company or any Subsidiary be required by any Subagent so appointed by the Collateral Agent to more fully or certainly vest in and confirm to such Subagent such rights, powers, privileges and duties, the Company shall, or shall cause such Subsidiary to, execute, acknowledge and deliver any and all such instruments promptly upon request by the Collateral Agent. If any Subagent, or successor thereto, shall become incapable of acting, resign or be removed, all rights, powers, privileges and duties of such Subagent, to the extent permitted by law, shall automatically vest in and be exercised by the Collateral Agent until the appointment of a new Subagent. The Collateral Agent shall not be responsible for the negligence or misconduct of any agent, attorney-in-fact or Subagent that it selects with reasonable care.

The Collateral Agent shall not, and neither shall any of its Affiliates or any of their respective officers, directors, employees, agents, attorneys-in-fact or affiliates be (a) liable for any action lawfully taken or omitted to be taken by it or such person under or in connection with this Agreement or any other Notes Document (except to the extent that any of the foregoing are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from its or such person's own gross negligence, willful misconduct or bad faith) or (b) responsible in any manner to any Holder for any recitals, statements, representations or warranties made by the Company or any Subsidiary or any officer thereof contained in this Agreement or any other Notes Document or in any certificate, report, statement or other document referred to or provided for in, or received by the Collateral Agent under or in connection with, this Agreement or any other Notes Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Notes Document or for any failure of the Company or any Subsidiary a party thereto to perform its obligations hereunder or thereunder. The Collateral Agent shall not be under any obligation to any Holder to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or any other Notes Document, or to inspect the properties, books or records of the Company or any Subsidiary. The Collateral Agent shall not have any duties or obligations except those expressly set forth herein and in the other Notes Documents. Without limiting the generality of the foregoing, (a) the Collateral Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default or Event of Default has occurred and is continuing, and (b) the Collateral Agent shall not, except as expressly set forth herein and in the other Notes Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Company or any of its Affiliates that is communicated to or obtained by the Collateral Agent or any of its Affiliates in any capacity. The Collateral Agent shall not be deemed to have knowledge of any Default or Event of Default unless and until written notice describing such Default or Event of Default is given to the Collateral Agent by the Company or a Holder. The Collateral Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Notes Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or

in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default or Event of Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Notes Document or any other agreement, instrument or document, or the creation, perfection or priority of any Lien purported to be created by the Notes Documents, (v) the value or the sufficiency of any Collateral, or (vi) the satisfaction of any condition set forth in Section 4 or 4A or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Collateral Agent.

The Collateral Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) or conversation believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper person. The Collateral Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper person, and shall not incur any liability for relying thereon. The Collateral Agent may consult with legal counsel (including counsel to the Company), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts. The Collateral Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Notes Document unless it shall first receive such advice or concurrence of the Required Holders as it deems appropriate or it shall first be indemnified to its satisfaction by the Holders against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. The Collateral Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the other Notes Documents in accordance with a request of the Required Holders (or, if so specified by this Agreement, all of the Holders), and such request and any action taken or failure to act pursuant thereto shall be binding upon all of the Holders and all future Holders.

The Collateral Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default unless the Collateral Agent has received written notice from a Holder or the Company referring to this Agreement, describing such Default or Event of Default and stating that such notice is a “notice of default.” In the event that the Collateral Agent receives such a notice, the Collateral Agent shall give notice thereof to the Holders. The Collateral Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Required Holders (or, if so specified by this Agreement, all of the Holders); provided, that unless and until the Collateral Agent shall have received such directions, the Collateral Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Holders.

Each Holder expressly acknowledges that neither the Collateral Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or affiliates have made any representations or warranties to it and that no act by the Collateral Agent hereafter taken, including any review of the affairs of the Company or any affiliate of the Company, shall be

deemed to constitute any representation or warranty by the Collateral Agent to any Holder. Each Holder represents to the Collateral Agent that it has, independently and without reliance upon the Collateral Agent or any other Holder, and based on such documents and information as it has deemed appropriate, made its own appraisal of, and investigation into the business, operations, property, financial and other condition and creditworthiness of, the Company and its affiliates and made its own decision to purchase the Notes hereunder and enter into this Agreement. Each Holder also represents that it will, independently and without reliance upon the Collateral Agent or any other Holder, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Notes Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Company and its affiliates. Except for notices, reports and other documents expressly required to be furnished to the Holders by the Collateral Agent hereunder, the Collateral Agent shall not have any duty or responsibility to provide any Holder with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of the Company or any affiliate of the Company that may come into the possession of the Collateral Agent or any of its officers, directors, employees, agents, attorneys-in-fact or affiliates.

The Holders agree to indemnify the Collateral Agent, in its capacity as such (to the extent not reimbursed by the Company or any Subsidiary and without limiting the obligation of the Company or any Subsidiary to do so), in the amount of its pro rata share of Notes (determined at the time such indemnity is sought), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever that may at any time (whether before or after the payment of the Notes) be imposed on, incurred by or asserted against the Collateral Agent in any way relating to or arising out of this Agreement, any of the other Notes Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by the Collateral Agent under or in connection with any of the foregoing; provided, that no Holder shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements that are found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the Collateral Agent's gross negligence, willful misconduct or bad faith. The failure of any Holder to reimburse the Collateral Agent promptly upon demand for its ratable share of any amount required to be paid by the Holders as provided herein shall not relieve any other Holder of its obligation hereunder to reimburse the Collateral Agent for its ratable share of such amount, but no Holder shall be responsible for the failure of any other Holder to reimburse the Collateral Agent for such other Holder' ratable share of such amount. The agreements in this Section shall survive the payment of the Notes and all other amounts payable hereunder.

The Collateral Agent and its affiliates may make loans to, accept deposits from, and generally engage in any kind of business with the Company and its Subsidiaries as though the Collateral Agent were not the Collateral Agent. With respect to its Notes, the Collateral Agent shall have the same rights and powers under this Agreement and the other Notes Documents as

any other Holder and may exercise the same as though it were not the Collateral Agent, and the term "Holder" shall include the Collateral Agent in its individual capacity.

The Collateral Agent may resign as Collateral Agent upon 30 days' notice to the Holders and the Company. If the Collateral Agent shall resign as Collateral Agent under this Agreement and the other Notes Documents, then the Required Holders shall have the right, subject to the reasonable consent of the Company, to appoint a successor to serve as Collateral Agent, whereupon (a) such successor agent shall succeed to the rights, powers and duties of the Collateral Agent, and the term "Collateral Agent" shall mean such successor agent effective upon such appointment and approval, and the former Collateral Agent's rights, powers and duties as Collateral Agent shall be terminated, without any other or further act or deed on the part of such former Collateral Agent or any of the parties to this Agreement or any Holders. If no successor agent has accepted appointment as Collateral Agent by the date that is 30 days following a retiring Collateral Agent's notice of resignation from such role(s), the retiring Collateral Agent's resignation from such role shall nevertheless thereupon become effective (except, in the case of the Collateral Agent holding collateral security on behalf of the Holders, the retiring Collateral Agent shall continue to hold such collateral security as nominee until such time as a successor Collateral Agent is appointed), and the Holders shall assume and perform all of the duties of the Collateral Agent hereunder and under the other Notes Documents until such time, if any, as the Required Holders (or the Company) appoint a successor agent to serve in the role as to which the Collateral Agent has resigned as provided for above. After any retiring Collateral Agent's resignation as Collateral Agent the provisions of this Section 6 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Collateral Agent under this Agreement and the other Notes Documents.

The Holders authorize the Collateral Agent to release any Collateral in accordance with the Security Agreement and the other Notes Documents.

Anything contained in any of the Notes Documents to the contrary notwithstanding, the Company, the Collateral Agent and each Holder hereby agree that (a) no Holder shall have any right individually to realize upon any of the Collateral, it being understood and agreed that all powers, rights and remedies hereunder in respect of the Collateral may be exercised solely by the Collateral Agent, on behalf of the Holders in accordance with the terms hereof and all powers, rights and remedies under the Notes Documents (including the Security Agreement) in respect of the Collateral may be exercised solely by the Collateral Agent, and (b) in the event of a foreclosure by the Collateral Agent on any of the Collateral pursuant to a public or private sale or other disposition, the Collateral Agent or any Holder may be the purchaser or licensor of any or all of such Collateral at any such sale or other disposition and the Collateral Agent, as agent for and representative of the Holder (but not any Holder or Holder in its or their respective individual capacities unless the Required Holders shall otherwise agree in writing) shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such public sale, to use and apply any of the Obligations as a credit on account of the purchase price for any collateral payable by the Collateral Agent at such sale or other disposition.

Any amount received by the Collateral Agent from proceeds of any Collateral following any acceleration of the Obligations under this Agreement or any Event of Default with respect to the Company or any Subsidiary, in each case that is continuing, shall be applied: (i) first, ratably, to pay any fees, indemnities or expense reimbursements then due to the Collateral Agent from the Company, (ii) second, towards payment of interest and fees then due from the Company hereunder, ratably among the Holders entitled thereto in accordance with the amounts of interest and fees then due to such parties, (iii) third, towards payment of other Obligations then due from the Company ratably among the Holders entitled thereto in accordance with the amounts of such Obligations then due to such parties and (iv) last, the balance, if any, after all of the Obligations have been paid in full, to the Company or as otherwise required by law or any court of competent jurisdiction.

SECTION 7. [Reserved].

SECTION 8. Offers to Purchase; Redemptions; Payment of the Notes and Interest.

Section 8.1. Offers to Purchase.

(a) *Asset Sales*. (i) Within 180 days after the receipt of any Net Proceeds from an Asset Sale, including a Required Asset Sale, the Company (or the applicable Restricted Subsidiary, as the case may be) may apply such Net Proceeds at its option, in any combination of the following:

(1) to prepay, repay or redeem (i) the New First Lien Notes through redemptions, open-market purchases, privately negotiated transactions or by making an asset sale offer in accordance with the procedures set forth therein, (ii) the Notes or (iii) Indebtedness secured by a Lien on the asset or assets that were subject to such Asset Sale or Indebtedness of a Restricted Subsidiary of the Company;

(2) to acquire all or substantially all of the assets of, or any Capital Stock of, another Permitted Business, if, after giving effect to any such acquisition of Capital Stock, the Permitted Business is or becomes a Restricted Subsidiary of the Company; or

(3) to acquire or invest in other assets that are used or useful in a Permitted Business (including, without limitation, Securitization Assets and assets that consist of Servicing Advances, MSRs, mortgages and other loans (including the origination of mortgages, other loans, MSRs and advances), mortgage related securities and derivatives, other mortgage related receivables, REO Assets, Residual Interests and other similar assets (or any interest in any of the foregoing) that are used to support or pledged to secure Permitted Funding Indebtedness or MTM MSR Indebtedness) or to make capital expenditures;

(ii) Pending the final application of any Net Proceeds, the Company (or the applicable Restricted Subsidiary, as the case may be) may temporarily reduce revolving credit borrowings and/or borrowings under Permitted Funding Indebtedness, MTM MSR Indebtedness or otherwise invest the Net Proceeds in any manner that is not prohibited by this Agreement.

(iii) Any Net Proceeds from Asset Sales that are not applied or invested within 180 days as provided in clause (i) above shall constitute "*Excess Proceeds*." When the aggregate amount of Excess Proceeds exceeds $10,000,000, within thirty days thereof, the Company will make an Asset Sale Offer to all Holders to purchase the maximum principal amount of Notes that may be purchased out of the Excess Proceeds. The offer price in any Asset Sale Offer will be equal to 100.0% of the principal amount of the Notes purchased *plus* accrued and unpaid interest to the date of purchase, and will be payable in cash. If any Excess Proceeds remain after consummation of an Asset Sale Offer, the Company may use those Excess Proceeds for any purpose not otherwise prohibited by this Agreement. If the aggregate principal amount of Notes tendered into such Asset Sale Offer exceeds the amount of Excess Proceeds, the Company will determine the amount of the Notes to be purchased on a *pro rata* basis or as nearly a *pro rata* basis as is practicable. Upon completion of each Asset Sale Offer, the amount of Excess Proceeds will be reset at zero.

(b) *Change of Control*. (i) Upon the occurrence of a Change of Control, each Holder will have the right to require that the Company purchase all or a portion of such Holder's Notes pursuant to the offer described below (the "*Change of Control Offer*") at a purchase price equal to 101.0% of the principal amount of the Notes purchased *plus* accrued and unpaid interest to the date of purchase (subject to the rights of Holders of Notes on the relevant regular record date to receive interest due on the relevant interest payment date that is on or prior to the applicable date of repurchase).

(ii) Within 30 days following the date upon which a Change of Control occurs, the Company must send a notice to each Holder, which notice shall govern the terms of the Change of Control Offer. Such notice shall state, among other things, the purchase date, which must be no earlier than 30 days nor later than 60 days from the date such notice is mailed (or, in the case of Notes in global form, delivered), other than as may be required by law (the "*Change of Control Payment Date*"). Holders electing to have a Note purchased pursuant to a Change of Control Offer will be required to surrender the Note to the Company at the address specified in the notice prior to the close of business on the third Business Day prior to the Change of Control Payment Date. Holders will be entitled to withdraw their tendered Notes and their election to require the Company to purchase such Notes; *provided* that the Company receives, not later than the close of business on the last day of the offer period, a facsimile transmission or letter setting forth the name of the Holder of the Notes, the principal amount of the Notes tendered for purchase, and a statement that such Holder is withdrawing his tendered Notes and his election to have such Notes purchased.

(iii) The Company will not be required to make a Change of Control Offer upon a Change of Control if (1) a third-party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in this Agreement applicable to a Change of Control Offer made by the Company and purchases all Notes properly tendered and not withdrawn under the Change of Control Offer, or (2) an unconditional and irrevocable notice of redemption as to all outstanding

Notes has been given pursuant to this Agreement pursuant to Section 8.2 unless and until there is a default in payment of the applicable redemption price.

(iv) Notwithstanding anything to the contrary herein, a Change of Control Offer may be made in advance of a Change of Control conditioned upon such Change of Control if at the time of making of the Change of Control Offer a definitive agreement is in place with respect to such Change of Control.

(v) The Company will have the right to redeem the Notes at 101% of the principal amount thereof following the consummation of a Change of Control if at least 90% of the Notes outstanding prior to such consummation are purchased pursuant to a Change of Control Offer with respect to such Change of Control. Unless otherwise provided herein, any redemption pursuant to this Section 8.1(b)(v) shall comply with Section 8.2(c) and Section 8.4 hereof.

Section 8.2. Redemption.

(a) *Optional Redemption.* The Company may, at its option, upon revocable notice as provided below, redeem at any time all, or from time to time any part, of the Notes (including PIK Notes), at 100% of the principal amount of the Notes so redeemed, together with (i) interest accrued thereon (including applicable default interest, if any) to the date of such redemption, *and* (ii) with respect to any Notes (other than PIK Notes) redeemed on or prior to the fifth anniversary of the Initial Issue Date, the Make-Whole Amount as of the date of such redemption.

(b) *AHYDO Redemption*. On each Interest Payment Date following the fifth anniversary of the "issue date" (as defined in Treasury Regulation Section 1.1273- 2) of the Notes, the Company shall redeem a portion of the principal amount of each then outstanding Note in an amount equal to the AHYDO Catch-Up Payment for such Interest Payment Date with respect to such Note. The "*AHYDO Catch-Up Payment*" means the minimum principal prepayment sufficient to ensure that as of the close of such Interest Payment Date, the aggregate amount which would be includible in gross income with respect to such Note before the close of such Interest Payment Date (as described in Section 163(i)(2)(A) of the Code) does not exceed the sum (as described in Section 163(i)(2)(B) of the Code) of (i) the aggregate amount of interest to be paid on such Note (including for this purpose any AHYDO Catch-Up Payment) before the close of such interest payment date plus (ii) the product of the "issue price" of such Note and its yield to maturity, with the result that the Notes are not treated as having "significant original issue discount" within the meaning of Section 163(i)(1)(C) of the Code. It is intended that no Note will be an "applicable high yield discount obligation" (an "*AHYDO*") within the meaning of Section 163(i)(1) of the Code. The computations and determinations required in connection with any AHYDO Catch-Up Payment will be made by the Company in its good faith reasonable discretion and will be binding upon the Holders absent manifest error.

(c) *Notice of Redemption.* The Company will give each Holder to be redeemed written notice of each redemption under this Section 8.2 not less than 30 days and not more than 60 days prior to the date fixed for such redemption unless the Company and the Required Holders agree to another time period pursuant to Section 17. Any notice of redemption for any

optional redemption pursuant to Section 8.2(a) may be revoked by the Company at any time on or prior to the Business Day immediately preceding the redemption date. Each such revocable notice shall specify such redemption date, the aggregate principal amount of the Notes to be redeemed on such date, the principal amount of each Note held by such Holder to be redeemed (determined in accordance with Section 8.3), and the interest to be paid on the redemption date with respect to such principal amount being redeemed, and shall be accompanied by a certificate of a Senior Financial Officer of the Company as to the estimated Make-Whole Amount, if any (calculated as if the date of such notice were the date of the redemption), setting forth the details of such computation (provided that if the Company shall subsequently revoke such notice, the Company shall be responsible for the reasonable and documented out-of-pocket costs and expenses incurred by each Holder in connection with same). Two Business Days prior to any redemption of the Notes, the Company shall deliver to each Holder to be redeemed a certificate of a Senior Financial Officer of the Company specifying the calculation of the Make-Whole Amount, if any. Any redemption notice for any optional redemption pursuant to Section 8.2(a) may, at the Company's discretion, be subject to one or more conditions precedent, including completion of a financing or other corporate transaction. If such redemption is subject to the satisfaction of one or more conditions precedent, in the Company's discretion the redemption date may be delayed or the redemption may be rescinded in the event any such conditions shall not have been satisfied or waived by the original redemption date.

Section 8.3. Allocation of Partial Redemptions. In the case of each partial redemption of the Notes pursuant to Section 8.2, the principal amount of the Notes to be redeemed shall be allocated among all of the Notes at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof.

Section 8.4. Surrender, Etc.

In the case of each redemption of Notes pursuant to Section 8.2, subject to the last sentence of the Section 8.2 and the ability of the Company to revoke a redemption notice at any time prior to the redemption date with respect to any optional redemption pursuant to Section 8.2(a), the principal amount of each Note to be redeemed shall mature and become due and payable on the date fixed for such redemption, together with interest (including applicable default interest, if any) on such principal amount accrued to such date and the applicable Make-Whole Amount as of the date of such redemption, if any. From and after such date, unless the Company shall have revoked the redemption notice or shall have failed to pay such principal amount when so due and payable, together with the interest (including applicable default interest, if any) and Make-Whole Amount, if any, interest on such principal amount shall cease to accrue. Any Note redeemed in full or in part shall be surrendered to the Company on or prior to the redemption date and cancelled and shall not be reissued, and no Note shall be issued in lieu of any redeemed principal amount of any Note and, in the case of Notes redeemed in part, the Company shall issue a new Note to the holder thereof for the unredeemed portion of the Note surrendered.

Section 8.5. [Reserved]

Section 8.6. Make-Whole Amount. "*Make-Whole Amount*" means, with respect to a Note, the greater of (i) 0.0% of the then outstanding principal amount of such Note and (ii) the excess of:

(1) the sum of (A) the present value as of the redemption date of the aggregate principal amount of the Note to be redeemed *plus* (B) the present value of all scheduled interest payments (assuming that the Company would have paid the full amount of interest in cash on each Interest Payment Date) due on such Note through the fifth anniversary of the Initial Issue Date (excluding accrued but unpaid interest up to, but excluding the redemption date), such present value to be computed using a discount rate equal to the Treasury Rate three Business Days prior to such redemption date *plus* 50 basis points; *over*

(2) the aggregate principal amount of such Note.

"*Treasury Rate*" means, as determined by the Company, with respect to any redemption date, the weekly average rounded to the nearest 1/100th of a percentage point (for the most recently completed week for which such information is available as of the date that is three Business Days prior to the redemption date) of the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H. 15 with respect to each applicable day during such week (or, if such statistical release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from such redemption date to the fifth anniversary of the Initial Issue Date; *provided*, *however*, that if no published maturity exactly corresponds with such date, then the Treasury Rate shall be interpolated or extrapolated on a straight-line basis from the arithmetic mean of the yields for the next shortest and next longest published maturities; *provided*, *further*, *however*, that if the period from such redemption date to the fifth anniversary of the Initial Issue Date, is less than one year, the weekly average yield on actively traded United States Treasury securities adjusted to a constant maturity of one year will be used.

Section 8.7. Stated Maturity; Interest.

The full principal balance outstanding on the Notes shall be due and payable on the Maturity Date. At all times that there is a principal balance outstanding on the Notes, interest shall accrue and be due and payable from time to time in accordance with the terms of the Notes.

Section 8.8. Tax Matters.

The terms of Exhibit 3 hereto are incorporated herein by reference and shall apply as if set forth fully herein. All payments hereunder shall be subject to such Exhibit.

SECTION 9. Affirmative Covenants.

The Company covenants that from and after the Signing Date until the date on which all commitments of the Purchasers to purchase Notes shall have terminated, no Notes shall remain

outstanding and all other Obligations (other than unasserted indemnification obligations) shall have been satisfied in full in cash, it shall comply, and cause its Restricted Subsidiaries to comply, with the affirmative covenants set forth in Annex A in all respects.

SECTION 10. Negative Covenants.

The Company covenants that from and after the Signing Date until the date on which all commitments of the Purchasers to purchase Notes shall have terminated, no Notes shall remain outstanding and all other Obligations (other than unasserted indemnification obligations) shall have been satisfied in full in cash, it shall comply, and cause its Restricted Subsidiaries to comply, with the negative covenants set forth in Annex B in all respects.

SECTION 10A. Financial Covenants.

The Company covenants that from and after the Signing Date until the date on which all commitments of the Purchasers to purchase Notes shall have terminated, no Notes shall remain outstanding and all other Obligations (other than unasserted indemnification obligations) shall have been satisfied in full in cash, the Company will not permit:

(a) the book value of the common equity of the Company and its Subsidiaries, calculated on a consolidated basis, to be less than $275,000,000 at any time; and

(b) Unrestricted Cash of the Company and its Restricted Subsidiaries, calculated on a consolidated basis, to be less than $50,000,000 at any time.

SECTION 11. Events of Default.

An "*Event of Default*" *shall* exist if any of the following conditions or events shall occur and be continuing:

(a) the Company defaults in the payment of any principal or the Make-Whole Amount, if any, on any Note when the same becomes due and payable, whether at maturity or at a date fixed for redemption or by declaration of acceleration or otherwise; or

(b) the Company defaults in the payment of any interest on any Note after the same becomes due and payable and such failure shall continue to be unremedied for a period of five (5) or more Business Days; or

(c) the Company defaults in the performance of or compliance with any term contained in Sections 1, 2, 3, 5 or 7 of Annex B or Section 10A; or

(d) the Company defaults in the performance of or compliance with any term contained herein (other than those referred to in paragraphs (a), (b) and (c) of this Section 11), and such default is not remedied within forty-five (45) days (or one hundred twenty (120) days with respect to any default in the performance or compliance with clauses (a), (b), (c) or (j) of Section 1 of Annex A) after the earlier of (i) a Responsible Officer

obtaining knowledge of such default and (ii) the Company receiving written notice of such default from any Holder (any such written notice to be identified as a "*notice of default*" *and* to refer specifically to this paragraph (d) of Section 11); or

(e) any representation or warranty made in writing by or on behalf of the Company by any officer of the Company in this Agreement or any other Transaction Document proves to have been false or incorrect in any material respect on the date as of which made; or

(f) the Company or any Subsidiary (i) fails to make any payment beyond the applicable grace period with respect thereto, if any (whether by scheduled maturity or interest payment, required prepayment, acceleration, demand or otherwise) in respect of any Indebtedness (other than the Indebtedness hereunder) having an aggregate principal amount in excess of $100,000,000, or (ii) is in default (as principal or as guarantor or other surety) in the performance of or compliance with any term of any Indebtedness having an unpaid principal amount aggregating in excess of $100,000,000 or any mortgage, indenture or other agreement relating thereto, or any other condition exists, and as a consequence of such default or condition such Indebtedness may become due and payable before its stated maturity or before its regularly scheduled dates of payment, in each case, unless and until, prior to the Notes becoming or being declared to be immediately due and payable pursuant to Section 12.1, such default or other condition is cured by the Company or such Subsidiary or waived by the holders of such Indebtedness and any acceleration of such Indebtedness is rescinded by the holder thereof; or

(g) the Company or any Material Subsidiary (i) is generally not paying, or admits in writing its inability to pay, its debts as they become due, (ii) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy, for liquidation or to take advantage of any bankruptcy, insolvency, reorganization, moratorium or other similar law of any jurisdiction, (iii) makes an assignment for the benefit of its creditors, (iv) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, (v) is adjudicated as insolvent or to be liquidated, or (vi) takes corporate action for the purpose of any of the foregoing; or

(h) a court or governmental authority of competent jurisdiction enters an order appointing, without consent by the Company or any Material Subsidiary, a custodian, receiver, trustee or other officer with similar powers with respect to the Company or such Material Subsidiary or with respect to any substantial part of its property, or constituting an order for relief or approving a petition for relief or reorganization or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding-up or liquidation of the Company or any Material Subsidiary, or any such petition shall be filed against the Company or any Material Subsidiary and such petition shall not be dismissed within sixty (60) days; or

(i) a final judgment or judgments for the payment of money aggregating in excess of $50,000,000 (except to the extent covered by valid and collectible insurance as to which the insurer does not dispute coverage (other than a reservation of rights letter delivered in the ordinary course)) are rendered against one or more of the Company or any Material Subsidiary and which judgments are not, within forty-five (45) days after entry thereof, bonded, discharged or stayed pending appeal; or

(j) [reserved]; or

(k) (i) any material provision of any Transaction Document ceases to be in full force and effect, (ii) the Company denies in writing that it has any or further liability under any Transaction Document, or purports in writing to revoke or rescind any Transaction Document or (iii) any material portion of the Liens purported to be created by the Security Agreement or any other Notes Document cease to be perfected security interests other than as a result of a release of the Collateral permitted by the Notes Documents or the Collateral Agent's failure to (x) maintain possession of any stock certificates, promissory notes or other instruments actually delivered to it under the Notes Documents or file or (y) file and maintain proper UCC financing statements or similar filings; or

(l) if (i) any Plan shall fail to satisfy the minimum funding standards of ERISA or the Code for any plan year or part thereof or a waiver of such standards or extension of any amortization period is sought or granted under section 412 of the Code, (ii) a notice of intent to terminate any Plan shall have been filed with the PBGC or the PBGC shall have instituted proceedings under section 4042 of ERISA to terminate or appoint a trustee to administer any Plan or the PBGC shall have notified the Company or any ERISA Affiliate that a Plan may become a subject of any such proceedings, (iii) the aggregate "amount of unfunded benefit liabilities" (within the meaning of section 4001(a)(18) of ERISA) under all Plans, determined in accordance with Title IV of ERISA, shall exceed 5% of Consolidated Net Worth, (iv) the Company or any ERISA Affiliate shall have incurred or is reasonably expected to incur any liability pursuant to Title I or IV of ERISA (other than to satisfy the minimum funding standards of ERISA or to pay required premiums to the PBGC) or the penalty or excise tax provisions of the Code relating to employee benefit plans, (v) the Company or any ERISA Affiliate withdraws from any Multiemployer Plan, or (vi) the Company or any Subsidiary establishes or amends any employee welfare benefit plan that provides post-employment welfare benefits in a manner that would increase the liability of the Company or any Subsidiary thereunder; and any such event or events described in clauses (i) through (vi) above, either individually or together with any other such event or events, would reasonably be expected to have a Material Adverse Effect. As used in this Section 11(l), the terms "*employee benefit plan*" and "*employee welfare benefit plan*" *shall* have the respective meanings assigned to such terms in section 3 of ERISA.

SECTION 12. Remedies on Default, Etc.

Section 12.1. Acceleration.

(a) If an Event of Default described in paragraph (g) or (h) of Section 11 in respect of the Company has occurred, all the Notes then outstanding shall automatically become immediately due and payable and all commitments or obligations of any Purchaser to purchase any Notes shall be terminated.

(b) If any Event of Default (other than those described in paragraph (g) or (h) of Section 13) has occurred and is continuing, the Required Holders may at any time at its or their option, by notice or notices to the Company, declare all the Notes then outstanding to be immediately due and payable and terminate all commitments or obligations of the Purchasers to purchase any Notes.

(c) Upon any Note becoming due and payable under this Section 12.1, whether automatically or by declaration, such Note will forthwith mature and the entire unpaid principal amount of such Note, *plus* (i) all accrued and unpaid interest thereon (including applicable default interest, if any), *plus* (ii) the applicable Make-Whole Amount (but not with respect to any PIK Note), if any, shall all be immediately due and payable, in each and every case without presentment, demand, protest or further notice, all of which are hereby waived. The Company acknowledges, and the parties hereto agree, that each Holder has the right to maintain its investment in the Notes free from repayment by the Company (except as herein specifically provided for), and that the provision for payment of a Make-Whole Amount, if any, by the Company in the event that the Notes are redeemed, paid prior to their maturity or are accelerated as a result of an Event of Default, is intended to provide compensation for the deprivation of such right under such circumstances.

Without limiting the generality of the foregoing, in the event the Notes are accelerated or otherwise become due prior to the Maturity Date, in each case, in respect of any Event of Default (including, but not limited to, upon the occurrence of an Event of Default arising under Section 11(g) or (h) (including the acceleration of claims by operation of law)), the Make-Whole Amount with respect to an optional redemption pursuant to Section 8.2(a) will also be due and payable as though all Notes accelerated (other than the PIK Notes) were optionally redeemed and shall constitute part of the Obligations, in view of the impracticability and extreme difficulty of ascertaining actual damages and by mutual agreement of the parties as to a reasonable calculation of each Holder's lost profits as a result thereof. Any premium (including the Make-Whole Amount) payable above shall be presumed to be the liquidated damages sustained by each Holder as the result of the early redemption and the Company agrees that it is reasonable under the circumstances currently existing. The premium (including the Make-Whole Amount) shall also be payable in the event the Notes (and/or this Agreement) are satisfied or released by foreclosure (whether by power of judicial proceeding), deed in lieu of foreclosure or by any other means, with respect to all Notes satisfied or released (other than PIK Notes). THE COMPANY EXPRESSLY WAIVES (TO THE FULLEST EXTENT IT MAY LAWFULLY DO SO) THE

PROVISIONS OF ANY PRESENT OR FUTURE STATUTE OR LAW THAT PROHIBITS OR MAY PROHIBIT THE COLLECTION OF THE FOREGOING PREMIUM (INCLUDING THE MAKE-WHOLE AMOUNT) IN CONNECTION WITH ANY SUCH ACCELERATION. The Company expressly agrees (to the fullest extent it may lawfully do so) that: (A) the premium (including the Make-Whole Amount) is reasonable and is the product of an arm's length transaction between sophisticated business people, ably represented by counsel; (B) the premium (including the Make-Whole Amount) shall be payable notwithstanding the then prevailing market rates at the time payment is made; (C) there has been a course of conduct between Purchasers and the Company giving specific consideration in this transaction for such agreement to pay the premium (including the Make-Whole Amount); and (D) the Company shall be estopped hereafter from claiming differently than as agreed to in this paragraph. The Company expressly acknowledges that its agreement to pay the premium (including the Make-Whole Amount) to Holders as herein described is a material inducement to the Purchasers to purchase the Notes.

Section 12.2. Other Remedies.

If any Event of Default has occurred and is continuing, and irrespective of whether any Notes have become or have been declared immediately due and payable under Section 12.1, any Holder at the time outstanding may proceed to protect and enforce the rights of such Holder by an action at law, suit in equity or other appropriate proceeding, whether for the specific performance of any agreement contained herein or in any Note, or for an injunction against a violation of any of the terms hereof or thereof, or in aid of the exercise of any power granted hereby or thereby or by law or otherwise.

Section 12.3. Rescission.

At any time after any Notes have been declared due and payable pursuant to clause (b) of Section 12.1, the Required Holders, by written notice to the Company, may rescind and annul any such declaration and its consequences if (a) the Company has paid all overdue interest on the Notes, all principal of and Make-Whole Amount, if any, on any Notes that are due and payable and are unpaid other than by reason of such declaration, and all interest on such overdue principal and Make-Whole Amount, if any, and (to the extent permitted by applicable law) any amounts outstanding under the Notes, at the Default Rate, (b) all Events of Default and Defaults, other than non-payment of amounts that have become due solely by reason of such declaration, have been cured or have been waived pursuant to Section 17, and (c) no judgment or decree has been entered for the payment of any monies due pursuant hereto or to the Notes. No rescission and annulment under this Section 12.3 will extend to or affect any subsequent Event of Default or Default or impair any right consequent thereon.

Section 12.4. No Waivers or Election of Remedies, Expenses, Etc.

No course of dealing and no delay on the part of any Holder in exercising any right, power or remedy shall operate as a waiver thereof or otherwise prejudice such Holder's rights, powers or remedies. No right, power or remedy conferred by this Agreement or any Transaction Document upon any Holder or the Collateral Agent shall be exclusive of any other right, power

or remedy referred to herein or therein or now or hereafter available at law, in equity, by statute or otherwise. Without limiting the obligations of the Company under Section 15, the Company will pay to the Holder of each Note on demand such further amount as shall be sufficient to cover all costs and expenses of such Holder incurred in any enforcement or collection under this Section 12, including, without limitation, reasonable attorneys' fees, expenses and disbursements.

SECTION 13. Registration; Exchange; Substitution of Notes.

Section 13.1. Registration of Notes

. The Company shall keep at its principal executive office a register for the registration and registration of transfers of Notes. The name and address of each Holder, each transfer of one or more Notes and the name and address of each transferee of one or more Notes shall be registered in such register. Prior to due presentment for registration of transfer, the Person in whose name any Note shall be registered shall be deemed and treated as the owner and Holder thereof for all purposes hereof, and the Company shall not be affected by any notice or knowledge to the contrary. The Company shall give to any Holder promptly upon request therefor, a complete and correct copy of the names and addresses of all registered Holders. This Section 13.1 shall be construed so that the Notes are at all times maintained in "registered form" within the meaning of Sections 163(f), 871(h)(2) and 881(c)(2) of the Code. In addition to and not in limitation of any representations contained herein, each Holder acknowledges and agrees that the Notes have not been registered under the Securities Act and may not be transferred except pursuant to registration or an exemption therefrom.

Section 13.2. Transfer and Exchange of Notes.

With the Company's consent (other than (x) after the occurrence and during the continuance of an Event of Default, (y) in connection with the transfer of such Notes to an Affiliate of Oaktree or (z) in connection with any pledge of the Notes), which consent shall not be unreasonably withheld, conditioned or delayed (other than in the case of transfers to *bona fide* competitors of the Company) (*provided* that the Company's consent to an assignment shall be deemed to be given if the assigning Holder has not received a written objection to such assignment within ten (10) Business Days of the Company's receipt of such request for consent), upon surrender of any Note at the principal executive office of the Company for registration of transfer or exchange (and in the case of a surrender for registration of transfer, duly endorsed or accompanied by a written instrument of transfer duly executed by the registered Holder of such Note or its attorney duly authorized in writing and accompanied by the address for notices of each transferee of such Note or part thereof), the Company shall execute and deliver, at the Company's expense (except as provided below), one or more new Notes (as requested by the Holder thereof) in exchange therefor, in an aggregate principal amount equal to the unpaid principal amount of the surrendered Note; provided that such new Notes shall be in electronic form (in "portable document format" (".pdf") form or any other electronic form). Each such new Note shall be payable to such Person as such Holder may request (provided that, except (x) after the occurrence and during the continuance of an Event of Default, (y) in connection with the transfer of such Notes to an Affiliate of Oaktree or (z) in connection with any pledge of the Notes, the

Company consents to such Person becoming a Holder, such consent not to be unreasonably withheld, conditioned or delayed (other than in the case of transfers to *bona fide* competitors of the Company) and shall be substantially in the form of Exhibit 1; *provided* that the Company's consent to an assignment shall be deemed to be given if the assigning Holder has not received a written objection to such assignment within ten (10) Business Days of the Company's receipt of such request for consent. Each such new Note shall be dated and bear interest from the date to which interest shall have been paid on the surrendered Note or dated the date of the surrendered Note if no interest shall have been paid thereon. The Company may require payment of a sum sufficient to cover any stamp tax or governmental charge imposed in respect of any such transfer of Notes. Notes shall not be transferred in denominations of less than $1,000,000, provided that, if necessary to enable the registration of transfer by a Holder of its entire holding of Notes, one Note may be in a denomination of less than $1,000,000. Notwithstanding anything herein to the contrary, Notes may not be transferred to a Person that is not a "Qualified Institutional Buyer" (as defined in Rule 144A under the Securities Act) or an "Accredited Institutional Investor" (as defined in Rule 501 of Regulation D under the Securities Act).

Section 13.3. Replacement of Notes.

(a) Upon receipt by the Company of evidence reasonably satisfactory to it of the ownership of and the loss, theft, destruction or mutilation of any, and

(b) in the case of loss, theft or destruction, of indemnity reasonably satisfactory to it (*provided* that if the Holder of such Note is, or is a nominee for, an original Purchaser or another Holder with a minimum net worth of at least $50,000,000, such Person's own unsecured agreement of indemnity shall be deemed to be satisfactory), or

(c) in the case of mutilation, upon surrender and cancellation thereof,

the Company at its own expense shall execute and deliver, in lieu thereof, a new Note of the same series, dated and bearing interest from the date to which interest shall have been paid on such lost, stolen, destroyed or mutilated Note or dated the date of such lost, stolen, destroyed or mutilated Note if no interest shall have been paid thereon.

SECTION 14. Payments on Notes.

The Company will pay all sums becoming due on such Note for principal, Make-Whole Amount, if any, and interest by the method and at the address the Holder shall have from time to time specified to the Company in writing for such purpose, without the presentation or surrender of such Note or the making of any notation thereon, except that upon written request of the Company made concurrently with or reasonably promptly after payment or redemption in full of any Note, such Holder shall surrender such Note for cancellation, reasonably promptly after any such request, to the Company at its principal executive office.

SECTION 15. Expenses, Etc.

Section 15.1. Transaction Expenses.

The Company will pay all reasonable costs and expenses (including reasonable attorneys' fees) incurred by each Purchaser or Holder in connection with the transactions contemplated hereby and in connection with any amendments, waivers or consents under or in respect of the Transaction Documents (whether or not such amendment, waiver or consent becomes effective); *provided that* the maximum amount of legal fees and expenses that the Company shall be required to reimburse the Purchasers for that are incurred on or prior to the Initial Closing shall be $1,000,000. The Company shall also pay the costs and expenses incurred by each Purchaser or Holder in enforcing or defending (or determining whether or how to enforce or defend) any rights under the Transaction Documents. In addition, the Company will also pay the costs and expenses of each Purchaser or Holder (i) in responding to any subpoena or other legal process or informal investigative demand issued in connection with the Transaction Documents, or by reason of being a Holder (but only so long as such subpoena or other legal proceeding arises out of matters which are related to the Company), and (ii) the costs and expenses, including financial advisors' fees, incurred in connection with the insolvency or bankruptcy of the Company or in connection with any work-out or restructuring of the transactions contemplated hereby and by the Notes. The Company will pay, and will save each Purchaser and each other Holder harmless from, all claims in respect of any fees, costs or expenses, if any, of brokers and finders (other than those retained by the Purchasers or any other Holders in connection with its purchase of Notes). On the Signing Date, the Company will pay the reasonable and documented costs and expenses (including reasonable attorneys' fees) incurred on or prior to such date by each Purchaser or Holder in connection with the transactions contemplated hereby. The Purchasers shall retain any expense deposit made on or prior to the Signing Date and apply such expense deposit on the Initial Issue Date to fees and expenses related to the transactions contemplated hereby not included in the invoice paid on the Signing Date. To the extent that there is any deposit remaining after all fees and expenses related to the transactions contemplated hereby are paid on the Initial Issue Date, the Purchasers shall return such excess amount to the Company promptly thereafter. Notwithstanding the foregoing, the Company shall not be obligated to reimburse the Purchasers for any fees and expenses in excess of $1,000,000 in the aggregate for all such Purchasers incurred on or prior to the Initial Closing.

Section 15.2. Survival.

The obligations of the Company under this Section 15 will survive the payment or transfer of any Note, the enforcement, amendment or waiver of any provision of this Agreement or any other Transaction Document, and the termination of this Agreement and the other Transaction Documents.

SECTION 16. Survival of Representations and Warranties; Entire Agreement.

All representations and warranties contained herein and in the other Transaction Documents shall survive the execution and delivery of this Agreement, the Warrants and the Notes, the purchase or transfer by any Purchaser of any Note, any Warrant or any portion thereof

or interest therein and the payment of any Note or exercise of any Warrant, and may be relied upon by any subsequent Holder or holder of a Warrant, regardless of any investigation made at any time by or on behalf of such Purchaser or any other Holder or holder of a Warrant; *provided*, that no representation or warranty shall be deemed to be made as of any time other than (i) the Signing Date or the date of execution and delivery of such other document, certificate, instrument or agreement containing such representation or warranty, (ii) at the time of the Initial Closing or (iii) at the time of the Subsequent Closing. All statements contained in any certificate or other instrument delivered by or on behalf of the Company pursuant to this Agreement or the other Transaction Documents shall be deemed representations and warranties of the Company under this Agreement or the other Transaction Document, as applicable. Subject to the preceding sentence, this Agreement and the other Transaction Documents embody the entire agreement and understanding between each Purchaser and the Company and supersede all prior agreements and understandings, in each case relating to the subject matter hereof.

SECTION 17. Amendment and Waiver.

Section 17.1. Requirements.

This Agreement, the Notes Documents and the Notes may be amended, and the observance of any term hereof or of the Notes Documents or the Notes may be waived (either retroactively or prospectively), with (and only with) the written consent of the Company and the Required Holders, except that (a) no amendment or waiver of any of the provisions of Section 1, 2, 3, 4, 4A, 5A, or 21 hereof, or any defined term (as it is used therein), will be effective as to any Purchaser unless consented to by such Purchaser in writing and (b) no such amendment or waiver may, without the written consent of the Holder of each Note at the time outstanding affected thereby, (i) subject to the provisions of Section 12 relating to acceleration or rescission, change the amount or time of any redemption (other than as provided in Sections 8.2 and 8.4 as in effect on the Signing Date), offer to purchase or payment of principal of, or reduce the rate or change the time of payment or method of computation of interest or of the Make-Whole Amount on, the Notes, (ii) change the percentage of the principal amount of the Notes the Holders of which are required to consent to any such amendment or waiver, (iii) amend any of Sections 8 (except as set forth in the third sentence of Section 8.2), 11(a), 11(b), 12, 17 or 20 or (iv) subordinate, in right of payment or Lien priority (except as permitted hereunder or the Junior Priority Intercreditor Agreement as of the Signing Date), any of the Obligations.

Section 17.2. Solicitation of Holders.

(a) *Solicitation.* The Company will promptly provide each Holder (irrespective of the amount of Notes then owned by it) with sufficient information sufficiently far in advance of the date a decision is required, to enable such Holder to make an informed and considered decision with respect to any proposed amendment, waiver or consent in respect of any of the provisions hereof or of the Notes. The Company will deliver executed or true and correct copies of each amendment, waiver or consent effected pursuant to the provisions of this Section 17 to each Holder of outstanding Notes promptly following the date on which it is executed and delivered by, or receives the consent or approval of, the requisite Holders.

(b) *Payment.* The Company will not directly or indirectly pay or cause to be paid any remuneration, whether by way of supplemental or additional interest, fee or otherwise, or grant any security, to any Holder as consideration for or as an inducement to the entering into by any Holder of any waiver or amendment of any of the terms and provisions hereof or of the Notes unless such remuneration is concurrently paid, or security is concurrently granted, on the same terms, ratably to each Holder then outstanding whether or not such Holder consented to such waiver or amendment.

(c) *Consent in Contemplation of Transfer*. Any consent made pursuant to this Section 17 by a Holder that has transferred or has agreed to transfer its Notes to the Company, any Subsidiary or any Affiliate of the Company and has provided or has agreed to provide such written consent as a condition to such transfer shall be void and of no force or effect except solely as to such Holder, and any amendments effected or waivers granted or to be effected or granted that would not have been or would not be so effected or granted but for such consent (and the consents of all other Holders that were acquired under the same or similar conditions) shall be void and of no force or effect except solely as to such Holder.

Section 17.3. Binding Effect, Etc.

Any amendment or waiver consented to as provided in this Section 17 applies equally to all Holders and is binding upon them and upon each future Holder and upon the Company without regard to whether such Note has been marked to indicate such amendment or waiver. No such amendment or waiver will extend to or affect any obligation, covenant, agreement, Default or Event of Default not expressly amended or waived or impair any right consequent thereon. No course of dealing between the Company and any Holder nor any delay in exercising any rights hereunder or under any Note shall operate as a waiver of any rights of any Holder of such Note. As used herein, the term "this Agreement" and references thereto shall mean this Agreement as it may from time to time be amended or supplemented.

Section 17.4. Notes Held by Company, Etc.

Solely for the purpose of determining whether the Holders of the requisite percentage of the aggregate principal amount of Notes then outstanding approved or consented to any amendment, waiver or consent to be given under this Agreement, the Notes Documents or the Notes, or have directed the taking of any action provided herein, the Notes Documents or in the Notes to be taken upon the direction of the Holders of a specified percentage of the aggregate principal amount of Notes then outstanding, Notes directly or indirectly owned by the Company or any of its Affiliates shall be deemed not to be outstanding.

SECTION 18. Notices.

All notices and communications provided for hereunder shall be in writing and sent by (1) e-mail and (2) accompanied by either (x) a registered or certified mailing with return receipt requested (postage prepaid) or (y) delivery by a recognized overnight delivery service (charges prepaid). Any such notice must be sent: (i) if to any Holder or to the Collateral Agent, to the e-

mail and mail address provided by such Holder or the Collateral Agent to the Company in writing, or (ii) if to the Company, at its e-mail address ocwendebtagreementnotices@ocwen.com or such other e-mail address provided to the Holders and the Collateral Agent and the mail address set forth at the beginning hereof, addressed to the attention of General Chief Executive Officer. Notices under this Section 18 will be deemed given only when actually received.

SECTION 19. Reproduction of Documents.

This Agreement, the Transaction Documents and all documents relating thereto, including, without limitation, (a) consents, waivers and modifications that may hereafter be executed, (b) documents received by each Purchaser at the Closing (except the Notes themselves), and (c) financial statements, certificates and other information previously or hereafter furnished to each Purchaser, may be reproduced by such Purchaser by any photographic, photostatic, microfilm, microcard, miniature photographic or other similar process and such Purchaser may destroy any original document so reproduced. The Company agrees and stipulates that, to the extent permitted by applicable law, any such reproduction (other than the Notes) shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made by such Purchaser in the regular course of business) and any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence. This Section 19 shall not prohibit the Company or any other Holder from contesting any such reproduction to the same extent that it could contest the original, or from introducing evidence to demonstrate the inaccuracy of any such reproduction.

SECTION 20. Confidential Information.

For the purposes of this Section 20, "*Confidential Information*" means Information delivered before or after the date of this Agreement to a Purchaser or Holder, *provided* that such term does not include Information that (a) other than as a result of a disclosure by any Purchaser or any Holder or, in either case, its employees or agents in violation of this Section 20, was publicly known, (b) other than as a result of a disclosure by any Purchaser or any Holder or, in either case, its employees or agents in violation of this Section 20, is or becomes publicly known through no act or omission by such Purchaser or any Holder or, in either case, any Person acting on such Purchaser's or Holder's behalf, (c) other than as a result of a disclosure by any Purchaser or any Holder or, in either case, its employees or agents in violation of this Section 20, otherwise becomes known to such Purchaser or Holder other than through disclosure by the Company or any Subsidiary and from a source which such Purchaser or Holder reasonably believes is not subject to a prohibition against disclosing such Information, or (d) constitutes financial statements delivered to such Purchaser or Holder under Section 1 of Annex A that are otherwise publicly available. For the purposes of this Section 20, "*Information*" means information concerning the Company or its Subsidiaries, irrespective of its source or form of communication, furnished by or on behalf of the Company or any of its Subsidiaries, including without limitation notes, analyses, compilations, studies or other documents or records prepared by any Purchaser or Holder, which contain or reflect or were generated from information supplied by or on behalf of the Company or its Subsidiaries. Each Purchaser and Holder will maintain the confidentiality

of such Confidential Information in accordance with good faith, commercially reasonable procedures adopted by such Purchaser or Holder to protect confidential information of third parties delivered to such Purchaser or Holder, *provided* that such Purchaser or Holder may deliver or disclose Confidential Information to (i) such Purchaser's or Holders' directors, trustees, officers, employees, agents, attorneys and affiliates (to the extent such disclosure reasonably relates to the investment represented by such Purchaser's or Holder's Notes or the review or administration of such Holder's or Purchaser's investments) and provided that each such recipient shall be informed of the confidential nature of the Confidential Information and shall agree to keep the Confidential Information confidential, (ii) such Purchaser's or Holder's outside accounting firm and law firm (to the extent such disclosure reasonably relates to the administration of the investment represented by such Purchaser's or Holder's Notes) and provided that each such recipient shall be informed of the terms of this Section 20 and of the confidential nature of the Confidential Information and shall agree to keep the Confidential Information confidential in accordance with this Section 20, (iii) any other Purchaser or Holder, (iv) any Person to which such Purchaser or Holder sells or offers to sell such Note or any part thereof or any participation therein (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this Section 20), (v) any federal or state regulatory authority having jurisdiction over such Purchaser or Holder, (vi) S&P, Moody's, Fitch IBCA, Duff & Phelps or the National Association of Insurance Commissioners or any similar organization that requires access to information about such Purchaser's or Holder's investment portfolio or (vii) any other Person to which such delivery or disclosure may be necessary or appropriate, (w) upon advance written notice to the Company (to the extent such notice is commercially practicable), to effect compliance with any law, rule (including stock exchange rule), regulation or order applicable to such Purchaser or Holder, (x) in response to any subpoena or other legal process *provided* that to the extent permitted by applicable law such Purchaser or Holder will use reasonable efforts to notify the Company of any such subpoena or other legal process, (y) in connection with any litigation involving this Agreement or the other Transaction Documents or in connection with the enforcement or for the protection of the rights and remedies under such Purchaser's or Holder's Notes or the Transaction Documents to which such Purchaser or Holder is a party or (z) if an Event of Default has occurred and is continuing, to the extent such Purchaser or Holder may reasonably determine such delivery and disclosure to be necessary or appropriate in the enforcement or for the protection of the rights and remedies under such Purchaser's or Holder's Notes, the Notes Documents or this Agreement. Each purchaser of a Note or Holder, by its acceptance of a Note, will be deemed to have agreed to be bound by and to be entitled to the benefits of this Section 20 as though it were a party to this Agreement.

SECTION 21. Substitution of Purchaser.

Each Purchaser shall have the right to substitute any one of such Purchaser's Affiliates as the purchaser of the Notes that such Purchaser has agreed to purchase hereunder, by written notice to the Company, which notice shall be signed by both such Purchaser and such Purchaser's Affiliate, shall contain such Affiliate's agreement to be bound by this Agreement and shall contain a confirmation by such Affiliate of the accuracy with respect to it of the representations set forth in Section 5A. Upon receipt of such notice, wherever the word

"Purchaser" is used in this Agreement (other than in this Section 21), such word shall be deemed to refer to such Affiliate in lieu of such Purchaser. In the event that such Affiliate is so substituted as a purchaser hereunder and such Affiliate thereafter transfers to such Purchaser all of the Notes then held by such Affiliate, upon receipt by the Company of notice of such transfer, wherever the word "Purchaser" is used in this Agreement (other than in this Section 21), such word shall no longer be deemed to refer to such Affiliate, but shall refer to such Purchaser, and such Purchaser shall have all the rights of an original Holder under this Agreement.

SECTION 22. Miscellaneous.

Section 22.1. Successors and Assigns.

All covenants and other agreements contained in this Agreement and the other Transaction Documents by or on behalf of any of the parties hereto bind and inure to the benefit of their respective successors and assigns (including, without limitation, any subsequent Holder) whether so expressed or not.

Section 22.2. Payments Due on Non-Business Days.

Anything in this Agreement, the Notes Documents or the Notes to the contrary notwithstanding, any payment of principal of or Make-Whole Amount or interest on any Note that is due on a date other than a Business Day shall be made on the next succeeding Business Day without including the additional days elapsed in the computation of the interest payable on such next succeeding Business Day.

Section 22.3. Severability.

Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall (to the full extent permitted by law) not invalidate or render unenforceable such provision in any other jurisdiction.

Section 22.4. Construction.

Each covenant contained herein shall be construed (absent express provision to the contrary) as being independent of each other covenant contained herein, so that compliance with any one covenant shall not (absent such an express contrary provision) be deemed to excuse compliance with any other covenant. Where any provision herein refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person.

Section 22.5. Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one instrument. Each counterpart may consist of a number of copies hereof, each signed by fewer than all, but together signed by all, of the

parties hereto. The exchange of copies of this Agreement and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Agreement. Signature pages hereto transmitted by facsimile or PDF shall be deemed to be original signatures for all purposes.

Section 22.6. Legal Rate of Interest.

Regardless of any provision contained in this Agreement, the rate of interest borne by the Notes shall not exceed the maximum amount of nonusurious interest that may be contracted for, taken, reserved, charged or received under any applicable law; any interest in excess of that maximum amount shall be credited on the principal of the Notes of the applicable series or, if that has been paid, refunded to the Company. On any acceleration or required or permitted prepayment or redemption, any such excess shall be canceled automatically as of the acceleration or prepayment or redemption or, if already paid, credited on the principal of the Notes or, if the principal of the Notes has been paid, refunded to the Company. In determining whether or not the interest paid or payable, under any specific contingency, exceeds the maximum amount of nonusurious interest, the Company and Holders shall, to the maximum extent permitted under applicable law, (a) characterize any nonprincipal payment as an expense, fee or premium rather than as interest, (b) exclude optional redemptions and the effects thereof, and (c) spread the total amount of interest throughout the entire contemplated term of the Notes.

Section 22.7. Governing Law.

This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State or any other jurisdiction that would require the application of the laws of a jurisdiction other than such State.

Section 22.8. Venue.

Any legal action or proceeding arising under this Agreement or the other Transaction Documents in any way connected or related or incidental to the dealings of the parties hereto or any of them with respect to this Agreement or the Transaction Documents, or the transactions related thereto, in each case whether or not existing or hereafter arising, shall be brought in the courts of the State of New York sitting in the Borough of Manhattan or of the United States District Court for the Southern District of New York of such State (provided that if none of such courts can and will exercise such jurisdiction, such exclusivity shall not apply), and by execution and delivery of this Agreement, the Company, the Collateral Agent, each Purchaser and each Holder consents, for itself and in respect of its property, to the exclusive jurisdiction of those courts. The Company, the Collateral Agent, each Purchaser and each Holder irrevocably waives any objection, including any objection to the laying of venue or based on the grounds of forum non conveniens, which it may now or hereafter have to the bringing of any action or proceeding in such jurisdiction in respect of this Agreement or the other Transaction Documents or any other document related thereto. Nothing in this Agreement or any other Transaction Document shall affect any right that the Collateral Agent, any Purchaser or any Holder may otherwise have to

bring any action or proceeding relating to this Agreement and the other Transaction Documents against the Company or any of its properties in the courts of any jurisdiction (i) for purposes of enforcing a judgment, (ii) in connection with exercising remedies against the Collateral in a jurisdiction in which such Collateral is located or (iii) in connection with any pending bankruptcy, insolvency or similar proceeding in such jurisdiction.

Section 22.9. ***WAIVER OF JURY TRIAL****.*

THE PARTIES HERETO HEREBY WAIVE TRIAL BY JURY IN ANY ACTION BROUGHT ON OR WITH RESPECT TO THIS AGREEMENT OR THE OTHER TRANSACTION DOCUMENTS OR ANY OTHER DOCUMENT EXECUTED IN CONNECTION HEREWITH OR THEREWITH.

* * * * *

The execution hereof by the Purchasers, the Company and the Collateral Agent shall constitute a contract among the Purchasers, the Company and the Collateral Agent for the uses and purposes hereinabove set forth. This Agreement may be executed in any number of counterparts, each executed counterpart constituting an original but all together only one agreement.

Very truly yours,

OCWEN FINANCIAL CORPORATION

By: /s/ John V. Britti
Name: John V. Britti
Title: Executive Vice President and Chief Investment Officer

Accepted as of the date first written above

Oaktree Fund Administration, LLC, as collateral agent

By: /s/ Brian Price
Name: Brian Price
Title: Senior Vice President

By: /s/ Henry Orren
Name: Henry Orren
Title: Vice President

Opps OCW Holdings, LLC

By: Oaktree Fund GP, LLC
Its: Manager

By: Oaktree Fund GP I, L.P.
Its: Managing Member

By: /s/ Jordan Mikes
Name: Jordan Mikes
Title: Authorized Signatory

By: /s/ Brian Laibow
Name: Brian Laibow
Title: Authorized Signatory

ROF8 OCW Holdings, LLC

By: /s/ Cary Kleinman
Name: Cary Kleinman
Title: Authorized Signatory

By: /s/ Jason Keller
Name: Jason Keller
Title: Authorized Signatory

ANNEX A

Affirmative Covenants[1]

1. Financial and Business Information

The Company shall deliver to each Holder:

(a) *Quarterly Statements* — within 45 days after the end of each quarterly fiscal period in each Fiscal Year of the Company (other than the last quarterly fiscal period of each such Fiscal Year), copies of:

(i) an unaudited consolidated balance sheet of the Company and its Subsidiaries as at the end of such quarter; and

(ii) unaudited consolidated statements of income, changes in stockholders' equity and cash flows of the Company and its Subsidiaries for such quarter and (in the case of the second and third quarters) for the portion of the Fiscal Year ending with such quarter, setting forth in each case in comparative form the figures for the corresponding periods in the previous Fiscal Year, all in reasonable detail, prepared in accordance with GAAP applicable to quarterly financial statements generally, and certified by a Senior Financial Officer of the Company as fairly presenting, in all material respects, the consolidated financial position of the companies being reported on and their consolidated results of operations and cash flows, subject to changes resulting from year-end adjustments;

(b) *Annual Statements* — within 90 days after the end of each Fiscal Year of the Company, copies of:

(i) a consolidated balance sheet of the Company and its Subsidiaries, as at the end of such year; and

(ii) consolidated statements of income, changes in stockholders' equity and cash flows of the Company and its Subsidiaries for such year, setting forth in each case in comparative form the figures for the previous Fiscal Year, all in reasonable detail, prepared in accordance with GAAP, and accompanied by an opinion thereon of independent certified public accountants of recognized national standing, which opinion shall (x) state that such financial statements present fairly, in all material respects, the consolidated financial position of the companies being reported upon and their consolidated results of operations and cash flows and have been prepared in conformity with GAAP, and that the examination of such accountants in connection with such financial statements has been made in accordance with generally accepted auditing standards, and that such audit

[11] Capitalized terms used but not defined herein shall have the meanings assigned thereto in the Note Purchase Agreement to which this Annex is attached or in Schedule B attached thereto

provides a reasonable basis for such opinion in the circumstances (as such wording may be updated or amended from time to time in accordance with industry practice and standards) and (y) not be subject to any "going concern" or like qualification or any qualification as to the scope of such audit;

(c) *Unrestricted Subsidiaries* — If, at any time, the Company has designated any of its Subsidiaries as Unrestricted Subsidiaries, then either on the face of the financial statements described in clauses (a) or (b) above, or in the footnotes thereto, the Company shall provide an analysis and discussion of the material differences with respect to the financial condition and results of operations of the Company and its Restricted Subsidiaries as compared to the Company and its Subsidiaries (including such Unrestricted Subsidiaries).

(d) *Notice of Default or Event of Default* — promptly, and in any event within three Business Days after a Responsible Officer becoming aware of the existence of any Default or Event of Default, a written notice specifying the nature and period of existence thereof and what action the Company is taking or proposes to take with respect thereto or;

(e) *ERISA Matters* — promptly, and in any event within three Business Days after a Responsible Officer becoming aware of any of the following events, a written notice setting forth the nature thereof and the action, if any, that the Company or an ERISA Affiliate proposes to take with respect thereto:

(i) with respect to any Plan, any Reportable Event for which notice thereof has not been waived pursuant to the regulations under ERISA as in effect on the Signing Date if such event could reasonably be expected to have a Material Adverse Effect; or

(ii) the taking by the PBGC of steps to institute, or the threatening by the PBGC of the institution of, proceedings under section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan, or the receipt by the Company or any ERISA Affiliate of a notice from a Multiemployer Plan that such action has been taken by the PBGC with respect to such Multiemployer Plan, in each case, if such action could reasonably be expected to have a Material Adverse Effect; or

(iii) any event, transaction or condition that could reasonably be expected to result in the incurrence of any liability by the Company or any ERISA Affiliate pursuant to Title IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans (as defined in section 3 of ERISA), or in the imposition of any Lien on any of the rights, properties or assets of the Company or any ERISA Affiliate pursuant to Title IV of ERISA (other than to satisfy the minimum funding standards of ERISA or to pay required premiums to the PBGC) or such penalty or excise tax provisions under the Code, if such liability or Lien, taken together with any other such liabilities or Liens then existing, could reasonably be expected to have a Material Adverse Effect;

(f) *Notices from Governmental Authority* — promptly, and in any event within three Business Days of receipt thereof, copies of any notice to the Company or any Subsidiary from any Federal or state Governmental Authority relating to any order, ruling, statute or other law or regulation that could reasonably be expected to have a Material Adverse Effect;

(g) *Notice of Material Adverse Event* — promptly, and in any event within three Business Days after a Responsible Officer shall have notice thereof, notice of any occurrence or event that could reasonably be expected to have a Material Adverse Effect;

(h) *Notice of Changes of Accounting Policies* — promptly, and in any event within three Business Days after the occurrence thereof, notice of any material change in accounting policies or financial reporting practices by the Company or any Subsidiary;

(i) *Budget* — (x) no later than 60 days after the first day of each Fiscal Year of the Company, a preliminary annual budget (on a quarterly basis) for the Company and its Subsidiaries for such Fiscal Year of the Company in form and substance reasonably acceptable to the Holders, including a preliminary balance sheet, preliminary income statement and a summary of assumptions and (y) no later than 90 days after the first day of each Fiscal Year of the Company, a final annual budget (on a quarterly basis) for the Company and its Subsidiaries for such Fiscal Year of the Company in form and substance reasonably acceptable to the Holders, including a balance sheet, income statement and a summary of assumptions;

(j) *Management's Discussion and Analysis* — concurrently with any delivery of financial statements pursuant to clause (a) or (b) above, a management's discussion and analysis; and

(k) *Requested Information* — with reasonable promptness, such other data and information relating to the business, operations, affairs, financial condition, assets or properties of the Company or any of its Subsidiaries or relating to the ability of the Company to perform its obligations hereunder and under the Notes as from time to time may be reasonably requested by any such Holder.

2. Officer's Certificate

Each set of financial statements delivered to a Holder pursuant to clauses (a) and (b) shall be accompanied by a certificate of a Senior Financial Officer of the Company setting forth:

(a) *Covenant Compliance* — the information required in order to establish whether the Company was in compliance with the requirements of Section 10A of the Note Purchase Agreement during the quarterly or annual period covered by the statements then being furnished (including with respect to each such Section, the calculation of the amount then in existence); and

(b) *Default or Event of Default* — a statement that such officer has reviewed the relevant terms hereof and has made, or caused to be made, under his or her supervision, a review of the transactions and conditions of the Company and its Subsidiaries from the beginning of the quarterly or annual period covered by the statements then being furnished on the date of the certificate and that such review shall not have disclosed the existence during such period of any condition or event that constitutes a Default or an Event of Default or, if any such condition or event existed or exists, specifying the nature and period of existence thereof and what action the Company shall have taken or proposes to take with respect thereto.

3. Inspection

The Company shall permit the representatives of the Holders at the expense of the Company, to visit and inspect any of the offices or properties of the Company or any Subsidiary, to examine all their respective books of account, records, reports and other papers, to make copies and extracts therefrom, and to discuss their respective affairs, finances and accounts with their respective officers and independent public accountants (and by this provision the Company authorizes said accountants to discuss the affairs, finances and accounts of the Company and its Subsidiaries), all at such times and as often as may be reasonably requested with not less than five (5) Business Days prior notice; provided that if an Event of Default has occurred and is continuing, no prior notice shall be required; provided, further, that the Company shall only be obligated to bear expenses of the Holders visiting and inspecting its property one (1) time per Fiscal Year unless an Event of Default has occurred and is continuing, and, unless an Event of Default has occurred and is continuing, any additional visits and inspections shall be at the expense of the applicable Holder.

4. Compliance with Law

The Company will, and will cause each of its Subsidiaries to, comply with all Laws to which each of them is subject, including, without limitation, ERISA, Environmental Laws, the USA PATRIOT Act and the other laws and regulations that are referred to in Sections 5.31, 5.32 and 5.33 of the Note Purchase Agreement, and will obtain and maintain in effect all licenses, certificates, permits, franchises and other governmental authorizations necessary to the ownership of their respective properties or to the conduct of their respective businesses, in each case except to the extent that non-compliance with such Laws or the failure to obtain or maintain in effect such licenses, certificates, permits, franchises and other governmental authorizations could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

The Company will not and will not permit any Controlled Entity (a) to become (including by virtue of being owned or controlled by a Blocked Person), own or control a Blocked Person or any Person that is the target of sanctions imposed by the United Nations or by the European Union, or (b) directly or indirectly to have any investment in or engage in any dealing or transaction (including, without limitation, any investment, dealing or transaction involving the proceeds of the Notes or the Warrants) with any Person if such investment, dealing or transaction (i) would cause any holder to be in violation of any applicable United States (federal or state)

anti-terrorism law or regulation applicable to such holder, or (ii) is prohibited by or subject to sanctions under any U.S. Economic Sanctions, or (c) to engage, nor shall any Affiliate of either engage, in any activity that could subject such Person or any holder to sanctions under CISADA or any similar law or regulation with respect to Iran or any other country that is subject to U.S. Economic Sanctions.

5. Insurance

The Company will, and will cause each of its Subsidiaries to, maintain, with financially sound and reputable insurers, insurance with respect to their respective properties and businesses against such casualties and contingencies, of such types, on such terms and in such amounts (including deductibles, co-insurance and self-insurance, if adequate reserves are maintained with respect thereto) as is customary in the case of entities of established reputations engaged in the same or a similar business and similarly situated.

6. Maintenance of Properties

The Company will, and will cause each of its Subsidiaries to, maintain and keep, or cause to be maintained and kept, their respective properties in good repair, working order and condition (other than ordinary wear and tear), so that the business carried on in connection therewith may be properly conducted at all times, *provided* that this Section 6 shall not prevent the Company or any Subsidiary from discontinuing the operation and the maintenance of any of its properties if such discontinuance is desirable in the conduct of its business and the Company has concluded that such discontinuance could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

7. Payment of Taxes and Claims

The Company will, and will cause each of its Subsidiaries to, file all material tax returns required to be filed in any jurisdiction and to pay and discharge (a) all taxes shown to be due and payable on such returns and all other taxes, assessments, governmental charges, or levies imposed on them or any of their properties, assets, income or franchises, in each case to the extent such taxes and assessments have become due and payable and before they have become delinquent and (b) all claims for which sums have become due and payable that have or might become a Lien on properties or assets of the Company or any Subsidiary, provided that neither the Company nor any Subsidiary need pay any such taxes or assessments or claims referred to in clauses (a) and (b) above if (i) the amount, applicability or validity thereof is contested by the Company or such Subsidiary on a timely basis in good faith and in appropriate proceedings, and the Company or a Subsidiary has established adequate reserves therefor in accordance with GAAP on the books of the Company or such Subsidiary or (ii) the nonpayment of all such taxes and assessments and claims in the aggregate could not reasonably be expected to have a Material Adverse Effect.

8. Corporate Existence, Etc.

The Company will at all times preserve and keep in full force and effect its corporate existence. The Company will at all times preserve and keep in full force and effect the legal existence of

each of its Subsidiaries and all rights and franchises of the Company and its Subsidiaries unless, in the good faith judgment of the Company, the termination of or failure to preserve and keep in full force and effect such legal existence, right or franchise would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

9. Board Observer/Governance

The Company shall (x) ensure that it operates in accordance with the terms of its governing documents and (y) not, and shall not permit, the amendment or other modification of the governing documents of the Company and its Subsidiaries in a manner that is materially adverse to the Holders without the prior written consent of the Required Holders.

At any time (x) the aggregate outstanding principal amount of the Notes is at least $100,000,000 or (y) the Purchasers and their Affiliates collectively own at least 15.0% of all issued and outstanding Common Stock of the Company (assuming exercise of their Warrants in full), the Purchasers shall be permitted to appoint two board observers to the Board of Directors of the Company (the "*Board Observers*"). The Purchasers shall be permitted to remove any Board Observer and/or appoint any successor Board Observer as they shall elect in their sole discretion from time to time. The Board Observers shall be permitted to attend (whether in person or telephonically at their election) and participate in all meetings of the Board of Directors (but shall not have voting rights), and shall receive all information, notices, reports, written consents, meeting minutes and other materials (the "*Board Information*") provided to the members of the Board of Directors of the Company, in each case, substantially simultaneously with, and substantially in the same manner and to the same extent as, such Board Information is given to the members of the Board of Directors of the Company. Notices of any meeting of the Board of Directors shall be distributed to the Board Observers at least forty-eight hours in advance of any meeting of the Board of Directors, provided that in the event the Company determines, in good faith, it is advisable to hold a meeting on less than 48 hours advance notice, the Board Observers shall receive notice no later than the notice delivered to the Board of Directors. The Company shall promptly reimburse the reasonable and documented expenses of any Board Observer in connection with attending any Board of Director meetings. Notwithstanding the foregoing, the Board Observers shall not be entitled to attend or participate in any relevant portions of meetings or receive any relevant portions of Board Information in any instance if, but solely to the extent that, the Chairperson of the Board of Directors or the applicable Board committee reasonably determines that discussions of a specified matter in the presence of, or the sending of such Board Information to, the Board Observers, in each case, (x) will result, based on advice from counsel to the Company (including in-house counsel), in the loss of attorney-client privilege for the Company with respect to such specified matter or (y) would prejudice the Company's negotiating position on matters in connection with the Notes, the Warrants or the MAV Transaction as a result of the existence of a conflict of interest with respect to the applicable matter. The confidentiality provisions of Section 20 of this Agreement shall apply, *mutatis mutandis*, to the Board Information or information disclosed to the Board Observers at any meeting of the Board of Directors (it being understood that such confidentiality limitations shall not prevent disclosure of Board Information or information disclosed to the Board Observers at any meeting to the Purchasers or their directors, trustees, officers, employees, agents, attorneys

and affiliates, to be held by such parties in accordance with the terms of Section 20). The Company shall make reasonable efforts to notify the Board Observers in advance if the Company anticipates the Board Observers will be excluded from a portion of a meeting.

10. Use of Proceeds

The proceeds of the issuance of the Notes issued on the Initial Issue Date shall be used, together with the proceeds of the New First Lien Notes, (i) to repay in full the Company's existing first lien debt, second lien debt and unsecured notes, including through redemption, tender offers, open market purchases or otherwise, and (ii) to acquire additional MSRs reasonably satisfactory to the Purchasers. The proceeds of any issuance of the Notes issued on the Subsequent Issue Date shall be used for general corporate purposes, in particular to accelerate growth of the Company's originations and servicing business, including through acquisitions, and to fund the Company's investment in MAV Canopy HoldCo I, LLC.

11. Maintaining Records

The Company and its Subsidiaries shall maintain all financial records in accordance with GAAP.

Annex B

Negative Covenants[2]

1. Limitation on Asset Sales

The Company will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale, other than a Required Asset Sale, unless:

(1) The Company (or the Restricted Subsidiary, as the case may be) receives consideration at the time of the Asset Sale at least equal to the Fair Market Value (measured as of the date of the definitive agreement with respect to such Asset Sale) of the assets or Equity Interests issued or sold or otherwise disposed of; and

(2) except in the case of an Asset Swap, at least 75.0% of the consideration received in the Asset Sale by the Company or such Restricted Subsidiary is in the form of cash or Cash Equivalents. For purposes of this provision, each of the following will be deemed to be cash:

(a) any liabilities, as shown on the Company's or such Restricted Subsidiary's most recent consolidated balance sheet, of the Company or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the Notes) that are assumed by the transferee of any such assets (or a third party on behalf of such transferee) pursuant to a customary novation or other agreement that releases the Company or such Restricted Subsidiary from further liability;

(b) any securities, notes or other obligations or assets received by the Company or any such Restricted Subsidiary from such transferee that are converted by the Company or such Restricted Subsidiary into cash within 180 days of the receipt thereof, to the extent of the cash received in that conversion;

(c) any Designated Noncash Consideration received by the Company or any of its Restricted Subsidiaries in such Asset Sale having an aggregate Fair Market Value, taken together with all other Designated Noncash Consideration received pursuant to this clause (c) that is at that time outstanding, not to exceed the greater of (x) $50,000,000 and (y) 0.50% of Total Assets, at the time of the receipt of such Designated Noncash Consideration (with the Fair Market Value of each item of Designated Noncash Consideration being measured at the time received and without giving effect to subsequent changes in value);

(d) the assets of, or any Capital Stock of, another Permitted Business, if, after giving effect to any such acquisition of Capital Stock, the Permitted Business is or becomes a Restricted Subsidiary of the Company; and

[22] Capitalized terms used but not defined herein shall have the meanings assigned thereto in the Note Purchase Agreement to which this Annex is attached or in Schedule B attached thereto

(e) assets that are used or useful in a Permitted Business (including, without limitation, Securitization Assets and assets that consist of Servicing Advances, MSRs, mortgages and other loans, mortgage related securities and derivatives, other mortgage related receivables, REO Assets, Residual Interests and other similar assets (or any interest in any of the foregoing) that are used to support or pledged to secure Permitted Funding Indebtedness or MTM MSR Indebtedness) or to make capital expenditures.

2. Limitation on incurrence of Indebtedness and issuance of Preferred Stock

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee, become liable, contingently or otherwise, with respect to, or otherwise become responsible for payment of (collectively, "*incur*") any Indebtedness (including, without limitation, Acquired Indebtedness) and the Company will not permit any of its Restricted Subsidiaries to issue any shares of Preferred Stock, in each case other than Permitted Indebtedness.

3. Limitation on Restricted Payments

The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly:

(A) declare or pay any dividend or make any distribution (other than dividends or distributions payable in Qualified Capital Stock of the Company or dividends or distributions by a Restricted Subsidiary so long as, in the case of any dividend or distribution payable on, or in respect of, any class or series of securities issued by a Restricted Subsidiary other than a Wholly Owned Restricted Subsidiary, the Company or a Restricted Subsidiary receives at least its *pro rata* share of such dividend or distribution in accordance with its Equity Interests in such class or series of securities) on or in respect of shares of the Company's Capital Stock to holders of such Capital Stock;

(B) purchase, redeem or otherwise acquire or retire for value any Capital Stock of the Company or any warrants, rights or options to purchase or acquire shares of any class of such Capital Stock (other than in exchange for Qualified Capital Stock of the Company) held by Persons other than the Company or its Restricted Subsidiaries;

(C) purchase, defease, redeem, prepay, decrease or otherwise acquire or retire for value, prior to any scheduled final maturity, scheduled repayment or scheduled sinking fund payment, any Indebtedness of the Company (other than Indebtedness owed by the Company to a Restricted Subsidiary of the Company, or any such payment on Indebtedness due within one year of the date of purchase, defeasance, redemption, prepayment, decrease or other acquisition or retirement) that is expressly contractually subordinate or junior in right of payment to the Notes (for purposes of the foregoing, no Indebtedness will be deemed to be contractually subordinate or junior in right of payment to the Notes solely by virtue of being unsecured or secured by a junior priority lien (as a

result of entering into intercreditor arrangements or otherwise) or by virtue of not having the benefit of any guarantees); or

(D) make any Restricted Investment,

if, at the time of such action (each such payments and other actions set forth in these clauses (A) through (D) above being collectively referred to as, a "*Restricted Payment*"), or immediately after giving effect thereto:

(1) a Default or an Event of Default shall have occurred and be continuing (or would result therefrom); or

(2) immediately after giving effect thereto on a *pro forma* basis, (a) the Total LTV Ratio of the Company and its Restricted Subsidiaries is higher than 0.45 to 1.0 or (b) the ratio of Corporate Indebtedness of the Company and its Restricted Subsidiaries to Tangible Net Worth of the Company and its Subsidiaries is higher than 1.25 to 1.0; or

(3) the aggregate amount of Restricted Payments (including such proposed Restricted Payment) made subsequent to the Signing Date (the amount expended for such purposes, if other than in cash, being the Fair Market Value of such property) shall exceed the sum of:

(a) 50.0% of the Consolidated Net Income of the Company for the period (taken as one accounting period) from January 1, 2021 to the end of the Company's most recently ended Fiscal Quarter for which internal financial statements are available at the time of such Restricted Payment (or, if such Consolidated Net Income for such period is a deficit, *less* 100.0% of such deficit); *plus*

(b) 100.0% of the aggregate net cash proceeds and the Fair Market Value of marketable securities or other property received by the Company (or in the case of clause (ii) below, any Restricted Subsidiary of the Company) from any Person after the Initial Issue Date from:

(i) any contribution to its common equity capital or from the issue or sale of Equity Interests of the Company (other than Disqualified Capital Stock and Excluded Contributions);

(ii) the incurrence, issuance or sale of Indebtedness of the Company or any of its Restricted Subsidiaries or Preferred Stock of any Restricted Subsidiary, in each case, that has been converted into or exchanged for Equity Interests of the Company (other than (i) Disqualified Stock or (ii) Equity Interests sold to a Subsidiary of the Company); *plus*

(c) to the extent not included in Consolidated Net Income, 100% of the aggregate net cash proceeds, and the Fair Market Value of property other than

cash, in each case received by the Company or any of its Restricted Subsidiaries by means of any sale, disposition, transfer, liquidation or repayment (including by way of dividends, payment of interest or repayment of principal) of any Restricted Investments made by the Company or any of its Restricted Subsidiaries after the Initial Issue Date in any Person in an amount up to the amount of the original Investment made in such Person, less the cost of the disposition of such Investment; *plus*

(d) to the extent that any Unrestricted Subsidiary of the Company is designated as a Restricted Subsidiary of the Company (or is merged, consolidated or amalgamated with or into, or otherwise transfers or conveys assets to, the Company or any of its Restricted Subsidiaries) after the Initial Issue Date, the Fair Market Value of the Company's Investment in such Subsidiary as of the date of such designation or transaction;

The foregoing provisions will not prohibit:

(1) the payment of any dividend or the consummation of any irrevocable redemption within 60 days after the date of declaration of such dividend or notice of such redemption if the dividend or payment of the redemption price, as the case may be, would have been permitted on the date of declaration or notice under the Note Purchase Agreement;

(2) the making of any Restricted Payment, either (i) solely in exchange for shares of Qualified Capital Stock of the Company, (ii) through the application of net proceeds of a substantially concurrent sale for cash (other than to a Subsidiary of the Company) of shares of Qualified Capital Stock of the Company, or (iii) through the application of a substantially concurrent cash capital contribution received by the Company from its shareholders (which sale for cash of Qualified Capital Stock or capital contribution (to the extent so used) shall be excluded from the calculation of amounts under clause (3)(b) of the immediately preceding paragraph and which sale or contribution being deemed substantially concurrent if such Restricted Payment occurs within 60 days of such sale or contribution);

(3) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of Indebtedness of the Company (including the acquisition of any shares of Disqualified Capital Stock of the Company) that is contractually subordinated to the Notes in exchange for, or out of the net cash proceeds from a substantially concurrent incurrence of Refinancing Indebtedness (with an incurrence being deemed substantially concurrent if such Restricted Payment occurs within 60 days of such incurrence); *provided*, *however*, that such purchase, repurchase, redemption, defeasance or other acquisition or retirement for value shall be excluded in the calculation of the amount of Restricted Payments;

(4) so long as no Default or Event of Default shall have occurred and be continuing (or would result therefrom), the repurchase, retirement or other acquisition or retirement for value by the Company of Common Stock (or options, warrants or other rights to

acquire Common Stock) from any future, current or former officer, director, manager or employee (or any spouses, successors, executors, administrators, heirs or legatees of any of the foregoing) of the Company or any of its Restricted Subsidiaries or their authorized representatives, in an aggregate amount not to exceed $10,000,000 in any calendar year; *plus* (i) the aggregate net cash proceeds received by the Company after the Initial Issue Date from the issuance of such Equity Interests to, or the exercise of options to purchase such Equity Interests by, any current or former director, officer or employee of the Company or any of its Restricted Subsidiaries (*provided* that the amount of such net cash proceeds received by the Company and utilized pursuant to this clause (4)(i) for any such repurchase, redemption, acquisition or retirement will be excluded from clause (3)(b) of the preceding paragraph) and (ii) the proceeds of "key-man" life insurance policies that are used to make such redemptions or repurchases; *provided* that amounts available pursuant to this clause (4) to be utilized for Restricted Payments during any calendar year may be carried forward and utilized in the succeeding calendar years and *provided*, *further*, that the cancellation of Indebtedness owing to the Company from any future, current or former officer, director, manager or employee (or any spouses, successors, executors, administrators, heirs or legatees of any of the foregoing) of the Company or any of its Restricted Subsidiaries in connection with any repurchase of Capital Stock of such entities (or warrants or options or rights to acquire such Capital Stock) will not be deemed to constitute a Restricted Payment under the Note Purchase Agreement;

(5) (a) the repurchase of Equity Interests deemed to occur upon the exercise of stock options, warrants or other convertible or exchangeable securities to the extent such Equity Interests represent a portion of the exercise price of those stock options, warrants or other convertible or exchangeable securities, and (b) repurchases of Equity Interests or options to purchase Equity Interests deemed to occur in connection with the exercise of stock options, warrants or other convertible or exchangeable securities to the extent necessary to pay applicable withholding taxes;

(6) any payment of cash by the Company in respect of fractional shares of the Company's Capital Stock upon the exercise, conversion or exchange of any stock options, warrants, other rights to purchase Capital Stock or other convertible or exchangeable securities;

(7) so long as no Default or Event of Default shall have occurred and be continuing (or would result therefrom), the declaration and payment of regularly scheduled or accrued dividends to holders of any class or series of Disqualified Capital Stock of the Company or Preferred Stock of any Restricted Subsidiary of the Company issued on or after the Signing Date in accordance with Section 2 of this Annex;

(8) the payment of any dividend (or, in the case of any partnership or limited liability company, any similar distribution) by a Restricted Subsidiary of the Company to the holders of its Equity Interests on a *pro rata* basis;

(9) Restricted Payments so long as, after giving pro forma effect thereto (including any incurrence and/or repayment of Indebtedness in connection therewith), (i) the Total

LTV Ratio of the Company and its Restricted Subsidiaries is no higher than 0.25 to 1.0, (ii) the ratio of Corporate Indebtedness of the Company and its Restricted Subsidiaries to Tangible Net Worth of the Company and its Subsidiaries is no higher than 0.75 to 1.0 and (iii) no Default or Event of Default shall have occurred and be continuing (or would result therefrom);

(10) Restricted Payments that are made with Excluded Contributions;

(11) [reserved]

(12) upon occurrence of a Change of Control or Asset Sale and within 60 days after the completion of the applicable offer to purchase the Notes as contemplated in Section 8.1 of the Note Purchase Agreement (including the purchase of all Notes tendered), any purchase or redemption of obligations of the Company that are subordinate or junior in right of payment to the Notes required pursuant to the terms thereof as a result of such Change of Control or Asset Sale at a purchase or redemption price not to exceed 101.0% (in the case of a Change of Control) or 100% (in the case of an Asset Sale) of the outstanding principal amount thereof, *plus* accrued and unpaid interest thereon, if any; *provided*, *however*, that at the time of such purchase or redemption, no Default or Event of Default shall have occurred and be continuing (or would result therefrom); and

(13) Restricted Payments together with all other Restricted Payments made pursuant to this clauses (13) in an amount not to exceed the greater of $50,000,000 and 0.50% of Total Assets as of the date of such Restricted Payment.

In determining the aggregate amount of Restricted Payments made subsequent to the Signing Date in accordance with clause (3) of the first paragraph of this covenant, amounts expended pursuant to clauses (1), (4) and (7) of the immediately preceding paragraph shall be included, and amounts expended pursuant to clauses (2), (3), (5), (6), (8), (9), (10), (12) and (13) shall be excluded, in such calculation.

For purposes of determining compliance with this "Restricted Payments" covenant, if any Investment or Restricted Payment would be permitted pursuant to one or more of the provisions described above and/or one or more exceptions contained in the definition of "Permitted Investments," the Company may classify all or any portion of such Investment or Restricted Payment in any manner that complies with this covenant or the definition of "Permitted Investment" and may later reclassify all or any portion of any such Investment or Restricted Payment in any manner that complies with this covenant or such definition so long as the Investment or Restricted Payment (as so reclassified) would be permitted to be made in reliance on the applicable exceptions as of the date of such reclassification.

4. Limitations on dividend and other payment restrictions affecting Restricted Subsidiaries

The Company will not, and will not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, create or otherwise cause or permit to exist or become effective any

consensual encumbrance or consensual restriction on the ability of any Restricted Subsidiary of the Company to:

(1) pay dividends or make any other distributions on or in respect of its Capital Stock to the Company or any of its Restricted Subsidiaries;

(2) make loans or advances or to pay any Indebtedness or other obligation owed to the Company or any Restricted Subsidiary of the Company; or

(3) transfer any of its property or assets to the Company or any other Restricted Subsidiary of the Company,

except, with respect to the foregoing clauses (1), (2) and (3), for such encumbrances or restrictions existing under or by reason of:

(a) applicable law, rule, regulation or order;

(b) the Note Purchase Agreement and the Notes;

(c) customary provisions of any contract, lease or license restricting assignments, subservicing, subcontracting or other transfers;

(d) any instrument governing Acquired Indebtedness, which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person or the properties or assets of the Person so acquired;

(e) the Existing Facilities as each exists on the Signing Date and any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings thereof; *provided* that any restrictions imposed pursuant to any such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing are ordinary and customary with respect to facilities similar to the Existing Facilities (under the relevant circumstances) and will not materially affect the Company's ability to make anticipated principal, premium and interest payments on the Notes (as determined in good faith by the Company);

(f) (x) agreements existing on the Signing Date to the extent and in the manner such agreements are in effect on the Signing Date or (y) the indenture governing the New First Lien Notes;

(g) restrictions on the transfer of assets (other than cash) held in a Restricted Subsidiary of the Company imposed under any agreement governing Indebtedness incurred in accordance with the Note Purchase Agreement;

(h) provisions in agreements evidencing MTM MSR Indebtedness or Permitted Funding Indebtedness, in each case, that impose restrictions on the

collateral securing such Indebtedness, provide for financial covenants, limitations on affiliate transactions, the transfer of all or substantially all assets, other fundamental changes or other customary limitations which, in each case as determined in good faith by the Company, are customary or will not materially affect the ability of the Company to pay the principal, interest and premium on the Notes;

(i) restrictions on the transfer of assets subject to any Lien permitted under the Note Purchase Agreement imposed by the holder of such Lien;

(j) restrictions imposed by any agreement to sell assets or Capital Stock permitted under the Note Purchase Agreement to any Person pending the closing of such sale;

(k) any agreement or instrument governing Capital Stock of any Person that is acquired; provided that such encumbrances or restrictions are not created in contemplation of such acquisition;

(l) the requirements of any Securitization, Warehouse Facility or MSR Facility that are exclusively applicable to any Securitization Entity, Warehouse Facility Trust, MSR Facility Trust or special purpose Subsidiary of the Company formed in connection therewith;

(m) customary provisions in joint venture and other similar agreements relating solely to the assets or the Equity Interests of such joint venture;

(n) customary provisions in leases, licenses and other agreements entered into in the ordinary course of business;

(o) restrictions on cash or other deposits or net worth imposed by customers or other counterparties of the Company and its Restricted Subsidiaries under contracts entered into in the ordinary course of business;

(p) purchase money obligations for property acquired in the ordinary course of business and Capitalized Lease Obligations that impose restrictions on the property purchased or leased of the nature described in clause (3) of the preceding paragraph;

(q) restrictions that are or were created by virtue of any transfer of, agreement to transfer or option or right with respect to any property not otherwise prohibited under the Note Purchase Agreement;

(r) other Indebtedness, Disqualified Capital Stock or Preferred Stock permitted to be incurred subsequent to the Signing Date pursuant to Section 2 of this Annex; *provided* that the restrictions will not materially affect the ability of

the Company to pay the principal, interest and premium on the Notes, as determined in good faith by the Company; and

(s) any encumbrances or restrictions imposed by any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to in clauses (b) through (d), (f) through (r) above; *provided* that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are, in the good faith judgment of the Company's Board of Directors whose judgment shall be conclusively binding, not materially more restrictive with respect to such dividend and other payment restrictions, taken as a whole, than those contained in the dividend or other payment restrictions prior to such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing.

5. Limitation on Liens

The Company will not, directly or indirectly, create, incur, assume or permit or suffer to exist any Liens of any kind on the assets of the Company securing Indebtedness except for:

(1) Liens existing on the Signing Date (excluding Liens securing Indebtedness permitted to be incurred pursuant to clause (1) of the definition of "Permitted Indebtedness") to the extent and in the manner such Liens are in effect on the Signing Date;

(2) Liens securing Non-Recourse Indebtedness so long as such Lien shall encumber only (i) any Equity Interests of the Subsidiary which owes such Indebtedness, (ii) the assets originated, acquired or funded with the proceeds of such Non-Recourse Indebtedness and (iii) any intangible contract rights and other accounts, documents, records and other property directly related to the foregoing;

(3) (A) Liens securing Permitted Funding Indebtedness or MTM MSR Indebtedness so long as any such Lien shall encumber only (i) the assets originated, acquired or funded with the proceeds of such Indebtedness, assets that consist of Servicing Advances, MSRs, loans, mortgages and other secured loans, mortgage-related securities and derivatives, other mortgage related receivables, REO Assets, Residual Assets and other similar assets (or any interests in any of the foregoing) subject to and pledged to secure such Indebtedness, and (ii) any intangible contract rights and other accounts, documents, records and other assets directly related to the assets set forth in clause (i) and any proceeds thereof and (B) Liens in any cash collateral or restricted accounts securing Permitted Funding Indebtedness;

(4) Liens securing Refinancing Indebtedness that is incurred to Refinance any Indebtedness that was previously so secured by a Lien permitted under the Note Purchase Agreement and that has been incurred in accordance with the provisions of the Note Purchase Agreement; *provided*, *however*, that such Liens (i) are, when taken as a whole,

not materially less favorable to the Holders than the Liens in respect of the Indebtedness being Refinanced, and (ii) do not extend to or cover any property or assets of the Company or its Restricted Subsidiaries not securing the Indebtedness so Refinanced (or property of the same type and value); and

(5) Permitted Liens.

6. Limitation on sale and leaseback transactions

The Company will not, and will not permit any of its Restricted Subsidiaries to, enter into any sale and leaseback transaction; *provided* that the Company and any Restricted Subsidiary of the Company may enter into a sale and leaseback transaction if:

(1) the Company or that Restricted Subsidiary, as applicable, could have (a) incurred Indebtedness in an amount equal to the Attributable Debt relating to such sale and leaseback transaction pursuant to Section 2 of this Annex, and (b) incurred a Lien to secure such Indebtedness pursuant to Section 5 of this Annex;

(2) the consideration of that sale and leaseback transaction is at least equal to the Fair Market Value of the property that is the subject of that sale and leaseback transaction; and

(3) the transfer of assets in that sale and leaseback transaction is permitted by, and the Company applies the proceeds of such transaction in compliance with, Section 1 of this Annex and Section 8.1 of the Note Purchase Agreement.

7. Merger, consolidation and sale of assets

The Company will not, in a single transaction or series of related transactions, consolidate or merge with or into any Person, and the Company will not sell, assign, transfer, lease, convey or otherwise dispose of (or cause or permit any Restricted Subsidiary of the Company to sell, assign, transfer, lease, convey or otherwise dispose of) all or substantially all of the properties and assets of the Company and its Restricted Subsidiaries taken as a whole, to any Person unless:

(1) either:

(a) the Company shall be the surviving or continuing entity; or

(b) the Person (if other than the Company) formed by such consolidation or into which the Company is merged or the Person which acquires by sale, assignment, transfer, lease, conveyance or other disposition the properties and assets of the Company and its Restricted Subsidiaries taken as a whole (the "*Surviving Entity*"):

(i) shall be a Person organized and validly existing under the laws of the United States or any State thereof or the District of Columbia; *provided* that in the case where the Surviving Entity is not a corporation, a co-obligor of the Notes is a corporation;

(ii) shall expressly assume, by a joinder to the Note Purchase Agreement, executed and delivered to the Collateral Agent, the due and punctual payment of the principal of, and premium, if any, and interest on all of the Notes and the performance of every covenant of the Notes, the Note Purchase Agreement and the Security Documents on the part of the Company to be performed or observed; and

(iii) shall take all actions necessary to cause the Liens created by the Security Documents to continue to be duly perfected to the extent required by such agreement in accordance with all applicable law, including making all filings under the Uniform Commercial Code or otherwise that are required by applicable law in order for the Collateral Agent to continue at all times following such transaction to have a valid, legal and perfected security interest in all the Collateral with the priority required by the Junior Priority Intercreditor Agreement;

(2) immediately after giving effect to such transaction and the assumption contemplated by clause (1)(b)(ii) above (including giving effect to any Indebtedness and Acquired Indebtedness incurred or anticipated to be incurred in connection with or in respect of such transaction), (x) the Total LTV Ratio of the Company and its Restricted Subsidiaries on a pro forma basis would be either (i) no higher than 0.45 to 1.0 or (ii) no higher than 90.0% of the Total LTV Ratio immediately prior to such transaction and (y) the ratio of Corporate Indebtedness of the Company and its Restricted Subsidiaries to Tangible Net Worth of the Company and its Subsidiaries on a pro forma basis would be either (i) no higher than 1.25 to 1.0 or (ii) no higher than 90.0% of the ratio of Corporate Indebtedness of the Company and its Restricted Subsidiaries to Tangible Net Worth of the Company and its Subsidiaries immediately prior to such transaction;

(3) immediately before and immediately after giving effect to such transaction and the assumption contemplated by clause (1)(b)(ii) above (including, without limitation, giving effect to any Indebtedness and Acquired Indebtedness incurred or anticipated to be incurred and any Lien granted in connection with or in respect of the transaction), no Default or Event of Default shall have occurred or be continuing; and

(4) the Company or the Surviving Entity shall have delivered to the Collateral Agent an officers' certificate and an opinion of counsel, each stating that such consolidation, merger, sale, assignment, transfer, lease, conveyance or other disposition and, if a joinder to the Note Purchase Agreement is required in connection with such transaction, such joinder complies with the applicable provisions of the Note Purchase Agreement and that all conditions precedent in the Note Purchase Agreement relating to such transaction have been satisfied and that the joinder and such other agreements constitute the legal, valid and binding obligation of the Surviving Entity.

For purposes of the foregoing, the transfer (by lease, assignment, sale or otherwise, in a single transaction or series of transactions) of all or substantially all of the properties or assets of one or more Restricted Subsidiaries of the Company, the Capital Stock of which constitutes all or substantially all of the properties and assets of the Company and its Restricted Subsidiaries, taken as a whole, shall be deemed to be the transfer of all or substantially all of the properties and assets of the Company and its Restricted Subsidiaries, taken as a whole.

The Note Purchase Agreement provides that upon any consolidation, combination or merger by the Company or any transfer of all or substantially all of the properties and assets of the Company and its Restricted Subsidiaries taken as a whole in accordance with the foregoing, in which the Company is not the continuing entity, the successor Person formed by such consolidation or into which the Company is merged or to which such conveyance, lease or transfer is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under the Note Purchase Agreement and the Notes with the same effect as if such surviving entity had been named as such.

This Section 7 will not apply to:

(1) a merger of the Company with an Affiliate solely for the purpose of reorganizing the Company in another jurisdiction;

(2) any consolidation or merger by any Restricted Subsidiary of the Company with or into, or any sale, assignment, transfer, conveyance, lease or other disposition of assets by any Restricted Subsidiary to, the Company or any of its Restricted Subsidiaries; or

(3) any Required Asset Sale that complies with Section 1 of this Annex.

Any reference in the Note Purchase Agreement to a merger, transfer, consolidation, amalgamation, assignment, sale, disposition or transfer, or similar term, shall be deemed to apply to a division of, or by, a limited liability company, limited partnership or trust, or an allocation of assets to a series of a limited liability company, limited partnership or trust (or the unwinding of such a division or allocation), as if it were a merger, transfer, consolidation, amalgamation, assignment, sale or transfer, or similar term, as applicable, to, of or with a separate Person. Any division of a limited liability company, limited partnership or trust shall constitute a separate Person under the Note Purchase Agreement (and each division of any limited liability company, limited partnership or trust that is a Subsidiary, Unrestricted Subsidiary, joint venture or any other like term shall also constitute such a Person or entity)

8. Limitation on transactions with Affiliates

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into any transaction or series of related transactions (including, without limitation, the purchase, sale, lease or exchange of any property or the rendering of any service) with, or for the benefit of, any of its Affiliates (each, an "*Affiliate Transaction*") involving an aggregate payment of consideration in excess of $5,000,000 other than (1) Affiliate Transactions permitted as described below, and (2) Affiliate Transactions on terms that, in the good faith

judgment of the Company or the applicable Restricted Subsidiary, are no less favorable than those that might reasonably have been obtained in a comparable transaction at such time on an arm's-length basis from a Person that is not an Affiliate of the Company or such Subsidiary.

All Affiliate Transactions (and each series of related Affiliate Transactions which are similar or part of a common plan) involving aggregate payments or other property with a Fair Market Value in excess of $15,000,000 shall be approved by the Board of Directors of the Company or such Subsidiary, as the case may be, such approval to be evidenced by a Board Resolution stating that such Board of Directors has determined that such transaction complies with the foregoing provisions.

The restrictions set forth in the first and second paragraphs of this covenant shall not apply to:

(1) any employment or consulting agreement, employee or director benefit plan, officer or director compensation or indemnification agreement or any similar arrangement entered into by the Company or any of its Restricted Subsidiaries in the ordinary course of business or approved in good faith by the Board of Directors of the Company and payments pursuant thereto and the issuance of Equity Interests of the Company (other than Disqualified Capital Stock) to directors, employees and consultants pursuant to stock option or stock ownership, bonus or benefit plans;

(2) transactions between or among the Company and any of its Restricted Subsidiaries or between or among such Restricted Subsidiaries;

(3) transactions between the Company or one of its Restricted Subsidiaries and any Person in which the Company or one of its Restricted Subsidiaries has made an Investment in the ordinary course of business and such Person is an Affiliate solely because of such Investment;

(4) transactions between the Company or one of its Restricted Subsidiaries and any Person in which the Company or one of its Restricted Subsidiaries holds an interest as a joint venture partner and such Person is an Affiliate solely because of such interest;

(5) any agreement or arrangement as in effect as of the Signing Date and any such agreement or arrangement as it may be amended or replaced from time to time and any transactions or payments contemplated thereby (including pursuant to any such agreement or arrangement as so amended or replaced) so long as any such agreement or arrangement as so amended or replaced, taken as a whole, is not materially more disadvantageous to the Holders than the original agreement or arrangement as in effect on the Signing Date (as determined by the Company in good faith);

(6) an agreement between a Person and an Affiliate of such Person existing at the time such Person is acquired by, or merged into, the Company or a Restricted Subsidiary and not entered into in contemplation of such acquisition or merger;

(7) Restricted Payments or Permitted Investments (other than pursuant to clause (16) of the definition of Permitted Investments) permitted by the Note Purchase Agreement;

(8) sales of Qualified Capital Stock by the Company or any Restricted Subsidiary and capital contributions to the Company from Affiliates;

(9) the existence of, or the performance by the Company or any of its Restricted Subsidiaries of its obligations under the terms of, any stockholders' agreement (including any registration rights agreement or purchase agreement related thereto) to which it is a party as of the Signing Date and any similar agreements which it may enter into thereafter; *provided*, *however*, that the existence of, or the performance by the Company or any of its Restricted Subsidiaries of obligations under any future amendment to any such existing agreement or under any similar agreement entered into after the Signing Date shall only be permitted by this clause (9) to the extent that the terms of any such amendment or new agreement, taken as a whole, are not materially more disadvantageous to the Holders (as determined by the Company in good faith);

(10) transactions in which the Company or any Restricted Subsidiary of the Company, as the case may be, receives an opinion from a nationally recognized investment banking, appraisal or accounting firm that such Affiliate Transaction is fair, from a financial standpoint, to the Company or such Restricted Subsidiary;

(11) (a) the provision of mortgage servicing, mortgage loan origination, real estate logistics, brokerage and management and similar services to Affiliates in the ordinary course of business and otherwise not prohibited by the Note Purchase Agreement that are fair to the Company and its Restricted Subsidiaries (as determined by the Company in good faith) or are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated party (as determined by the Company in good faith), and (b) transactions or agreements (and payments pursuant to such transactions or agreements) with customers, clients, suppliers, vendors, contractors, lenders, joint venture partners or purchasers or sellers of assets or services that are Affiliates, in each case in the ordinary course of business and otherwise in compliance with the terms of the Note Purchase Agreement that are fair to the Company and its Restricted Subsidiaries or are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated party (as determined by the Company in good faith);

(12) Co-Investment Transactions;

(13) payroll, travel, relocation and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business consistent with industry practice; and

(14) sales of accounts receivable, or participations therein, or Securitization Assets or related assets in connection with any Permitted Securitization Indebtedness, MTM MSR Indebtedness or Permitted Funding Indebtedness.

9. Designation of Restricted and Unrestricted Subsidiaries

The Board of Directors of the Company may designate any Restricted Subsidiary of the Company to be an Unrestricted Subsidiary if that designation would not cause a Default or Event of Default. If a Restricted Subsidiary of the Company is designated as an Unrestricted Subsidiary, the aggregate Fair Market Value of all outstanding Investments owned by the Company and its Restricted Subsidiaries in the Subsidiary designated as Unrestricted will be deemed to be an Investment made as of the time of the designation and will reduce the amount available for Restricted Payments under Section 3 of this Annex or under one or more clauses of the definition of "Permitted Investments," as determined by the Company. That designation will only be permitted if the Investment would be permitted at that time and if the Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary.

Any designation of a Subsidiary of the Company as an Unrestricted Subsidiary will be evidenced to the Collateral Agent by filing with the Collateral Agent a certified copy of a resolution of the Board of Directors of the Company giving effect to such designation and an officers' certificate certifying that such designation complied with the preceding conditions and was permitted by Section 3 of this Annex. The Board of Directors of the Company may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary of the Company; *provided* that such designation will be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of the Company of any outstanding Indebtedness of such Unrestricted Subsidiary and such designation will only be permitted if (1) such Indebtedness is permitted under Section 2 of this Annex, calculated on a *pro forma* basis as if such designation had occurred at the beginning of the four-quarter reference period; and (2) no Default or Event of Default would occur and be continuing following such designation.

10. Conduct of business

The Company will not, and will not permit any of its Restricted Subsidiaries to, engage in any business other than Permitted Businesses, except to such extent as would not be material to the Company and its Restricted Subsidiaries taken as a whole.

SCHEDULE A

Purchaser Commitments

Purchaser	purchaser commitment	principal amount of initial notes	Purchase Price for Initial Notes	Principal Amount of Additional Notes	Purchase Price for Additional Notes
Opps OCW Holdings, LLC	50.0%	$99,750,000	$87,500,000	$42,750,000	$37,500,000
ROF8 OCW Holdings, LLC	50.0%	$99,750,000	$87,500,000	$42,750,000	$37,500,000

Schedule A
(to Note and Warrant Purchase Agreement)

SCHEDULE B

Defined Terms

Where the character or amount of any asset or liability or item of income or expense is required to be determined or any consolidation or other accounting computation is required to be made for the purposes of this Agreement or the other Transaction Documents, the same shall be done in accordance with GAAP, to the extent applicable, except where such principles are inconsistent with the express requirements of this Agreement or the other Transaction Documents.

Where any provision in this Agreement or the other Transaction Documents refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether the action in question is taken directly or indirectly by such Person.

As used herein, the following terms have the respective meanings set forth below or set forth in the Section hereof following such term:

"*Acquired Indebtedness*" means Indebtedness of a Person or any of its Restricted Subsidiaries existing at the time such Person becomes a Restricted Subsidiary of the Company or at the time it merges or consolidates with the Company or any of its Restricted Subsidiaries or assumed in connection with the acquisition of assets from such Person or secured by a Lien encumbering any asset acquired by such Person and, in each case, whether or not incurred by such Person in connection with, or in anticipation or contemplation of, such Person becoming a Restricted Subsidiary of the Company or such acquisition, merger or consolidation.

"*Additional Notes*" is defined in Section 1.1.

"*Additional Notes Notice*" is defined in Section 2.1.

"*Additional Notes Termination Fee*" is defined in Section 2.2(b).

"*Advance Facility Reserves*" means, on any date of determination, the aggregate amount on deposit in segregated reserve trust accounts for any Servicing Advance Facility after giving effect to any amounts owed but unpaid to the related lenders under such Servicing Advance Facility.

"*Affiliate*" means, with respect to any specified Person, any other Person who directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such specified Person. The term "*control*" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise; and the terms "*controlling*" and "*controlled*" have meanings correlative of the foregoing. Unless the context otherwise clearly requires, any reference to an "Affiliate" is a reference to an Affiliate of the Company.

"*Agency*" means Fannie Mae, Freddie Mac, Ginnie Mae, the Federal Housing Administration, the U.S. Department of Veteran Affairs and the U.S. Department of Agriculture.

"*AHYDO*" is defined in Section 8.2(b).

"*AHYDO Catch-Up Payment*" is defined in Section 8.2(b).

"*Agreement*" or "*Note Purchase Agreement*" means this Note and Warrant Purchase Agreement, as from time to time amended, supplemented or otherwise modified.

"*Alternate MAV Transaction*" is defined in the definition of "MAV Condition".

"*Alternate Transaction*" is defined in Section 2.2(a).

"*Alternate Transaction Fee*" is defined in Section 2.2(a).

"*Asset Sale*" means:

(1) the sale, lease (other than operating leases entered in the ordinary course of business), conveyance or other disposition of any assets or rights; *provided* that the sale, lease (other than operating leases entered in the ordinary course of business), conveyance or other disposition of all or substantially all of the assets of the Company and its Restricted Subsidiaries taken as a whole, other than any Required Asset Sale, will be governed by the provisions of Section 8.1 of the Note Purchase Agreement and/or Section 7 of Annex B and not by the provisions of Section 1 of Annex B; *provided*, *further*, that a transaction otherwise meeting the requirements of an "Asset Sale" under this definition will be deemed to be an Asset Sale notwithstanding its treatment under GAAP; and

(2) the issuance or sale of Equity Interests in any of the Company's Restricted Subsidiaries.

Notwithstanding the foregoing, none of the following items will be deemed to be an Asset Sale:

(1) any single transaction or series of related transactions that involves assets having a Fair Market Value of less than $15,000,000; *provided* that all such transactions that are deemed to not be Asset Sales pursuant to this clause (1) shall not exceed $20,000,000 in any calendar year;

(2) a transfer of assets between or among the Company and any Restricted Subsidiary of the Company;

(3) an issuance of Equity Interests by a Restricted Subsidiary of the Company to the Company or to another Restricted Subsidiary of the Company;

(4) the sale of advances, MSRs, mortgages, other loans (including non-performing loans), customer receivables, mortgage related securities or derivatives or other assets (or

any interests in any of the foregoing) in the ordinary course of business, the sale, transfer or discount of accounts receivable or other assets that by their terms convert into cash and any sale of securities in respect of additional fundings under reverse mortgage loans, in each case, in the ordinary course of business;

(5) the sale or other disposition of cash or Cash Equivalents or Investment Grade Securities;

(6) the sale, conveyance or other disposition of Investments or other assets and disposition or compromise of mortgages, other loans or receivables, in each case, in connection with the workout, compromise, settlement or collection thereof or exercise of remedies with respect thereto, in the ordinary course of business or in bankruptcy, foreclosure or similar proceedings, including foreclosure, repossession and disposition of REO Assets and other collateral for mortgages or other loans serviced and/or originated by the Company or any of its Subsidiaries;

(7) the modification of any mortgages or other loans owned or serviced by the Company or any of its Restricted Subsidiaries in the ordinary course of business;

(8) a Restricted Payment that does not violate Section 3 of Annex B or a Permitted Investment;

(9) disposals, liquidations or replacements of damaged, worn out or obsolete equipment or other assets no longer used or useful in the business of the Company and its Restricted Subsidiaries, in each case the ordinary course of business;

(10) assets sold, conveyed or otherwise disposed of pursuant to the terms of MTM MSR Indebtedness, Permitted Funding Indebtedness or Non-Recourse Indebtedness;

(11) a sale, conveyance or other disposition (in one or more transactions) of Securitization Assets or Residual Interests;

(12) a sale, conveyance or other disposition (in one or more transactions) of Servicing Advances, Residential Mortgage Loans or MSRs or any parts thereof (a) in the ordinary course of business, (b) in connection with the transfer or termination of the related MSRs or (c) in connection with Excess Servicing Strip in the ordinary course of business;

(13) a sale, conveyance or other disposition of Securitization Assets in the ordinary course of business in connection with the origination, acquisition, securitization and/or sale of loans that are purchased, insured, guaranteed, or securitized;

(14) a sale, conveyance or other disposition of MSRs or any interests therein in connection with MSR Facilities or Warehouse Facilities and/or REO Assets;

(15) a sale, conveyance or other disposition of Equity Interests of an Unrestricted Subsidiary (other than an Unrestricted Subsidiary the primary assets of which are cash and Cash Equivalents);

(16) the creation of a Lien (but not the sale or other disposition of the property subject to such Lien) permitted by Section 5 of Annex B;

(17) transactions pursuant to repurchase agreements entered into in the ordinary course of business;

(18) any Co-Investment Transaction;

(19) any sale or other disposition of a minority interest in any Person that is not a Subsidiary, that constituted a Restricted Payment or Permitted Investment; *provided* that (x) the majority interests in such Person shall also be concurrently sold or transferred on the same terms and the holder or holders of such majority interests shall have required such sale or disposition of such minority interest pursuant to the exercise of any applicable drag-along rights and (y) the Net Proceeds from the sale or transfer of such minority interest are applied in accordance with the Asset Sale covenant;

(20) any lease or license of real and personal property in the ordinary course of business;

(21) any surrender or waiver of contract rights or settlement, release, recovery on or surrender of contract, tort or other claims in the ordinary course of business;

(22) sales, contributions, assignments or other transfers of Servicing Advances to Securitization Entities and Warehouse Facility Trusts in connection with Securitizations or Warehouse Facilities;

(23) dispositions of Investments in joint ventures or similar entities to the extent required by, or made pursuant to customary buy/sell arrangements between, the parties to such joint venture set forth in joint venture arrangements and similar binding arrangements;

(24) inventory (or other assets) sold, leased or licensed in the ordinary course of business (excluding any such sales, leases or licenses by operations or divisions discontinued or to be discontinued);

(25) the sale, lease, conveyance or other disposition of any assets or rights required or advisable as a result of statutory or regulatory changes or requirements (including any settlements with any regulatory agencies) as determined in good faith by the senior management of the Company; *provided* that any cash or Cash Equivalents received must be applied as Net Proceeds in accordance with Section 8.1 of the Note Purchase Agreement; and

(26) any unwinding of any Currency Agreement or Permitted Hedging Transaction.

"*Asset Swap*" means an exchange (or concurrent purchase and sale) of property, plant, equipment or other assets (excluding working capital or current assets) of the Company or any of its Restricted Subsidiaries for the assets or Capital Stock of a Person conducting a Permitted

Business; *provided* that, in the case of any such exchange for Capital Stock of a Person conducting a Permitted Business, such Person is or becomes a Restricted Subsidiary; *provided*, *further*, that any Unrestricted Cash received must be applied as Net Proceeds in accordance with Section 8.1 of the Note Purchase Agreement.

"*Attributable Debt*" in respect of a sale and leaseback transaction means, as of the time of determination, the present value (discounted at the interest rate per annum implicit in the lease involved in such sale and leaseback transaction, as determined in good faith by the Company) of the obligation of the lessee thereunder for rental payments (excluding, however, any amounts required to be paid by such lessee, whether or not designated as rent or additional rent, on account of maintenance and repairs, insurance, taxes, assessments, water rates or similar charges or any amounts required to be paid by such lessee thereunder contingent upon the amount of sales or similar contingent amounts) during the remaining term of such lease (including any period for which such lease has been extended or may, at the option of the lessor, be extended); provided, however, that if such sale and leaseback transaction results in a Capitalized Lease Obligation, the amount of Indebtedness represented thereby will be determined in accordance with the definition of "Capitalized Lease Obligation." In the case of any lease which is terminable by the lessee upon the payment of a penalty, such rental payments shall also include the amount of such penalty, but no rental payments shall be considered as required to be paid under such lease subsequent to the first date upon which it may be so terminated.

"*Bankruptcy Code*" means Title 11 of the United States Code, as amended.

"*Blocked Person*" is defined in Section 5.33.

"*Board of Directors*" means, as to any Person, the Board of Directors, or similar governing body, of such Person or any duly authorized committee thereof, including, but not limited to, the audit committee.

"*Board Resolution*" means, with respect to any Person, a copy of a resolution certified by the Secretary or an Assistant Secretary of such Person to have been duly adopted by the Board of Directors of such Person and to be in full force and effect on the date of such certification, and delivered to the Collateral Agent.

"*Brookfield*" means Brookfield Asset Management Inc. together with its managed funds and accounts and affiliated holding companies and its Affiliates.

"*Business Day*" means each day that is not a Saturday, a Sunday or a day on which commercial banking institutions are not required to be open in the State of New York or the place of payment.

"*Capital Stock*" means:

(1) with respect to any Person that is a corporation, any and all shares, interests, participations or other equivalents (however designated and whether or not voting) of corporate stock, including each class of Common Stock and Preferred Stock of such Person; or

(2) with respect to any Person that is not a corporation, any and all partnership, membership or other equity interests (whether general or limited) of such Person,

but, in each case, excluding any debt security that is convertible or exchangeable for Capital Stock.

"*Capitalized Lease Obligation*" means, as to any Person, the obligations of such Person as lessee under a lease that are required to be classified and accounted for as capital lease obligations under GAAP and, for purposes of this definition, the amount of such obligations at any date shall be the capitalized amount of such obligations at such date, determined in accordance with GAAP, provided, for the avoidance of doubt, that any obligations of the Company and its Restricted Subsidiaries either existing on the Signing Date or created prior to the recharacterization described below that were not included on the consolidated balance sheet of the Company as Capitalized Lease Obligations and that are subsequently recharacterized as Capitalized Lease Obligations due to a change in GAAP, shall for purposes of this Agreement not be treated as Capitalized Lease Obligations or Indebtedness. Notwithstanding anything to the contrary in this Agreement, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made without giving effect to any change to capital lease accounting rules from those in effect on December 5, 2016 pursuant to Accounting Standards Codification 840 and other lease accounting guidance as in effect on December 5, 2016.

"*Cash Equivalents*" means:

(1) Dollars;

(2) in the case of any Foreign Subsidiary of the Company that is a Restricted Subsidiary of the Company, such local currencies held by such Foreign Subsidiary of the Company from time to time in the ordinary course of business;

(3) securities or any evidence of indebtedness issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality of the United States government (provided that the full faith and credit of the United States is pledged in support of those securities or such evidence of indebtedness);

(4) marketable direct obligations issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof maturing within one year from the date of acquisition thereof and, at the time of acquisition, having one of the three highest ratings obtainable from either S&P or Moody's;

(5) certificates of deposit with maturities of twelve months or less from the date of acquisition, bankers' acceptances with maturities not exceeding twelve months and overnight bank deposits with any domestic commercial bank having capital and surplus in excess of $500,000,000 and a Moody's or S&P rating of "B" or better;

(6) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clauses (3), (4) and (5) above entered into with any financial institution meeting the qualifications specified in clause (5) above;

(7) commercial paper having one of the two highest ratings obtainable from Moody's or S&P and in each case maturing within twelve months after the date of acquisition; and

(8) money market funds (i) at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clauses (1) through (7) of this definition or (ii) that comply with the criteria under Rule 2a-7 of the Investment Company Act of 1940 and are rated at least AAA by S&P or Aaa by Moody's.

In the case of Investments by any Foreign Subsidiary of the Company that is a Restricted Subsidiary of the Company, Cash Equivalents shall also include (a) investments of the type and maturity described in clauses (1) through (8) above of foreign obligors, which Investments or obligors (or the parents of such obligors) have ratings described in such clauses or equivalent ratings from comparable foreign rating agencies and (b) local currencies and other short-term investments utilized by Foreign Subsidiaries that are Restricted Subsidiaries in accordance with normal investment practices for cash management in investments analogous to the foregoing investments in clauses (1) through (8) and in this paragraph.

"*Change of Control*" means the occurrence of any of the following:

(i) the sale, lease or transfer of all or substantially all of the assets of the Company and its Subsidiaries, taken as a whole, to any Person or Persons;

(ii) the acquisition by any Person or group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision), including any group acting for the purpose of acquiring, holding or disposing of securities (within the meaning of Rule 13d-5(b)(1) under the Exchange Act), by way of merger, consolidation or other business combination or purchase of beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act, or any successor provision), of 50.0% or more of the total voting power of the Voting Stock of the Company;

(iii) PMC shall cease for any reason to be a Wholly Owned Restricted Subsidiary of the Company; or

(iv) the occurrence of a "Change of Control" with respect to the New First Lien Notes.

For purposes of this definition, any direct or indirect holding company of the Company shall not itself be considered a "Person" or "group" for purposes of clause (2) above; provided that no "Person" or "group" beneficially owns, directly or indirectly, more than 50.0% of the total voting power of the Voting Stock of such holding company.

"*Change of Control Offer*" is defined in Section 8.1(b)(i).

"*Change of Control Payment Date*" is defined in Section 8.1(b)(ii).

"*CISADA*" is defined in Section 5.33(a).

"*Closing*" is defined in Section 3.

"*Co-Investment Transaction*" means a transaction pursuant to which a portion of MSRs or the right to receive fees in respect of MSRs are transferred for fair value to another Person.

"*Code*" means the Internal Revenue Code of 1986, as amended from time to time, and the rules and regulations promulgated thereunder from time to time.

"*Collateral*" means all the "Collateral" (as defined in the Security Agreement) and all other property that is subject to any Lien in favor of the Collateral Agent or any Subagent for the benefit of the Holders.

"*Collateral Agent*" has the meaning set forth in the introductory paragraph hereto and is further defined in Section 6.

"*Commission*" means the United States Securities and Exchange Commission.

"*Common Stock*" of any Person means any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person's common stock, whether outstanding on the Signing Date or issued after the Signing Date, and includes, without limitation, all series and classes of such common stock. In the case of the Company, "Common Stock" shall refer to the Company's common stock, par value $0.01 per share.

"*Company*" has the meaning set forth in the introductory paragraph hereto.

"*Confidential Information*" is defined in Section 20.

"*Consolidated Net Income*" shall mean, for any period, the net income (or loss) of the Company and its Restricted Subsidiaries determined on a consolidated basis for such period (taken as a single accounting period) in accordance with GAAP, provided that:

(A) the following items shall be excluded in computing Consolidated Net Income (without duplication):

(i) the net income or loss of any Person that is not a Restricted Subsidiary of the Company, except to the extent of the amount of cash dividends or other cash distributions of net income actually paid to the Company or a Restricted Subsidiary by such Person during such period;

(ii) the net income (or loss) of any Person prior to the date it becomes a Restricted Subsidiary or all or substantially all of the property or the net income related to assets of such Person are acquired by the Company or a Restricted Subsidiary; and

(iii) the net income of any Restricted Subsidiary (other than PMC and PHH) to the extent that the declaration or payment of cash dividends or similar cash distributions by such Restricted Subsidiary of such net income is not at the time permitted by the operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to such Restricted Subsidiary;

(B) items classified as extraordinary gains or losses (calculated on an after-tax basis) shall be excluded in computing Consolidated Net Income (without duplication); and

(C) the following items (the amounts thereof to be initially calculated on a pre-tax basis and then adjusted for taxes cumulatively) shall be excluded in computing Consolidated Net Income:

(i) changes in the fair value of the Company's assets or liabilities, including changes in the fair value of MSRs and reverse mortgage loans;

(ii) direct impairment charges or the reversal of such charges;

(iii) gains and losses realized upon the disposition (including reserves or abandonments) of assets outside of the ordinary course of business;

(iv) income or loss (less all fees and expenses or charges relating thereto) attributable to the early extinguishment of Indebtedness;

(v) the cumulative effect of a change in accounting principles during such period;

(vi) the amortization of cash flow hedges, MSRs and intangibles;

(vii) the amount of all reversals made (or incurred) on account of an item added back to or deducted from Consolidated Net Income in a previous period following the Initial Issue Date pursuant to clauses (A) through (C) hereof;

(viii) any income or loss related to the Fair Market Value of economic hedges related to MSRs or other mortgage related assets or securities, to the extent that such other mortgage related assets or securities are valued at Fair Market Value and gains and losses with respect to such related assets or securities have been excluded pursuant to another clause of this provision; and

(ix) in the case of a successor to the Company by consolidation or merger or as a transferee of the Company's assets any earnings of the successor corporation prior to such consolidation, merger or transfer of assets.

"*Consolidated Net Worth*" means the total amount of shareholders' equity of the Company and its Subsidiaries, determined on a consolidated basis in accordance with GAAP.

"*Consolidated Total Assets*" means the total assets of the Company and its Subsidiaries, determined on a consolidated basis in accordance with GAAP, as shown on the most recent balance sheet of the Company.

"*Controlled Entity*" means (i) any of the Subsidiaries of the Company and any of their or the Company's respective controlled Affiliates and (ii) if the Company has a parent company, such parent company and its controlled Affiliates. As used in this definition, "*Control*" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"*Corporate Indebtedness*" means, with respect to any Person, the aggregate consolidated amount of Indebtedness of such Person and its Restricted Subsidiaries then outstanding that would be shown on a consolidated balance sheet of such Person and its Restricted Subsidiaries (excluding, for the purpose of this definition, Indebtedness incurred under clauses (1)(x), (2), (5), (6), (7), (9), (10), (11), (12), (15), (18), (19), (20), (22), (23), (24), (25), (26), (27), (29) and (31) of the definition of "Permitted Indebtedness").

"*Credit Enhancement Agreements*" means, collectively, any documents, instruments, guarantees or agreements entered into by the Company, any of its Restricted Subsidiaries or any Securitization Entity for the purpose of providing credit support (that is reasonably customary as determined by the Company's senior management) with respect to any MTM MSR Indebtedness, Permitted Funding Indebtedness or Permitted Securitization Indebtedness.

"*Currency Agreement*" means, with respect to any specified Person, any foreign exchange contract, currency swap agreement, futures contracts, options on futures contracts or other similar agreement or arrangement designed to protect such Person or any of its Restricted Subsidiaries against fluctuations in currency values.

"*Default*" means an event or condition the occurrence or existence of which is, or with the lapse of time or the giving of notice or both would be, an Event of Default.

"*Default Rate*" means, with respect to the Notes, that rate of interest that is 2% per annum above the rate of interest otherwise applicable to the Notes.

"*Designated Noncash Consideration*" means the Fair Market Value of any noncash consideration received by the Company or one of its Restricted Subsidiaries in connection with an Asset Sale that is designated as Designated Noncash Consideration pursuant to an officers' certificate executed by the principal financial officer of the Company or such Restricted Subsidiary at the time of such Asset Sale less the amount of cash and Cash Equivalents received in connection with a subsequent sale of or collection on such Designated Noncash Consideration.

"*Disqualified Capital Stock*" means that portion of any Capital Stock that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder thereof), or upon the happening of any event (other than an event which would constitute a Change of Control), matures or is mandatorily redeemable (other than for Qualified Capital Stock), pursuant to a sinking fund obligation or otherwise, or is redeemable at the sole option of the holder thereof (except, in each case, upon the occurrence of a Change of Control) on or prior to the final maturity date of the Notes.

"*Dollar*" or "*$*" means the lawful money of the United States of America.

"*Environmental Laws*" is defined in Section 5.24.

"*Equity Interests*" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"*ERISA*" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

"*ERISA Affiliate*" means any trade or business (whether or not incorporated) that is treated as a single employer together with the Company under section 414 of the Code.

"*Event of Default*" is defined in Section 11.

"*Excess Servicing Strip*" means any transaction consisting of the sale of excess servicing fees, or any interest therein to a third party in the ordinary course of business and for Fair Market Value, or any similar transaction.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended, or any successor statute or statutes thereto.

"*Excluded Contributions*" means net cash proceeds or marketable securities received by the Company from contributions to its common equity capital designated as Excluded Contributions pursuant to an officers' certificate on the date such capital contributions are made.

"*Existing Facilities*" means, collectively, the Existing MSR Facilities, the Existing Servicing Advance Facilities and the Existing Warehouse Facilities.

"*Existing Indebtedness*" means all Indebtedness under that certain (i) Indenture, dated as of December 5, 2016, among Ocwen Loan Servicing, LLC, the Company, the other guarantors named therein and Wilmington Trust, National Association (including all supplemental indentures and notes related thereto), (ii) Indenture, dated as of January 17, 2012, between PHH and The Bank of New York Mellon Trust Company, N.A., as trustee (including all supplemental indentures and notes related thereto) and (iii) Amended and Restated Senior Secured Term Loan Facility Agreement, dated as of December 5, 2016, by and among Ocwen Loan Servicing, LLC, as Borrower, the Company, as Parent, certain Subsidiaries of the Company, as Subsidiary

Guarantors, the Lender Parties thereto, and Barclays Bank PLC, as Administrative Agent and Collateral Agent.

"*Existing MSR Facilities*" means the MSR Facilities of the Company and its Restricted Subsidiaries in existence on the Signing Date, in each case, together with the related documents thereto (including, without limitation, any security documents), in each case as such agreements may be amended (including any amendment and restatement thereof), supplemented or otherwise modified from time to time, including any agreement extending the maturity of, increasing the interest rate or fees applicable thereto, refinancing, replacing or otherwise restructuring (including adding Subsidiaries of the Company as additional borrowers or guarantors thereunder) all or any portion of the Indebtedness under such agreement or any successor or replacement agreement and whether by the same or any other agent, lender or group of lenders.

"*Existing Servicing Advance Facilities*" means the Servicing Advance Facilities of the Company and its Restricted Subsidiaries in existence on the Signing Date, in each case, together with the related documents thereto (including, without limitation, any security documents), in each case as such agreements may be amended (including any amendment and restatement thereof), supplemented or otherwise modified from time to time, including any agreement extending the maturity of, increasing the interest rate or fees applicable thereto, refinancing, replacing or otherwise restructuring (including adding Subsidiaries of the Company as additional borrowers or guarantors thereunder) all or any portion of the Indebtedness under such agreement or any successor or replacement agreement and whether by the same or any other agent, lender or group of lenders.

"*Existing Warehouse Facilities*" means the Warehouse Facilities of the Company and its Restricted Subsidiaries in existence on the Signing Date. in each case, together with the related documents thereto (including, without limitation, any security documents), in each case as such agreements may be amended (including any amendment and restatement thereof), supplemented or otherwise modified from time to time, including any agreement extending the maturity of, increasing the interest rate or fees applicable thereto, refinancing, replacing or otherwise restructuring (including adding Subsidiaries of the Company as additional borrowers or guarantors thereunder) all or any portion of the Indebtedness under such agreement or any successor or replacement agreement and whether by the same or any other agent, lender or group of lenders.

"*Fair Market Value*" means, with respect to any asset (including any Equity Interests of any Person), the price at which a willing buyer that is not an Affiliate of the seller and a willing seller, would reasonably be expected to agree to purchase and sell such asset, as determined in good faith by the Company or the Restricted Subsidiary purchasing or selling such asset. For the avoidance of doubt, any sale, contribution, assignment or other transfer shall not be deemed to be for less than Fair Market Value solely because such sale, contribution, assignment or transfer was made at a discount to par. "*Freddie Mac*" means the Federal Home Loan Mortgage Corporation, its successors and assigns.

"*Fannie Mae*" means the Federal National Mortgage Association, in its corporate capacity, and any majority owned and controlled affiliate thereof.

"*Fiscal Quarter*" means a fiscal quarter of any Fiscal Year.

"*Fiscal Year*" means the fiscal year of the Company and its Subsidiaries ending on December 31 of each calendar year.

"*Foreign Subsidiary*" means, with respect to any Person, any Restricted Subsidiary of such Person that is not organized or existing under the laws of the United States, any state thereof or the District of Columbia.

"*Foreign Subsidiary Total Assets*" means the total assets of the Foreign Subsidiaries of the Company, as determined in accordance with GAAP in good faith by the Company without intercompany eliminations.

"*Fundamental Change Event*" means the Company has, after the date of this Agreement, (i) entered into a definitive written agreement providing for (A) any acquisition of a majority of the voting securities of the Company by any person or "group" (as that term is used for purposes of Rule 13d-5 or Section 13(d)(3) of the Exchange Act), (B) any acquisition of all or substantially all of the consolidated assets of the Company and its subsidiaries by any person or "group" (as that term is used for purposes of Rule 13d-5 or Section 13(d)(3) of the Exchange Act), or (C) any tender or exchange offer, merger or other business combination or any recapitalization, restructuring, liquidation, dissolution or other extraordinary transaction (provided that, in the case of any transaction covered by the foregoing subclause (C), immediately following such transaction, any Person (or the direct or indirect shareholders of such person) will beneficially own (as calculated pursuant to Section 13(d) of the Exchange Act and Rule 13d-3 promulgated thereunder) a majority of the outstanding voting power of the Company or the surviving parent entity in such transaction) or (ii) instituted or commenced or consented to the institution or commencement of any Insolvency Proceeding.

"*Freddie Mac*" means the Federal Home Loan Mortgage Corporation.

"*GAAP*" means generally accepted accounting principles set forth in the opinions and pronouncements of the Financial Accounting Standards Board Accounting Standards Codification or in such other statements by such other entity as may be approved by a significant segment of the accounting profession of the United States, as in effect on the Signing Date (or in the case of Section 5.6 of this Agreement and Sections 1, 7 and 11 of Annex A to this Agreement, as in effect from time to time).

"*Ginnie Mae*" means the Government National Mortgage Association.

"*Governmental Authority*" means

(a) the government of:

(i) the United States of America or any State or other political subdivision thereof, or

(ii) any jurisdiction in which the Company conducts all or any part of its business, or which has jurisdiction over any properties of the Company, or

(b) any entity exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, any such government.

"*guarantee*" means a guarantee (other than by endorsement of negotiable instruments for collection in the ordinary course of business), direct or indirect, in any manner including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take or pay or to maintain financial statement conditions or otherwise).

"*Hazardous Material*" is defined in Section 5.24.

"*Holder*" means, with respect to any Note, the Person in whose name such Note is registered in the register maintained by the Company pursuant to Section 13.1.

"*Indebtedness*" means with respect to any Person, without duplication:

(1) all obligations of such Person for borrowed money;

(2) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(3) all Capitalized Lease Obligations of such Person;

(4) all obligations of such Person issued or assumed as the deferred purchase price of property, all conditional sale obligations and all obligations under any title retention agreement (but excluding trade accounts payable and other accrued liabilities arising in the ordinary course of business that are not overdue by 180 days or more or are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted);

(5) all obligations for the reimbursement of any obligor on any standby letter of credit, banker's acceptance or similar credit transaction;

(6) guarantees and other contingent obligations in respect of Indebtedness referred to in clauses (1) through (5) above and clause (8) or (9) below, but excluding any guaranty or other recourse arising from or otherwise based on matters such as fraud, misappropriation, breaches of

representations, warranties or covenants and misapplication and customary indemnities in connection with transaction similar to the related Indebtedness;

(7) obligations of any other Person of the type referred to in clauses (1) through (6) above and clause (9) below which are secured by any lien on any property or asset of such Person, the amount of such obligation being deemed to be the lesser of the Fair Market Value of such property or asset and the amount of the obligation so secured;

(8) all net obligations under currency agreements and interest swap agreements of such Person;

(9) all Attributable Debt of such Person; and

(10) all Disqualified Capital Stock issued by such Person with the amount of Indebtedness represented by such Disqualified Capital Stock being equal to the greater of its voluntary or involuntary liquidation preference and its maximum fixed repurchase price, but excluding accrued dividends, if any.

For purposes hereof, the "maximum fixed repurchase price" of any Disqualified Capital Stock which does not have a fixed repurchase price shall be calculated in accordance with the terms of such Disqualified Capital Stock as if such Disqualified Capital Stock were purchased on any date on which Indebtedness shall be required to be determined pursuant to this Agreement, and if such price is based upon, or measured by, the Fair Market Value of such Disqualified Capital Stock, such Fair Market Value shall be determined reasonably and in good faith by the Board of Directors of the issuer of such Disqualified Capital Stock. Notwithstanding anything in this definition to the contrary, in no event shall obligations under any derivative transaction related to the hedging of the mortgage origination pipeline or MSRs in the ordinary course of business and not for speculative purposes be deemed "Indebtedness." For the avoidance of doubt, Indebtedness shall not include any liability recorded on the balance sheet of the Company's financial statements that corresponds to (i) MSRs (or the economic interests in MSRs) that have been sold or transferred to a third party and for which the Company or a Restricted Subsidiary is the servicer or sub-servicer and such MSRs (such economic interests) are required under GAAP to be recorded as an asset on the balance sheet of the Company's financial statements and (ii) mortgage loans that have been sold or transferred to a third party or securitized in a securitization sponsored by a third party or pursuant to any Specified Government Entity securitization program. For purposes of this definition, "obligations" means all obligations for principal, premium, interest, penalties, fees, indemnification, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

The amount of any Indebtedness outstanding as of any date shall be:

(1) the accreted value thereof, in the case of any Indebtedness issued at a discount to par;

(2) with respect to any obligations under currency agreements and interest swap agreements, the net amount payable if such agreements terminated at that time due to default by such Person;

(3) in respect of Indebtedness of another Person secured by a Lien on the assets of the specified Person, the lesser of:

(a) the Fair Market Value of such assets at the date of determination; and

(b) the amount of the Indebtedness of the other Person; or

(4) except as provided above, the principal amount or liquidation preference thereof, in the case of any other Indebtedness.

"*Information*" is defined in Section 20.

"*Initial Issue Date*" is defined in Section 2.1.

"*Initial Notes Notice*" is defined in Section 2.1.

"*Insolvency Proceeding*" means any of the events described in Section 11(g) or Section 11(h).

"*Interest Payment Date*" is defined in the Notes.

"*Investment*" means, with respect to any Person, any direct or indirect loan or other extension of credit (including, without limitation, a guarantee), advance or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase or acquisition by such Person of any Capital Stock, bonds, notes, debentures or other securities. "Investment" shall exclude (w) residential mortgage loans in the ordinary course of business, warehouse loans secured by residential mortgage loans and related assets, drawing accounts and similar expenditures in the ordinary course of business, (x) accounts receivable, extensions of trade credit or advances by the Company and its Restricted Subsidiaries on commercially reasonable terms in accordance with the Company's or its Restricted Subsidiaries' normal trade practices, as the case maybe, (y) deposits made in the ordinary course of business and customary deposits into reserve accounts related to Securitizations and (z) commission, moving, entertainment and travel expenses and similar advances to officers, directors, managers and employees, in each case, made in the ordinary course of business. Except as otherwise provided in this Agreement, the amount of an Investment will be determined at the time the Investment is made and without giving effect to subsequent changes in value.

"*Investment Grade Securities*" means marketable securities of a Person (other than the Company or its Restricted Subsidiaries, an Affiliate or joint venture of the Company or any Restricted Subsidiary), acquired by the Company or any of its Restricted Subsidiaries in the ordinary course of business that are rated, at the time of acquisition, BBB- (or the equivalent) or higher by S&P and Baa3 (or the equivalent) or higher by Moody's.

"*Junior Priority Intercreditor Agreement*" means the Junior Priority Intercreditor Agreement, in substantially the form attached as Exhibit 6 to the Note Purchase Agreement, to be dated as of the Initial Issue Date and entered into by the Company, the Collateral Agent and the New Notes Collateral Trustee.

"*Law*" is defined in Section 5.4.

"*Lien*" means any lien, mortgage, deed of trust, pledge, security interest, charge or encumbrance of any kind (including any conditional sale or other title retention agreement having substantially the same economic effect as any of the foregoing, any lease in the nature thereof and any agreement to give any security interest); provided that in no event shall an operating lease or a transfer of assets pursuant to a Co-Investment Transaction be deemed to constitute a Lien.

"*Make-Whole Amount*" is defined in Section 8.6.

"*Material Adverse Effect*" means a material adverse effect on (a) the business, operations, financial condition, assets or properties of the Company and its Subsidiaries, taken as a whole, (b) the ability of the Company to perform its obligations under this Agreement or the other Transaction Documents, or (c) the validity or enforceability of this Agreement or the other Transaction Documents.

"*Material Subsidiary*" means either (i) any Subsidiary (other than CR Limited or any Securitization Entity) comprising at least (x) 2.5% of Total Assets (adjusted, in each case, to exclude (a) reverse mortgage matching assets and reverse mortgage matching liabilities, (b) subservice MSRs (including rights to MSRs) and (c) delinquent loans in Ginnie Mae securities) or consolidated revenue (adjusted, in each case, to exclude revenues from New Residential Investment Corp. ("*NRZ*") related to NRZ-pledged MSRs) of the Company and its Subsidiaries, or (y) $5,000,000 in Consolidated Net Income, or (ii) any Subsidiary (other than CR Limited) the existence and operations of which are otherwise materially significant to the existence or operations of the Company and its Subsidiaries, taken as a whole.

"*Maturity Date*" means the sixth anniversary of the Initial Issue Date or, if such day is not a Business Day, the immediately preceding Business Day.

"*MAV Condition*" means, either (i) receipt of all requisite regulatory approvals for the consummation of the MAV Transaction or (ii) if such approvals have not been obtained, the conversion of the MAV Transaction to an "excess spread" or other structure mutually acceptable to the Company and the Purchasers (with substantially similar economics), on terms mutually agreed by the Company and the Purchasers (the transaction pursuant to which such "excess spread" or other structure is effectuated, the "*Alternate MAV Transaction*").

"*MAV Transaction*" means the transactions contemplated by the MAV Transaction Agreement.

"*MAV Transaction Agreement*" means that certain Transaction Agreement dated as of December 21, 2020 (as amended, supplemented or modified from time to time), among OCW MAV Holdings, LLC, a Delaware limited liability company, the Company, and solely for the limited purposes specified therein, Oaktree Real Estate Opportunities Fund VIII, L.P., a Delaware limited partnership, Oaktree Opportunities Fund XI Holdings (Delaware), L.P., a Delaware limited partnership, and Oaktree Opportunities Fund Xb Holdings (Delaware), L.P., a Delaware limited partnership, including all exhibits, schedules and annexes thereto.

"*Maximum Percentage*" is defined in Section 5A.12.

"*Money Laundering Laws*" is defined in Section 5.32.

"*Moody's*" means Moody's Investors Service, Inc., a subsidiary of Moody's Corporation, and its successors.

"*MSRs*" means mortgage servicing rights (including master servicing rights and excess mortgage servicing rights) entitling the holder to service mortgage loans (including reverse mortgage loans).

"*MSR Assets*" means MSRs other than (i) MSRs on loans originated by the Company or its Restricted Subsidiaries for so long as such MSRs are financed in the normal course of the origination of such loans and (ii) MSRs subject to existing Liens on the Signing Date securing Existing MSR Facilities.

"*MSR Facility*" means any financing arrangement of any kind, including, but not limited to, financing arrangements in the form of repurchase facilities, loan agreements, note issuance facilities and commercial paper facilities, with a financial institution or other lender (including, without limitation, any Specified Government Entity) or purchaser, in each case, primarily to finance or refinance the purchase, origination, pooling or funding by the Company or a Restricted Subsidiary of the Company of MSRs originated, purchased or owned by the Company or any Restricted Subsidiary of the Company, including, for the avoidance of doubt, any arrangement secured by MSRs or any interest therein held by the Company or any Restricted Subsidiary.

"*MSR Facility Trust*" means any Person (whether or not a Subsidiary of the Company) established for the purpose of issuing notes or other securities in connection with an MSR Facility, which (i) notes and securities are backed by specified MSRs originated or purchased by, and/or contributed to, such Person from the Company or any of its Restricted Subsidiaries or (ii) notes and securities are backed by specified MSRs purchased by, and/or contributed to, such Person from the Company or any of its Restricted Subsidiaries.

"*MSR Indebtedness*" means Indebtedness in connection with a MSR Facility; the amount of any particular MSR Indebtedness as of any date of determination shall be calculated in accordance with GAAP.

"*MTM MSR Indebtedness*" means MSR Indebtedness that by its terms obligates the Company or a Restricted Subsidiary to make payments to reduce the outstanding obligations under such MSR Indebtedness or provide additional collateral to support the obligations under such MSR Indebtedness if the market value of the MSRs securing such MSR Indebtedness decreases, excluding any MSR Indebtedness to the extent of the principal balance thereof advanced with respect to MSRs for reverse mortgage loans securing such MSR Indebtedness.

"*MTM MSR Indebtedness LTV Ratio*" means (a) as of the last day of any Fiscal Quarter, the loan-to-value ratio as of such date of (i) the aggregate principal amount of the MTM MSR Indebtedness then outstanding to (ii) Specified MSR Value and (b) as of any other date of determination, the loan-to-value ratio of the (i) aggregate principal amount of the MTM MSR Indebtedness then outstanding to (ii) the sum of (x) the Specified MSR Value as of the last date of the immediately preceding Fiscal Quarter plus (y) the market value of MSRs that have been acquired by the Company or its Restricted Subsidiaries since the last date of the immediately preceding Fiscal Quarter or are to be acquired on such date of determination, as determined by the Company in good faith using the same methodology used to calculate the Specified MSR Value minus (z) the market value of MSRs that have been sold by the Company or its Restricted Subsidiaries since the last date of the immediately preceding Fiscal Quarter or are to be sold on such date of determination, as determined by the Company in good faith using the same methodology used to calculate the Specified MSR Value; provided that the foregoing calculations in clause (a)(ii) and (b)(ii) shall not include (x) any assets that have a negative value, (y) any Excess Servicing Strips or (z) any MSRs that secure any Permitted Funding Indebtedness. For the avoidance of doubt, to the extent any MTM MSR Indebtedness is combined with any Permitted Funding Indebtedness, the MTM MSR Indebtedness LTV Ratio shall be calculated without regard to the portion of such combined Indebtedness that constitutes Permitted Funding Indebtedness. For example, if any Indebtedness consists of a combination of MTM MSR Indebtedness and Permitted Servicing Advance Facility Indebtedness pursuant to which an aggregate principal balance of $100,000,000 is outstanding, $75,000,000 of which has been advanced with respect to MSRs with a Specified MSR Value of $125,000,000 and $25,000,000 of which has been advanced with respect to Servicing Advances, the resulting MTM MSR Indebtedness LTV Ratio of such MTM MSR Indebtedness would be equal to 0.60 to 1.

"*Multiemployer Plan*" means any Plan that is a "multiemployer plan" (as such term is defined in section 4001(a)(3) of ERISA) to which the Company or any ERISA Affiliate is, or within the preceding five years has been, obligated to contribute.

"*Net Proceeds*" means the aggregate cash proceeds received by the Company or any of its Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash received upon the sale or other disposition of any non-cash consideration received in any Asset Sale), net of the direct costs relating to such Asset Sale, including, without limitation, legal, accounting and investment banking fees, and sales commissions, and any relocation expenses incurred as a result of the Asset Sale, taxes paid or payable as a result of the Asset Sale, in each case, after taking into account any available tax credits or deductions and any tax sharing arrangements, distributions to minority interest holders in Restricted Subsidiaries as a result of

such Asset Sale and amounts required to be applied to the repayment of Indebtedness (other than the Notes and other Indebtedness secured on a basis junior to the Notes) secured by a Lien on the asset or assets that were the subject of such Asset Sale and any reserve for adjustment in respect of the sale price of such asset or assets established in accordance with GAAP.

"*New First Lien Notes*" means the Senior Secured Notes due 2026 to be issued by PMC on the Initial Issue Date, which shall:

(a) have the terms, other than pricing terms, set forth on Schedule 4.15 (with only such changes to such terms as are satisfactory to the Purchasers in their sole discretion);

(b) mature no earlier than the 54-month anniversary of the Initial Issue Date;

(c) not be in an aggregate principal amount in excess of $450,000,000; and

(d) not provide for interest payments in excess of 9% per annum.

"*New Notes Collateral Trustee*" means Wilmington Trust, National Association, and its permitted successors and assigns in such capacity, as collateral trustee with respect to the New First Lien Notes.

"*Non-Excluded Affiliate*" means, with respect to any Purchaser, all Affiliates of such Purchaser that beneficially own (as calculated pursuant to Section 13(d) of the Exchange Act and Rule 13d-3 promulgated thereunder) shares of Common Stock that are required to be aggregated with the shares of Common Stock beneficially owned (as calculated pursuant to Section 13(d) of the Exchange Act and Rule 13d-3 promulgated thereunder) by any Purchaser for purposes of determining whether any state and federal agency "change of control" regulatory approvals that are applicable to the Company and its regulated Subsidiaries are required. The foregoing shall not constitute an admission by any Purchaser to a third party that Brookfield is an Affiliate of such Purchaser or that Brookfield's beneficial ownership of Common Stock of the Company should be aggregated with that of such Purchaser or its Affiliates for any purpose.

"*Non-Recourse Indebtedness*" means, with respect to any specified Person or any of its Restricted Subsidiaries, Indebtedness that is specifically advanced to finance the origination or the acquisition of investment assets and secured only by the assets to which such Indebtedness relates without recourse to such Person or any of its Restricted Subsidiaries (other than subject to such customary carve-out matters for which such Person or its Subsidiaries acts as a guarantor in connection with such Indebtedness, such as fraud, misappropriation, breach of representation, warranty or covenant and misapplication and customary indemnities in connection with similar transactions, unless, until and for so long as a claim for payment or performance has been made thereunder (which has not been satisfied) at which time the obligations with respect to any such customary carve-out shall not be considered Non-Recourse Indebtedness, to the extent that such claim is a liability of such Person for GAAP purposes).

"*Notes*" is defined in Section 1.

"*Notes Documents*" means this Agreement, any Note, the Security Documents, the Junior Priority Intercreditor Agreement and any other agreement required to be entered into pursuant to the terms of this Agreement, any Note, any Security Document, the Junior Priority Intercreditor Agreement and any other document or instrument designated by the Company and the Collateral Agent as a "Notes Document." Any reference in this Agreement or any other Notes Document to a Notes Document shall include all appendices, exhibits or schedules thereto.

"*NRZ*" is defined in the definition of "Material Subsidiary".

"*NYSE*" means the New York Stock Exchange.

"*Obligations*" means all unpaid principal of, accrued and unpaid interest (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding) on the Notes, all Make-Whole Amounts, if any, all accrued and unpaid fees and all expenses, reimbursements, indemnities and all other advances to, debts, liabilities and obligations of the Company to the Holders, the Collateral Agent or any indemnified party arising under this Agreement, the Notes or the Notes Documents in respect of the Notes, whether direct or indirect (including those acquired by assumption), absolute, contingent, due or to become due, now existing or hereafter arising.

"*OFAC*" is defined in Section 5.33(a).

"*OFAC Listed Person*" is defined in Section 5.33(a).

"*OFAC Sanctions Program*" means any economic or trade sanction that OFAC is responsible for administering and enforcing. A list of OFAC Sanctions Programs may be found at http://www.treasury.gov/resource-center/sanctions/Programs/Pages/Programs.aspx.

"*Oaktree*" means Oaktree Fund Administration, LLC.

"*OCM*" means Oaktree Capital Management, L.P.

"*Officer's Certificate*" *of* any Person means a certificate of a Senior Financial Officer or of any other officer of such Person whose responsibilities extend to the subject matter of such certificate.

"*Organizational Documents*" means with respect to any Person all formation, organizational and governing documents, instruments and agreements, including (i) with respect to any corporation, its certificate or articles of incorporation or organization, as amended, supplemented or otherwise modified, and its by-laws, as amended, supplemented or otherwise modified, (ii) with respect to any limited partnership, its certificate of limited partnership, as amended, supplemented or otherwise modified, and its partnership agreement, as amended, supplemented or otherwise modified, (iii) with respect to any general partnership, its partnership agreement, as amended, supplemented or otherwise modified and (iv) with respect to any limited liability company, its articles of organization, as amended, supplemented or otherwise modified,

and its operating agreement, as amended, supplemented or otherwise modified. In the event any term or condition of this Agreement or any other Transaction Document requires any Organizational Document to be certified by a secretary of state or similar governmental official, the reference to any such "Organizational Document" shall only be to a document of a type customarily certified by such governmental official.

"*Outside Date*" is defined in Section 2.1.

"*PBGC*" means the Pension Benefit Guaranty Corporation referred to and defined in ERISA or any successor thereto.

"*Permitted Business*" means the businesses of the Company and its Subsidiaries as described (or incorporated by reference) in this offering memorandum and businesses that are reasonably related, ancillary or complementary thereto or reasonable developments or extensions thereof, including, but not limited to: (u) loan servicing and collection activities and ancillary services directly related thereto (including, but not limited to, the making of servicer advances and financing of advances), (v) asset management for investors that are not a part of the Company's consolidated group and management of loans, real estate owned and securities portfolios for investors that are not a part of the Company's consolidated group, (w) originating, acquiring, investing in, pooling, securitizing and/or selling Servicing Advances, MSRs, residential and commercial mortgage loans (including reverse mortgage loans and auto dealer floorplan loans) or other loans, leases, asset-backed and mortgage-backed securities and other related securities or derivatives, consumer receivables, REO Assets or Residual Interests and other similar assets (or any interests in any of the foregoing), (x) providing warehouse financings to third-party loan originators, (y) support services to third-party lending and loan investment and servicing businesses (including any due diligence services, loan underwriting services, real estate title services, provision of broker-price opinions and other valuation services), collection of consumer receivables, bankruptcy assistance and solution activities, and the provision of technological support products and services related to the foregoing; as well as any business in the insurance industry and businesses that are reasonably related, ancillary or complementary thereto or reasonable developments or extensions thereof.

"*Permitted Funding Indebtedness*" means (i) any Permitted Servicing Advance Facility Indebtedness, (ii) any Permitted Warehouse Indebtedness, (iii) any Permitted Residual Indebtedness, (iv) Permitted MSR Indebtedness, (v) any Indebtedness of the type set forth in clauses (i) through (iv) of this definition that is acquired by the Company or any of its Restricted Subsidiaries in connection with an acquisition permitted under this Agreement, (vi) any facility that combines any Indebtedness under clause (i), (ii), (iii) or (v) of this definition and (vii) any Refinancing Indebtedness of the Indebtedness under clause (i), (ii), (iii), (v) or (vi) of this definition and advanced to the Company or any of its Restricted Subsidiaries based upon, and secured by, Servicing Advances, MSRs, mortgages or other loans, securities or derivatives, receivables, REO Assets or Residual Interests and other similar assets (or any interests in any of the foregoing) existing on the Signing Date or created thereafter, provided, however, solely as of the date of the incurrence of such Permitted Funding Indebtedness, the amount of the excess (determined as of the most recent date for which internal financial statements are available), if

any, of (x) the amount of any Indebtedness incurred in accordance with this clause (vii) for which the holder thereof has contractual recourse to the Company or its Restricted Subsidiaries to satisfy claims with respect thereto (excluding recourse for customary carve-out matters such as fraud, misappropriation, breaches of representations, warranties and covenants and misapplication and customary indemnities in connection with similar transactions) over (y) the aggregate (without duplication of amounts) Realizable Value of the assets that secure such Indebtedness shall not be Permitted Funding Indebtedness (but shall not be deemed to be a new incurrence of Indebtedness subject to Section 2 of Annex B except with respect to, and solely to the extent of, any such excess that exists upon the initial incurrence of such Indebtedness incurred under this clause (vii)). The amount of any Permitted Funding Indebtedness shall be determined in accordance with the definition of "Indebtedness." For the avoidance of doubt, MTM MSR Indebtedness shall not constitute Permitted Funding Indebtedness, but any Permitted Funding Indebtedness may be combined with an MTM MSR Indebtedness, in which case such Indebtedness shall be deemed to constitute an MTM MSR Indebtedness to the extent of the aggregate principal balance thereof advanced with respect to MSRs securing such MTM MSR Indebtedness and shall otherwise constitute a Permitted Funding Indebtedness.

"*Permitted Hedging Transactions*" means entering into instruments and contracts and making margin calls thereon by the Company or any of its Restricted Subsidiaries in reasonable relation to a Permitted Business that are entered into for bona fide hedging purposes and not for speculative purposes (as determined in good faith by the Board of Directors or senior management of the Company or such Restricted Subsidiary) and shall include, without limitation, interest rate swaps, caps, floors, collars and forward hedge or mortgage sale contracts and similar instruments, "interest only" mortgage derivative assets or other mortgage derivative products, future contracts and options on futures contracts on the Eurodollar, Federal Funds, Treasury bills and Treasury rates and similar financial instruments.

"*Permitted Indebtedness*" means, without duplication, each of the following:

(1) (x) the Initial Notes, the Additional Notes and the PIK Notes and (y) Indebtedness under the New First Lien Notes issued on the Initial Issue Date and the guarantees in respect thereof, in an aggregate principal amount not exceeding $450,000,000 at any time outstanding;

(2) Indebtedness incurred pursuant to the Existing Facilities in an aggregate principal amount at any time outstanding not to exceed the maximum amount available under each Existing Facility as in effect on the Signing Date;

(3) [reserved];

(4) other Indebtedness and Preferred Stock of the Company and its Restricted Subsidiaries outstanding on the Signing Date (other than Indebtedness described in clauses (1), (2) and (3) above);

(5) Permitted Hedging Transactions;

(6) Indebtedness under Currency Agreements; provided that in the case of Currency Agreements which relate to Indebtedness, such Currency Agreements do not increase the Indebtedness of the Company and its Restricted Subsidiaries outstanding other than as a result of fluctuations in foreign currency exchange rates or by reason of fees, indemnities and compensation payable thereunder;

(7) Indebtedness owed to and held by the Company or a Restricted Subsidiary; provided, however, that (a) any subsequent issuance or transfer of any Capital Stock which results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary of the Company or any transfer of such Indebtedness (other than to the Company or a Restricted Subsidiary of the Company) shall be deemed, in each case, to constitute the incurrence of such Indebtedness by the obligor thereon, and (b) if the Company is the obligor on such Indebtedness, such Indebtedness is expressly subordinated to the prior payment in full in cash of all obligations with respect to the Notes;

(8) [reserved];

(9) the Issuance of Preferred Stock by Restricted Subsidiaries to officers, directors and employees of the Company or any Restricted Subsidiary as compensation, bonus awards or other incentive arrangements, provided that aggregate liquidation preference of all shares of Preferred Stock issued pursuant to this clause (9) in any calendar year shall not exceed $10,000,000, provided that any amounts available to be issued pursuant to this clause (9) that are unissued during any calendar year may be carried forward and utilized in succeeding calendar years;

(10) Indebtedness of the Company or any of its Restricted Subsidiaries represented by letters of credit for the account of the Company or such Restricted Subsidiary, as the case may be, in order to provide security for workers' compensation claims, payment obligations in connection with self-insurance or similar requirements in the ordinary course of business;

(11) (a) Permitted Funding Indebtedness and (b) MTM MSR Indebtedness so long as on the date of the incurrence of such MTM MSR Indebtedness, after giving effect to the incurrence thereof and the use of proceeds thereof, the MTM MSR Indebtedness LTV Ratio of the Company and its Restricted Subsidiaries is no higher than 0.65 to 1.0;

(12) Permitted Securitization Indebtedness and Indebtedness under Credit Enhancement Agreements;

(13) Refinancing Indebtedness;

(14) (A) any guarantee by the Company or a Restricted Subsidiary of Indebtedness or other obligations of any Restricted Subsidiary of the Company (other than Non-Recourse Indebtedness) so long as the incurrence of such Indebtedness incurred by such Restricted Subsidiary of the Company is permitted under the terms of this Agreement, or (B) any guarantee by a Restricted Subsidiary of Indebtedness of the Company (other than Non-Recourse Indebtedness); provided that such guarantee is permitted under the terms of this Agreement;

(15) Non-Recourse Indebtedness;

(16) (x) Acquired Indebtedness and Indebtedness incurred by the Company or any Restricted Subsidiary of the Company in connection with the acquisition of a Permitted Business and (y) Indebtedness of a Person or any of its Restricted Subsidiaries existing at the time such Person becomes a Restricted Subsidiary of the Company or at the time it merges or consolidates with the Company or any of its Restricted Subsidiaries or assumed in connection with the acquisition of assets from such Person or secured by a Lien encumbering any asset acquired by such Person and, in each case, not incurred by such Person in connection with, or in anticipation or contemplation of, such Person becoming a Restricted Subsidiary of the Company or such acquisition, merger or consolidation in connection with the acquisition of a Permitted Business; provided that, in each case, on the date of the incurrence of such Indebtedness, after giving effect to the incurrence thereof and the use of proceeds therefrom,

(a) the Total LTV Ratio of the Company and its Restricted Subsidiaries on a pro forma basis would be either (i) no higher than 0.45 to 1.0 or (ii) no higher than 90.0% of the Total LTV Ratio immediately prior to the incurrence of such Indebtedness; and

(b) the ratio of Corporate Indebtedness of the Company and its Restricted Subsidiaries to Tangible Net Worth of the Company and its Subsidiaries on a pro forma basis would be either (i) no higher than 1.25 to 1.0 or (ii) no higher than 90.0% of the ratio of Corporate Indebtedness of the Company and its Restricted Subsidiaries to Tangible Net Worth of the Company and its Subsidiaries immediately prior to the incurrence of such Indebtedness;

provided that the aggregate principal amount of Indebtedness and Preferred Stock that may be incurred and outstanding at any one time by Restricted Subsidiaries pursuant to subclause (x) of this clause (16) does not exceed $25,000,000;

(17) Indebtedness (including Capitalized Lease Obligations) incurred to finance the development, construction, acquisition, purchase, lease, repairs, maintenance or improvement of assets (including, but not limited to, assets consisting of Servicing Advances, mortgages or other loans, mortgage related securities or derivatives, consumer receivables, REO Assets or Residual Interests and other similar assets (or any interests in any of the foregoing), but excluding all MSRs) by the Company or any Restricted Subsidiary (including the acquisition or purchase of any assets (other than MSRs) through the acquisition of any Person that becomes a Restricted Subsidiary or by the merger or consolidated of a Person with or into the Company or any Restricted Subsidiary) that is secured by a Lien on the assets acquired, purchased, leased or improved; provided that the Liens securing such Indebtedness may not extend to any other assets or property owned by the Company or any of its Restricted Subsidiaries at the time the Lien is incurred and the Indebtedness secured by the Lien may not be incurred more than 270 days after the latter of the acquisition or completion of the construction of the assets or property subject to the Lien; provided, further, that the amount of such Indebtedness does not exceed the Fair Market Value on the date that such Indebtedness is incurred of the assets or property developed, constructed, purchased, leased, repaired, maintained or improved with the proceeds of such Indebtedness;

(18) Indebtedness arising from agreements of the Company or any of its Restricted Subsidiaries providing for indemnification, adjustment of purchase price, earnouts or similar obligations, in each case, incurred or assumed in connection with the acquisition or disposition of any business, assets or a Subsidiary, other than guarantees of Indebtedness incurred by any Person acquiring all or any portion of such business, assets or a Subsidiary for the purpose of financing such acquisition;

(19) Indebtedness consisting of Indebtedness from the repurchase, retirement or other acquisition or retirement for value by the Company of Common Stock (or options, warrants or other rights to acquire Common Stock) of the Company from any future, current or former officer, director, manager or employee (or any spouses, successors, executors, administrators, heirs or legatees of any of the foregoing) of the Company or any of its Subsidiaries or their authorized representatives to the extent described in clause (4) of the second paragraph under Section 3 of Annex B;

(20) Indebtedness in respect of netting services, overdraft protections and otherwise in connection with customary deposit accounts maintained by the Company or any Restricted Subsidiary with banks and other financial institutions as part of its ordinary cash management program;

(21) the incurrence of Indebtedness by a Foreign Subsidiary in an amount not to exceed at any one time outstanding, together with any other Indebtedness incurred under this clause (21) 5.0% of Foreign Subsidiary Total Assets;

(22) shares of Preferred Stock of a Restricted Subsidiary of the Company issued to the Company or another Restricted Subsidiary; provided that any subsequent issuance or transfer of any Capital Stock or any other event which results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such share of Preferred Stock (except to the Company or another Restricted Subsidiary) shall be deemed in each case to be an issuance of such shares or Preferred Stock not permitted by this clause (22);

(23) Indebtedness of the Company and its Restricted Subsidiary consisting of the financing of insurance premiums in the ordinary course of business;

(24) obligations in respect of performance, bid, appeal, customs, surety bonds and completion guarantees (including obligations under any letter of credit incurred for such purposes) provided by the Company and its Restricted Subsidiaries in the ordinary course of business or in connection with judgments that do not result in an Event of Default;

(25) to the extent constituting Indebtedness, Indebtedness under Excess Servicing Strip incurred in the ordinary course of business;

(26) to the extent otherwise constituting Indebtedness, obligations arising from agreements providing for indemnification, adjustment of purchase price or similar obligations, in each case, incurred or assumed in connection with the disposition of Servicing Advances, MSRs, mortgages or other loans, mortgage related securities or derivatives, consumer receivables, REO

Assets or Residual Interests and other similar assets (or any interests in any of the foregoing) purchased or originated by the Company or any of its Restricted Subsidiaries arising in the ordinary course of business;

(27) guarantees by the Company and its Restricted Subsidiaries of Indebtedness that is otherwise Permitted Indebtedness;

(28) Indebtedness or Disqualified Capital Stock of the Company and Indebtedness, Disqualified Capital Stock or Preferred Stock of any of the Company's Restricted Subsidiaries in an aggregate principal amount or liquidation preference (together with Refinancing Indebtedness in respect thereof) up to 100.0% of the net cash proceeds received by the Company since immediately after the Initial Issue Date from the issue or sale of Equity Interests of the Company or cash contributed to the capital of the Company (in each case, other than proceeds of Disqualified Capital Stock or sales of Equity Interests to the Company or any of its Subsidiaries) to the extent that such net cash proceeds or cash have not been applied to Section 3 of Annex B and are thereafter excluded from clause 3(b) of the first paragraph thereunder; provided, however, that the aggregate amount of Indebtedness and Preferred Stock incurred by Restricted Subsidiaries pursuant to this clause (28) may not exceed $35,000,000 in the aggregate at any one time outstanding;

(29) Indebtedness arising out of or to fund purchases of all remaining outstanding asset-backed securities of any Securitization Entity for the purpose of relieving the Company or a Subsidiary of the Company of the administrative expense of servicing such Securitization Entity;

(30) [reserved];

(31) guarantees by the Company and the Restricted Subsidiaries of the Company to owners of servicing rights in the ordinary course of business; and

(32) additional Indebtedness incurred by Restricted Subsidiaries of the Company in an aggregate principal amount not to exceed (x) $500,000,000 *minus* (y) the aggregate principal amount of New First Lien Notes issued on the Initial Issue Date;

provided that notwithstanding anything herein to the contrary, the Company shall not be permitted to incur any Corporate Indebtedness other than the New First Lien Notes.

For purposes of determining compliance with Section 2 of Annex B, in the event that an item of Indebtedness meets the criteria of more than one of the categories of Permitted Indebtedness described in clauses (1) through (32) above, the Company shall, in its sole discretion, classify (and may later reclassify) such item of Indebtedness or any portion thereof in any manner that complies with this covenant. Accrual of interest, accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, and the payment of dividends on Disqualified Capital Stock in the form of additional shares of the same class of Disqualified Capital Stock will not be deemed to be an incurrence of Indebtedness or an issuance of Disqualified Capital Stock for purposes of Section 2 of Annex B.

"*Permitted Investments*" means:

(1) any Investment in the Company or in a Restricted Subsidiary;

(2) any Investment in cash or Cash Equivalents or Investment Grade Securities;

(3) any Investment by the Company or any Restricted Subsidiary of the Company in a Person, if as a result of such Investment (i) such Person becomes a Restricted Subsidiary of the Company or (ii) such Person is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Company or a Restricted Subsidiary of the Company;

(4) Investments by the Company or any Restricted Subsidiary in Securitization Entities, Warehouse Facility Trusts, MSR Facility Trusts, Investments in mortgage related securities or charge-off receivables in the ordinary course of business;

(5) Investments arising out of purchases of all remaining outstanding asset-backed securities of any Securitization Entity and/or Securitization Assets of any Securitization Entity in the ordinary course of business or for the purpose of relieving the Company or a Subsidiary of the Company of the administrative expense of servicing such Securitization Entity;

(6) Investments in MSRs (including in the form of repurchases of MSRs);

(7) Investments in Residual Interests in connection with any Securitization, Warehouse Facility or MSR Facility;

(8) Investments by the Company or any Restricted Subsidiary in the form of loans extended to non-Affiliate borrowers in connection with any loan origination business of the Company or such Restricted Subsidiary in the ordinary course of business;

(9) any Investment made as a result of the receipt of securities or other assets of non-cash consideration from an Asset Sale that was made pursuant to and in compliance with Section 1 of Annex B or any other disposition of assets not constituting an Asset Sale;

(10) Investments made solely in exchange for the issuance of Equity Interests (other than Disqualified Capital Stock) of the Company or any Unrestricted Subsidiary (other than an Unrestricted Subsidiary the primary assets of which are cash and Cash Equivalents);

(11) any Investments received in compromise or resolution of (a) obligations of trade creditors or customers that were incurred in the ordinary course of business of the Company or any of its Restricted Subsidiaries, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer, or (b) litigation, arbitration or other disputes with Persons who are not Affiliates;

(12) Investments in connection with Permitted Hedging Transactions;

(13) repurchases of the Notes;

(14) Investments in and making or origination of Servicing Advances, residential or commercial mortgage loans and Securitization Assets (whether or not made in conjunction with the acquisition of MSRs);

(15) guarantees of Indebtedness permitted under Section 2 of Annex B;

(16) any transaction to the extent it constitutes an Investment that is permitted and made in accordance with the provisions of the third paragraph of Section 8 of Annex B (except transactions described in clauses (7) and (9) of such paragraph);

(17) Investments consisting of extensions of credit in the nature of accounts receivable, notes receivable arising from the grant of trade credit, and guarantees and letters of credit for the benefit of existing or potential suppliers, customers, distributors, licensors, licensees, lessees and lessors, in each case, in the ordinary course of business; and Investments consisting of purchases and acquisitions of inventory, supplies, material, equipment or services in the ordinary course of business or the licensing or contribution of intellectual property pursuant to joint marketing arrangements with other Persons;

(18) endorsements for collection or deposit in the ordinary course of business;

(19) any Investment existing on the Signing Date or made pursuant to binding commitments in effect on the Signing Date or an Investment consisting of any extension, modification or renewal of any Investment existing on the Signing Date; provided that the amount of any such Investment may only be increased pursuant to this clause (19) to the extent required by the terms of such Investment as in existence on the Signing Date or as otherwise permitted under this Agreement;

(20) any Investment by the Company or any Restricted Subsidiary of the Company in any Person where such Investment was acquired by the Company or any Restricted Subsidiary of the Company (a) in exchange for any other Investment or accounts receivable held by the Company or any such Restricted Subsidiary in connection with or as a result of a bankruptcy, workout, reorganization or recapitalization of the issuer of such other Investment or accounts receivable, or (b) as a result of a foreclosure by the Company or any Restricted Subsidiary of the Company with respect to any secured Investment or other transfer of title with respect to any secured Investment in default;

(21) any Investment by the Company or any Restricted Subsidiary of the Company in a joint venture not to exceed the greater of (a) $60,000,000 and (b) 0.60% of Total Assets;

(22) other Investments having an aggregate Fair Market Value, taken together with all other Investments made pursuant to this clause (22) that are at that time outstanding, net of cash repayments of principal in the case of loans, sale proceeds in the case of Investments in the form of debt instruments and cash equity returns (whether as a distribution, dividend, redemption or sale) in the case of equity investments, not to exceed the greater of (a) $50,000,000 and (b) 0.50% of Total Assets at the time of such Investment (with the Fair Market Value of each

Investment being measured at the time made and without giving effect to subsequent changes in value);

(23) purchases of mortgage backed or asset backed securities or similar instruments related to a Permitted Business;

(24) Investments related to any Indebtedness permitted under clause (20) of the definition of "Permitted Indebtedness";

(25) advances to, or guarantees of Indebtedness of, employees of the Company or any of its Restricted Subsidiaries not in excess of $5,000,000 outstanding at any one time;

(26) loans and advances to officers, directors and employees of the Company or any of its Restricted Subsidiaries for business-related travel expenses, moving expenses and other travel related expenses, in each case in the ordinary course of business;

(27) any Co-Investment Transaction;

(28) Investments in MAV Canopy HoldCo I, LLC in the form of cash or MSRs (i) in an aggregate amount not to exceed $37,500,000 (including the contribution to MAV Canopy HoldCo I, LLC by the Company of the Equity Interests of its licensed Subsidiary, MSR Asset Vehicle LLC, holding cash and/or MSRs in an aggregate amount not to exceed $37,500,000) and (ii) in an aggregate amount in excess of $37,500,000 provided that, with respect to this clause (ii), (a) the Company or a Restricted Subsidiary is the primary servicer or sub-servicer of MSRs held by MAV Canopy HoldCo I, LLC or its subsidiaries and (b) at time of making such Investment the Total LTV Ratio of the Company and its Restricted Subsidiaries is no higher than 0.40 to 1.0 and the ratio of Corporate Indebtedness of the Company and its Restricted Subsidiaries to Tangible Net Worth of the Company and its Subsidiaries is no higher than 1.1 to 1.0.

"*Permitted Liens*" means the following types of Liens:

(1) Liens for taxes, assessments or governmental charges or claims either (a) not yet delinquent for a period of more than 30 days, or (b) contested in good faith by appropriate proceedings and as to which the Company or its Subsidiaries shall have set aside on their books such reserves as may be required pursuant to GAAP;

(2) statutory and common law Liens of landlords and Liens of carriers, warehousemen, mechanics, suppliers, materialmen, repairmen and other Liens imposed by law incurred in the ordinary course of business;

(3) Liens incurred or deposits made in the ordinary course of business in connection with workers' compensation laws, unemployment insurance laws or similar legislation and other types of social security or obtaining of insurance, including any Lien securing letters of credit issued in the ordinary course of business in connection therewith, or to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, trade contracts, performance and

completion guarantees, leases, contracts in the ordinary course of business, government contracts, performance and return-of-money bonds and other similar obligations (exclusive of obligations for the payment of borrowed money);

(4) [reserved];

(5) Liens on assets, property or shares of stock of a Person existing at the time such Person becomes a Restricted Subsidiary or is merged with or into or consolidated or amalgamated with the Company or any Restricted Subsidiary of the Company; provided, however, that such Liens are not created or incurred in connection with, or in contemplation of, such other Person becoming such a Restricted Subsidiary or merging with or into or consolidating or amalgamating with the Company or any Restricted Subsidiary of the Company; provided, further, however, that such Liens may not extend to any other assets or property owned by the Company or any Restricted Subsidiary;

(6) Liens on assets or property (other than MSRs) at the time the Company or a Restricted Subsidiary acquired such assets or property or within 270 days of such acquisition, including any acquisition by means of a merger, amalgamation or consolidation with or into the Company or any Restricted Subsidiary; provided that the Liens may not extend to any other assets or property owned by the Company or any Restricted Subsidiary (other than assets and property affixed or appurtenant thereto); provided, further, that the aggregate amount of obligations secured thereby does not exceed the greater of (x) $50,000,000 and (y) 0.50% of Total Assets at any time outstanding and no such Lien may secure obligations in an amount that exceeds the Fair Market Value of the assets or property acquired as of the date of acquisition;

(7) Liens securing Indebtedness or other obligations of a Restricted Subsidiary of the Company owing to the Company or another Restricted Subsidiary of the Company;

(8) Liens arising from leases, subleases, licenses or sublicenses granted to others which do not materially interfere with the ordinary conduct of the business of the Company or any of its Restricted Subsidiaries;

(9) Liens arising from Uniform Commercial Code financing statement filings regarding operating leases entered into by the Company and its Restricted Subsidiaries or dispositions of assets;

(10) [reserved]

(11) Liens (x) in favor of the Company or (y) on the assets of any Restricted Subsidiary in favor of another Restricted Subsidiary;

(12) Liens securing Indebtedness permitted to be Incurred pursuant to clause (1)(y) of the definition of “Permitted Indebtedness”, subject to the terms of the Junior Priority Intercreditor Agreement;

(13) grants of software and other technology licenses in the ordinary course of business;

(14) Liens to secure any refinancing, refunding, extension, renewal or replacement (or successive refinancings, refundings, extensions, renewals or replacements) as a whole, or in part, of any Indebtedness secured by any Lien referred to in clauses (5), (6), (12), (21), (28) and (39) of this definition; provided, however, that (x) such new Lien shall be limited to all or part of the same property that secured the original Lien (plus improvements on such property), and (y) the Indebtedness secured by such Lien at such time is not increased to any amount greater than the sum of (A) the outstanding principal amount or, if greater, committed amount of the Indebtedness described under clauses (5), (6), (12), (21), (28) and (39) of this definition at the time the original Lien became a Permitted Lien under this Agreement, and (B) an amount necessary to pay any accrued and unpaid interest, fees and expenses, including premiums, related to such refinancing, refunding, extension, renewal or replacement;

(15) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale or purchase of goods entered into in the ordinary course of business;

(16) Liens incurred to secure cash management services or to implement cash pooling arrangements in the ordinary course of business and Liens arising by virtue of any statutory or common law provisions relating to banker's Liens, rights of setoff or similar rights and remedies as to deposit accounts, securities accounts or other funds maintained with a depository or financial institution or securities intermediary;

(17) any encumbrance or restriction (including put and call arrangements) with respect to Capital Stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;

(18) any amounts held by a trustee in the funds and accounts under an indenture securing any revenue bonds issued for the benefit of the Company or any Restricted Subsidiary;

(19) judgment Liens not giving rise to an Event of Default;

(20) survey exceptions, encumbrances, easements or reservations of, or rights of other for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes or zoning or other restrictions as to the use of real property or Liens incidental to the conduct of the Permitted Business of the Company and its Subsidiaries and other similar charges or encumbrances in respect of real property not interfering, in the aggregate, in any material respect with the ordinary conduct of the business of the Company or any of its Subsidiaries;

(21) any interest or title of a lessor under any Capitalized Lease Obligation; provided that such Liens do not extend to any property or assets which is not leased property subject to such Capitalized Lease Obligation;

(22) Liens upon specific items of inventory or other goods and proceeds of any Person securing such Person's obligations in respect of bankers' acceptances issued or created for the

account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(23) Liens securing reimbursement obligations with respect to letters of credit which encumber documents and other property relating to such letters of credit and products and proceeds thereof;

(24) Liens encumbering deposits made to secure obligations arising from statutory, regulatory, contractual, or warranty requirements of the Company or any of its Subsidiaries, including rights of offset and set-off;

(25) Liens securing Permitted Hedging Transactions and similar obligations of the Company and the costs thereof;

(26) Liens securing Indebtedness under Currency Agreements;

(27) Liens with respect to obligations at any one time outstanding that do not exceed the greater of (x) $40,000,000 and (y) 0.40% of Total Assets;

(28) Liens securing Indebtedness incurred to finance the construction or purchase of assets (excluding MSR Assets) by the Company or any of its Restricted Subsidiaries (including any acquisition of Capital Stock or by means of a merger, amalgamation or consolidation with or into the Company or any Restricted Subsidiary); provided that any such Lien may not extend to any other property owned by the Company or any of its Restricted Subsidiaries at the time the Lien is incurred and the Indebtedness secured by the Lien may not be incurred more than 180 days after the acquisition or completion of the construction of the property subject to the Lien; provided, further, that the amount of Indebtedness secured by such Liens does not exceed the purchase price of the assets purchased or constructed with the proceeds of such Indebtedness;

(29) Liens on Securitization Assets, any intangible contract rights and other accounts, documents, records and assets directly related to the foregoing assets and the proceeds thereof incurred in connection with Permitted Securitization Indebtedness or permitted guarantees thereof;

(30) Liens on spread accounts and credit enhancement assets, Liens on the stock of Restricted Subsidiaries of the Company substantially all of which are spread accounts and credit enhancement assets and Liens on interests in Securitization Entities, in each case incurred in connection with Credit Enhancement Agreements;

(31) [reserved];

(32) (i) Liens of a collection bank arising under Section 4-210 of the Uniform Commercial Code, or any comparable or successor provision, on items in the course of collection, and (ii) bankers' Liens, right of setoff and other similar Liens existing solely with respect to property in one or more accounts maintained by the Company or a Subsidiary as

customary in the banking industry in favor of the bank or banks with which such accounts are maintained, securing amounts owing to such bank customarily so secured;

(33) Liens solely on cash advances or any cash earnest money deposits made by the Company or any of its Restricted Subsidiaries in connection with any letter of intent or purchase agreement and Liens consisting of an agreement to sell or otherwise dispose of any property permitted under this Agreement;

(34) Liens on Servicing Advances, Residential Mortgage Loans or MSRs or any part thereof and any intangible contract rights and other accounts, documents, records and property directly related to the foregoing assets and any proceeds thereof, in each case that are the subject of an Excess Servicing Strip or an MSR Facility entered into in the ordinary course of business securing obligations under such Excess Servicing Strip or MSR Facility and Liens in any cash collateral or restricted accounts securing MSR Facilities;

(35) Liens on cash, cash equivalents or other property arising in connection with the discharge or redemption of Indebtedness;

(36) Liens on any real property constituting exceptions to title as set forth in a mortgage title policy delivered to a secured lender with respect thereto;

(37) Liens on insurance policies and the proceeds thereof securing the financing of premiums with respect thereto; provided that such Liens shall not exceed the amount of such premiums so financed;

(38) Liens on the property or assets of any Restricted Subsidiary securing Indebtedness of any Restricted Subsidiary;

(39) Liens securing Indebtedness permitted to be Incurred pursuant to clause (1)(x) of the definition of "Permitted Indebtedness"; and

(40) Liens on cash collateral posted in respect of letters of credit and bank guarantees incurred in the ordinary course of business so long as (i) such Liens only secure obligations under such letters of credit and bank guarantees and (ii) the amount of cash on which Liens may be granted pursuant to this clause (i) shall not exceed 105% of the aggregate amount of Indebtedness secured by such Liens;

provided that the Company shall not create, incur, assume or permit or suffer to exist any Liens of any kind on its assets that secure Corporate Indebtedness other than the New First Lien Notes and, prior to the Initial Issue Date, the Existing Indebtedness.

"*Permitted MSR Indebtedness*" means MSR Indebtedness that is not MTM MSR Indebtedness, provided that the excess (determined as of the most recent date for which internal financial statements are available), if any of (x) the amount of any such MSR Indebtedness for which the holder thereof has contractual recourse to the Company or its Subsidiaries to satisfy claims with respect to such Permitted Residual Indebtedness (excluding recourse for customary

carve-out matters such as fraud, misappropriation, breaches of representations, warranties and covenants and misapplication and customary indemnities in connection with similar transactions) over (y) the aggregate (without duplication of amounts) Realizable Value of the assets that secure such MSR Indebtedness shall be deemed not to be Permitted MSR Indebtedness (but shall not be deemed to be a new incurrence of Indebtedness subject to Section 2 of Annex B except with respect to, and solely to the extent of, any such excess that exists upon the initial incurrence of such Indebtedness). The amount of any particular Permitted MSR Indebtedness as of any date of determination shall be calculated in accordance with GAAP (subject to the last sentence of the penultimate paragraph of the definition of Indebtedness).

"*Permitted Residual Indebtedness*" means any Indebtedness of the Company or any of its Subsidiaries under a Residual Funding Facility; provided that the excess (determined as of the most recent date for which internal financial statements are available), if any of (x) the amount of any such Permitted Residual Indebtedness for which the holder thereof has contractual recourse to the Company or its Subsidiaries to satisfy claims with respect to such Permitted Residual Indebtedness (excluding recourse for customary carve-out matters such as fraud, misappropriation, breaches of representations, warranties and covenants and misapplication and customary indemnities in connection with similar transactions) over (y) the aggregate (without duplication of amounts) Realizable Value of the assets that secure such Permitted Residual Indebtedness shall be deemed not to be Permitted Residual Indebtedness (but shall not be deemed to be a new incurrence of Indebtedness subject to Section 2 of Annex B except with respect to, and solely to the extent of, any such excess that exists upon the initial incurrence of such Indebtedness).

"*Permitted Securitization Indebtedness*" means Securitization Indebtedness; provided that (i) in connection with any Securitization, any Warehouse Indebtedness used to finance the purchase or origination of any receivables or other assets subject to such Securitization is repaid in connection with such Securitization to the extent of the net proceeds received by the Company and its Subsidiaries from the applicable Securitization Entity and (ii) the excess (determined as of the most recent date for which internal financial statements are available), if any, of (x) the amount of any such Securitization Indebtedness for which the holder thereof has contractual recourse to the Company or its Subsidiaries to satisfy claims with respect to such Securitization Indebtedness (excluding recourse for customary carve-out matters such as fraud, misappropriation, breaches of representations, warranties and covenants and misapplication and customary indemnities in connection with similar transactions) over (y) the aggregate (without duplication of amounts) Realizable Value of the assets that secure such Securitization Indebtedness shall not be Permitted Securitization Indebtedness (but shall not be deemed to be a new incurrence of Indebtedness subject to Section 2 of Annex B except with respect to, and solely to the extent of, any such excess that exists upon the initial incurrence of such Indebtedness).

"*Permitted Servicing Advance Facility Indebtedness*" means any Indebtedness of the Company or any of its Subsidiaries incurred under a Servicing Advance Facility; provided, however, that the excess (determined as of the most recent date for which internal financial statements are available), if any of (x) the amount of any such Permitted Servicing Advance

Facility Indebtedness for which the holder thereof has contractual recourse to the Company or its Subsidiaries to satisfy claims with respect to such Permitted Servicing Advance Facility Indebtedness (excluding recourse for customary carve-out matters such as fraud, misappropriation, breaches of representations, warranties and covenants and misapplication and customary indemnities in connection with similar transactions) over (y) the aggregate (without duplication of amounts) Realizable Value of the assets that secure such Permitted Servicing Advance Facility Indebtedness shall not be Permitted Servicing Advance Facility Indebtedness (but shall not be deemed to be a new incurrence of Indebtedness subject to Section 2 of Annex B except with respect to, and solely to the extent of, any such excess that exists upon the initial incurrence of such Indebtedness).

"*Permitted Warehouse Indebtedness*" means Warehouse Indebtedness; provided that the excess (determined as of the most recent date for which internal financial statements are available), if any, of (x) the amount of any such Warehouse Indebtedness for which the holder thereof has contractual recourse to the Company or its Subsidiaries to satisfy claims with respect to such Warehouse Indebtedness (excluding recourse for matters such as fraud, misappropriation, breaches of representations and warranties and misapplication) over (y) the aggregate (without duplication of amounts) Realizable Value of the assets that secure such Warehouse Indebtedness shall not be Permitted Warehouse Indebtedness (but shall not be deemed to be a new incurrence of Indebtedness subject to Section 2 of Annex B except with respect to, and solely to the extent of, any such excess that exists upon the initial incurrence of such Indebtedness). The amount of any particular Permitted Warehouse Indebtedness as of any date of determination shall be calculated in accordance with GAAP (subject to the last sentence of the penultimate paragraph of the definition of Indebtedness).

"*Person*" means an individual, partnership, corporation, limited liability company, association, trust, joint venture, unincorporated organization, or a government or agency or political subdivision thereof.

"*PHH*" means PHH Corporation, a Maryland corporation.

"*PMC*" means PHH Mortgage Corporation, a New Jersey corporation.

"*Plan*" means an "employee pension benefit plan" (as defined in section 3(2) of ERISA) subject to Title IV of ERISA or section 430 of the Code (other than a Multiemployer Plan), that is or, within the preceding five years, has been established or maintained, or to which contributions are or, within the preceding five years, have been made or required to be made, by the Company or any ERISA Affiliate.

"*Preferred Stock*" of any Person means any Capital Stock of such Person that has preferential rights to any other Capital Stock of such Person with respect to dividends or redemptions or upon liquidation.

"*property*" *or* "*properties*" means, unless otherwise specifically limited, real or personal assets or property of any kind, tangible or intangible, choate or inchoate.

"*Purchaser*" means each of the Purchasers of Notes and the Warrants identified in the signature pages to the Agreement.

"*Qualified Capital Stock*" means any Capital Stock that is not Disqualified Capital Stock.

"*Realizable Value*" of an asset means (i) with respect to any REO Asset, the value realizable upon the disposition of such asset as determined by the Company in its reasonable discretion and consistent with customary industry practice and (ii) with respect to any other asset, the lesser of (x) if applicable, the face value of such asset and (y) the market value of such asset as determined by the Company in accordance with the agreement governing the applicable Permitted Servicing Advance Facility Indebtedness, Permitted Warehouse Indebtedness, Permitted MSR Indebtedness or Permitted Residual Indebtedness, as the case may be (or, if such agreement does not contain any related provision, as determined by senior management of the Company in good faith); provided, however, that the realizable value of any asset described in clause (i) or (ii) above which an unaffiliated third-party has a binding contractual commitment to purchase from the Company or any of its Restricted Subsidiaries shall be the minimum price payable to the Company or such Restricted Subsidiary for such asset pursuant to such contractual commitment.

"*Refinance*" means, in respect of any security or Indebtedness, to refinance, extend, renew, refund, repay, prepay, redeem, defease or retire, or to issue a security or Indebtedness in exchange or replacement for, such security or Indebtedness in whole or in part. "Refinanced" and "Refinancing" shall have correlative meanings.

"*Refinancing Indebtedness*" means any Refinancing by the Company or any Subsidiary of the Company of Indebtedness incurred in accordance with clause (1), (4) (other than in respect of the Existing Indebtedness), (13), (16), (17) or (28) of the definition of "Permitted Indebtedness" that does not:

(1) result in an increase in the aggregate principal amount of Indebtedness of such Person as of the date of such proposed Refinancing (or, if such Refinancing Indebtedness is issued with original issue discount, the aggregate issue price of such Indebtedness is not more than the aggregate principal amount of Indebtedness being refinanced) (plus the amount of any premium required to be paid under the terms of the instrument governing such Indebtedness and plus the amount of reasonable tender premiums, as determined in good faith by the Company, defeasance costs, accrued interest and fees and expenses incurred by the Company in connection with such Refinancing and amounts of Indebtedness otherwise permitted to be incurred under this Agreement); or

(2) create Indebtedness with a Weighted Average Life to Maturity that is less than the Weighted Average Life to Maturity of the Indebtedness being Refinanced or a scheduled final maturity earlier than the scheduled final maturity of the Indebtedness being Refinanced;

provided that (i) (a) if the Indebtedness being Refinanced is Indebtedness of the Company, such Indebtedness that is incurred is incurred by the Company or (b) if the Indebtedness being Refinanced is Indebtedness of a Restricted Subsidiary, such Indebtedness

that is incurred is incurred by the Company or any Restricted Subsidiary, and (ii) if such Indebtedness being Refinanced is subordinate or junior to the Notes, then such Refinancing Indebtedness shall be subordinate and/or junior to the Notes at least to the same extent and in the same manner as the Indebtedness being Refinanced.

"*REO Asset*" of a Person means a real estate asset owned by such Person and acquired as a result of the foreclosure or other enforcement of a lien on such asset securing a Servicing Advance or loans and other mortgage-related receivables.

"*Reportable Event*" shall have the same meaning as in Section 4043(c) of ERISA.

"*Required Asset Sale*" means any Asset Sale that is a result of a repurchase right or obligation or a mandatory sale right or obligation related to (i) MSRs, (ii) pools or portfolios of MSRs, or (iii) the Capital Stock of any Person that holds MSRs or pools or portfolios of MSRs, which rights or obligations are either in existence on the Signing Date (or substantially similar in nature to such rights or obligations in existence on the Signing Date) or pursuant to the guidelines or regulations of a Specified Government Entity.

"*Required Holders*" means, at any time, the Holders of at least a majority in aggregate principal amount of the Notes at the time outstanding (exclusive of Notes then owned by the Company or any of its Affiliates).

"*Residential Mortgage Loan*" means any residential mortgage loan, manufactured housing installment sale contract and loan agreement, home equity loan, home improvement loan, consumer installment sale contract or similar loan evidenced by a Residential Mortgage Note, and any installment sale contract, loan contract or chattel paper.

"*Residential Mortgage Note*" means a promissory note, bond or similar instrument evidencing indebtedness of an obligor under a Residential Mortgage Loan, including, without limitation, all related security interests and any and all rights to receive payments due thereunder.

"*Residual Funding Facility*" means any funding arrangement with a financial institution or institutions or other lenders or purchasers under which advances are made to the Company or any Restricted Subsidiary secured by Residual Interests.

"*Residual Interests*" means any residual, subordinated, reserve accounts and retained ownership interest held by the Company or a Restricted Subsidiary in Securitization Entities, Warehouse Facility Trusts and/or MSR Facility Trusts, regardless of whether required to appear on the face of the consolidated financial statements in accordance with GAAP.

"*Responsible Officer*" means any Senior Financial Officer of the Company and any other officer of the Company with responsibility for the administration of the relevant portion of this Agreement.

"*Restricted Investment*" means an Investment other than a Permitted Investment.

"*Restricted Subsidiary*" of a Person means any Subsidiary of the referent Person that is not an Unrestricted Subsidiary. Unless the context requires otherwise, any reference herein to a "Restricted Subsidiary" or "Restricted Subsidiaries" shall mean each direct and indirect Subsidiary of the Company that is not then an Unrestricted Subsidiary.

"*S&P*" means Standard & Poor's Ratings Services, a division of The McGraw Hill Companies, Inc., and its successors.

"*SEC Reports*" has the meaning specified in Section 5.1.

"*Security Agreement*" means the Pledge and Security Agreement, in substantially the form attached as Exhibit 7 to the Note Purchase Agreement, to be dated as of the Initial Issue Date and entered into by the Company, as it may be amended, restated, supplemented or otherwise modified from time to time.

"*Security Documents*" means the Security Agreement, any intellectual property security agreements and all other instruments, documents and agreements evidencing or creating or purporting to create any security interests in favor of the Collateral Agent for its benefit and for the benefit of the Holders, in all or any portion of the Collateral, in each case, as amended, modified, restated, supplemented or replaced from time to time.

"*Securities Act*" means the Securities Act of 1933, as amended from time to time.

"*Securitization*" means a public or private transfer, sale or financing of (i) Servicing Advances, (ii) MSRs (other than MSRs relating to MTM MSR Indebtedness), (iii) mortgage loans, (iv) installment contracts, (v) deferred servicing fees, (vi) warehouse loans secured by mortgage loans, (vii) mortgage backed and other asset backed securities, including interest only securities, (viii) dealer floorplan loans and/or (ix) other loans and related assets, (x) other receivables or similar assets (or any interests in any of the foregoing) and any other asset capable of being securitized, (clauses (i)-(x) above, collectively, the "*Securitization Assets*") by which the Company or any of its Restricted Subsidiaries directly or indirectly securitizes a pool of specified Securitization Assets including, without limitation, any such transaction involving the sale of specified Securitization Assets to a Securitization Entity, but excluding any MTM MSR Indebtedness and any MSRs relating to MTM MSR Indebtedness.

"*Securitization Assets*" has the meaning specified in the definition of "Securitization."

"*Securitization Entity*" means (i) any Person (whether or not a Restricted Subsidiary of the Company) established for the purpose of issuing asset-backed or mortgaged-backed or mortgage pass-through securities of any kind (including collateralized mortgage obligations and net interest margin securities), (ii) any special purpose Subsidiary established for the purpose of selling, depositing or contributing Securitization Assets into a Person described in clause (i) or holding securities in any related Securitization Entity, regardless of whether such person is an issuer of securities; provided that such Person is not an obligor with respect to any Indebtedness of the Company and (iii) any special purpose Subsidiary of the Company formed exclusively for the purpose of satisfying the requirements of Credit Enhancement Agreements and regardless of

whether such Subsidiary is an issuer of securities; provided that such Person is not an obligor with respect to any Indebtedness of the Company other than under Credit Enhancement Agreements.

"*Securitization Indebtedness*" means (i) Indebtedness of the Company or any of its Restricted Subsidiaries incurred pursuant to on-balance sheet Securitizations treated as financings and (ii) any Indebtedness consisting of advances made to the Company or any of its Restricted Subsidiaries based upon securities issued by a Securitization Entity pursuant to a Securitization and acquired or retained by the Company or any of its Restricted Subsidiaries.

"*Senior Financial Officer*" means, with respect to any Person, the chief financial officer, the chief executive officer, principal accounting officer, treasurer, assistant treasurer or financial controller of such Person.

"*Servicing*" means loan servicing, sub-servicing rights, special servicing rights and master servicing rights and obligations including one or more of the following functions (or a portion thereof): (a) the administration and collection of payments for the reduction of principal and/or the application of interest on a loan (including for the avoidance of doubt, administering any loan modification and other loss mitigation efforts); (b) the collection of payments on account of taxes and insurance; (c) the remittance of appropriate portions of collected payments; (d) the provision of full escrow administration; (e) the right to receive fees and other compensation and any ancillary fees arising from or connected to the assets serviced, earnings and other benefits of the related accounts and, in each case, all rights, powers and privileges incident to any of the foregoing, and expressly includes the right to enter into arrangements with third Person that generate ancillary fees and benefits with respect to the serviced assets (whether such assets are serviced as primary servicer, sub-servicer, special servicer and/or master servicer); (f) the realization on the security for a loan (and the administration of any related REO Assets); and (g) any other obligation imposed on a servicer pursuant to a Servicing Agreement.

"*Servicing Advance Facility*" means any funding arrangement with lenders collateralized in whole or in part by Servicing Advances under which advances are made to the Company or any of its Restricted Subsidiaries based on such collateral.

"*Servicing Advances*" means the right to be reimbursed for advances made by the Company or any of its Restricted Subsidiaries in its capacity as servicer or any predecessor servicer of any mortgage-related receivables to fund principal, interest, escrow, foreclosure, insurance, tax or other payments or advances when the borrower on the underlying receivable is delinquent in making payments on such receivable; to enforce remedies, manage and liquidate REO Assets; or that the Company or any of its Restricted Subsidiaries otherwise advances in its capacity as servicer or any predecessor servicer pursuant to any Servicing Agreement.

"*Servicing Agreements*" means any servicing agreements (including whole loan servicing agreements for portfolios of whole mortgage loans), pooling and servicing agreements, interim servicing agreements and other servicing agreements, and any other agreement governing the rights, duties and obligations of either the Company or any Restricted Subsidiary, as a servicer, under such servicing agreements, including the servicing guide of any Specified Government

Entities, as a servicer, under such servicing agreements (including for the avoidance of doubt, any agreements related to primary servicing, sub-servicing, special servicing and master servicing).

"*Short Sales*" is defined in Section 5A.9.

"*Significant Subsidiary*" with respect to any Person, means any Subsidiary of such Person that satisfies the criteria for a "significant subsidiary" set forth in Rule 1-02 of Regulation S-X under the Exchange Act, as such regulation is in effect on the Signing Date.

"*Solvent*" means, with respect to any Person, that as of the date of determination, both (i) (a) the sum of such Person's debt (including contingent liabilities) does not exceed the present fair saleable value of such Person's present assets; (b) such Person's capital is not unreasonably small in relation to its business or with respect to any transaction contemplated to be undertaken after the date of determination; and (c) such Person has not incurred and does not intend to incur, or believe (nor should it reasonably believe) that it will incur, debts beyond its ability to pay such debts as they become due (whether at maturity or otherwise); and (ii) such Person is "solvent" within the meaning given that term and similar terms under the Bankruptcy Code and other applicable laws relating to fraudulent transfers and conveyances. For purposes of this definition, the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability (irrespective of whether such contingent liabilities meet the criteria for accrual under Statement of Financial Accounting Standards No. 5).

"*Specified Deferred Servicing Fees*" means the right to payment, whether now or hereafter acquired or created, of deferred fees payable to the Company and its Restrictive Subsidiaries under each of the Servicing Agreements; provided, however, that "Specified Deferred Servicing Fees" shall not include any rights to repayment of Servicing Advances.

"*Specified Government Entities*" means the Federal Housing Administration, Veterans Administration, Ginnie Mae, Fannie Mae, Freddie Mac or other similar governmental agencies or government sponsored programs.

"*Specified Loan Value*" means (i) the fair value of all receivables evidencing loans made to unaffiliated third parties, any interest in the real properties or other collateral underlying such loans and any proceeds thereof held by the Company and its Restricted Subsidiaries on a consolidated basis less (ii) the aggregate outstanding amount of Indebtedness under any repurchase agreement or other financing agreement that is secured by and attributable to such loans.

"*Specified MSR Value*" means the value of all MSRs of the Company and its Restricted Subsidiaries, as such value is determined by the Company in good faith using the same methodology that the Company uses when preparing its financial statements. For the avoidance of doubt, "Specified MSR Value" shall not include the value of any Specified Deferred Servicing Fees.

"*Specified Net Servicing Advances*" means the amount of (i) the sum of (A) the book value of all Servicing Advances (including, but not limited to, all Unencumbered Servicing Advances) and (B) all deferred servicing fees that are pledged pursuant to any Servicing Advance Facility, less (ii) the aggregate outstanding amounts under any Servicing Advance Facility.

"*Specified Residual Value*" means (i) the fair value of all Residual Interests held by the Company and its Restricted Subsidiaries on a consolidated basis less (ii) the aggregate outstanding amount of Indebtedness under any Residual Funding Facility.

"*Subsequent Closing*" is defined in Section 3.

"*Subsequent Issue Date*" is defined in Section 2.

"*Subsidiary*," with respect to any Person, means:

(1) any corporation of which the outstanding Capital Stock having at least a majority of the votes entitled to be cast in the election of directors under ordinary circumstances shall at the time be owned, directly or indirectly, by such Person; or

(2) any other Person of which at least a majority of the voting interest under ordinary circumstances is at the time, directly or indirectly, owned by such Person.

"*Tangible Net Worth*" means (i) the Consolidated Total Assets of the Company and its Subsidiaries less (1) goodwill and (2) intangible assets of the Company and its Subsidiaries, less (ii) the Company's and its Subsidiaries' Total Liabilities, in each case determined on a consolidated basis in accordance with GAAP, as shown on the most recent balance sheet of the Company.

"*Total Assets*" means the total assets of the Company and its Restricted Subsidiaries, determined on a consolidated basis in accordance with GAAP, as shown on the most recent balance sheet of the Company.

"*Total Liabilities*" means the total liabilities of the Company and its Subsidiaries, determined on a consolidated basis in accordance with GAAP, as shown on the most recent balance sheet of the Company.

"*Total LTV Ratio*" means (I) as of the last date of any Fiscal Quarter, the loan-to-value ratio as of such date of (i) the aggregate principal amount of the Corporate Indebtedness then outstanding to (ii) the sum of:

(A) Specified Net Servicing Advances, *plus*

(B) Specified Deferred Servicing Fees that are subject to a valid and perfected first priority Lien in favor of the New Notes Collateral Trustee, *plus*

(C) the excess of Specified MSR Value over the aggregate outstanding principal balance of MTM MSR Indebtedness and Permitted MSR Indebtedness to the extent advanced with respect to MSRs, *plus*

(D) the greater of zero and the result of (x) the sum of (i) all Unrestricted Cash of the Company and any guarantor in respect of the New First Lien Notes that is subject to a valid and perfected first priority lien in favor of the New Notes Collateral Trustee and (ii) up to $40,000,000 of Unrestricted Cash of any Restricted Subsidiary that is not a guarantor in respect of the New First Lien Notes to the extent that such cash may be freely distributed by such Restricted Subsidiary to the Company or a guarantor in respect of the New First Lien Notes minus (y) $50,000,000, *plus*

(E) Advance Facility Reserves, *plus*

(F) Specified Loan Value, *plus*

(G) Specified Residual Value, *plus*

(H) without duplication of clause (D), the fair value of marketable securities held by the Company and its Subsidiaries that are subject to a valid and perfected first priority Lien in favor of the New Notes Collateral Trustee as of the last day of the most recently ended Fiscal Quarter for which financial statements have been delivered to the Holders;

provided that the foregoing calculations in clause (ii) shall not include (x) any assets that have a negative value and (y) any Excess Servicing Strips; and (II) as of any other date of determination, the amount set forth in clause (I) above as of the last day of the calendar month most recently ended for which internal financial statements are available, as calculated on a pro forma basis after giving effect to any Corporate Indebtedness incurred on such date.

"*Trading Window*" is defined in Section 5A.11.

"*Transaction Documents*" means the Notes Documents, the Warrants and the Registration Rights Agreement.

"*Transfer Agent*" is defined in Section 5A.6.

"*UCC*" means the Uniform Commercial Code (or any similar or equivalent legislation) as in effect in any applicable jurisdiction.

"*Unencumbered Servicing Advances*" means all rights to reimbursement or payment, whether now or hereafter acquired or created, of any Servicing Advances that do not collateralize or secure any Servicing Advance Facility, and includes, in any event, all rights to reimbursement or payment of Servicing Advances pursuant to the Servicing Agreements.

"*Unrestricted Cash*" means all unrestricted Cash and Cash Equivalents of the Company and its consolidated Subsidiaries that are not required to be reserved by such Person in a restricted escrow arrangement or other similarly restricted arrangement pursuant to a contractual

agreement or requirement of law. For purposes of clarification, Cash or Cash Equivalents that are deposited into an account with respect to which such Person has the sole right of withdrawal of such cash or Cash Equivalents and are available for use by such Person in its business without restriction shall be considered unrestricted regardless of whether there may be a Lien on such account.

"*Unrestricted Subsidiary*" means any Subsidiary of the Company that is designated by the Board of Directors of the Company as an Unrestricted Subsidiary pursuant to a resolution of the Board of Directors, but only to the extent that such Subsidiary:

(1) has no Indebtedness other than Non-Recourse Indebtedness and other Indebtedness that is not recourse to the Company or any Restricted Subsidiary or any of their assets;

(2) except as permitted by Section 8 of Annex B, is not party to any agreement, contract, arrangement or understanding with the Company or any Restricted Subsidiary of the Company unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to the Company or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Company;

(3) is a Person with respect to which neither the Company nor any of its Restricted Subsidiaries has any direct or indirect obligation (a) to subscribe for additional Equity Interests or (b) to maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results;

(4) has not guaranteed or otherwise directly or indirectly provided credit support for any Indebtedness of the Company or any of its Restricted Subsidiaries; and

(5) is concurrently designated as an Unrestricted Subsidiary under the New First Lien Notes or any Permitted Refinancing thereof (in each case, if outstanding).

For the avoidance of doubt, in no event shall PMC or PHH constitute an Unrestricted Subsidiary.

"*U.S. Economic Sanctions*" is defined in Section 5.33(a).

"*USA PATRIOT Act*" means United States Public Law 107-56, Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

"*Voting Stock*" of any Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the board of directors of such Person.

"*Warehouse Facility*" means any financing arrangement of any kind, including, but not limited to, financing arrangements in the form of repurchase facilities, loan agreements, note and/or other security issuance facilities and commercial paper facilities (excluding in all cases,

Securitizations), with a financial institution or other lender or purchaser exclusively to (i) either (x) finance or refinance the purchase, origination or funding by the Company or a Restricted Subsidiary of the Company of, or (y) provide funding to the Company or a Restricted Subsidiary of the Company through the pledge or transfer of, loans, mortgage-related securities (excluding securities related solely to MSRs) and other mortgage-related receivables (or any interest therein) purchased or originated by the Company or any Restricted Subsidiary of the Company in the ordinary course of business, (ii) finance or refinance Servicing Advances; or (iii) finance or refinance REO Assets related to loans and other mortgage-related receivables purchased or originated by the Company or any Restricted Subsidiary of the Company; or (iv) finance or refinance any Securitization Asset; provided that such purchase, origination, pooling, funding refinancing and carrying is in the ordinary course of business. Notwithstanding anything to the contrary, in no event shall a Warehouse Facility include any financing arrangement with respect to MSRs related to MTM MSR Indebtedness.

"*Warehouse Facility Trusts*" means any Person (whether or not a Subsidiary of the Company) established for the purpose of issuing notes or other securities in connection with a Warehouse Facility, which notes and securities are backed by (i) specified loans, mortgage-related securities and other receivables purchased by, and/or contributed to, such Person from the Company or any Restricted Subsidiary of the Company; (ii) specified Servicing Advances purchased by, and/or contributed to, such Person from the Company or any other Restricted Subsidiary of the Company; or (iii) the carrying of REO Assets related to loans and other receivables purchased by, and/or contributed to, such Person or any Restricted Subsidiary of the Company.

"*Warehouse Indebtedness*" means Indebtedness in connection with a Warehouse Facility; provided that the amount of any particular Warehouse Indebtedness as of any date of determination shall be calculated in accordance with GAAP.

"*Warrant Shares*" means the shares of Company Common Stock issuable on exercise of the Warrants.

"*Warrants*" is defined in Section 1.2.

"*Weighted Average Life to Maturity*" means, when applied to any Indebtedness, Disqualified Capital Stock or Preferred Stock, as the case may be, at any date, the number of years obtained by dividing: (1) the then outstanding aggregate principal amount of such Indebtedness or redemption or similar payment with respect to such Disqualified Capital Stock or Preferred Stock into (2) the sum of the total of the products obtained by multiplying (i) the amount of each then remaining scheduled installment, sinking fund, serial maturity or other required scheduled payment of principal, including payment at final maturity, in respect thereof, by (ii) the number of years (calculated to the nearest one-twelfth) which will elapse between such date and the making of such payment.

"*Wholly Owned Restricted Subsidiary*" of any Person means any Restricted Subsidiary of such Person of which all the outstanding voting securities (other than in the case of a Foreign Subsidiary, directors' qualifying shares or an immaterial amount of shares required to be owned

by other Persons pursuant to applicable law) are owned by such Person or any Wholly Owned Restricted Subsidiary of such Person.

SCHEDULE 4.15

Terms of New First Lien Notes

[Omitted]

SCHEDULE 5.7

Capitalization

[Omitted]

SCHEDULE 5.9

Filings, Consents and Approvals

[Omitted]

EXHIBIT 1

Form of Note

OCWEN FINANCIAL CORPORATION

Senior Secured Notes due 2027

No. [_____] [_____]
$[_____]

FOR VALUE RECEIVED, the undersigned, Ocwen Financial Corporation (herein called the "*Company*"), a corporation organized and existing under the laws of Florida, hereby promises to pay to [_____], or registered assigns, the principal sum of [_____] DOLLARS on [●], 2027[3] (the "*Maturity Date*"). Interest (computed on the basis of a 365 or 366-day year) shall accrue on the unpaid principal balance hereof at the rate of (i) 12.00% per annum in respect of interest paid in cash and (ii) 13.25% per annum in respect of PIK Interest (as defined below), in each case from the date hereof until the principal hereof shall have been paid in full, with such interest payable quarterly on the last Business Day of each March, June, September and December (the "*Interest Payment Date*") in each year, commencing March 31, 2021, and on the Maturity Date. On each Interest Payment Date (other than the Maturity Date), the Company shall be permitted to either (a) pay the full amount of interest for such interest period on the unpaid principal balance hereof entirely in cash to the Holder of the Note or (b) if the Company shall have delivered written notice to such Holder of its intention to do so at least five (5) Business Days in advance of the Interest Payment Date, (i) pay interest for such interest period on all or a portion of the unpaid principal balance hereof by capitalizing an amount equal to the *product of* (x) 13.25% *multiplied by* (y) the quotient of (A) the number days in such interest period over (B) the number of days in such calendar year *multiplied by* (z) the unpaid principal balance hereof for which PIK Interest has been elected (the "*PIK Interest*") on such Interest Payment Date by issuing a new Note in an aggregate principal amount equal to the amount of PIK Interest payable on such Interest Payment Date and (ii) pay interest for such interest period on all or a portion of the unpaid principal balance hereof in cash on such Interest Payment Date in an amount equal to the *product of* (x) 12.00% *multiplied by* (y) the quotient of (A) the number days in such interest period over (B) the number of days in such calendar year *multiplied by* (z) the unpaid principal balance hereof for which cash interest has been elected, *provided*, *however*, that (i) the Company shall make the same interest election ratably with respect to all then-outstanding Notes on each Interest Payment Date and (ii) with respect to Interest Payment Dates occurring after [•], 2022[4], the Company shall pay interest in cash on outstanding Notes on each Interest Payment Date in an aggregate amount at least equal to the lesser of (x) 7.00% *per annum* (determined based on the aggregate amount of Notes outstanding) and (y) the total Unrestricted Cash of the Company and its Subsidiaries *less* the greater of (i)

[3] To be the sixth anniversary of the Initial Issue Date or, if such day is not a Business Day, the immediately preceding Business Day
[4] To be the first anniversary of the Initial Issue Date

$125,000,000 and (ii) the minimum liquidity amount required by any Agency. Following an increase in the principal amount of this Note as a result of PIK Interest, this Note shall bear interest on such increased principal amount from and after the date of such increase. On the Maturity Date, all interest on this Note shall be paid solely in cash. At any time when an Event of Default has occurred and is continuing, all amounts outstanding under this Note shall bear interest at 2.00% per annum above the interest rate otherwise applicable thereto, with such additional amounts required to be paid in cash on each Interest Payment Date and on demand.

Payments of principal of, interest (other than PIK Interest) on and any Make-Whole Amount owing pursuant to the Note Purchase Agreement shall be made in lawful money of the United States of America on the terms set forth in Section 14 of the Note Purchase Agreement.

This Note is one of the Notes (herein called the "*Notes*") issued pursuant to the Note and Warrant Purchase Agreement, dated as of February 9, 2021 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "*Note Purchase Agreement*"), among the Company, the Purchasers signatory thereto and the Collateral Agent named therein and is entitled to the benefits thereof. Each Holder of this Note will be deemed, by its acceptance hereof, to have agreed to the confidentiality provisions set forth in Section 20 of the Note Purchase Agreement. Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Note Purchase Agreement.

This Note is a registered Note that shall be issued and evidenced in electronic form (in "portable document format" (".pdf") form or any other electronic form) and, as provided in the Note Purchase Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered Holder hereof or such Holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

This Note is subject to optional and mandatory redemption, in whole or from time to time in part, at the times and on the terms (including with respect to the required payment of any applicable Make-Whole Amount) specified in the Note Purchase Agreement, but not otherwise.

If an Event of Default occurs and the Obligations are accelerated pursuant to Section 12.1 of the Note Purchase Agreement, the principal of this Note shall become due and payable in the manner, at the price (including any applicable Make-Whole Amount) and with the effect provided in the Note Purchase Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of New York, excluding choice-of-law principles of the law of such state that would require the application of the laws of a jurisdiction other than such State.

OCWEN FINANCIAL CORPORATION

By: _____
Name:
Title:

EXHIBIT 2

Form of Warrant Certificate

[Filed separately]

EXHIBIT 3

SECTION 1.01 Taxes.

(a) Defined Terms. For purposes of this Section, the term "applicable law" includes FATCA.

(b) Payments Free of Taxes. Any and all payments by or on account of any obligation of the Company under any Notes Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law requires the deduction or withholding of any Tax from any such payment by the Company, then the Company shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the Company shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Holder receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c) Payment of Other Taxes by Company. The Company shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the applicable Holder timely reimburse it for the payment of, any Other Taxes.

(d) Indemnification by Company. The Company shall indemnify each Holder, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Holder or required to be withheld or deducted from a payment to such Holder and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Company by a Holder, shall be conclusive absent manifest error.

(e) Evidence of Payments. As soon as practicable after any payment of Taxes by the Company to a Governmental Authority pursuant to this Section, the Company shall deliver to the applicable Holder the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to such applicable Holder.

(f) Status of Holders. (i) Any Holder that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Notes Document shall deliver to the Company, at the time or times reasonably requested by the Company, such properly completed and executed documentation reasonably requested by the Company as will permit such payments to be made without withholding or at a

reduced rate of withholding. In addition, any Holder, if reasonably requested by the Company, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Company as will enable the Company to determine whether or not such Holder is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in paragraphs (g)(ii)(A), (ii)(B) and (ii)(D) of this Section) shall not be required if in the Holder's reasonable judgment such completion, execution or submission would subject such Holder to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Holder.

(ii) Without limiting the generality of the foregoing,

(A) any Holder that is a U.S. Person shall deliver to the Company on or about the date on which such Holder becomes a Holder under this Agreement (and from time to time thereafter upon the reasonable request of the Company), executed copies of IRS Form W-9 certifying that such Holder is exempt from U.S. federal backup withholding tax;

(B) any foreign Holder shall, to the extent it is legally entitled to do so, deliver to the Company (in such number of copies as shall be requested by the recipient) on or about the date on which such foreign Holder becomes a Holder under this Agreement (and from time to time thereafter upon the reasonable request of the Company, whichever of the following is applicable:

(1) in the case of a foreign Holder claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Notes Document, executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Notes Document, IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2) executed copies of IRS Form W-8ECI;

(3) in the case of a foreign Holder claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit 3A to the effect that such foreign Holder is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a

"10 percent shareholder" of the Company within the meaning of Section 871(h)(3)(B) of the Code, or a "controlled foreign corporation" related to the Company as described in Section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (y) executed copies of IRS Form W-8BEN or IRS Form W8BEN-E; or

(4) to the extent a foreign Holder is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, IRS Form W8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit 3B or Exhibit 3C, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the foreign Holder is a partnership and one or more direct or indirect partners of such foreign Holder are claiming the portfolio interest exemption, such foreign Holder may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit 3D on behalf of each such direct and indirect partner;

(C) any foreign Holder shall, to the extent it is legally entitled to do so, deliver to the Company on or about the date on which such foreign Holder becomes a Holder under this Agreement (and from time to time thereafter upon the reasonable request of the Company), executed copies of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Company r to determine the withholding or deduction required to be made; and

(D) if a payment made to a Holder under any Notes Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Holder were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Holder shall deliver to the Company at the time or times prescribed by law and at such time or times reasonably requested by the Company such documentation prescribed by Applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Company as may be necessary for the Company to comply with its obligations under FATCA and to determine that such Holder has complied with such Holder's obligations under FATCA or to determine the amount, if any, to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall

include any amendments made to FATCA after the date of this Agreement.

Each Holder agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Company in writing of its legal inability to do so.

(g) Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section (including by the payment of additional amounts pursuant to this Section), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (h) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (h), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (h) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(h) [Reserved].

(i) Survival. Each party's obligations under this Section shall survive any assignment of rights by, or the replacement of, a Holder and the repayment, satisfaction or discharge of all obligations under any Notes Document.

SECTION 1.02 [Reserved].

SECTION 1.03 Definitions.

As used in this Exhibit, the following terms have the following meanings:

"Change in Law" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or

(c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

"Connection Income Taxes" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"Excluded Taxes" means any of the following Taxes imposed on or with respect to a Holder or required to be withheld or deducted from a payment to a Holder, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Holder being organized under the laws of, or having its principal office or its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Holder, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Holder with respect to an applicable interest in a Note pursuant to a law in effect on the date on which (i) such Holder acquires such interest in the Note or (ii) such Holder changes its lending office, except in each case to the extent that, pursuant to Section 1.01 of this Exhibit, amounts with respect to such Taxes were payable either to such Holder's assignor immediately before such Holder became a party hereto or to such Holder immediately before it changed its lending office, (c) Taxes attributable to such Holder's failure to comply with Section 1.01(g) of this Exhibit and (d) any withholding Taxes imposed under FATCA.

"FATCA" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Company under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

"IRS" means the United States Internal Revenue Service.

"Other Connection Taxes" means, with respect to any Holder, Taxes imposed as a result of a present or former connection between such Holder and the jurisdiction imposing such Tax (other than connections arising from such Holder having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Notes Document, or sold or assigned an interest in any Note or Notes Document).

"Other Taxes" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Notes Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment.

"Treasury Regulations" means the Treasury regulations promulgated under the Code.

EXHIBIT 3A

FORM OF
U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Holders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Note and Warrant Purchase Agreement dated as of February 9, 2021 (as amended, supplemented or otherwise modified from time to time, the "*Note Purchase Agreement*"), among OCWEN FINANCIAL CORPORATION, a corporation organized under the laws of Florida, Oaktree Fund Administration, LLC, in its capacity as collateral agent for the Holders and the Purchasers signatory thereto.

Pursuant to the provisions of Section 1.01 of Exhibit 3 of the Note Purchase Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Notes in respect of which it is providing this certificate, (ii) it is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a "ten percent shareholder" of the Company within the meaning of Section 871(h)(3)(B) of the Code and (iv) it is not a "controlled foreign corporation" related to the Company as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Company with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E. By executing this certificate, the undersigned agrees that (1) if the information provided in this certificate changes, the undersigned shall promptly so inform the Company, and (2) the undersigned shall have at all times furnished the Company with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Note Purchase Agreement and used herein shall have the meanings given to them in the Note Purchase Agreement.

[NAME OF HOLDER]

By:_____
Name:
Title:

Date: _____ __, 20[ ]

EXHIBIT 3B

FORM OF
U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Note and Warrant Purchase Agreement dated as of February 9, 2021 (as amended, supplemented or otherwise modified from time to time, the "*Note Purchase Agreement*"), among OCWEN FINANCIAL CORPORATION, a corporation organized under the laws of Florida, Oaktree Fund Administration, LLC, in its capacity as collateral agent for the Holders and the Purchasers signatory thereto.

Pursuant to the provisions of Section 1.01 of Exhibit 3 of the Note Purchase Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a "ten percent shareholder" of the Company within the meaning of Section 871(h)(3)(B) of the Code and (iv) it is not a "controlled foreign corporation" related to the Company as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Holder with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E. By executing this certificate, the undersigned agrees that (1) if the information provided in this certificate changes, the undersigned shall promptly so inform such Holder in writing, and (2) the undersigned shall have at all times furnished such Holder with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Note Purchase Agreement and used herein shall have the meanings given to them in the Note Purchase Agreement.

[NAME OF PARTICIPANT]

By:_____
Name:
Title:

Date: _____ __, 20[ ]

EXHIBIT 3C

FORM OF
U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Note and Warrant Purchase Agreement dated as of February 9, 2021 (as amended, supplemented or otherwise modified from time to time, the "*Note Purchase Agreement*"), among OCWEN FINANCIAL CORPORATION, a corporation organized under the laws of Florida, Oaktree Fund Administration, LLC, in its capacity as collateral agent for the Holders and the Purchasers signatory thereto.

Pursuant to the provisions of Section 1.01 of Exhibit 3 of the Note Purchase Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect such participation, neither the undersigned nor any of its direct or indirect partners/members is a "bank" extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a "ten percent shareholder" of the Company within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a "controlled foreign corporation" related to the Company as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Holder with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or IRS Form W-8BEN-E or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided in this certificate changes, the undersigned shall promptly so inform such Holder and (2) the undersigned shall have at all times furnished such Holder with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Note Purchase Agreement and used herein shall have the meanings given to them in the Note Purchase Agreement.

[NAME OF PARTICIPANT]

By:_____
Name:
Title:

Date: _____ __, 20[ ]

EXHIBIT 3D

FORM OF
U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Holders That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Note and Warrant Purchase Agreement dated as of February 9, 2021 (as amended, supplemented or otherwise modified from time to time, the "*Note Purchase Agreement*"), among OCWEN FINANCIAL CORPORATION, a corporation organized under the laws of Florida, Oaktree Fund Administration, LLC, in its capacity as collateral agent for the Holders and the Purchasers signatory thereto.

Pursuant to the provisions of Section 1.01 of Exhibit 3 of the Note Purchase Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Notes in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Notes, (iii) with respect to the extension of credit pursuant to the Note Purchase Agreement or any other Notes Document, neither the undersigned nor any of its direct or indirect partners/members is a "bank" extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a "ten percent shareholder" of the Company within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a "controlled foreign corporation" related to the Company as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Company with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or IRS Form W-8BEN-E or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided in this certificate changes, the undersigned shall promptly so inform the Company, and (2) the undersigned shall have at all times furnished the Company with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Note Purchase Agreement and used herein shall have the meanings given to them in the Note Purchase Agreement.

[NAME OF HOLDER]
By:_____
Name:
Title:

Date: _____ __, 20[ ]

EXHIBIT 4

FORM OF REGISTRATION RIGHTS AGREEMENT

[Filed separately]

EXHIBIT 5

MAV Transaction Agreement Amendment

[Filed separately]

EXHIBIT 6

Form of Junior Priority Intercreditor Agreement

[Omitted]

EXHIBIT 7

Form of Security Agreement

[Omitted]

EXECUTION VERSION

Certain Schedules and Exhibits have been omitted in accordance with Item 601(a)(5) of Regulation S-K. A copy of any referenced schedules will be furnished supplementally to the SEC upon request.

ND SECURITY AGREEMENT

:h 4, 2021

CORPORATION,

r,

NISTRATION, LLC,

Agent

TABLE OF CONTENTS

This **SECOND LIEN NOTES PLEDGE AND SECURITY AGREEMENT**, dated as of March 4, 2021 (this "**Agreement**"), between Ocwen Financial Corporation, a Florida corporation (the "**Grantor**" or the "**Parent**") and Oaktree Fund Administration, LLC, as collateral agent for the Secured Parties (as herein defined) (in such capacity as collateral agent, together with its successors and permitted assigns, the "**Collateral Agent**").

RECITALS:

WHEREAS, reference is made to that certain Note and Warrant Purchase Agreement, dated as of February 9, 2021 (as it may be amended, restated, supplemented or otherwise modified from time to time, the "**Note Purchase Agreement**"), by and among the Grantor, the Collateral Agent and the purchasers from time to time party thereto (the "**Purchasers**") pursuant to which the Grantor has issued, and may from time to time hereafter issue, its Senior Secured Notes due 2027 (the "**Notes**") upon the terms and subject to the conditions set forth therein;

WHEREAS, it is a condition to the issuance of the Notes that the Grantor executes and delivers the applicable Security Documents, including this Agreement;

WHEREAS, the Grantor is executing and delivering this Agreement pursuant to the terms of the Note Purchase Agreement to induce the Collateral Agent and the Purchasers to enter into the Note Purchase Agreement and to induce the Purchasers and other Holders to purchase the Notes; and

WHEREAS, the rights of the Holders of the Notes with respect to the Liens on any Collateral granted by the Grantor shall be further governed by that Junior Priority Intercreditor Agreement.

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the Grantor and the Collateral Agent agree as follows:

Section 1. DEFINITIONS; GRANT OF SECURITY.

1.1 General Definitions. In this Agreement, the following terms shall have the following meanings:

"**Agreement**" shall have the meaning set forth in the preamble.

"**Cash Proceeds**" shall have the meaning assigned in Section 9.7 hereof.

"**Collateral**" shall have the meaning assigned in Section 2.1 hereof.

"**Collateral Agent**" shall have the meaning set forth in the preamble, and its successors and assigns.

"**Collateral Records**" shall mean books, records, ledger cards, files, correspondence, customer lists, supplier lists, blueprints, technical specifications, manuals, computer software and related doc- umentation, computer printouts, tapes, disks and other electronic storage media and related data processing software and similar items that at any time evidence or contain information relating to any of the Collateral or are otherwise necessary or helpful in the collection thereof or realization thereupon.

"**Collateral Support**" shall mean all property (real or personal) assigned, hypothecated or otherwise securing any Collateral and shall include any security agreement or other agreement granting a lien or security interest in such real or personal property.

"**Continuing**" means, with respect to any Default or Event of Default, that such Default or Event of Default has not been cured or waived or otherwise ceased to exist.

"**Contracts**" shall mean all contracts, leases and other agreements entered into by the Grantor pursuant to which the Grantor has the right (i) to receive moneys due and to become due to it thereunder or in connection therewith, (ii) to damages arising thereunder and (iii) to perform and to exercise all reme- dies thereunder.

"**Control**" shall mean: (1) with respect to any Deposit Accounts, control within the meaning of Section 9-104 of the UCC, (2) with respect to any Securities Accounts, Security Entitlements, Com- modity Contracts or Commodity Accounts, control within the meaning of Section 9-106 of the UCC, (3) with respect to any Uncertificated Securities, control within the meaning of Section 8-106(c) of the UCC, (4) with respect to any Certificated Security, control within the meaning of Section 8-106(a) or (b) of the UCC, (5) with respect to any Electronic Chattel Paper, control within the meaning of Section 9-105 of the UCC, (6) with respect to Letter of Credit Rights, control within the meaning of Section 9-107 of the UCC and (7) with respect to any "transferable record" (as that term is defined in Section 201 of the Federal Electronic Signatures in Global and National Commerce Act or in Section 16 of the Uniform Electronic Transactions Act as in effect in any relevant jurisdiction), control within the meaning of Section 201 of the Federal Electronic Signatures in Global and National Commerce Act or in Section 16 of the Uniform Electronic Transactions Act as in effect in the jurisdiction relevant to such transferable record.

"**Controlled Foreign Corporation**" shall mean "controlled foreign corporation" as defined in the Code.

"**Copyright Licenses**" shall mean any and all agreements, licenses and covenants providing for the granting of any right in or any Copyright or otherwise providing for a covenant not to sue for infringement or other violation of any Copyright including, without limitation, each agreement required to be listed in Schedule 5.2(II)(B) under the heading "Copyright Licenses" (as such schedule may be amended or supplemented from time to time).

"**Copyrights**" shall mean all United States, and foreign copyrights (whether or not the underlying works of authorship have been published), including but not limited to copyrights in software and all rights in and to databases, all designs (including but not limited to industrial designs, Protected Designs within the meaning of 17 U.S.C. 1301 et seq. and Community designs) and all Mask Works (as defined under 17 U.S.C. 901 of the U.S. Copyright Act), whether registered or unregistered, as well as all moral rights, reversionary interests, and termination rights, and, with respect to any and all of the foregoing: (i) all registrations and applications therefor including, without limitation, the registrations and applications required to be listed in Schedule 5.2(II)(A) under the heading "Copyrights" (as such schedule may be amended or supplemented from time to time), (ii) all extensions and renewals thereof, (iii) the right to sue or otherwise recover for any past, present and future infringement or other violation thereof, (iv) all Pro- ceeds of the foregoing, including, without limitation, license fees, royalties, income, payments, claims, damages and proceeds of suit now or hereafter due and/or payable with respect thereto and (v) all other rights of any kind accruing thereunder or pertaining thereto throughout the world.

"Custodial Accounts" shall mean any custodial accounts or clearing accounts established in the name of the Grantor in the ordinary course of business to hold funds on behalf of a third party in

connection with the origination or funding of any mortgage or other consumer loans or pursuant to or con- taining funds received solely in connection with Servicing Agreements in the Grantor's capacity as servicer, bailee or custodian and any related accounts maintained in the ordinary course of the Grantor's origination or servicing businesses in the name of the Grantor that are used solely for the collection, maintenance and dis- bursement of such funds on behalf of third parties for insurance payments, tax payments, suspense payments and other similar payments required to be made by the Grantor in its capacity as originator or servicer; pro- vided that the books and records of the Grantor indicate that such accounts are being held "in trust for" or on behalf of another Person; provided further that the accounts listed on Schedules 5.2(I)(G), 5.2(I)(H) and 5.2(I)(I) shall not qualify as Custodial Accounts.

"**Discharge of the First Priority Obligations**" shall have the meaning ascribed to such term in the Junior Priority Intercreditor Agreement.

"**Excluded Asset**" shall mean any asset of the Grantor excluded from the security interest hereunder by virtue of Section 2.2 hereof but only to the extent, and for so long as, so excluded thereunder.

"**First Lien Collateral Agent**" shall have the meaning ascribed to such term in the Junior Priority Intercreditor Agreement.

"**First Priority Obligations**" shall have the meaning ascribed to such term in the Junior Priority Intercreditor Agreement.

"**Governmental Authority**" shall mean any federal, state, municipal, national or other government, governmental department, central bank, commission, board, bureau, court, agency or instru- mentality or political subdivision thereof or any entity, officer or examiner exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any government (including any supra- national body exercising such powers or functions, such as the European Union or the European Central Bank) or any court, in each case whether associated with a state of the United States, the United States, or a foreign entity or government.

"**Grantor**" shall have the meaning set forth in the preamble.

"**Insurance**" shall mean (i) all insurance policies covering any or all of the Collateral (re- gardless of whether the Collateral Agent is the loss payee thereof) and (ii) any key man life insurance policies.

"**Intellectual Property**" shall mean, the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under the United States, multinational or foreign laws or otherwise, including without limitation, Copyrights, Copyright Licenses, Patents, Patent Licenses, Trademarks, Trademark Licenses, Trade Secrets, and Trade Secret Licenses, and the right to sue or other- wise recover for any past, present and future infringement, dilution, misappropriation, or other violation or impairment thereof, including the right to receive all Proceeds therefrom, including without limitation li- cense fees, royalties, income, payments, claims, damages and proceeds of suit, now or hereafter due and/or payable with respect thereto.

"**Intellectual Property Security Agreement**" shall mean each intellectual property security agreement executed and delivered by the Grantor, substantially in the form set forth in Exhibit C, Ex- hibit D or Exhibit E, as applicable.

"**Investment Accounts**" shall mean the Securities Accounts, Commodity Accounts and Deposit Accounts.

"**Investment Related Property**" shall mean: (i) all "investment property" (as such term is defined in Article 9 of the UCC) and (ii) all of the following (regardless of whether classified as investment property under the UCC): all Pledged Equity Interests, Pledged Debt, Investment Accounts and certificates of deposit.

"**Material Adverse Effect**" shall mean any event, change, effect, development, circumstance or condition that has caused or could reasonably be expected to cause a material adverse change, material adverse effect on and/or material adverse developments with respect to (i) the business, general affairs, assets, liabilities, operations, management, financial condition, stockholders' equity or results of operations or value of the Grantor and each of its Subsidiaries taken as a whole; (ii) the ability of the Grantor fully and timely to perform its Secured Obligations; (iii) the legality, validity, binding effect or enforcea- bility against the Grantor of any Notes Document or (iv) the rights, remedies and benefits available to, or conferred upon, any Holder, Purchaser or other Secured Party under any Notes Document.

"**Material Intellectual Property**" shall mean any Intellectual Property included in the Collateral that is material to the business of the Grantor, as determined by the Grantor.

"**Notes**" shall have the meaning set forth in the preamble.

"**Note Purchase Agreement**" shall have the meaning set forth in the preamble.

"**Notes Obligations**" shall mean all obligations of the Grantor under the Notes, the Note Purchase Agreement and the Security Documents, whether for principal, interest (including interest which, but for the filing of a petition in bankruptcy with respect to the Grantor would have accrued on any Notes Obligation, whether or not a claim is allowed against the Grantor for such interest in the related bankruptcy proceeding), premium, fees, expenses, indemnification or otherwise.

"**Organizational Documents**" shall mean with respect to any Person all formation, organizational and governing documents, instruments and agreements, including (i) with respect to any corporation, its certificate or articles of incorporation or organization, as amended, supplemented or otherwise modified, and its by-laws, as amended, supplemented or otherwise modified, (ii) with respect to any limited partnership, its certificate of limited partnership, as amended, supplemented or otherwise modified, and its partnership agreement, as amended, supplemented or otherwise modified, (iii) with respect to any general partnership, its partnership agreement, as amended, supplemented or otherwise modified and (iv) with respect to any limited liability company, its articles of organization, as amended, supplemented or otherwise modified, and its oper- ating agreement, as amended, supplemented or otherwise modified. In the event any term or condition of the Note Purchase Agreement or any other Notes Document requires any Organizational Document to be certified by a secretary of state or similar governmental official, the reference to any such "Organizational Document" shall only be to a document of a type customarily certified by such governmental official.

"**Parent**" shall have the meaning set forth in the preamble.

"**Patent Licenses**" shall mean all agreements, licenses and covenants providing for the granting of any right in or to any Patent or otherwise providing for a covenant not to sue for infringement or other violation of any Patent (whether the Grantor is licensee or licensor thereunder) including, without limitation, each agreement required to be listed in Schedule 5.2(II)(D) under the heading "Patent Licenses" (as such schedule may be amended or supplemented from time to time).

"**Patents**" shall mean all United States and foreign patents and certificates of invention, or similar industrial property rights, and applications for any of the foregoing, including, without limitation:

(i) each patent and patent application required to be listed in Schedule 5.2(II)(C) under the heading "Pa- tents" (as such schedule may be amended or supplemented from time to time), (ii) all reissues, divisions, continuations, continuations-in-part, extensions, renewals, and reexaminations thereof, (iii) the right to sue or otherwise recover for any past, present and future infringement or other violation thereof, (iv) all Pro- ceeds of the foregoing, including, without limitation, license fees, royalties, income, payments, claims, damages, and proceeds of suit now or hereafter due and/or payable with respect thereto and (v) all other rights of any kind accruing thereunder or pertaining thereto throughout the world.

"**PHH**" means PHH Corporation, a wholly-owned subsidiary of the Grantor and parent company of PHH Mortgage Corporation, a New Jersey corporation.

"**Pledge Supplement**" shall mean an agreement substantially in the form of Exhibit A hereto.

"**Pledged Debt**" shall mean, subject to Section 2.2, all indebtedness for borrowed money owed to the Grantor, whether or not evidenced by any Instrument, including, without limitation, all indebtedness described on Schedule 5.2(I)(F) under the heading "Pledged Debt" (as such schedule may be amended or supplemented from time to time), issued by the obligors named therein, the instruments, if any, evidencing such any of the foregoing, and all interest, cash, instruments and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the foregoing.

"**Pledged Equity Interests**" shall mean all Pledged Stock, Pledged LLC Interests, Pledged Partnership Interests and any other participation or interests in any equity or profits of any business entity including, without limitation, any trust and all management rights relating to any entity whose equity inter- ests are included as Pledged Equity Interests.

"**Pledged LLC Interests**" shall mean, subject to Section 2.2, all interests in any limited liability company and each series thereof including, without limitation, all limited liability company inter- ests listed on Schedule 5.2(I)(B) under the heading "Pledged LLC Interests" (as such schedule may be amended or supplemented from time to time) and the certificates, if any, representing such limited liability company interests and any interest of the Grantor on the books and records of such limited liability company or on the books and records of any securities intermediary pertaining to such interest and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such limited liability company interests and all rights as a member of the related limited liability company.

"**Pledged Partnership Interests**" shall mean, subject to Section 2.2, all interests in any general partnership, limited partnership, limited liability partnership or other partnership including, without limitation, all partnership interests listed on Schedule 5.2(I)(C) under the heading "Pledged Partnership Interests" (as such schedule may be amended or supplemented from time to time) and the certificates, if any, representing such partnership interests and any interest of the Grantor on the books and records of such partnership or on the books and records of any securities intermediary pertaining to such interest and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or pro- ceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such partnership interests and all rights as a partner of the related partnership.

"**Pledged Stock**" shall mean, subject to Section 2.2, all shares of capital stock owned by the Grantor, including, without limitation, all shares of capital stock described on Schedule 5.2(I)(A) under the heading "Pledged Stock" (as such schedule may be amended or supplemented from time to time), and the certificates, if any, representing such shares and any interest of the Grantor in the entries on the books

of the issuer of such shares or on the books of any securities intermediary pertaining to such shares, and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or pro- ceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such shares.

"**Purchasers**" shall have the meaning set forth in the recitals.

"**Receivables**" shall mean (i) all "accounts" (as such term is defined in Article 9 of the UCC and (ii) all rights to payment, whether or not earned by performance, for goods or other property sold, leased, licensed, assigned or otherwise disposed of, or services rendered or to be rendered, including, with- out limitation all such rights constituting or evidenced by any Account, Chattel Paper, Instrument, General Intangible or Investment Related Property, together with all of Grantor's rights, if any, in any goods or other property giving rise to such right to payment and all Collateral Support and Supporting Obligations related thereto and all Receivables Records.

"**Receivables Records**" shall mean (i) all original copies of all documents, instruments or other writings or electronic records or other Records evidencing the Receivables, (ii) all books, correspond- ence, credit or other files, Records, ledger sheets or cards, invoices, and other papers relating to Receivables, including, without limitation, all tapes, cards, computer tapes, computer discs, computer runs, record keep- ing systems and other papers and documents relating to the Receivables, whether in the possession or under the control of Grantor or any computer bureau or agent from time to time acting for Grantor or otherwise, (iii) all evidences of the filing of financing statements and the registration of other instruments in connection therewith, and amendments, supplements or other modifications thereto, notices to other creditors, secured parties or agents thereof, and certificates, acknowledgments, or other writings, including, without limita- tion, lien search reports, from filing or other registration officers, (iv) all credit information, reports and memoranda relating thereto and (v) all other written or non-written forms of information related in any way to the foregoing or any Receivable.

"**Secured Obligations**" shall have the meaning assigned in Section 3.1 hereof.

"**Secured Parties**" shall mean the Collateral Agent and each Holder of the Notes.

"**Securities**" shall mean any stock, shares, partnership interests, voting trust certificates,

certificates of interest or participation in any profit-sharing agreement or arrangement, options, warrants, bonds, debentures, notes, or other evidences of indebtedness, secured or unsecured, convertible, subordi- nated or otherwise, or in general any instruments commonly known as "securities" or any certificates of interest, shares or participations in temporary or interim certificates for the purchase or acquisition of, or any right to subscribe to, purchase or acquire, any of the foregoing.

"**Specified MSRs**" means MSRs owned by the Grantor (other than MSRs relating to Servicing Agreements entered into with Specified Government Entities); provided, however, that "Specified MSRs" shall not include any rights to repayment of Servicing Advances.

"**Trademark Licenses**" shall mean any and all agreements, licenses and covenants providing for the granting of any right in or to any Trademark or otherwise providing for a covenant not to sue for infringement, dilution or other violation of any Trademark or permitting co-existence with respect to a Trademark (whether the Grantor is licensee or licensor thereunder) including, without limitation, each agreement required to be listed in Schedule 5.2(II)(F) under the heading "Trademark Licenses" (as such schedule may be amended or supplemented from time to time).

"**Trademarks**" shall mean all United States, and foreign trademarks, trade names, trade dress, corporate names, company names, business names, fictitious business names, Internet domain names, service marks, certification marks, collective marks, logos, other source or business identifiers, designs and general intangibles of a like nature, whether or not registered and with respect to any and all of the foregoing: (i) all registrations and applications therefor including, without limitation, the registrations and applications required to be listed in Schedule 5.2(II)(E) under the heading "Trademarks" (as such schedule may be amended or supplemented from time to time), (ii) all extensions or renewals of any of the foregoing, (iii) all of the goodwill of the business connected with the use of and symbolized by any of the foregoing, (iv) the right to sue or otherwise recover for any past, present and future infringement, dilution or other violation of any of the foregoing or for any injury to the related goodwill, (v) all Proceeds of the foregoing, including, without limitation, license fees, royalties, income, payments, claims, damages, and proceeds of suit now or hereafter due and/or payable with respect thereto and (vi) all other rights of any kind accruing thereunder or pertaining thereto throughout the world.

"**Trade Secret Licenses**" shall mean any and all agreements providing for the granting of any right in or to Trade Secrets (whether the Grantor is licensee or licensor thereunder) including, without limitation, each agreement required to be listed in Schedule 5.2(II)(G) under the heading "Trade Secret Licenses" (as such schedule may be amended or supplemented from time to time).

"**Trade Secrets**" shall mean all trade secrets, including all documents and things embodying, incorporating, or referring in any way to the foregoing, and with respect to any and all of the foregoing: (i) the right to sue or otherwise recover for any past, present and future misappropriation or other violation thereof, (ii) all Proceeds of the foregoing, including, without limitation, license fees, royalties, income, payments, claims, damages, and proceeds of suit now or hereafter due and/or payable with respect thereto and (iii) all other rights of any kind accruing thereunder or pertaining thereto throughout the world.

"**UCC**" shall mean the Uniform Commercial Code as in effect from time to time in the State of New York; provided, however, that in the event that, by reason of mandatory provisions of law, any or all of the perfection or priority of, or remedies with respect to, any Collateral is governed by the Uniform Commercial Code as enacted and in effect in a jurisdiction other than the State of New York, the term "UCC" shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions hereof relating to such perfection, priority or remedies.

"**United States**" shall mean the United States of America.

1.2 Definitions; Interpretation.

(a) In this Agreement, the following capitalized terms shall have the meaning given to them in the UCC (and, if defined in more than one Article of the UCC, shall have the meaning given in Article 9 thereof): Account, Account Debtor, As-Extracted Collateral, Bank, Certificated Security, Chattel Paper, Commercial Tort Claims, Commodity Account, Commodity Contract, Commodity Intermediary, Deposit Account, Document, Electronic Chattel Paper, Entitlement Order, Equipment, Farm Products, Fixtures, General Intangibles, Goods, Health-Care-Insurance Receivable, Instrument, Inventory, Letter of Credit Right, Manufactured Home, Money, Payment Intangible, Proceeds, Record, Securities Account, Securities Intermediary, Security Certificate, Security Entitlement, Supporting Obligations, Tangible Chat- tel Paper and Uncertificated Security.

(b) All other capitalized terms used herein (including the preamble and recitals hereto) and not otherwise defined herein shall have the meanings ascribed thereto in the Note Purchase Agreement. The incorporation by reference of terms defined in the Note Purchase Agreement shall survive any termination of the Note Purchase Agreement until this agreement is terminated as provided in Section 11 hereof.

Any of the terms defined herein may, unless the context otherwise requires, be used in the singular or the plural, depending on the reference. References herein to any Section, Appendix, Schedule or Exhibit shall be to a Section, an Appendix, a Schedule or an Exhibit, as the case may be, hereof unless otherwise specifically provided. The use herein of the word "include" or "including", when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not non-limiting language (such as "without limitation" or "but not limited to" or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that fall within the broadest possible scope of such general statement, term or matter. The terms lease and license shall include sub- lease and sub-license, as applicable. If any conflict or inconsistency exists between this Agreement and the Note Purchase Agreement, the Note Purchase Agreement shall govern. All references herein to provisions of the UCC shall include all successor provisions under any subsequent version or amendment to any Article of the UCC.

Section 2. GRANT OF SECURITY.

2.1 Grant of Security.

(a) The Grantor hereby grants to the Collateral Agent, for the benefit of the Secured Parties, a security interest in and continuing lien on all of the Grantor's right, title and interest in, to and under all personal property of the Grantor including, but not limited to the following, in each case whether now owned or existing or hereafter acquired or arising and wherever located (all of which being hereinafter collectively referred to as the "**Collateral**"):

(i) Accounts;

(ii) Contracts;

(iii) Chattel Paper;

(iv) Documents;

(v) General Intangibles;

(vi) Goods (including all of its Equipment, Fixtures and Inventory), together with all accessions, additions, attachments, improvements, substitutions and replacements thereto and therefor;

(vii) Instruments;

(viii) Insurance;

(ix) Intellectual Property;

(x) Investment Related Property (including, without limitation, Deposit Accounts);

(xi) Letter of Credit Rights;

(xii) Money;

(xiii) Receivables and Receivables Records;

(xiv) Commercial Tort Claims now or hereafter described on Schedule 5.2(III);

(xv) to the extent not otherwise included above, all other personal property of any kind and all Collateral Records, Collateral Support and Supporting Obligations relating to any of the foregoing; and

(xvi) to the extent not otherwise included above, all Proceeds, products, accessions, rents and profits of or in respect of any of the foregoing.

(b) Notwithstanding anything herein to the contrary, (i) the liens and security interests granted to Collateral Agent pursuant to this Agreement are expressly subject and subordinate to the liens and security interests granted in favor of the First Priority Secured Parties (as defined in the Junior Priority Intercreditor Agreement), including liens and security interests granted to the First Lien Collateral Agent, and (ii) the exercise of any right or remedy by the Collateral Agent or any other secured party hereunder is subject to the limitations and provisions of the Junior Priority Intercreditor Agreement. In the event of any conflict between the terms of the Junior Priority Intercreditor Agreement and the terms of this Agreement, the terms of the Junior Priority Intercreditor Agreement shall govern; provided that nothing in the Junior Priority Intercreditor Agreement shall limit the rights, protections, immunities or indemnities of the Collat- eral Agent under the Notes Documents. Notwithstanding anything herein to the contrary, prior to the Dis- charge of the First Priority Obligations, the requirements of this Agreement to deliver Collateral to the Collateral Agent shall be deemed satisfied by delivery of such Collateral to the First Lien Collateral Agent.

2.2 Certain Limited Exclusions. Notwithstanding anything herein or in any other Notes Doc- ument to the contrary, in no event shall the Collateral (as such term is defined herein and used herein) include or the security interest granted under Section 2.1 hereof attach to:

(a) any lease, license, contract or agreement to which the Grantor is a party, and any of its rights or interest thereunder, if and to the extent that a security interest is prohibited by or in violation of (i) any law, rule or regulation applicable to the Grantor, or (ii) a term, provision or condition of any such lease, license, contract, property right or agreement (unless such law, rule, regulation, term, provision or condition would be rendered ineffective with respect to the creation of the security interest hereunder pur- suant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law (including the Bankruptcy Code) or principles of eq- uity); provided, however, that the Collateral shall include (and such security interest shall attach) immedi- ately at such time as the contractual or legal prohibition shall no longer be applicable and to the extent severable, shall attach immediately to any portion of such lease, license, contract or agreement not subject to the prohibitions specified in (i) or (ii) above; provided further that the exclusions referred to in this clause (a) shall not include any Proceeds of any such lease, license, contract or agreement;

(b) any of the outstanding voting capital stock of (i) (x) any Foreign Subsidiary or any Subsidiary of the Grantor that is treated as a partnership or a disregarded entity for U.S. federal income tax purposes and that has no material assets other than the stock of one or more Subsidiaries that are controlled foreign corporations within the meaning of Section 957 of the Code ("*CFC*"), or (y) any Subsidiary of the Grantor that is a CFC, in each case, in excess of 65% of all classes of capital stock of such Subsidiary; *provided* that to the extent the pledge of a greater percentage of the capital stock in such Subsidiary is permitted without adverse tax consequences, the Collateral shall include, and the security interest granted by the Grantor shall attach to, such greater percentage of capital stock of each such Subsidiary; (ii) any Subsidiary of the Grantor (other than PHH) to the extent that the grant by the applicable pledgors of a Lien in the equity interest of such Subsidiary to secure the Notes (x) is prohibited or restricted by applicable law, rule or regulation or would require governmental (including regulatory) consent, approval, license or au- thorization unless such consent, approval, license or authorization has been received or (y) is prohibited or

restricted by any contractual obligation existing on the Signing Date for so long as such prohibition or restriction is in effect (or, with respect to any Subsidiary acquired after the Signing Date, on the date such Subsidiary is so acquired, so long as such contractual obligation was not incurred in contemplation of such investment or acquisition and for so long as such prohibition or restriction is in effect) (unless in each case of this clause (y), such prohibition, restriction or requirement would be rendered ineffective with respect to the creation of the security interest under the Security Documents pursuant to Section 9-408 of the UCC (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law (including the Bankruptcy Code) or principles of equity); provided, however, that the Collateral shall include (and such security interest shall attach) immediately at such time as the contractual or legal prohibition shall no longer be applicable and to the extent severable, shall attach immediately to any portion of such equity interests not subject to the prohibitions specified in this clause (ii); (iii) any Subsidiary of the Grantor that is a captive insurance company; (iv) any Unrestricted Subsidiary; or (v) a Securitization Entity that cannot be pledged as a result of restrictions in its or its parent's Organizational Documents or documents governing or related to its or its subsidiaries' Indebtedness;

(c) any applications for trademarks or service marks filed in the United States Patent and Trademark Office (the "**PTO**") pursuant to 15 U.S.C. §1051 Section 1(b) unless and until evidence of use of the mark in interstate commerce is submitted to the PTO pursuant to 15 U.S.C. §1051 Section 1(c) or Section 1(d);

(d) any MSRs that are not Specified MSRs (other than to the extent excluded under clause (e) below);

(e) Securitization Assets and any assets or property subject to a Permitted Lien securing Non-Recourse Indebtedness, Permitted Funding Indebtedness, Permitted Securitization Indebtedness and Indebtedness under Credit Enhancement Agreements;

(f) any Custodial Accounts;

(g) any REO Assets;

(h) any assets where a grant of security would require governmental (including regulatory) consent, approval, license or authorization unless such consent, approval, license or authorization has been received (unless such requirement would be rendered ineffective with respect to the creation of the security interest under the Security Documents pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law (including the Bankruptcy Code) or principles of equity); provided, however, that the Collateral shall in- clude (and such security interest shall attach) immediately at such time as such requirement shall no longer be applicable and to the extent severable, shall attach immediately to any portion of such assets not subject to the requirements specified in this clause (h);

(i) (x) any segregated deposit account or securities account containing solely (i) deposits secured by Liens in the ordinary course of business in connection with workers' compensation, unem- ployment insurance and other types of social security, or to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, government contracts, trade contracts, performance and return-of-money bonds and other similar obligations (exclusive of obligations for the payment of borrowed money or other Indebtedness), so long as no foreclosure, sale or similar proceedings have been commenced with respect to any portion of the Collateral on account thereof, or (ii) pledges or deposits in connection with workers' compensation, unemployment insurance and other social security legislation, in each case, to the extent and for so long as the contract or other agreement in which such Lien is granted validly prohibits the creation of any other Lien on such property and (y) any property of a person existing at the time such person

is acquired or merged with or into or consolidated with the Grantor that is subject to a Lien permitted pursuant to clause (5) or (6) of the definition of "Permitted Liens" as set forth in the Note Purchase Agreement; provided that any such Lien shall encumber only those assets which secured such Indebtedness at the time such assets were acquired by the Grantor or its Subsidiaries, to the extent and for so long as the contract or other agreement in which such Lien is granted validly prohibits the creation of any other Lien on such prop- erty; and

(j) all fee-owned real property;

provided that, irrespective of the foregoing, the following assets shall constitute "Collateral": (1) Unencumbered Servicing Advances to the extent such security interest is permitted to be granted by applicable law and regulations and the applicable servicing agreement and (2) Specified Deferred Servicing Fees and Specified MSRs, in each case other than to the extent excluded under clause (e) above; *provided, further*, that Excluded Assets shall not include any proceeds, substitutions or replacements of any property referred to in clauses (a) through (j) above (unless such proceeds, substitutions or replacements would constitute Excluded Assets referred to in clauses (a) through (j) above).

Notwithstanding anything contained herein to the contrary, the Grantor shall not be required to (i) take any action to create or perfect any security interest in the Collateral under the laws of any jurisdiction outside the United States, or (ii) take any action to perfect any security interest in any aircraft or any trucks, trailers, tractors, service vehicles, automobiles, rolling stock or other mobile equipment covered by certifi- cate of title ownership (except, in each case, the filing of a financing statement).

Section 3. SECURITY FOR OBLIGATIONS; GRANTOR REMAINS LIABLE.

3.1 Security for Obligations. This Agreement secures, and the Collateral is collateral security for, the prompt and complete payment or performance in full when due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise (including (x) the payment of amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. §362(a) (and any successor provision thereof) and (y) interest and fees accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), of all Notes Obligations with respect to the Grantor (the "**Secured Obligations**").

3.2 Continuing Liability Under Collateral. Notwithstanding anything herein to the contrary, (i) the Grantor shall remain liable for all obligations under the Collateral and nothing contained herein is intended or shall be a delegation of duties to the Collateral Agent or any Secured Party, (ii) the Grantor shall remain liable under each of the agreements included in the Collateral, including, without limitation, any agreements relating to Pledged Partnership Interests or Pledged LLC Interests, to perform all of the obligations undertaken by it thereunder all in accordance with and pursuant to the terms and provisions thereof and neither the Collateral Agent nor any Secured Party shall have any obligation or liability under any of such agreements by reason of or arising out of this Agreement or any other document related thereto nor shall the Collateral Agent nor any Secured Party have any obligation to make any inquiry as to the nature or sufficiency of any payment received by it or have any obligation to take any action to collect or enforce any rights under any agreement included in the Collateral, including, without limitation, any agree- ments relating to Pledged Partnership Interests or Pledged LLC Interests and (iii) the exercise by the Col- lateral Agent of any of its rights hereunder shall not release the Grantor from any of its duties or obligations under the contracts and agreements included in the Collateral.

Section 4. CERTAIN PERFECTION REQUIREMENTS.

4.1 Delivery Requirements.

(a) Subject to the terms of the Junior Priority Intercreditor Agreement, with respect to any Certificated Securities included in the Collateral, the Grantor shall deliver to the Collateral Agent (or its agent, designee or bailee) the Security Certificates evidencing such Certificated Securities duly indorsed by an effective indorsement (within the meaning of Section 8-107 of the UCC), or accompanied by share transfer powers or other instruments of transfer duly endorsed by such an effective endorsement, in each case, to the Collateral Agent or in blank. In addition, subject to the terms of the Junior Priority Intercreditor Agreement, the Grantor shall cause any certificates evidencing any Pledged Equity Interests, including, without limitation, any Pledged Partnership Interests or Pledged LLC Interests, to be similarly delivered to the Collateral Agent regardless of whether such Pledged Equity Interests constitute Certificated Securities.

(b) Subject to the terms of the Junior Priority Intercreditor Agreement, with respect to any Instruments or Tangible Chattel Paper included in the Collateral, the Grantor shall deliver to the Collateral Agent all such Instruments or Tangible Chattel Paper (other than any mortgage loans, auto dealer floorplan loans, or consumer loans owned by the Grantor in the ordinary course of business) to the Collateral Agent duly indorsed in blank; provided, however, that such delivery requirement shall not apply to any Instruments or Tangible Chattel Paper having a face amount of less than $500,000 individually or $1,000,000 in the aggregate.

4.2 Control Requirements.

(a) With respect to any Uncertificated Security included in the Collateral (other than any Uncertificated Securities credited to a Securities Account), the Grantor shall cause the issuer of such Uncertificated Security (other than any such issuer which is a Foreign Subsidiary or a Securitization Entity) to either (i) register the Collateral Agent (or, prior to the Discharge of the First Priority Obligations, the First Lien Collateral Agent) as the registered owner thereof on the books and records of the issuer or (ii) execute an agreement substantially in the form of Exhibit B hereto (or such other agreement in form and substance reasonably satisfactory to the Collateral Agent), pursuant to which such issuer agrees to comply with the Collateral Agent's (or, prior to the Discharge of the First Priority Obligations, the First Lien Col- lateral Agent) instructions with respect to such Uncertificated Security without further consent by the Gran- tor which instructions shall only be given upon the occurrence and during the Continuance of an Event of Default.

(b) With respect to any Letter of Credit Rights relating to letters of credit drawable for an amount of $5,000,000 or more included in the Collateral (other than any Letter of Credit Rights consti- tuting a Supporting Obligation for a Receivable in which the Collateral Agent has a valid and perfected security interest), Grantor shall use commercially reasonable efforts to ensure that Collateral Agent (or, prior to the Discharge of the First Priority Obligations, the First Lien Collateral Agent) has Control thereof by obtaining the written consent of each issuer of each related letter of credit to the assignment of the proceeds of such letter of credit to the Collateral Agent (or, prior to the Discharge of the First Priority Obligations, the First Lien Collateral Agent).

(c) With respect to any Deposit Account (other than any Deposit Account excluded from the Collateral pursuant to Section 2.2), the Grantor shall execute and shall use commercially reasonable efforts to cause each account bank maintaining such Deposit Account to execute an agreement (in form and substance reasonably satisfactory to the Collateral Agent) granting Control over such Deposit Account to the Collateral Agent (or, prior to the Discharge of the First Priority Obligations, the First Lien Collateral Agent) within 90 days of the date hereof with respect to any Deposit Account maintained on the date hereof

and within 30 days of opening or acquisition of any other Deposit Account after the date hereof; *provided however*, that such Control requirement shall not apply to any Deposit Accounts with a value of less than, or having funds or other assets credited thereto with a value of less than, $1,000,000 individually or $5,000,000 in the aggregate.

4.3 Intellectual Property Recording Requirements.

(a) In the case of any Material Intellectual Property (whether now owned or hereafter acquired) consisting of U.S. Patents and Patent Licenses in respect of U.S. Patents for which the Grantor is the licensee and the U.S. Patents are specifically identified, Grantor shall execute and deliver to the Collateral Agent a Patent Security Agreement in substantially the form of Exhibit E hereto (or a supplement thereto) covering all such Patents and Patent Licenses in appropriate form for recordation with the U.S. Patent and Trademark Office with respect to the security interest of the Collateral Agent.

(b) In the case of any Material Intellectual Property (whether now owned or hereafter acquired) consisting of U.S. Trademarks and Trademark Licenses in respect of U.S. Trademarks for which the Grantor is the licensee and the U.S. Trademarks are specifically identified, Grantor shall execute and deliver to the Collateral Agent a Trademark Security Agreement in substantially the form of Exhibit C hereto (or a supplement thereto) covering all such Trademarks and Trademark Licenses in appropriate form for recordation with the U.S. Patent and Trademark Office with respect to the security interest of the Col- lateral Agent.

(c) In the case of any Material Intellectual Property (whether now owned or hereafter acquired) consisting of registered U.S. Copyrights and Copyright Licenses in respect of U.S. Copyrights for which the Grantor is the licensee and the U.S. Copyright registrations are specifically identified, Grantor shall execute and deliver to the Collateral Agent a Copyright Security Agreement in substantially the form of Exhibit D hereto (or a supplement thereto) covering all such Copyright and Copyright Licenses is in appropriate form for recordation with the U.S. Copyright Office with respect to the security interest of the Collateral Agent.

4.4 Other Actions. With respect to any Pledged Partnership Interests and Pledged LLC Interests included in the Collateral, if the Grantor own less than 100% of the equity interests in any issuer of such Pledged Partnership Interests or Pledged LLC Interests, the Grantor shall use its commercially rea- sonable efforts to obtain the consent of each other holder of partnership interest or limited liability company interests in such issuer to the security interest of the Collateral Agent hereunder and following the occur- rence and during the Continuance of an Event of Default, the transfer of such Pledged Partnership Interests and Pledged LLC Interests to the Collateral Agent or its designee (or, prior to the Discharge of the First Priority Obligations, the First Lien Collateral Agent or its designee), and to the substitution of the Collateral Agent or its designee (or, prior to the Discharge of the First Priority Obligations, the First Lien Collateral Agent or its designee) as a partner or member with all the rights and powers related thereto. Without limiting the generality of the foregoing, each Grantor consents to the transfer of any Pledged Partnership Interest and any Pledged LLC Interest to the Collateral Agent or its designee following the occurrence and during the Continuance of an Event of Default and to the substitution of the Collateral Agent or its designee as a partner in any partnership or as a member in any limited liability company with all the rights and powers related thereto.

4.5 Timing and Notice. Except as provided in Section 4.2(c), with respect to any Collateral in existence on the Initial Issue Date, the Grantor shall comply with the requirements of Section 4 on the date hereof and with respect to any Collateral hereafter owned or acquired, the Grantor shall use commercially reasonable efforts to comply with such requirements within 30 days of Grantor acquiring rights therein. The Grantor shall promptly inform the Collateral Agent of its acquisition of any Collateral for

which any action is required by Section 4 hereof (including, for the avoidance of doubt, the filing of any applications for, or the issuance or registration of, any Patents, Copyrights or Trademarks).

Section 5. REPRESENTATIONS AND WARRANTIES.

The Grantor hereby represents and warrants, on the Initial Issue Date and the Subsequent Issue Date, that:

5.1 Grantor Information & Status.

(a) Schedule 5.1(A) & (B) (as such schedule may be amended or supplemented from time to time) sets forth under the appropriate headings: (1) the full legal name of the Grantor, (2) all trade names or other names under which the Grantor currently conducts business, (3) the type of organization of the Grantor, (4) the jurisdiction of organization of the Grantor, (5) its organizational identification number, if any, and (6) the jurisdiction where the chief executive office or its sole place of business is located;

(b) except as provided on Schedule 5.1(C), it has not changed its name, jurisdiction of organization, chief executive office or sole place of business or its corporate structure in any way (e.g., by merger, consolidation, change in corporate form or otherwise) and has not done business under any other name, in each case, within the past five (5) years;

(c) the Grantor has been duly organized and is validly existing as an entity of the type as set forth opposite the Grantor's name on Schedule 5.1(A) solely under the laws of the jurisdiction as set forth opposite the Grantor's name on Schedule 5.1(A) and remains duly existing as such. The Grantor has not filed any certificates of dissolution or liquidation, any certificates of domestication, transfer or contin- uance in any other jurisdiction; and

(d) the Grantor is not a "transmitting utility" (as defined in Section 9-102(a)(80) of the UCC).

5.2 Collateral Identification, Special Collateral.

(a) Schedule 5.2 (as such schedule may be amended or supplemented from time to time) sets forth under the appropriate headings all of the Grantor's: (1) Pledged Equity Interests, (2) Equity Interests (that would otherwise constitute a Pledged Equity Interest) to the extent they secure or are the subject of a negative pledge to support Non-Recourse Indebtedness of the Grantor, (3) Pledged Debt (other than mortgage loans or consumer loans owned by the Grantor in the ordinary course of business), (4) Se- curities Accounts included in the Collateral other than any Securities Accounts holding assets with a market value of less than $1,000,000 individually or $5,000,000 in the aggregate, (5) Deposit Accounts included in the Collateral other than any Deposit Accounts holding less than $1,000,000 individually or $5,000,000 in the aggregate, (6) Commodity Contracts and Commodity Accounts, (7) all United States and foreign registrations and issuances of and applications for Patents, Trademarks, and Copyrights owned by the Gran- tor, (8) all Patent Licenses, Trademark Licenses, Trade Secret Licenses and Copyright Licenses constituting Material Intellectual Property, (9) Commercial Tort Claims other than any Commercial Tort Claims having a value of less than $500,000 individually and $1,000,000 in the aggregate, and (10) Letter of Credit Rights for letters of credit other than any Letters of Credit Rights worth less than $500,000 individually or $1,000,000 in the aggregate. The Grantor shall supplement such schedules as necessary to ensure that such schedules are accurate on the Subsequent Issue Date;

(b) none of the Collateral constitutes, or is the Proceeds of, (1) Farm Products, (2) As-Extracted Collateral, (3) Health-Care-Insurance Receivables, (4) timber to be cut or (5) aircraft, aircraft

engines, satellites, ships or railroad rolling stock. No material portion of the collateral consists of motor vehicles or other goods subject to a certificate of title statute of any jurisdiction;

(c) all information supplied by the Grantor with respect to any of the Collateral (in each case taken as a whole with respect to any particular Collateral) is accurate and complete in all material respects; and

(d) not more than 10% of the value of all personal property included in the Collateral (other than the Equity Interests of Foreign Subsidiaries of the Grantor) is located in any country other than the United States.

5.3 Ownership of Collateral and Absence of Other Liens.

(a) the Grantor owns the Collateral purported to be owned by it or otherwise has the rights it purports to have in each item of Collateral and, as to all Collateral whether now existing or hereafter acquired, developed or created (including by way of lease or license), will continue to own or have such rights in each item of the Collateral (except as otherwise permitted by the Note Purchase Agreement), in each case free and clear of any and all Liens, rights or claims of all other Persons, including, without limi- tation, liens arising as a result of the Grantor becoming bound (as a result of merger or otherwise) as debtor under a security agreement entered into by another Person other than, in the case of priority only, any Permitted Liens; and

(b) other than any financing statements filed in favor of the Collateral Agent, no effective financing statement, fixture filing or other instrument similar in effect under any applicable law covering all or any part of the Collateral is on file in any filing or recording office except for (x) financing statements for which duly authorized proper termination statements have been delivered to the Collateral Agent for filing and (y) financing statements filed (i) in connection with Permitted Liens or (ii) by individuals with respect to claims that do not constitute Liens. Other than the Collateral Agent, the First Lien Collateral Agent and any automatic control in favor of a Bank, Securities Intermediary or Commodity In- termediary maintaining a Deposit Account, Securities Account or Commodity Contract, no Person is in Control of any Collateral.

5.4 Status of Security Interest.

(a) upon the filing of financing statements naming the Grantor as “debtor” and the Collateral Agent as “secured party” and describing the Collateral in the filing offices set forth opposite the Grantor’s name on Schedule 5.4 hereof (as such schedule may be amended or supplemented from time to time), the security interest of the Collateral Agent in all Collateral that can be perfected by the filing of a financing statement under the Uniform Commercial Code as in effect in any jurisdiction will constitute a valid, perfected, second priority (or, following the Discharge of the First Priority Obligations, first priority) Lien in favor of the Collateral Agent subject in the case of priority only, to any Permitted Liens with respect to Collateral. Each agreement purporting to give the Collateral Agent Control over any Collateral is effec- tive to establish the Collateral Agent’s Control of the Collateral subject thereto;

(b) to the extent perfection or priority of the security interest therein is not subject to Article 9 of the UCC, upon recordation of the security interests granted hereunder in Patents, Trademarks, Copyrights and exclusive Copyright Licenses in the applicable intellectual property registries, including but not limited to the United States Patent and Trademark Office and the United States Copyright Office, the security interests granted to the Collateral Agent hereunder shall constitute valid, perfected, second priority (or, following the Discharge of the First Priority Obligations, first priority) Liens (subject, in the case of priority only, to Permitted Liens);

(c) no authorization, consent, approval or other action by, and no notice to or filing with, any Governmental Authority or regulatory body or any other Person is required for either (i) the pledge or grant by the Grantor of the Liens purported to be created in favor of the Collateral Agent hereunder or (ii) the exercise by Collateral Agent of any rights or remedies in respect of any Collateral (whether specifically granted or created hereunder or created or provided for by applicable law), except (A) for the filings contemplated by clause (a) above, (B) as may be required, in connection with the disposition of any Investment Related Property, by laws generally affecting the offering and sale of Securities and (C) any consents needed to transfer the servicing under any servicing agreement to any successor servicer; and

(d) the Grantor is in compliance with its obligations under Section 4 hereof.

5.5 Pledged Equity Interests, Investment Related Property.

(a) it is the record and beneficial owner of the Pledged Equity Interests free of all Liens (other than Liens securing the First Priority Obligations), rights or claims of other Persons and there are no outstanding warrants, options or other rights to purchase, or shareholder, voting trust or similar agreements outstanding with respect to, or property that is convertible into, or that requires the issuance or sale of, any Pledged Equity Interests;

(b) no consent of any Person including any other general or limited partner, any other member of a limited liability company, any other shareholder or any other trust beneficiary is necessary or desirable in connection with the creation, perfection or priority of the security interest of the Collateral Agent in any Pledged Equity Interests or the exercise by the Collateral Agent of the voting or other rights provided for in this Agreement or the exercise of remedies in respect thereof except such as have been obtained; and

(c) all of the Pledged LLC Interests and Pledged Partnership Interests either (i) are or represent interests that by their terms provide that they are securities governed by the uniform commercial code of an applicable jurisdiction or (ii)(A) are not traded on securities exchanges or in securities markets, (B) are not "investment company securities" (as defined in Section 8-103(b) of the UCC) and (C) do not provide, in the related operating or partnership agreement, as applicable, certificates, if any, representing such Pledged LLC Interests or Pledged Partnership Interests, as applicable, or otherwise that they are securities governed by the Uniform Commercial Code of any jurisdiction.

5.6 Intellectual Property.

(a) to the best of the Grantor's knowledge: it is the sole and exclusive owner of the
entire right, title, and interest in and to all Intellectual Property listed on Schedule 5.2(II) (as such schedule may be amended or supplemented from time to time), or owns or has the right to use and, where the Grantor does so, sublicense others to use, all other Material Intellectual Property, free and clear of all Liens, claims and encumbrances, except for Permitted Liens and the licenses set forth on Schedule 5.2(II) (as such sched- ule may be amended or supplemented from time to time);

(b) to the best of the Grantor's knowledge: all Material Intellectual Property of the Grantor is subsisting and has not been adjudged invalid or unenforceable, in whole or in part, nor, in the case of Patents, is any of the Intellectual Property the subject of a reexamination proceeding, and the Grantor has performed all acts reasonably necessary and has paid all renewal, maintenance, and other fees and taxes required to maintain each and every registration and application of Copyrights, Patents and Trademarks of the Grantor constituting Material Intellectual Property in full force and effect;

(c) to the best of the Grantor's knowledge and excluding Intellectual Property that is the subject of a pending application: all Material Intellectual Property is valid and enforceable; no holding, decision, ruling, or judgment has been rendered in any action or proceeding before any court or administrative authority challenging the validity, enforceability, or scope of, or the Grantor's right to register, own or use, any Material Intellectual Property of the Grantor, and no such action or proceeding is pending or, to the best of the Grantor's knowledge, threatened;

(d) to the best of the Grantor's knowledge: all registrations, issuances and applications for Copyrights, Patents and Trademarks of the Grantor are standing in the name of the Grantor, and none of the Trademarks, Patents, Copyrights or Trade Secrets owned by the Grantor has been licensed by the Grantor to any Affiliate or third party, except as disclosed in Schedule 5.2(II) (as such schedule may be amended or supplemented from time to time);

(e) the Grantor has not made a previous assignment, sale, transfer, exclusive license or similar arrangement constituting a present or future assignment, sale, transfer, exclusive license or similar arrangement of any Material Intellectual Property that has not been terminated or released;

(f) the Grantor generally used appropriate statutory notice of registration in connection with its use of its registered Trademarks and proper marking practices in connection with the use of Patents constituting Material Intellectual Property;

(g) the Grantor has taken commercially reasonable steps to protect the confidentiality of its Trade Secrets constituting Material Intellectual Property;

(h) the Grantor controls the nature and quality of all products sold and all services rendered under or in connection with all Trademarks of the Grantor and has taken all action reasonably necessary to insure that all licensees of the Trademarks owned by the Grantor comply with the Grantor's standards of quality, in each case, to the extent constituting Material Intellectual Property; and

(i) to the best of the Grantor's knowledge: the conduct of the Grantor's business does not infringe, misappropriate, dilute or otherwise violate any Intellectual Property right of any other Person; and no claim has been made that the use of any Material Intellectual Property owned or used by the Grantor (or any of its respective licensees) infringes, misappropriates, dilutes or otherwise violates the asserted rights of any other Person, and no demand that the Grantor enter into a license or co-existence agreement has been made but not resolved.

Section 6. COVENANTS AND AGREEMENTS.

The Grantor hereby covenants and agrees that:

6.1 Grantor Information & Status.

(a) Without limiting any prohibitions or restrictions on mergers or other transactions
set forth in the Note Purchase Agreement, it shall not change its name, identity, corporate structure (e.g. by merger, consolidation, change in corporate form or otherwise), sole place of business, chief executive of- fice, type of organization or jurisdiction of organization or establish any trade names unless it shall have (a) notified the Collateral Agent in writing at least thirty (30) days prior to any such change or establishment, identifying such new proposed name, identity, corporate structure, sole place of business, chief executive office, jurisdiction of organization or trade name and providing such other information in connection there- with as the Collateral Agent may reasonably request and (b) taken all actions necessary to maintain the continuous validity, perfection and the same or better priority of the Collateral Agent's security interest in

the Collateral granted or intended to be granted and agreed to hereby, which in the case of any merger or other change in corporate structure shall include, without limitation, executing and delivering to the Collateral Agent a completed Pledge Supplement, substantially in the form of Exhibit A attached hereto together with all Supplements to Schedules thereto, upon completion of such merger or other change in corporate structure confirming the grant of the security interest hereunder.

6.2 Collateral Identification; Special Collateral.

(a) in the event that it hereafter acquires any Collateral of a type described in Section 5.2(b) hereof, it shall promptly notify the Collateral Agent thereof in writing and take such actions and execute such documents and make such filings all at Grantor's expense as necessary (or as the Collateral Agent may reasonably request) in order to ensure that the Collateral Agent has a valid, perfected, second priority (or, following the Discharge of the First Priority Obligations, first priority) security interest in such Collateral, subject in the case of priority only, to any Permitted Liens. Notwithstanding the foregoing, the Grantor shall not be required to notify the Collateral Agent or take any such action unless such Collateral is of a material value or is material to the Grantor's business; and

(b) in the event that it hereafter acquires or has any Commercial Tort Claim in excess of $500,000 individually or $1,000,000 in the aggregate it shall deliver to the Collateral Agent a completed Pledge Supplement, substantially in the form of Exhibit A attached hereto, together with all Supplements to Schedules thereto, identifying such new Commercial Tort Claims.

6.3 Ownership of Collateral and Absence of Other Liens.

(a) except for the security interest created by this Agreement, it shall not create or suffer to exist any Lien upon or with respect to any of the Collateral, other than Permitted Liens, and the Grantor shall defend the Collateral against all Persons at any time claiming any interest therein;

(b) upon the Grantor or any officer of the Grantor obtaining knowledge thereof, it shall promptly notify the Collateral Agent in writing of any event that is reasonably likely to have a Material Adverse Effect on the value of the Collateral or any material portion thereof, the ability of the Grantor or the Collateral Agent to dispose of the Collateral or any material portion thereof, or the rights and remedies of the Collateral Agent in relation thereto, including, without limitation, the levy of any legal process against the Collateral or any material portion thereof; and

(c) it shall not sell, transfer or assign (by operation of law or otherwise) or exclusively license to another Person any Collateral except as otherwise permitted by the Note Purchase Agreement.

6.4 Status of Security Interest.

(a) Subject to the limitations set forth in subsection (b) of this Section 6.4 and except as otherwise permitted by the Note Purchase Agreement, the Grantor shall maintain the security interest of the Collateral Agent hereunder in all Collateral as valid, perfected, second priority (or, following the Discharge of the First Priority Obligations, first priority) Liens (subject, in the case of priority only, to Permit- ted Liens).

(b) Notwithstanding the foregoing (or anything else to the contrary herein or in any other Security Document), the Grantor shall not be required to take any action to (i) other than as set forth in Section 4.2, perfect a security interest in any Collateral that can only be perfected by Control, (ii) make foreign filings with respect to Intellectual Property or (iii) make any filings with registrars of motor vehicles

or similar governmental authorities with respect to goods covered by a certificate of title, in each case except as and to the extent specified in Section 4 hereof.

6.5 Receivables.

(a) it shall keep and maintain at its own cost and expense satisfactory and complete records of the Receivables, including, but not limited to, the originals of all documentation with respect to all Receivables and records of all payments received and all credits granted on the Receivables, all merchandise returned and all other dealings therewith;

(b) other than in the ordinary course of business or as permitted by the Notes Documents, following and during the continuation of an Event of Default, (i) it shall not amend, modify, termi- nate or waive any provision of any Receivable in any manner which could reasonably be expected to have a material adverse effect on the value of such Receivable; and (ii) it shall not (w) grant any extension or renewal of the time of payment of any Receivable, (x) compromise or settle any dispute, claim or legal proceeding with respect to any Receivable for less than the total unpaid balance thereof, (y) release, wholly or partially, any Person liable for the payment thereof, or (z) allow any credit or discount thereon; and

(c) subject to the terms of the Junior Priority Intercreditor Agreement, at any time following the occurrence and during the continuation of an Event of Default, the Collateral Agent shall have the right to notify, or require the Grantor to notify, any Account Debtor of the Collateral Agent's security interest in the Receivables and any Supporting Obligation and, in addition, the Collateral Agent may: (1) direct the Account Debtors under any Receivables to make payment of all amounts due or to become due to the Grantor thereunder directly to the Collateral Agent; (2) notify, or require the Grantor to notify, each Person maintaining a lockbox or similar arrangement to which Account Debtors under any Receivables have been directed to make payment to remit all amounts representing collections on checks and other payment items from time to time sent to or deposited in such lockbox or other arrangement di- rectly to the Collateral Agent; and (3) enforce, at the expense of the Grantor, collection of any such Receiv- ables and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as the Grantor might have done. If the Collateral Agent notifies the Grantor that it has elected to collect the Receivables in accordance with the preceding sentence, any payments of Receivables received by the Grantor shall be forthwith (and in any event within two (2) Business Days) deposited by the Grantor in the exact form received, duly indorsed by the Grantor to the Collateral Agent and until so turned over, all amounts and proceeds (including checks and other instruments) received by the Grantor in respect of the Receivables, any Supporting Obligation or Collateral Support shall be received in trust for the benefit of the Collateral Agent hereunder and shall be segregated from other funds of the Grantor and the Grantor shall not adjust, settle or compromise the amount or payment of any Receivable, or release wholly or partly any Account Debtor or obligor thereof, or allow any credit or discount thereon.

6.6 Pledged Equity Interests, Investment Related Property.

(a) Except as provided in the next sentence, in the event the Grantor receives any dividends, interest or distributions on any Pledged Equity Interest or other Investment Related Property, upon the merger, consolidation, liquidation or dissolution of any issuer of any Pledged Equity Interest or Invest- ment Related Property, then (a) such dividends, interest or distributions and securities or other property shall be included in the definition of Collateral without further action and (b) the Grantor shall immediately take all steps, if any, necessary to ensure the validity, perfection, priority and, if applicable, control of the Collateral Agent over such Investment Related Property (including, without limitation, delivery thereof to the Collateral Agent to the extent otherwise required pursuant to this Agreement and subject to the terms of the Junior Priority Intercreditor Agreement) and pending any such action the Grantor shall be deemed to

hold such dividends, interest, distributions, securities or other property in trust for the benefit of the Collat- eral Agent and shall segregate such dividends, distributions, Securities or other property from all other property of the Grantor. Notwithstanding the foregoing, so long as no Event of Default shall have occurred and be Continuing, the Collateral Agent authorizes the Grantor to retain all cash dividends and distributions paid in the normal course of the business of the issuer and consistent with the past practice of the issuer and all payments of interest;

(b) Voting.

(i) So long as no Event of Default shall have occurred and be Continuing, except as otherwise provided under the covenants and agreements relating to Investment Related Property in this Agreement or elsewhere herein or in the Note Purchase Agreement, the Grantor shall be entitled to exercise or refrain from exercising any and all voting and other consensual rights pertaining to the Investment Related Property or any part thereof for any purpose not inconsistent with the terms of this Agreement or the Note Purchase Agreement; provided, the Grantor shall not exercise or refrain from exercising any such right without the prior written consent of the Collateral Agent (as directed by a majority of Holders in aggregate principal amount of Notes) if such action would have a Material Adverse Effect on the value of the Collateral; it being understood, however, that neither the voting by the Grantor of any Pledged Stock for, or the Grantor's consent to, the election of directors (or similar governing body) at a regularly scheduled annual or other meeting of stock-holders or with respect to incidental matters at any such meeting, nor the Grantor's consent to or approval of any action otherwise permitted under this Agreement and the Note Purchase Agreement, shall be deemed inconsistent with the terms of this Agreement or the Note Purchase Agreement within the meaning of this Section 6.6(b)(i); and

(ii) Upon the occurrence and during the continuation of an Event of Default, in each case subject to the terms of the Junior Priority Intercreditor Agreement:

(1) all rights of the Grantor to exercise or refrain from exercising the voting and other consensual rights which it would otherwise be entitled to exercise pursuant hereto shall cease and all such rights shall thereupon become vested in the Collateral Agent who shall thereupon have the sole right to exercise such voting and other consensual rights; and

(2) in order to permit the Collateral Agent to exercise the voting and other consensual rights which it may be entitled to exercise pursuant hereto and to receive all dividends and other distributions which it may be entitled to receive hereunder: (1) the Grantor shall promptly execute and deliver (or cause to be executed and delivered) to the Collateral Agent all proxies, dividend payment orders and other instruments as the Collateral Agent may from time to time reasonably request and (2) the Grantor acknowledges that the Collateral Agent may utilize the power of attorney set forth in Section 8.1; and

(c) Except to the extent not prohibited by the Note Purchase Agreement, without the prior written consent of the Collateral Agent (as directed by a majority of Holders in aggregate principal amount of Notes), it shall not vote to enable or take any other action to: (i) amend or terminate any partnership agreement, limited liability company agreement, certificate of incorporation, by-laws or other organizational documents in any way that materially changes the rights of the Grantor with respect to any Invest- ment Related Property or adversely affects the validity, perfection or priority of the Collateral Agent's security interest, (ii) permit any Subsidiary that is an issuer of any Pledged Equity Interest to issue any additional stock, partnership interests, limited liability company interests or other equity interests of any nature or to issue securities convertible into or granting the right of purchase or exchange for any stock or other equity interest of any nature of such issuer, (iii) permit any issuer of any Pledged Equity Interest to

dispose of all or a material portion of their assets, (iv) waive any default under or breach of any terms of organizational document relating to the issuer of any Pledged Equity Interest or the terms of any Pledged Debt consisting of intercompany debt or (v) cause any issuer of any Pledged Partnership Interests or Pledged LLC Interests which are not securities (for purposes of the UCC) on the date hereof to elect or otherwise take any action to cause such Pledged Partnership Interests or Pledged LLC Interests to be treated as secu- rities for purposes of the UCC; provided, however, notwithstanding the foregoing, if any issuer of any Pledged Partnership Interests or Pledged LLC Interests takes any such action in violation of the foregoing in this clause (v), the Grantor shall promptly notify the Collateral Agent in writing of any such election or action and, in such event, shall take all steps necessary or advisable to establish the Collateral Agent's "control" thereof; and

(d) Except to the extent not prohibited by the Note Purchase Agreement, without the prior written consent of the Collateral Agent (as directed by a majority of Holders in aggregate principal amount of Notes), it shall not permit any issuer of any Pledged Equity Interest to merge or consolidate unless (i) all the outstanding capital stock or other equity interests of the surviving or resulting corporation, limited liability company, partnership or other entity is, upon such merger or consolidation, pledged hereunder and no cash, securities or other property is distributed in respect of the outstanding equity interests of any other constituent Grantor; provided that if the surviving or resulting Grantor upon any such merger or consolidation involving an issuer which is a Controlled Foreign Corporation, then the Grantor shall only be required to pledge equity interests in accordance with Section 2 and (ii) Grantor promptly complies with the delivery and control requirements of Section 4 hereof.

(e) The Grantor covenants and agrees that, without the prior express written consent of the Collateral Agent (as directed by a majority of Holders in aggregate principal amount of Notes), it will not agree to any election by any limited liability company or partnership, as applicable, to treat the Pledged LLC Interests or Pledged Partnership Interests, as applicable, as securities governed by the Uniform Commercial Code of any jurisdiction and in any event will promptly notify the Collateral Agent in writing if the representation set forth in Section 5.5(c) becomes untrue for any reason and, in such event, take such action as necessary (or as the Collateral Agent may reasonably request) in order to establish the Collateral Agent's "control" (within the meaning of Section 8-106 of the New York UCC) over such Pledged LLC Interests or Pledged Partnership Interests, as applicable, subject to the terms of the Junior Priority Intercreditor Agreement. The Grantor shall not consent to any amendment to any related operating or partnership agreement, as applicable, that would render the representation in Section 5.5(c) to no longer be true and correct.

6.7 Intellectual Property.

(a) Except in each case as shall be consistent with commercially reasonable business judgment, it shall not do any act or omit to do any act whereby any of the Material Intellectual Property, as determined at the time of the determination, may lapse, or become abandoned, canceled, dedicated to the public, forfeited, unenforceable or otherwise impaired, or which would adversely affect the validity, grant, or enforceability of the security interest granted therein;

(b) it shall not, with respect to any Trademarks constituting Material Intellectual Property at the time, cease the use of any of such Trademarks or fail to maintain the level of the quality of products sold and services rendered under any of such Trademark at a level at least substantially consistent with the quality of such products and services as of the date hereof, and it shall take all steps reasonably necessary to insure that licensees of such Trademarks use such consistent standards of quality;

(c) it shall promptly notify the Collateral Agent if it receives any demand or threat or is the subject of any claim in a formal proceeding before a tribunal of competent authority of which it knows

or has reason to know that any item of Material Intellectual Property is or has become, or may become, (i) abandoned or dedicated to the public or placed in the public domain, (ii) invalid or unenforceable, (iii) subject to any adverse determination (including the institution of, or any adverse claim with respect to, any action or proceeding in the United States Patent and Trademark Office, the United States Copyright Office, any state registry, any foreign counterpart of the foregoing, or any court) or (iv) the subject of any reversion or termination rights;

(d) except in each case as shall be consistent with commercially reasonable business judgment, it shall take all reasonable steps, including in any proceeding before the United States Patent and Trademark Office, the United States Copyright Office, any state registry or any foreign counterpart of the foregoing, to pursue any application and maintain any registration or issuance of each Trademark, Patent, and Copyright owned by the Grantor and constituting Material Intellectual Property which is now or shall become included in the Intellectual Property including, but not limited to, those items on Schedule 5.2(II) (as such schedule may be amended or supplemented from time to time); and

(e) it shall use commercially reasonable efforts so as not to permit the inclusion in any contract to which it hereafter becomes a party of any provision that could or may in any way materially impair or prevent the creation of a security interest in, or the assignment of, its rights and interests in any property included within the definitions of any Material Intellectual Property acquired under such contracts.

Section 7. ACCESS; RIGHT OF INSPECTION AND FURTHER ASSURANCES.

7.1 Access; Right of Inspection. The Collateral Agent shall (at the Grantor's expense) at all times have full and free access (following reasonable advance notice) during normal business hours to all the books, correspondence and records of the Grantor, and the Collateral Agent and its representatives may (but shall not be obligated to) examine the same, take extracts therefrom and make photocopies thereof, and the Grantor agrees to render to the Collateral Agent, at the Grantor's cost and expense, such clerical and other assistance as may be reasonably requested with regard thereto. The Collateral Agent and its representatives shall at all times (following reasonable advance notice) also have the right (but not the obligation) to enter any premises of the Grantor and inspect any property of the Grantor (during normal business hours) where any of the Collateral of the Grantor granted pursuant to this Agreement is located for the purpose of inspecting the same, observing its use or otherwise protecting its interests therein.

7.2 Further Assurances.

(a) The Grantor agrees that from time to time, at the expense of the Grantor, that it shall promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary, or that the Collateral Agent may reasonably request, in order to create and/or maintain the validity, perfection or priority of and protect any security interest granted or purported to be granted hereby or to enable the Collateral Agent to exercise and enforce its rights and remedies hereunder with respect to any Collateral. Without limiting the generality of the foregoing, the Grantor shall:

(i) file such financing or continuation statements, or amendments thereto, record security interests in Intellectual Property and execute and deliver such other agreements, instruments, endorsements, powers of attorney or notices, as may be necessary or desirable, or as the Collateral Agent may reasonably request, in order to effect, reflect, perfect and preserve the security interests granted or purported to be granted hereby;

(ii) take all actions necessary to ensure the recordation of appropriate evidence of the liens and security interest granted hereunder in any Intellectual Property with any United States \intellectual property registry in which said Intellectual Property is registered or issued or in which \

an application for registration or issuance is pending including, without limitation, the United States Patent and Trademark Office, the United States Copyright Office, the various Secretaries of State;

(iii) at any reasonable time, upon reasonable request by the Collateral Agent, assemble the Collateral and allow inspection of the Collateral by the Collateral Agent, or persons designated by the Collateral Agent;

(iv) appear in and defend any action or proceeding that may affect the Grantor's title to or the Collateral Agent's security interest in all or any part of the Collateral; and

(v) furnish the Collateral Agent with such information regarding the Collateral, including, without limitation, the location thereof, as the Collateral Agent may reasonably request from time to time.

(b) Without limiting its obligations hereunder, the Grantor hereby authorizes the Collateral Agent to file a Record or Records, including, without limitation, financing or continuation state- ments, Intellectual Property Security Agreements and amendments and supplements to any of the foregoing, in any jurisdictions and with any filing offices as the Collateral Agent may determine, in its sole discretion, are necessary to perfect or otherwise protect the security interest granted to the Collateral Agent herein. Such financing statements may describe the Collateral in the same manner as described herein or may contain an indication or description of collateral that describes such property in any other manner as the Collateral Agent may determine, in its sole discretion, is necessary to ensure the perfection of the security interest in the Collateral granted to the Collateral Agent herein, including, without limitation, describing such property as "all assets, whether now owned or hereafter acquired, developed or created" or words of similar effect. The Grantor shall furnish to the Collateral Agent from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Collateral Agent may reasonably request, all in reasonable detail.

(c) The Grantor hereby authorizes the Collateral Agent to modify this Agreement after obtaining the Grantor's approval of or signature to such modification by amending Schedule 5.2 (as such schedule may be amended or supplemented from time to time) to include reference to any right, title or interest in any existing Intellectual Property or any Intellectual Property acquired or developed by the Grantor after the execution hereof or to delete any reference to any right, title or interest in any Intellectual Property in which the Grantor no longer has or claims any right, title or interest.

Section 8. COLLATERAL AGENT APPOINTED ATTORNEY-IN-FACT.

8.1 Power of Attorney. The Grantor hereby irrevocably appoints the Collateral Agent (such appointment being coupled with an interest) as the Grantor's attorney-in-fact, with full authority in the place and stead of the Grantor and in the name of the Grantor, the Collateral Agent or otherwise, from time to time in the Collateral Agent's discretion to take any action and to execute any instrument that the Collateral Agent may deem reasonably necessary to accomplish the purposes of this Agreement, including, without limitation, the following, in each case subject to the terms of the Junior Priority Intercreditor Agreement:

(a) upon the occurrence and during the Continuance of any Event of Default, to obtain and adjust insurance required to be maintained by the Grantor or paid to the Collateral Agent pursuant to the Note Purchase Agreement;

(b) upon the occurrence and during the Continuance of any Event of Default, to ask for, demand, collect, sue for, recover, compound, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Collateral;

(c) upon the occurrence and during the Continuance of any Event of Default, to receive, endorse and collect any drafts or other instruments, documents and chattel paper in connection with clause (b) above;

(d) upon the occurrence and during the Continuance of any Event of Default, to file any claims or take any action or institute any proceedings that the Collateral Agent may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of the Collateral Agent with respect to any of the Collateral;

(e) upon the occurrence and during the Continuance of any Event of Default, to prepare and file any UCC financing statements against the Grantor as debtor;

(f) upon the occurrence and during the Continuance of any Event of Default, to prepare, sign, and file for recordation in any United States intellectual property registry, appropriate evidence of the lien and security interest granted herein in the Intellectual Property in the name of the Grantor as debtor;

(g) upon the occurrence and during the Continuance of any Event of Default, to take or cause to be taken all actions necessary to perform or comply or cause performance or compliance with the terms of this Agreement, including, without limitation, access to pay or discharge taxes or Liens (other than Permitted Liens) levied or placed upon or threatened against the Collateral, the legality or validity thereof and the amounts necessary to discharge the same to be determined by the Collateral Agent in its sole discretion, any such payments made by the Collateral Agent to become obligations of the Grantor to the Collateral Agent, due and payable immediately without demand; and

(h) upon the occurrence and during the Continuance of any Event of Default generally to sell, transfer, lease, license, pledge, make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Collateral Agent were the absolute owner thereof for all purposes, and to do, at the Collateral Agent's option and the Grantor's expense, at any time or from time to time, all acts and things that the Collateral Agent deems reasonably necessary to protect, preserve or realize upon the Collateral and the Collateral Agent's security interest therein in order to effect the intent of this Agreement, all as fully and effectively as the Grantor might do.

8.2 No Duty on the Part of Collateral Agent or Secured Parties. The powers conferred on the Collateral Agent hereunder are solely to protect the interests of the Secured Parties in the Collateral and shall not impose any duty or obligation upon the Collateral Agent or any Secured Party to exercise any such powers. The Collateral Agent and the Secured Parties shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their officers, directors, employees or agents shall be responsible for any act or failure to act hereunder, except for their own gross negligence or willful misconduct.

Section 9. REMEDIES.

9.1 Generally. Subject in each case to the terms of the Junior Priority Intercreditor Agreement:

(a) If any Event of Default shall have occurred and be Continuing, the Collateral Agent may exercise in respect of the Collateral, in addition to all other rights and remedies provided for

herein or otherwise available to it at law or in equity, all the rights and remedies of a secured party on default under the UCC (whether or not the UCC applies to the affected Collateral) to collect, enforce or satisfy any Secured Obligations then owing, whether by acceleration or otherwise, and also may pursue any of the following separately, successively or simultaneously:

(i) require the Grantor to, and the Grantor hereby agrees that it shall at its expense and promptly upon request of the Collateral Agent forthwith, assemble all or part of the tangible Collateral as directed by the Collateral Agent and make it available to the Collateral Agent at a place to be designated by the Collateral Agent that is reasonably convenient to both parties;

(ii) enter onto the property where any Collateral is located and take possession thereof with or without judicial process;

(iii) prior to the disposition of the Collateral, store, process, repair or recondition the Collateral or otherwise prepare the Collateral for disposition in any manner to the extent the Collateral Agent deems appropriate; and

(iv) without notice except as specified below or under the UCC, sell, assign, lease, license (on an exclusive or nonexclusive basis) or otherwise dispose of the Collateral or any part thereof in one or more parcels at public or private sale, at any of the Collateral Agent's offices or elsewhere, for cash, on credit or for future delivery, at such time or times and at such price or prices and upon such other terms as the Collateral Agent may deem commercially reasonable.

(b) The Collateral Agent or any other Secured Party may be the purchaser of any or all of the Collateral at any public or private (to the extent to the portion of the Collateral being privately sold is of a kind that is customarily sold on a recognized market or the subject of widely distributed standard price quotations) sale in accordance with the UCC and the Collateral Agent, as collateral agent for and representative of the Secured Parties, shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such sale made in accordance with the UCC, to use and apply any of the Secured Obligations as a credit on account of the purchase price for any Collateral payable by the Collateral Agent at such sale. Each purchaser at any such sale shall hold the property sold absolutely free from any claim or right on the part of the Grantor, and the Grantor hereby waives (to the extent permitted by applicable law) all rights of redemption, stay and/or appraisal which it now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted. The Grantor agrees that, to the extent notice of sale shall be required by law, at least ten (10) days' notice to the Grantor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Collateral Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Collateral Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. The Grantor agrees that it would not be commercially unreasonable for the Collateral Agent to dispose of the Collateral or any portion thereof by using Internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capability of doing so, or that match buyers and sellers of assets. The Grantor hereby waives any claims against the Collateral Agent arising by reason of the fact that the price at which any Collateral may have been sold at such a private sale was less than the price which might have been obtained at a public sale, even if the Collateral Agent accepts the first offer received and does not offer such Collateral to more than one offeree. If the proceeds of any sale or other disposition of the Collateral are insufficient to pay all the Secured Obligations, the Grantor shall be liable for the deficiency and the fees of any attorneys employed by the Collateral Agent to collect such deficiency. The Grantor further agrees that a breach of any of the covenants contained in this Section will cause irreparable injury to the Collateral Agent, that the Collateral Agent has no adequate remedy at law in respect of such

breach and, as a consequence, that each and every covenant contained in this Section shall be specifically enforceable against the Grantor, and the Grantor hereby waives and agrees not to assert any defenses against an action for specific performance of such covenants except for a defense that no default has occurred giving rise to the Secured Obligations becoming due and payable prior to their stated maturities. Nothing in this Section shall in any way limit the rights of the Collateral Agent hereunder.

(c) The Collateral Agent may sell the Collateral without giving any warranties as to the Collateral. The Collateral Agent may specifically disclaim or modify any warranties of title or the like. This procedure will not be considered to adversely affect the commercial reasonableness of any sale of the Collateral.

(d) The Collateral Agent shall have no obligation to marshal any of the Collateral.

9.2 Application of Proceeds. Subject to the terms of the Junior Priority Intercreditor Agreement, except as expressly provided elsewhere in this Agreement, all proceeds received by the Collateral Agent in respect of any sale of, any collection from, or other realization upon all or any part of the Collateral shall be applied in full or in part by the Collateral Agent against, the Secured Obligations in the following order of priority: first, to the payment of all reasonable costs and expenses of such sale, collection or other realization, including reasonable compensation to the Collateral Agent and its agents and counsel, and all other expenses, liabilities and advances made or incurred by Collateral Agent in connection therewith, and all amounts for which the Collateral Agent is entitled to indemnification under the Notes Documents and all advances made by the Collateral Agent hereunder for the account of the Grantor, and to the payment of all reasonable costs and expenses paid or incurred by the Collateral Agent in connection with the exercise of any right or remedy hereunder or under the Notes Documents, all in accordance with the terms hereof or thereof; second, to the extent of any excess of such proceeds, to the payment of all other Secured Obliga- tions for the ratable benefit of the Holders of the Notes; and third, to the extent of any excess of such proceeds, to the to the Grantor or to such party as a court of competent jurisdiction shall direct.

9.3 Sales on Credit. If the Collateral Agent sells any of the Collateral upon credit, Grantor will be credited only with payments actually made by purchaser and received by Collateral Agent and applied to indebtedness of the purchaser. In the event the purchaser fails to pay for the Collateral, Collateral Agent may resell the Collateral and Grantor shall be credited with proceeds of the sale.

9.4 Investment Related Property. The Grantor recognizes that, by reason of certain prohibitions contained in the Securities Act and applicable state securities laws, the Collateral Agent may be compelled, with respect to any sale of all or any part of the Investment Related Property conducted without prior registration or qualification of such Investment Related Property under the Securities Act and/or such state securities laws, to limit purchasers to those who will agree, among other things, to acquire the Investment Related Property for their own account, for investment and not with a view to the distribution or resale thereof. The Grantor acknowledges that any such private sale may be at prices and on terms less favorable than those obtainable through a public sale without such restrictions (including a public offering made pursuant to a registration statement under the Securities Act) and, notwithstanding such circumstances, the Grantor agrees that any such private sale shall not be deemed to have been made in a commercially unreasonable manner solely as a result of such limitation and that the Collateral Agent shall have no obligation to engage in public sales and no obligation to delay the sale of any Investment Related Property for the period of time necessary to permit the issuer thereof to register it for a form of public sale requiring regis- tration under the Securities Act or under applicable state securities laws, even if such issuer would, or should, agree to so register it. If the Collateral Agent determines to exercise its right to sell any or all of the Investment Related Property, upon written request, the Grantor shall and shall cause each issuer of any Pledged Stock to be sold hereunder, each partnership and each limited liability company from time to time to furnish to the Collateral Agent all such information as the Collateral Agent may reasonably request in

order to determine the number and nature of interest, shares or other instruments included in the Investment Related Property which may be sold by the Collateral Agent in exempt transactions under the Securities Act and the rules and regulations of the Securities and Exchange Commission thereunder, as the same are from time to time in effect.

9.5 Grant of Intellectual Property License. For the purpose of enabling the Collateral Agent, during the Continuance of an Event of Default, to exercise rights and remedies under Section 9 hereof at such time as the Collateral Agent shall be lawfully entitled to exercise such rights and remedies, and for no other purpose, the Grantor hereby grants to the Collateral Agent, to the extent assignable, an irrevocable, non-exclusive license (exercisable without payment of royalty or other compensation to the Grantor), subject, in the case of Trademarks, to sufficient rights to quality control and inspection in favor of the Grantor to avoid the risk of invalidation of such Trademarks, to use, assign, license or sublicense any of the Intellectual Property now owned or hereafter acquired, developed or created by the Grantor, wherever the same may be located. Such license shall include access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout hereof.

9.6 Intellectual Property.

(a) Anything contained herein to the contrary notwithstanding, in addition to the other rights and remedies provided herein, upon the occurrence and during the continuance of an Event of De- fault:

(i) subject to the terms of the Junior Priority Intercreditor Agreement, the Collateral Agent shall have the right (but not the obligation) to bring suit or otherwise commence any action or proceeding in the name of the Grantor, the Collateral Agent or otherwise, in the Collateral Agent's sole discretion, to enforce any Intellectual Property rights of the Grantor, in which event the Grantor shall, at the request of the Collateral Agent, do any and all lawful acts and execute any and all documents reasonably required by the Collateral Agent in aid of such enforcement and the Grantor shall promptly, upon demand, reimburse and indemnify the Collateral Agent as provided in Section 15 of the Note Purchase Agreement in connection with the exercise of its rights under this Section 9.6, and, to the extent that the Collateral Agent shall elect not to bring suit to enforce any Intellectual Property rights as provided in this Section 9.6, the Grantor agrees to use all reasonable measures, whether by action, suit, proceeding or otherwise, to prevent the infringement, misappropriation, dilution or other violation of any of the Grantor's rights in the Intellectual Property by others and for that purpose agrees to diligently maintain any action, suit or proceeding against any Person so infringing, misappropriating, diluting or otherwise violating, as shall be necessary to prevent such infringement, misappropriation, dilution or other violation;

(ii) upon written demand from the Collateral Agent, the Grantor shall grant, assign, convey or otherwise transfer to the Collateral Agent or such Collateral Agent's designee all of the Grantor's right, title and interest in and to any Intellectual Property and shall execute and deliver to the Collateral Agent such documents as are necessary or appropriate to carry out the intent and purposes of this Agreement;

(iii) the Grantor agrees that such an assignment and/or recording shall be applied to reduce the Secured Obligations outstanding only to the extent that the Collateral Agent (or any Secured Party) receives cash proceeds in respect of the sale of, or other realization upon, any such Intellectual Property;

(iv) within five (5) Business Days after written notice from the Collateral Agent, the Grantor shall make available to the Collateral Agent, to the extent within the Grantor's power and

authority, such personnel in the Grantor's employ on the date of such Event of Default as the Collateral Agent may reasonably designate, by name, title or job responsibility, to permit the Grantor to continue, directly or indirectly, to produce, advertise and sell the products and services sold or delivered by the Grantor under or in connection with any Trademarks or Trademark Licenses, such persons to be available to perform their prior functions on the Collateral Agent's behalf and to be compensated by the Collateral Agent at the Grantor's expense on a per diem, pro rata basis consistent with the salary and benefit structure applicable to each as of the date of such Event of Default; and

(v) subject to the terms of the Junior Priority Intercreditor Agreement, the Collateral Agent shall have the right to notify, or require the Grantor to notify, any obligors with respect to amounts due or to become due to the Grantor in respect of the Intellectual Property of the Grantor, of the existence of the security interest created herein, to direct such obligors to make payment of all such amounts directly to the Collateral Agent, and, upon such notification and at the expense of the Grantor, to enforce collection of any such amounts and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as the Grantor might have done; it being understood and agreed that

(1) all amounts and proceeds (including checks and other instruments) received by the Grantor in respect of amounts due to the Grantor in respect of the Collateral or any portion thereof shall be received in trust for the benefit of the Collateral Agent hereunder, shall be segregated from other funds of the Grantor and, subject to the terms of the Junior Priority Intercreditor Agreement shall be forthwith paid over or delivered to the Collateral Agent in the same form as so received (with any necessary endorsement) to be held as cash Collateral and applied as provided by Section 9.7 hereof; and

(2) the Grantor shall not adjust, settle or compromise the amount or payment of any such amount or release wholly or partly any obligor with respect thereto or allow any credit or discount thereon.

(b) If (i) an Event of Default shall have occurred and, by reason of cure, waiver, modification, amendment or otherwise, no longer be Continuing, (ii) no other Event of Default shall have oc- curred and be Continuing, (iii) an assignment or other transfer to the Collateral Agent of any rights, title and interests in and to any Intellectual Property of the Grantor shall have been previously made and shall have become absolute and effective and (iv) the Secured Obligations shall not have become immediately due and payable, upon the written request of the Grantor, the Collateral Agent shall promptly execute and deliver to the Grantor, at the Grantor's sole cost and expense, such assignments or other transfer as may be necessary to reassign to the Grantor any such rights, title and interests as may have been assigned to the Collateral Agent as aforesaid, subject to any disposition thereof that may have been made by the Collateral Agent; provided, after giving effect to such reassignment, the Collateral Agent's security interest granted pursuant hereto, as well as all other rights and remedies of the Collateral Agent granted hereunder, shall continue to be in full force and effect; and provided further, the rights, title and interests so reassigned shall be free and clear of any other Liens granted by or on behalf of the Collateral Agent and the Secured Parties.

9.7 Cash Proceeds; Deposit Accounts.

(a) If any Event of Default shall have occurred and be Continuing, in addition to the rights of the Collateral Agent specified in Section 6.5 with respect to payments of Receivables but subject to the terms of the Junior Priority Intercreditor Agreement, all proceeds of any Collateral received by the Grantor consisting of cash, checks and other near-cash items (collectively, "**Cash Proceeds**") shall be held by the Grantor in trust for the Collateral Agent, segregated from other funds of the Grantor, and upon

request by the Collateral Agent shall, forthwith upon receipt by the Grantor, be turned over to the Collateral Agent in the exact form received by the Grantor (duly indorsed by the Grantor to the Collateral Agent, if required) and held by the Collateral Agent. Any Cash Proceeds received by the Collateral Agent (whether from the Grantor or otherwise) may, in the sole discretion of the Collateral Agent but subject to the terms of the Junior Priority Intercreditor Agreement, (A) be held by the Collateral Agent for the ratable benefit of the Secured Parties, as collateral security for the Secured Obligations (whether matured or unmatured) and/or (B) then or at any time thereafter may be applied by the Collateral Agent against the Secured Obligations then due and owing.

Section 10. COLLATERAL AGENT.

The Collateral Agent has been appointed to act as Collateral Agent hereunder by the Holders of the Notes. The Collateral Agent shall be obligated, and shall have the right hereunder, to make de- mands, to give notices, to exercise or refrain from exercising any rights, and to take or refrain from taking any action (including, without limitation, the release or substitution of Collateral), solely in accordance with this Agreement and the Note Purchase Agreement. In furtherance of the foregoing provisions of this Section, each Secured Party, by its acceptance of the benefits hereof, agrees that it shall have no right individually to realize upon any of the Collateral hereunder, it being understood and agreed by such Secured Party that all rights and remedies hereunder may be exercised solely by the Collateral Agent for the benefit of Secured Parties in accordance with the terms of this Section. The provisions of the Note Purchase Agreement relating to the Collateral Agent, including, without limitation, the provisions relating to resignation or removal of the Collateral Agent and the protections, rights, indemnities, powers and duties and immunities of the Collateral Agent are incorporated herein by this reference and shall survive any termination of the Note Purchase Agreement or removal or resignation of the Collateral Agent.

In connection with exercising any right or discretionary duty hereunder (including, without limitation, the exercise of any rights following the occurrence of an Event of Default), the Collateral Agent shall be entitled to request and rely upon the direction of Holders of a majority in aggregate outstanding amount of the Notes to direct the Collateral Agent pursuant to the Note Purchase Agreement. The Collateral Agent shall not have any liability for taking any action at such direction or for its failure to take any action pending the receipt of such direction. The Collateral Agent shall not be responsible for and makes no representation as to the validity or adequacy of this Agreement, and it shall not be responsible for any statement or recital in this Agreement. Neither the Collateral Agent nor any of its affiliates, directors, officers, agents or employees shall be responsible for or have any duty to ascertain, inquire into or verify (i) any statement, warranty or representation made in connection with this Agreement; (ii) the performance or observance of any of the covenants or agreements of the Grantor herein; or (iii) the receipt of items required to be delivered to the Collateral Agent.

Section 11. CONTINUING SECURITY INTEREST; ASSIGNMENTS UNDER THE NOTES DOCUMENTS.

11.1 Continuing Security Interest; Assignment. This Agreement shall create a continuing security interest in the Collateral and shall remain in full force and effect until the payment in full of all Secured Obligations (other than contingent indemnification obligations for which no claim has been made) and inure, together with the rights and remedies of the Collateral Agent hereunder, to the benefit of the Collateral Agent and its successors, transferees and assigns. Without limiting the generality of the foregoing, any Secured Party may assign or otherwise transfer any indebtedness held by it secured by this Agreement to any other person, and such other person shall thereupon become vested with all the benefits in respect thereof granted to such Secured Party, herein or otherwise, subject however, to the provisions of the Note Purchase Agreement.

11.2 Termination; Release. The Grantor shall automatically be released from its obligations hereunder and/or the security interests in any Collateral securing the Note Obligations shall in each case be automatically released upon the payment in full of all Secured Obligations (other than contingent indemnification obligations for which no claim has been made) without delivery of any instrument or performance of any act by any party. Upon any such termination and delivery of any documents reasonably requested by the Collateral Agent, the Collateral Agent shall, at the Grantor's expense, execute and deliver to the Grantor or otherwise authorize the filing of such documents as the Grantor shall reasonably request, including financing statement amendments to evidence such termination. Upon any disposition of property permitted by the Note Purchase Agreement, the related Liens granted herein shall be deemed to be automatically released and such property shall automatically revert to the Grantor with no further action on the part of any Person. The Collateral Agent shall, at the Grantor's expense and upon delivery of any documents reasonably requested by the Collateral Agent, execute and deliver or otherwise authorize the filing of such documents as the Grantor shall reasonably request, in form and substance reasonably satisfactory to the Collateral Agent, including financing statement amendments to evidence such release.

Section 12. STANDARD OF CARE; COLLATERAL AGENT MAY PERFORM.

The powers conferred on the Collateral Agent hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the exercise of reasonable care in the custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, the Collateral Agent shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral. The Collateral Agent shall be deemed to have exercised reasonable care in the custody and preservation of Collateral in its possession if such Collateral is accorded treatment substantially equal to that which the Collateral Agent accords its own property. Neither the Collateral Agent nor any of its directors, officers, employees or agents shall be liable for failure to demand, collect or realize upon all or any part of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of the Grantor or otherwise. If the Grantor fails to perform any agreement contained herein, the Collateral Agent may itself perform, or cause performance of, such agreement, and the expenses of the Collateral Agent incurred in connection therewith shall be payable by the Grantor under Section 15 of the Note Purchase Agreement.

Section 13. [RESERVED].

Section 14. [RESERVED].

Section 15. MISCELLANEOUS.

Any notice required or permitted to be given under this Agreement shall be given in accordance with Section 18 of the Note Purchase Agreement. No failure or delay on the part of the Collateral Agent in the exercise of any power, right or privilege hereunder or under any other Notes Document shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other power, right or privilege. All rights and remedies existing under this Agreement and the other Notes Documents are cumulative to, and not exclusive of, any rights or remedies otherwise available. In case any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby. All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted by an exception to, or would otherwise be within the limitations of, another covenant shall not avoid the occurrence of a Default

or an Event of Default if such action is taken or condition exists. This Agreement shall be binding upon and inure to the benefit of the Collateral Agent and the Grantor and their respective successors and assigns. The Grantor shall not, without the prior written consent of the Collateral Agent given in accordance with the Note Purchase Agreement, assign any right, duty or obligation hereunder. This Agreement and the other Transaction Documents embody the entire agreement and understanding among the Grantor and the Collateral Agent and supersede all prior agreements and understandings among such parties relating to the subject matter hereof and thereof. Accordingly, the Security Documents may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements among the parties. This Agreement may be executed in one or more counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document. Counterparts may be delivered via facsimile, electronic mail (including any electronic signature covered by the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act, the Electronic Signatures and Records Act or other applicable law, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER AND ALL CLAIMS AND CONTROVERSIES ARISING OUT OF THE SUBJECT MATTER HEREOF WHETHER SOUNDING IN CONTRACT LAW, TORT LAW OR OTHERWISE SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAW PROVISIONS THAT WOULD RESULT IN THE APPLICATION OF ANY OTHER LAW (OTHER THAN ANY MANDATORY PROVISIONS OF THE UCC RELATING TO THE LAW GOVERNING PERFECTION AND THE EFFECT OF PERFECTION OF THE SECURITY INTEREST).

SUBJECT TO CLAUSE (E) OF THE FOLLOWING SENTENCE, ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST THE GRANTOR ARISING OUT OF OR RELATING HERETO OR ANY OTHER NOTES DOCUMENT, OR ANY OF THE NOTES OBLIGATIONS, WILL BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN THE STATE, COUNTY AND CITY OF NEW YORK SITTING IN THE BOROUGH OF MANHATTAN. BY EXECUTING AND DELIVERING THIS AGREEMENT, THE GRANTOR, FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, HEREBY EXPRESSLY AND IRREVOCABLY (A) ACCEPTS GENERALLY AND UNCONDITIONALLY THE EXCLUSIVE JURISDICTION AND VENUE OF SUCH COURTS (OTHER THAN WITH RESPECT TO ACTIONS BY ANY AGENT IN RESPECT OF RIGHTS UNDER ANY SECURITY AGREEMENT GOVERNED BY ANY LAWS OTHER THAN THE LAWS OF THE STATE OF NEW YORK OR WITH RESPECT TO ANY COLLATERAL SUBJECT THERETO); (B) WAIVES (I) JURISDICTION AND VENUE OF COURTS IN ANY OTHER JURISDICTION IN WHICH IT MAY BE ENTITLED TO BRING SUIT BY REASON OF ITS PRESENT OR FUTURE DOMICILE OR OTHERWISE AND (II) ANY DEFENSE OF FORUM NON CONVENIENS; (C) AGREES THAT SERVICE OF ALL PROCESS IN ANY SUCH PROCEEDING IN ANY SUCH COURT MAY BE MADE BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE APPLICABLE GRANTOR AT ITS ADDRESS PROVIDED IN ACCORDANCE WITH THIS SECTION 15; (D) AGREES THAT SERVICE AS PROVIDED IN CLAUSE (C) ABOVE IS SUFFICIENT TO CONFER PERSONAL JURISDICTION OVER THE APPLICABLE GRANTOR IN ANY SUCH PROCEEDING IN ANY SUCH COURT, AND OTHERWISE CONSTITUTES EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT; AND (E) AGREES THAT THE COLLATERAL AGENT RETAINS THE RIGHT TO SERVE PROCESS IN ANY OTHER

MANNER PERMITTED BY LAW OR TO BRING PROCEEDINGS AGAINST THE GRANTOR IN THE COURTS OF ANY OTHER JURISDICTION IN CONNECTION WITH THE EXERCISE OF ANY RIGHTS UNDER ANY SECURITY DOCUMENT OR THE ENFORCEMENT OF ANY JUDGMENT.

EACH OF THE PARTIES HERETO HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING HEREUNDER OR UNDER ANY OF THE OTHER NOTES DOCUMENTS OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THIS TRANSACTION OR THE COLLATERAL AGENT/COMPANY RELATIONSHIP THAT IS BEING ESTABLISHED. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL- ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. EACH PARTY HERETO ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS AGREEMENT, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN ITS RELATED FUTURE DEALINGS. EACH PARTY HERETO FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY A MUTUAL WRITTEN WAIVER SPECIFICALLY REFERRING TO THIS SECTION 15 AND EXECUTED BY EACH OF THE PARTIES HERETO), AND THIS WAIVER WILL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS HERETO OR ANY OF THE OTHER NOTES DOCUMENTS OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THE NOTES. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Grantor has caused this Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

OCWEN FINANCIAL CORPORATION

By: /s/ John V. Britti
Name: John V. Britti
Title: Executive Vice President and
Chief Investment Officer

OAKTREE FUND ADMINISTRATION, LLC, as Collateral Agent

By: /s/Brian Price
Name: Brian Price
Title: Senior Vice President

By: /s/ Henry Orren
Name: Henry Orren
Title: Vice President

Form of Note

OCWEN FINANCIAL CORPORATION

Senior Secured Notes due 2027

No. [_____] Issuance Date: March 4, 2021

$[_____]

FOR VALUE RECEIVED, the undersigned, Ocwen Financial Corporation (herein called the "*Company*"), a corporation organized and existing under the laws of Florida, hereby promises to pay to [_____], or registered assigns, the principal sum of [_____] DOLLARS on March 4, 2027 (the "*Maturity Date*"). Interest (computed on the basis of a 365 or 366-day year) shall accrue on the unpaid principal balance hereof at the rate of (i) 12.00% per annum in respect of interest paid in cash and (ii) 13.25% per annum in respect of PIK Interest (as defined below), in each case from the date hereof until the principal hereof shall have been paid in full, with such interest payable quarterly on the last Business Day of each March, June, September and December (the "*Interest Payment Date*") in each year, commencing March 31, 2021, and on the Maturity Date. On each Interest Payment Date (other than the Maturity Date), the Company shall be permitted to either (a) pay the full amount of interest for such interest period on the unpaid principal balance hereof entirely in cash to the Holder of the Note or (b) if the Company shall have delivered written notice to such Holder of its intention to do so at least five (5) Business Days in advance of the Interest Payment Date, (i) pay interest for such interest period on all or a portion of the unpaid principal balance hereof by capitalizing an amount equal to the *product of* (x) 13.25% *multiplied by* (y) the quotient of (A) the number days in such interest period over (B) the number of days in such calendar year *multiplied by* (z) the unpaid principal balance hereof for which PIK Interest has been elected (the "*PIK Interest*") on such Interest Payment Date by issuing a new Note in an aggregate principal amount equal to the amount of PIK Interest payable on such Interest Payment Date and (ii) pay interest for such interest period on all or a portion of the unpaid principal balance hereof in cash on such Interest Payment Date in an amount equal to the *product of* (x) 12.00% *multiplied by* (y) the quotient of (A) the number days in such interest period over (B) the number of days in such calendar year *multiplied by* (z) the unpaid principal balance hereof for which cash interest has been elected, *provided*, *however*, that (i) the Company shall make the same interest election ratably with respect to all then-outstanding Notes on each Interest Payment Date and (ii) with respect to Interest Payment Dates occurring after March 4, 2022, the Company shall pay interest in cash on outstanding Notes on each Interest Payment Date in an aggregate amount at least equal to the lesser of (x) 7.00% *per annum* (determined based on the aggregate amount of Notes outstanding) and (y) the total Unrestricted Cash of the Company and its Subsidiaries *less* the greater of (i) $125,000,000 and (ii) the minimum liquidity amount required by any Agency. Following an increase in the principal amount of this Note as a result of PIK Interest, this Note shall bear interest on such increased principal amount from and after the date of such increase. On the Maturity Date, all interest on this Note shall be paid solely in cash. At any time when an Event of Default has occurred and is continuing, all amounts outstanding under this Note shall bear interest at 2.00% per annum above the interest rate otherwise applicable thereto, with such additional amounts required to be paid in cash on each Interest Payment Date and on demand.

Payments of principal of, interest (other than PIK Interest) on and any Make-Whole Amount owing pursuant to the Note Purchase Agreement shall be made in lawful money of the United States of America on the terms set forth in Section 14 of the Note Purchase Agreement.

This Note is one of the Notes (herein called the "*Notes*") issued pursuant to the Note and Warrant Purchase Agreement, dated as of February 9, 2021 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time, the "*Note Purchase Agreement*"), among the Company, the Purchasers signatory thereto and the Collateral Agent named therein and is entitled to the benefits thereof. Each Holder of this Note will be deemed, by its acceptance hereof, to have agreed to the confidentiality provisions set forth in Section 20 of the Note Purchase Agreement. Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Note Purchase Agreement.

This Note is a registered Note that shall be issued and evidenced in electronic form (in "portable document format" (".pdf") form or any other electronic form) and, as provided in the Note Purchase Agreement, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered Holder hereof or such Holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

This Note is subject to optional and mandatory redemption, in whole or from time to time in part, at the times and on the terms (including with respect to the required payment of any applicable Make-Whole Amount) specified in the Note Purchase Agreement, but not otherwise.

If an Event of Default occurs and the Obligations are accelerated pursuant to Section 12.1 of the Note Purchase Agreement, the principal of this Note shall become due and payable in the manner, at the price (including any applicable Make-Whole Amount) and with the effect provided in the Note Purchase Agreement.

This Note shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of New York, excluding choice-of-law principles of the law of such state that would require the application of the laws of a jurisdiction other than such State.

OCWEN FINANCIAL CORPORATION

By: _____
Name:
Title:

THIS WARRANT AND THE SECURITIES ISSUABLE UPON THE EXERCISE HEREOF HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR QUALIFIED UNDER ANY STATE SECURITIES LAWS. SUCH SECURITIES MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT REGISTRATION IS NOT REQUIRED UNDER SUCH ACT OR UNLESS SOLD IN ACCORDANCE WITH RULE 144 UNDER SUCH ACT.

THE SHARES OF THE COMMON STOCK OF THE COMPANY ISSUABLE UPON EXERCISE OF THE WARRANTS REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO THE PREFERENCES, POWERS, QUALIFICATIONS AND RIGHTS OF EACH CLASS AND SERIES AS SET FORTH IN THE COMPANY'S AMENDED AND RESTATED ARTICLES OF INCORPORATION, AS AMENDED, SUPPLEMENTED OR AMENDED AND RESTATED, AND AMENDED AND RESTATED BYLAWS, AS AMENDED, SUPPLEMENTED OR AMENDED AND RESTATED. THE COMPANY SHALL FURNISH A COPY OF THE FOREGOING INSTRUMENTS AND ANY RELEVANT AMENDMENTS THERETO TO THE HOLDER OF THIS CERTIFICATE UPON WRITTEN REQUEST.

Warrant Certificate No. _____ Number of Warrants: _____ Date of Issuance: March 4, 2021 (subject to adjustment hereunder)
Expiration Date: March 4, 2027

Warrant Certificate

OCWEN FINANCIAL CORPORATION

This Warrant Certificate (this "**Warrant Certificate**") certifies that _____, or its registered assigns (collectively, the "**Holder**"), for value received, is the registered holder of the number of warrants ("**Warrants**") set forth above to purchase shares of common stock, par value $0.01 per share ("**Common Stock**"), of **OCWEN FINANCIAL CORPORATION,** a Florida corporation (the "**Company**"), in accordance with the provisions of Section 1 hereof. This Warrant Certificate and the Warrants issued thereunder are being issued pursuant to that certain Note and Warrant Purchase Agreement, dated as of February 9, 2021, by and between the Company, Oaktree Fund Administration, LLC, as collateral agent, ROF8 OCW Holdings and Opps OCW Holdings, LLC, a Delaware limited liability company (the "**Note Purchase Agreement**"). References in this Warrant Certificate to this "**Warrant**" shall mean any and all Warrants issued and outstanding under this Warrant Certificate.

1. EXERCISE.

(a) Number and Exercise Price of Warrant Shares; Expiration Date. Subject to the terms and conditions set forth herein, each Warrant entitles the Holder upon exercise to receive from the Company one duly authorized, validly issued, fully paid and nonassessable share of

Common Stock of the Company, and if all Warrants represented by this Warrant Certificate are exercised, up to 592,384 shares of Common Stock of the Company, in each case, as may be adjusted from time to time pursuant to the terms herein (the "**Warrant Shares**"), at an initial purchase price of $26.82 per share (the "**Exercise Price**"), at any time and from time to time on or after the date hereof (the "**Date of Issuance**") but not after 5:00 p.m., Eastern Time, on the sixth (6th) anniversary of the Date of Issuance (such date, as may be adjusted from time to time in accordance with the terms herein, the "**Expiration Date**") (subject to earlier termination as set forth herein).

(b) Cash Exercise. While this Warrant remains outstanding and exercisable in accordance with Section 1(a) above, the Holder may exercise this Warrant in accordance with Section 5 herein, by wire transfer to the Company or cashier's check drawn on a U.S. bank made payable to the order of the Company. Notwithstanding anything herein to the contrary, the Holder shall not be required to physically surrender this Warrant Certificate to the Company until the Holder has purchased all of the Warrant Shares available hereunder and the Warrants represented by this Warrant Certificate have been exercised in full, in which case, the Holder shall surrender this Warrant Certificate to the Company for cancellation within three Trading Days (as defined below) of the date the final Notice of Exercise (as defined below) is delivered to the Company. "**Trading Day**" means a day during which trading in securities generally occurs on the Trading Market, except a day on which a Market Disruption Event occurs. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Warrant Shares available hereunder shall have the effect of lowering the outstanding number of Warrant Shares purchasable hereunder in an amount equal to the applicable number of Warrant Shares purchased. The Holder and the Company shall maintain records showing the number of Warrant Shares purchased and the date of such purchases.

(c) Net Exercise. In lieu of exercising this Warrant pursuant to Section 1(b), at any time, the Holder may elect to credit the Exercise Price against the Fair Market Value (as defined below) of the Warrant Shares at the time of exercise (the "**Net Exercise**") pursuant to this Section 1(c). If the Company shall receive written notice from the Holder at the time of exercise of this Warrant that the Holder elects to Net Exercise this Warrant, the Company shall deliver to such Holder (without payment by the Holder of any exercise price in cash) that number of Warrant Shares computed using the following formula:

$$X = (Y (A-B)) / A$$

Where:

X = The number of Warrant Shares to be issued to the Holder.

Y = The number of Warrant Shares purchasable under this Warrant or, if only a portion of this Warrant is being exercised, the portion of this Warrant being cancelled (at the date of such calculation).

A = The Fair Market Value of one share of Common Stock.

B = The Exercise Price (as adjusted hereunder).

The "**Fair Market Value**" of one share of Common Stock shall mean (x)(i) the arithmetic average of the VWAPs (as defined below) for the ten consecutive Trading Days ending on the date immediately preceding the date on which the Holder elects to exercise this Warrant by Net Exercise, (ii) if no VWAP of the Common Stock is reported for the Trading Market (as defined below), the last reported sale price of the Common Stock on the New York Stock Exchange, and (iii) if there are no sales, the last reported bid price, of the Common Stock on the business day prior to the date of exercise on the Trading Market (as defined below) on which the Common Stock is then listed or quoted as reported by Bloomberg Financial Markets ("**Bloomberg**"), or (y) if the Fair Market Value cannot be calculated as of such date on the foregoing bases, the price will be determined within ten (10) Trading Days after the tenth (10th) day following the occurrence of an event requiring valuation by an independent, reputable appraiser selected by the Company. The determination of such appraiser shall be final and binding upon all parties absent manifest error and the fees and expenses of such appraiser shall be borne by the Company.

"**Market Disruption Event**" means:

(a) a failure by the Trading Market to open for trading during its regular trading session;

or

(b) the occurrence or existence prior to 1:00 p.m., New York City time, on any trading day for the Common Stock for more than one half-hour period in the aggregate during regular trading hours of any suspension or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the Trading Market or otherwise) in the Common Stock or in any options contracts or futures contracts relating to the Common Stock.

"**OTC Markets**" shall mean either OTCQX or OTCQB of the OTC Markets Group Inc.

"**Trading Market**" shall mean any of the following markets or exchanges on which the

Common Stock is listed or quoted for trading on the date in question: the New York Stock Exchange, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, the NYSE American or the OTC Markets (or any successors to any of the foregoing).

"**VWAP**" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on the New York Stock Exchange,
the daily volume weighted average price of the Common Stock for such date (or the nearest preceding date) on the New York Stock Exchange as reported by Bloomberg (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)) (or a similar organization or agency succeeding to its functions of reporting prices), or (b) if the Common Stock is not then listed or quoted on the New York Stock Exchange, then the daily volume weighted average price of the Common Stock for such date (or the nearest preceding date) on the Trading Market on which the Common Stock is then listed or quoted as reported by Bloomberg (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)) (or a similar organization or agency succeeding to its functions of reporting prices).

(d) Deemed Exercise. In the event that immediately prior to the close of business on the Expiration Date, the Fair Market Value of one share of Common Stock (as determined in accordance with Section 1(c) above) is greater than the then applicable Exercise

Price, this Warrant shall be deemed to be automatically exercised on a Net Exercise issue basis pursuant to Section 1(c) above, and the Company shall deliver the applicable number of Warrant Shares to the Holder pursuant to the provisions of Section 1(c) above and this Section 1(d).

(e) Holder's Exercise Limitations. Notwithstanding anything to the contrary contained herein, but subject in each instance to Section 1(f) hereof, the Company shall not, without receipt of any required Approvals (as defined below), effect any exercise of this Warrant, and the Holder shall not, without prior written notice to the Company and receipt by the Company of any required Approvals, be entitled to exercise this Warrant, for a number of Warrant Shares in excess of that number of Warrant Shares which, upon giving effect to such exercise, would cause (i) the aggregate number of shares of Common Stock beneficially owned by the Holder and its Affiliates (as defined below) and any other persons whose beneficial ownership of Common Stock would be aggregated with the Holder's for purposes of Section 13(d) of the Securities and Exchange Act of 1934, as amended (the "**Exchange Act**"), to exceed 9.9% of the total number of issued and outstanding shares of Common Stock of the Company following such exercise, or (ii) the combined voting power of the securities of the Company beneficially owned by the Holder and its Affiliates and any other persons whose beneficial ownership of Common Stock would be aggregated with the Holder's for purposes of Section 13(d) of the Exchange Act to exceed 9.9% of the combined voting power of all of the securities of the Company then outstanding following such exercise (clauses (i) and (ii), collectively, the "**Ownership Percentage**"); provided, however, that the Holder shall be entitled to exercise this Warrant above the Ownership Percentage (subject in each instance to Section 1(f) hereof) with at least 61 days' advance notice of such exercise or within 60 days upon the approval of the Company's Board of Directors, and in each case, as long as the Company has received any required Approvals. The term "**Affiliate**" as used herein means, with respect to any person, any other person that, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with such person. For the avoidance of doubt, for purposes of this Section 1(e), Section 1(f) and Section 1(i) of this Warrant Certificate (i) Brookfield Asset Management Inc. together with its managed funds and accounts and affiliated holding companies and its Affiliates (collectively, "**Brookfield**") shall be deemed "Affiliates" of the Holder, and (ii) Brookfield's beneficial ownership of Common Stock shall be aggregated with the Holder's or its Affiliates' beneficial ownership of Common Stock. The foregoing shall not constitute an admission by the Holder to a third party that Brookfield is an Affiliate of the Holder or that Brookfield's beneficial ownership of Common Stock should be aggregated with that of the Holder or its Affiliates for any purpose other than this Section 1(e) or Section 1(f) or Section 1(i) hereof. For purposes of this Section 1(e) and Section 1(f) and Section 1(i) hereof, the aggregate number of shares of Common Stock or voting securities beneficially owned by the Holder and its Affiliates and any other persons whose beneficial ownership of Common Stock would be aggregated with the Holder's for purposes of Section 13(d) of the Exchange Act shall include the shares of Common Stock issuable upon the exercise of this Warrant with respect to which such determination is being made, but shall exclude the number of shares of Common Stock which would be issuable upon (x) exercise of the remaining unexercised and non-cancelled portion of this Warrant by the Holder and (y) exercise or conversion of the unexercised, non-converted or non-cancelled portion of any other securities of the Company that do not have voting power (including without limitation any securities of the Company which would entitle the holder thereof to acquire at any time Common Stock, including without limitation any debt, preferred stock, Preferred Shares (as defined below), right, option, warrant or other instrument that is at any time convertible into or exercisable or exchangeable for, or otherwise entitles the holder

thereof to receive, Common Stock), is subject to a limitation on conversion or exercise analogous to the limitation contained herein and is beneficially owned by the Holder or any of its Affiliates and other Persons whose beneficial ownership of Common Stock would be aggregated with the Holder's for purposes of Section 13(d) of the Exchange Act.

(f) Issuance Cap. In addition to the limitations set forth in Section 1(e) hereof, and notwithstanding anything to the contrary contained herein, the Company shall not effect any exercise of this Warrant, and the Holder shall not be entitled to exercise this Warrant, for a number of Warrant Shares in excess of that number of Warrant Shares which, upon giving effect to such exercise, would cause (i) the aggregate number of shares of Common Stock beneficially owned by the Holder and its Affiliates (as defined in Section 1(e) hereof) and any other persons whose beneficial ownership of Common Stock would be aggregated with the Holder's for purposes of Section 13(d) of the Exchange Act, to exceed 19.9% of the total number of issued and outstanding shares of Common Stock of the Company following such exercise, or (ii) the combined voting power of the securities of the Company beneficially owned by the Holder and its Affiliates and any other persons whose beneficial ownership of Common Stock would be aggregated with the Holder's for purposes of Section 13(d) of the Exchange Act to exceed 19.9% of the combined voting power of all of the securities of the Company then outstanding following such exercise (clauses (i) and (ii), collectively, the "**Maximum Percentage**" and, together with the Ownership Percentage, an "**Ownership Limitation**"), unless shareholder approval is obtained in accordance with the listing rules of the NYSE or is otherwise permitted by the NYSE. In addition, unless shareholder approval is obtained, the Company shall not effect any exercise of this Warrant, and the Holder shall not be entitled to exercise this Warrant, for a number of Warrant Shares in excess of the Maximum Percentage measured as of the day immediately preceding the Date of Issuance.

(g) Approvals. If the exercise of this Warrant would require any filing, notice, report, consent, registration, approval, permit or authorization with, to or from, any governmental entity (collectively, "**Approvals**"), the Company shall use reasonable best efforts to procure such Approvals prior to any exercise of this Warrant. In the event that the Company becomes aware that any Approval may be required in connection with the exercise of any Warrant, the Company shall promptly notify the Holder of such required Approval.

(h) Delivery of New Warrants Upon Exercise. If this Warrant shall have been exercised in part, the Company shall, at the request of the Holder and upon surrender of this Warrant Certificate, at the time of delivery of the Warrant Shares, deliver to the Holder a new warrant certificate evidencing the rights of the Holder to purchase the unpurchased Warrant Shares called for by this Warrant, which new warrant certificate shall in all other respects be identical with this Warrant Certificate.

(i) Issuance of Preferred Shares in Lieu of Warrant Shares. Upon the request of the Holder (a "**Preferred Stock Request**"), the Company shall take all action reasonably necessary to, (i) within ten (10) Trading Days of the delivery of such Preferred Stock Request by the Holder, create, authorize and issue a class of preferred stock with such terms and attributes as are consistent with the terms and attributes set forth on Exhibit C (such preferred stock, the "**Preferred Stock**") and (ii) reserve from its authorized and unissued preferred stock a sufficient number of shares of preferred stock of the Company to provide for the issuance of such number of shares of Preferred Stock ("**Preferred Shares**") necessary to satisfy any issuance thereof required

by this Section 1(i); provided that, in the event that the Holder has not previously delivered a Preferred Stock Request to the Company, the delivery by the Holder of a Notice of Exercise pertaining to the exercise of Warrants for Preferred Shares in accordance with Section 5(a) shall constitute a Preferred Stock Request for purposes of this Section 1(i). Notwithstanding anything to the contrary in this Warrant Certificate, to the extent that the exercise of any Warrants by the Holder would cause the Holder, together with its Affiliates, to exceed an Ownership Limitation, each Warrant shall, in lieu of the Warrant Share(s) otherwise issuable upon exercise of such Warrant to the Holder in excess of the applicable Ownership Limitation, be exercisable (upon delivery of the Exercise Price (unless the Holder has elected to Net Exercise, in which case, such Preferred Shares shall be issued in accordance with the Net Exercise provisions set forth in Section 1(c))) into such number of Preferred Shares equal to the number of Warrant Shares that would have been issued to the Holder upon the exercise of such Warrant were it not for such Ownership Limitation. In the event that the Holder has made a Preferred Stock Request and the Company is, for whatever reason, unable to create, authorize or issue the number of Preferred Shares sufficient to satisfy any issuance thereof required by this Section 1(i), then the Expiration Date shall be extended by one (1) day for each day that the Company is unable to create, authorize and issue such number of Preferred Shares and in any event until at least twenty (20) Trading Days after the valid creation, authorization and issuance of the Preferred Shares.

2. CERTAIN ADJUSTMENTS.

(a) Adjustment of Number of Warrant Shares and Exercise Price. The number and kind of Warrant Shares purchasable upon exercise of this Warrant and the Exercise Price shall be subject to adjustment from time to time as follows:

(i) Dividends, Subdivisions, Combinations and Other Issuances. If the Company shall at any time after the Date of Issuance but prior to the Expiration Date subdivide its shares of capital stock of the same class as the Warrant Shares, by stock split or otherwise, or combine such shares of capital stock, effect a reverse stock split, pay a stock dividend or issue additional shares of capital stock as a dividend with respect to any shares of such capital stock, or otherwise makes a distribution or distributions on shares of its Common Stock or any other equity or equity equivalent securities payable in Common Stock, the number of Warrant Shares issuable on the exercise of this Warrant shall forthwith be proportionately increased in the case of a subdivision, dividend or stock dividend, or proportionately decreased in the case of a combination or reverse stock split. Appropriate adjustments shall also be made to the Exercise Price payable per share, but the aggregate Exercise Price payable for the total number of Warrant Shares purchasable under this Warrant (as adjusted) shall remain the same. Any adjustment under this Section 2(a)(i) shall become effective at the close of business on the date the subdivision or combination becomes effective, or as of the record date of such dividend, or in the event that no record date is fixed, upon the making of such dividend or distribution.

(ii) Reclassification, Reorganizations and Consolidation. In case of any reclassification, capital reorganization or change in the capital stock of the Company (other than as a result of a subdivision, combination, stock split (forward or reverse) or stock dividend provided for in Section 2(a)(i) above) that occurs after the Date of Issuance, then, as a condition of such reclassification, reorganization or change, lawful provision shall be made, and duly executed documents evidencing the same from the Company or its successor shall be delivered to

the Holder, so that the Holder shall thereafter have the right at any time prior to the expiration of this Warrant to purchase, at a total price equal to that payable upon the exercise of this Warrant, the kind and amount of shares of stock and/or other securities or property (including, if applicable, cash) receivable in connection with such reclassification, reorganization or change by a holder of the same number and type of securities as were purchasable as Warrant Shares by the Holder immediately prior to such reclassification, reorganization or change. In any such case, appropriate provisions shall be made with respect to the rights and interest of the Holder so that the provisions hereof shall thereafter be applicable with respect to any shares of stock or other securities or property deliverable upon exercise hereof, and appropriate adjustments shall be made to the Exercise Price payable hereunder, provided the aggregate Exercise Price shall remain the same.

(b) Subsequent Rights Offerings.

(i) Deemed Issue of Additional Shares of Common Stock.

(1) If the Company at any time or from time to time after the Date of Issuance shall issue any Options or Convertible Securities (excluding Options or Convertible Securities, which are themselves Exempt Securities), then the maximum number of shares of Common Stock (as set forth in the instrument relating thereto, assuming the satisfaction of any conditions to exercisability, convertibility or exchangeability but without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities, shall be deemed to be Additional Shares of Common Stock issued as of the time of such issue; provided, that Additional Shares of Common Stock shall not be deemed to have been issued unless the consideration per unit (as determined in accordance with Section 2(b)(iv)(2)) of such Additional Shares of Common Stock would be less than the Specified Value (as defined below) of a share of Common Stock as of such date and immediately prior to such issue; provided, further, that, in any such case in which Additional Shares of Common Stock are deemed to be issued, no further adjustments in the Exercise Price shall be made upon the subsequent issue of Convertible Securities or Common Stock upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or the subsequent repurchase or redemption of such Convertible Securities or such Common Stock. The term "**Specified Value**," as used in this Warrant Certificate, means the Fair Market Value of a share of Common

Stock, less an amount equal to 10% of the Fair Market Value of such share of Common Stock.

(2) If the terms of any Option or Convertible Security, the issuance of which resulted in an adjustment to the Exercise Price pursuant to the terms of Section 2(b), are revised (either automatically, pursuant to the provisions contained therein, or as a result of an amendment to such terms) to provide for either (i) any increase or decrease in the number of shares of Common Stock issuable upon the exercise, conversion or exchange of any such Option or Convertible Security or (ii) any increase or decrease in the consideration payable to the Company upon such exercise, conversion or exchange, then, effective upon such increase or decrease becoming effective, the Exercise Price computed upon the original issue of such Option or Convertible Security shall be readjusted to such Exercise Price as would have been obtained had such revised terms been in effect upon the original date of issuance of such Option or Convertible Security. Notwithstanding the foregoing, there shall be no increase to the Exercise Price pursuant to this clause (2) to an amount that exceeds the lower of the Exercise Price on the date of the original adjustment or, if later readjusted in connection with issuances of Additional Shares, such further adjusted Exercise Price.

(3) If the terms of any Option or Convertible Security, the issuance of which did not result in an adjustment to the Exercise Price pursuant to the terms of this Section 2(b) (because the consideration per share of Additional Shares of Common Stock subject thereto was equal to or greater than the then Specified Value of a share of Common Stock) are revised after the Date of Issuance (either automatically, pursuant to the provisions contained therein, or as a result of an amendment to such terms) to provide for either (i) any increase or decrease in the number of shares of Common Stock issuable upon the exercise, conversion or exchange of any such Option or Convertible Security or (ii) any increase or decrease in the consideration payable to the Company upon such exercise, conversion or exchange, and in each case, as a result of such increase or decrease, the consideration per share of Additional Shares of Common Stock subject thereto was less than the then Specified Value of a share of Common Stock, then such Option or Convertible Security, as so amended, and the Additional Shares of

Common Stock subject thereto pursuant to the terms of this Section 2(b), shall be deemed to have been issued effective upon such increase or decrease becoming effective.

(4) Upon the expiration or termination of any unexercised Option or unconverted or unexchanged Convertible Security which resulted (either upon its original issuance or upon a revision of its terms) in an adjustment to the Exercise Price pursuant to the terms of this Section 2(b), the Exercise Price shall be readjusted to such Exercise Price as would have been obtained had such Option or Convertible Security never been issued.

(ii) In addition to any adjustments pursuant to Section 2(a), in the event the Company shall at any time after the Date of Issuance issue Additional Shares of Common Stock for consideration per share of Common Stock less than the Specified Value of a share of Common Stock as of immediately prior to such issue, then:

(1) the Exercise Price shall be reduced, concurrently with such issuance, grant or sale to a price (calculated to the nearest one-ten thousandth of a cent ($0.000001)) determined in accordance with the following formula:

$$EP_2 = EP_1 * ((A+B) / (A+C))$$

Where:

EP_2 = the Exercise Price in effect immediately after such issuance of Additional Shares of Common Stock;

EP_1 = the Exercise Price in effect immediately prior to such issuance of Additional Shares of Common Stock;

A = the number of shares of Common Stock outstanding immediately prior to such issuance of Additional Shares of Common Stock;

B = the number of shares of Common Stock that would have been issued if such Additional Shares of Common Stock had been issued or deemed issued at a price per share equal to the Specified Value of a share of Common Stock (for the avoidance of doubt, (i) "B" is determined by dividing the aggregate consideration received by the Company in respect of such issue of Additional Shares by the Specified Value of a share of Common Stock and (ii) "B" excludes "A" immediately above);

C = the number of such Additional Shares of Common Stock issued in such transaction; and

(2) the number of Warrant Shares purchasable upon the exercise of each Warrant shall be increased, concurrently with the decrease in Exercise Price described above, by *multiplying* the number of Warrant Shares issuable upon exercise thereof immediately before such event by a *fraction* (x) the *numerator* of which is EP_1 and (y) the *denominator* of which is EP_2.

Notwithstanding anything to the contrary in this Section 2, there shall be no adjustment to the Exercise Price under any provision under this Section 2, with respect to the issuance of any Exempt Securities.

(iii) In the event the Company or any of its Subsidiaries shall at any time after the Date of Issuance repurchase or redeem (other than a Permitted Repurchase) any additional Shares of Common Stock for a consideration per share of Common Stock greater than the Fair Market Value of a share of Common Stock (the "GFMV") as of immediately prior to such repurchase or redemption (each, an "Above GFMV Repurchase"), then

(1) the Exercise Price shall be reduced, concurrently with such repurchase or redemption, to a price (calculated to the nearest one-ten thousandth of a cent ($0.000001)) determined in accordance with the following formula:

$$EP_2 = EP_1 * (((FMV * A) - P) / (FMV * D))$$

Where:

EP_2 = the Exercise Price in effect immediately after such Above GFMV Repurchase;

EP_1 = the Exercise Price in effect immediately prior to such Above GFMV Repurchase;

FMV = the Fair Market Value per share of Common Stock immediately prior to such Above GFMV Repurchase;

A = the number of shares of Common Stock outstanding immediately prior to the consummation of the Above GFMV Repurchase (including all shares of Common Stock purchased in the Above GFMV Repurchase);

P = the aggregate consideration paid for the shares of Common Stock purchased in the Above GFMV Repurchase; and

D = the number of shares of Common Stock outstanding immediately following the consummation of the Above GFMV Repurchase; and

(2) the number of Warrant Shares purchasable upon the exercise of each Warrant shall be increased, concurrently

with the decrease in Exercise Price described above, by multiplying the number of Warrant Shares issuable upon exercise thereof immediately before such Adjustment Event by a fraction (x) the numerator of which is EP_1 and (y) the denominator of which is EP_2.

(iv) For purposes of the calculations set forth in Section 2(b)(ii) and 2(b)(iii), the consideration received by the Company for the Additional Shares of Common Stock, shall be computed as follows:

(1) *Cash and Property*: Such consideration shall: (i) insofar as it consists of cash, be computed at the aggregate amount of cash so received or paid, as applicable, excluding amounts paid or payable for accrued interest; (ii) insofar as it consists of property other than cash, be computed at the fair market value thereof at the time of such issue, repurchase or redemption and (iii) in the event Additional Shares of Common Stock are issued, together with other interests or securities or other assets for consideration which covers both, be the proportion of such consideration so received, computed as provided in clauses (i) and (ii) above, as reasonably determined in good faith by the Board of Directors of the Company.

(2) *Options and Convertible Securities*: The consideration per share received by the Company for Additional Shares of Common Stock deemed to have been issued pursuant to Section 2(b)(i), relating to Options and Convertible Securities, shall be determined by dividing: (i) the total amount, if any, received or receivable by the Company as consideration for the issue of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such consideration) payable to the Company upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities, by (ii) the maximum number of Common Units (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities.

"**Additional Shares of Common Stock**" means all shares of Common Stock issued (or deemed to be issued pursuant to Section 2(b)(i)) by the Company after the Date of Issuance other than Exempt Securities.

"**Convertible Securities**" means any evidences of indebtedness, shares or other securities directly or indirectly convertible into or exchangeable for Common Stock, but excluding Options.

"**Exempt Securities**" means Common Stock issued, deemed issued or reserved for issuance (including Options or Convertible Securities) as follows: (i) shares of Common Stock or options to employees, officers or directors of the Company pursuant to any stock or option plan duly adopted for such purpose, by a majority of the non-employee members of the Board of Directors or a majority of the members of a committee of non-employee directors established for such purpose for services rendered to the Company, (ii) securities issuable hereunder (or upon the exercise or exchange of or conversion of any Securities issued hereunder and/or other securities exercisable or exchangeable for or convertible into shares of Common Stock issued and outstanding on the date of this Agreement (including subject to the adjustment provisions of Sections 2(a) or 2(c)), provided that such securities have not been amended since the date of this Agreement to increase the number of such securities or to decrease the exercise price, exchange price or conversion price of such securities (other than in connection with stock splits or combinations) or to extend the term of such securities, (iii) securities issued pursuant to acquisitions or strategic transactions approved by a majority of the disinterested directors of the Company, provided that such securities are issued as "restricted securities" (as defined in Rule 144) and that any such issuance shall only be to a Person (or to the equityholders of a Person) which is, itself or through its subsidiaries, an operating company or an owner of an asset in a business synergistic with the business of the Company and shall provide to the Company additional benefits in addition to the investment of funds, but shall not include a transaction in which the Company is issuing securities primarily for the purpose of raising capital or to an entity whose primary business is investing in securities, and (iv) any securities issued or sold, or to be issued or sold, to the Holder or any of its controlled Affiliates, excluding Brookfield.

"**Options**" means rights, options or warrants to subscribe for, purchase or otherwise acquire Common Stock or Convertible Securities.

"**Permitted Repurchase**" means any repurchase or redemption: (i) of shares of Common Stock or options to current or former employees, officers or directors of the Company pursuant to any stock or option plan or employee benefit plan or equity incentive plan duly adopted for such purpose, by a majority of the non-employee members of the Board of Directors or a majority of the members of a committee of non-employee directors established for such purpose for services rendered to the Company, including in connection with the net exercise of options, or the payment of tax withholding with respect to equity awards, issued under such plans; and (ii) of any securities issued or sold, or to be issued or sold, to the Holder or any of its controlled Affiliates, excluding Brookfield.

(c)*Pro Rata* Distributions. Excluding dividends in the form of Common Stock provided in Section 2(a),if the Company shall declare or make any dividend or other distribution

of its assets (or rights to acquire its assets) to holders of Common Stock, by way of dividend, distribution, return of capital or otherwise (including, without limitation, any distribution of cash, property or other non-Common Stock distribution, or rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights) (a "**Distribution**"), at any time after the issuance of this Warrant, then, in each such case, the Company shall reduce the aggregate Exercise Price by the total value of the Distribution. The aggregate reduction in the Exercise Price shall reduce the per share Exercise Price by dividing the aggregate reduction by the number of Warrant Shares and valuing any non-cash dividends or distributions at their Fair Market Value as of the record date for the dividend, distribution or other transaction.

(d) Calculations. All calculations under this Section 2 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 2, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock issued and outstanding.

(e) Treatment of Warrant upon a Change of Control.

(i) If, at any time while this Warrant is outstanding, the Company consummates a Change of Control, then a holder shall have the right thereafter to receive, upon exercise of this Warrant, the same amount and kind of securities, cash or property as it would have been entitled to receive upon the occurrence of such Change of Control if it had been, immediately prior to such Change of Control, a holder of the number of Warrant Shares then issuable upon exercise in full of this Warrant (the "**Alternate Consideration**"). If the holders of Common Stock are given any choice as to the securities, cash or property to be received in a Change of Control, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon exercise of this Warrant. The Company shall not effect any such Change of Control unless prior to or simultaneously with the consummation thereof, any successor to the Company, surviving entity or the corporation purchasing or otherwise acquiring such assets or other appropriate corporation or entity (the "**Successor Entity**") shall (i) assume the obligation to deliver to the holder, such Alternate Consideration as, in accordance with the foregoing provisions, the holder may be entitled to purchase, and the other obligations under this Warrant, and (ii) issue to the Holder a new warrant substantially in the form of this Warrant and consistent with the foregoing provisions and evidencing the Holder's right to purchase the Alternate Consideration for the aggregate Exercise Price upon exercise thereof.

(ii) As used in this Warrant, a "**Change of Control**" means (1) a consolidation, merger or combination (including a spin-off) or statutory share exchange, in each case involving the Company, (2) a sale of all or substantially all of the direct or indirect assets of the Company (including by way of any reorganization, merger, consolidation, transfer, conveyance or other disposition or other similar transaction or series of related transactions), or (3) a direct or indirect acquisition of beneficial ownership of voting securities of the Company by another person or "group" (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act) by means of any transaction or series of transactions (including any reorganization, merger, consolidation, joint venture, share transfer or other similar transaction), in each case, pursuant to which (x) the stockholders of the Company immediately preceding such transaction or transactions collectively own, following the consummation of such transaction or transactions, less than fifty percent (50%) of the total economic interests or total voting power of all securities of beneficial interest of the

Company entitled to vote generally and / or (y) as a result of which the Common Stock would be converted into, or exchanged for, or would be reclassified or changed into, stock, other securities, other property or assets (including cash or any combination thereof).

(f) Notice to Allow Exercise by Holder. If (i) the Company shall declare a redemption of the Common Stock, (ii) the approval of any stockholders of the Company shall be required in connection with any reclassification of the Common Stock, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, or any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property, or (iii) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be delivered by facsimile or email to the Holder at its last facsimile number or email address as it shall appear upon the record to be maintained by the Company for the purposes of registering this Warrant (the "**Warrant Register**"), at least 20 calendar days prior to the applicable record or effective date, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange; provided that the failure to deliver such notice or any defect therein or in the delivery thereof shall not affect the validity of the corporate action required to be specified in such notice. Notwithstanding the foregoing, to the extent that any notice provided hereunder constitutes, or contains, material, non-public information regarding the Company or any of the Subsidiaries, the Company shall consult with the Holder regarding the delivery of such material, non-public information at least two days prior to delivery of such notice.

3. NO FRACTIONAL SHARES; CHARGES, TAXES AND EXPENSES. No fractional Warrant Shares or scrip representing fractional shares will be issued upon exercise of this Warrant. In lieu of any fractional shares which would otherwise be issuable, the Company shall pay cash equal to the product of such fraction multiplied by the Fair Market Value of one Warrant Share. Issuance of Warrant Shares shall be made without charge to the Holder for any issue or transfer tax or other incidental expense in respect of the issuance of such Warrant Shares, all of which taxes and expenses shall be paid by the Company, and such Warrant Shares shall be issued in the name of the Holder or in such name or names as may be directed by the Holder; provided, however, that in the event that Warrant Shares are to be issued in a name other than the name of the Holder, this Warrant when surrendered for exercise shall be accompanied by the Assignment Form attached hereto duly executed by the Holder and the Company may require, as a condition thereto, the payment of a sum sufficient to reimburse it for any transfer tax incidental thereto. The Company shall pay all fees required for same-day processing of any Notice of Exercise and all fees to The Depository Trust Company (or another established clearing corporation performing similar functions) required for same-day electronic delivery of the Warrant Shares.

4. NO STOCKHOLDER RIGHTS. Until the exercise of this Warrant or any portion of this Warrant, the Holder (in its capacity as such) shall not have, nor exercise, any rights as a stockholder of the Company (including without limitation the right to notification of stockholder meetings or the right to receive any notice or other communication concerning the business and affairs of the Company).

5. MECHANICS OF EXERCISE.

(a) Delivery of Warrant Shares Upon Exercise. This Warrant may be exercised by the Holder hereof, in whole or in part, by delivering to the Company (or such other office or agency of the Company as it may designate by notice in writing to the registered Holder at the address of the Holder appearing on the books of the Company) a duly executed copy of the Notice of Exercise in the form attached hereto as Exhibit A (the "**Notice of Exercise**") by facsimile or e- mail attachment. Within two Trading Days following the date of exercise as aforesaid, the Holder shall deliver the Exercise Price (unless the Holder has elected to Net Exercise, if applicable) then in effect with respect to the number of Warrant Shares (or Preferred Shares, as applicable) as to which the Warrant is being exercised by wire transfer or cashier's check drawn on a United States bank. No ink-original Notice of Exercise shall be required, nor any medallion guarantee (or other type of guarantee or notarization) of any Notice of Exercise shall be required. Upon payment of the Exercise Price (unless the Holder has elected to Net Exercise, if applicable) as set forth in the second preceding sentence, this Warrant shall be deemed to have been exercised immediately prior to the close of business on the date of the delivery to the Company of the Notice of Exercise as provided above, and the person entitled to receive the Warrant Shares (or Preferred Shares, as applicable) issuable upon such exercise shall be treated for all purposes as the Holder of such shares of record as of the close of business on such date. Warrant Shares (or Preferred Shares, as applicable) purchased hereunder shall be transmitted by the Company's transfer agent to the Holder by crediting the account of the Holder's prime broker with The Depository Trust Company through its Deposit or Withdrawal at Custodian system ("**DWAC**") if the Company is then a participant in such system and either (A) there is an effective registration statement permitting the issuance of the Warrant Shares (or Preferred Shares, as applicable) to or resale of the Warrant Shares (or Preferred Shares, as applicable) by the Holder or (B) the shares are eligible for resale by the holder without volume or manner-of-sale limitations pursuant to Rule 144, and otherwise by electronic book-entry form (unless the Holder requests that the Warrant Shares (or Preferred Shares, as applicable) be issued in certificated form in the Notice of Exercise) by the end of the day on the date that is two Trading Days from the delivery to the Company of the Notice of Exercise (the "**Warrant Share Delivery Date**"); provided that the Company shall not be required to deliver the Warrant Shares (or Preferred Shares, as applicable) until payment of the applicable Exercise Price (other than in the case of Net Exercise) is received by the Company; provided, further, that in the event that the Notice of Exercise pertains to the exercise of Warrants for Preferred Shares and (x) the Holder has not previously delivered a Notice of Exercise pertaining to the exercise of Warrants for Preferred Shares, the Company shall be required to deliver the Preferred Shares no later than the later of (1) such time the Company would be required to deliver Warrant Shares in accordance with this Section 5(a) and (2) the tenth (10th) Trading Day after the delivery by the Holder of the Preferred Stock Request or (y) the holder has previously delivered a Notice of Exercise pertaining to the exercise of Warrants for Preferred Shares, the Company shall deliver the Preferred Shares to the Holder at the same time as it would be required to deliver Warrant Shares in accordance with this Section 5(a). The Warrant Shares (or Preferred Shares, as

applicable) shall be deemed to have been issued, and the Holder or any other person so designated to be named therein shall be deemed to have become a holder of record of such shares for all purposes, as of the date the Warrant has been exercised (or by Net Exercise, if applicable) irrespective of the date of delivery of the Warrant Shares (or Preferred Shares, as applicable), provided that payment of the aggregate Exercise Price (other than in the case of Net Exercise) is received by the Company within two Trading Days of delivery of the Exercise Notice. The Company may settle the exercise of each Warrant by delivery of Warrant Shares (or Preferred Shares, as applicable), by payment of cash in lieu thereof or by a combination thereof. Within three days of the delivery of the Notice of Exercise by the Holder to the Company, the Company will provide written notice to the Holder of its election to settle the exercise of the exercised Warrants in cash, Common Stock or a specified combination thereof; provided that if the Company elects to so deliver any cash in lieu of shares of Common Stock, each share of such Common Stock shall be valued for purposes of such settlement at its Final Average Trading Price corresponding to the Warrant Share Delivery Date.

(b) Rescission Rights. If the Company fails to cause its transfer agent to transmit to the Holder the Warrant Shares (or Preferred Shares, as applicable) pursuant to Section 5(a) by the Warrant Share Delivery Date, then the Holder will have the right to rescind such exercise.

6. CERTIFICATE OF ADJUSTMENT. Whenever the Exercise Price or number or type of securities issuable upon exercise of this Warrant is adjusted, as herein provided, the Company shall, at its expense, promptly deliver to the Holder a certificate of an officer of the Company setting forth the nature of such adjustment and showing in detail the facts upon which such adjustment is based.

7. COMPLIANCE WITH SECURITIES LAWS.

(a) Prior to the sale or transfer of the Warrant Shares issuable upon exercise of this Warrant, the Holder shall furnish to the Company such certificates, representations, agreements and other information, as the Company or the Company's transfer agent reasonably may require to confirm that such sale or transfer is being made pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act of 1933, as amended (the "**Securities Act**"), unless such Warrant Shares are being sold or transferred pursuant to an effective registration statement.

(b) Until such time that the Warrant or the Warrant Shares have been sold pursuant to an effective registration statement under the Securities Act or transferred pursuant to Rule 144 promulgated under the Securities Act without any restriction as to the number of securities as of a particular date that can then be immediately sold, the Holder acknowledges that (i) the Warrant and the Warrant Shares are "restricted securities" under federal securities laws and (ii) the Company may place a restrictive legend on the Warrant Shares issuable upon exercise of this Warrant in order to comply with applicable securities laws, in substantially the following form and substance:

"THE SECURITIES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE

"SECURITIES ACT"), OR ANY OTHER APPLICABLE SECURITIES LAWS AND HAVE BEEN ISSUED IN RELIANCE UPON AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND SUCH OTHER SECURITIES LAWS. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED, HYPOTHECATED OR OTHERWISE DISPOSED OF, EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO A TRANSACTION WHICH IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS, AND IN THE CASE OF A TRANSACTION EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS, AND IN THE CASE OF A TRANSACTION EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION, UNLESS THE COMPANY HAS RECEIVED AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO IT THAT SUCH TRANSACTION DOES NOT REQUIRE REGISTRATION UNDER THE SECURITIES ACT AND SUCH OTHER APPLICABLE LAWS."

8. REPLACEMENT OF WARRANTS. On receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of this Warrant and, in the case of any such loss, theft or destruction of this Warrant, on delivery of an indemnity agreement reasonably satisfactory in form and amount to the Company (but not the posting of any surety or other bond) or, in the case of any such mutilation, on surrender and cancellation of such Warrant, the Company at its expense will execute and deliver, in lieu thereof, a new Warrant of like tenor.

9. NO IMPAIRMENT. Except to the extent as may be waived by the Holder, the Company will not, by amendment of its charter or through a Change of Control, dissolution, sale of assets or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but will at all times in good faith assist in the carrying out of all such terms and in the taking of all such action as may be necessary or appropriate in order to protect the rights of the Holder against impairment. The Company will not close its stockholder books or records in any manner which prevents the timely exercise of this Warrant, pursuant to the terms hereof.

10. TRADING DAYS. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall be other than a day on which the Common Stock is traded on the Trading Market, then such action may be taken or such right may be exercised on the next succeeding day on which the Common Stock is so traded.

11. TRANSFERS; EXCHANGES.

(a) Subject to compliance with applicable federal and state securities laws and Section 7 hereof, the Holder may sell, assign, transfer, pledge or dispose of all or any portion of this Warrant at any time or from time to time to any person. For a transfer of this Warrant as an entirety by the Holder or any such subsequent Holder, upon surrender of this Warrant to the

Company, together with the Notice of Assignment in the form attached hereto as Exhibit B duly completed and executed on behalf of the Holder or any such subsequent Holder, the Company shall issue a new Warrant of the same denomination to the assignee. For a transfer of this Warrant with respect to a portion of the Warrant Shares purchasable hereunder, upon surrender of this Warrant to the Company, together with the Notice of Assignment in the form attached hereto as Exhibit B duly completed and executed on behalf of the Holder, the Company shall issue a new Warrant to the assignee, in such denomination as shall be requested by the Holder, and shall issue to the Holder a new Warrant covering the number of shares in respect of which this Warrant shall not have been transferred.

(b) Upon any transfer of all or any portion of this Warrant, this Warrant is exchangeable, without expense, at the option of the Holder, upon presentation and surrender hereof to the Company for other Warrants of different denominations entitling the holder thereof to purchase in the aggregate the same number of shares of Common Stock purchasable hereunder. This Warrant may be divided or combined with other Warrants that carry the same rights upon presentation hereof at the principal office of the Company together with a written notice specifying the denominations in which new Warrants are to be issued to the Holder and signed by the Holder hereof. The term "**Warrants**" as used herein includes any Warrants into which this Warrant may be divided or exchanged.

12. AUTHORIZED SHARES. The Company covenants that, during the period the Warrant is outstanding, it will reserve from its authorized and unissued Common Stock and Preferred Stock a sufficient number of shares to provide for the issuance of the Warrant Shares (or Preferred Shares, as applicable) upon the exercise of any purchase rights under this Warrant (taking into account the adjustment provisions of Section 2 or Exhibit C, as applicable). The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of issuing the necessary Warrant Shares (or Preferred Shares, as applicable) upon the exercise of the purchase rights under this Warrant. The Company will take all such reasonable action as may be necessary to assure that such Warrant Shares (or Preferred Shares, as applicable) may be issued as provided herein without violation of any applicable law or regulation, of any requirements of the Trading Market upon which the Common Stock may be quoted or listed, or any preemptive rights or other contingent purchase rights. The Company covenants that all Warrant Shares (or Preferred Shares, as applicable) which may be issued upon the exercise of the purchase rights represented by this Warrant will, upon exercise of the purchase rights represented by this Warrant and payment for such Warrant Shares (or Preferred Shares, as applicable) in accordance herewith, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges created by the Company in respect of the issue thereof. Without limiting the generality of the foregoing, the Company will: (i) not increase the par value of any Warrant Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, and (ii) use commercially reasonable efforts to obtain all authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof, as may be necessary to enable the Company to perform its obligations under this Warrant.

13. MISCELLANEOUS.

(a) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the United States of America and the State of New York, both substantive and remedial, without regard to New York conflicts of law principles. Any judicial proceeding brought under this Agreement or any dispute arising out of this Agreement or any matter related hereto shall be brought in the courts of the State of New York, New York County, or in the United States District Court for the Southern District of New York.

(b) Notices. All notices, requests, consents and other communications hereunder shall be in writing, shall be sent by confirmed facsimile or electronic mail, or mailed by first-class registered or certified airmail, or nationally recognized overnight express courier, postage prepaid, and shall be deemed given when so sent in the case of facsimile or electronic mail transmission, or when so received in the case of mail or courier, and addressed as follows: (a) if to the Company, at Ocwen Financial Corporation, 1661 Worthington Road, Suite 100, West Palm Beach, Florida, 33409, Attn: John Britti, e-mail: john.britti@ocwen.com; with a copy to (which shall not constitute notice) Mayer Brown LLP, 1221 Avenue of the Americas, New York, New York 10020, Attn: John P. Berkery, Esq., e-mail: jberkery@mayerbrown.com, and (b) if to the Holder, at such address or addresses (including copies to counsel) as may have been furnished by the Holder to the Company in writing.

(c) The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provisions.

(d) No Voting Rights. Nothing contained in this Warrant shall be construed as conferring upon the Holder hereof, prior to exercise hereof as set forth in Section 1, the right to vote or to consent to receive notice as a stockholder of the Company.

(e) Limitation of Liability. No provision hereof, in the absence of any affirmative action by the Holder to exercise this Warrant to purchase Warrant Shares, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the purchase price of any such Warrant Shares or as a stockholder of the Company with respect to such Warrant Shares, whether such liability is asserted by the Company or by creditors of the Company.

(f) Remedies. Each party, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. Each party agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive and not to assert the defense in any action for specific performance that a remedy at law would be inadequate.

(g) Amendment. This Warrant may be modified or amended or the provisions hereof waived only with the written consent of the Company and the Holder.

(h) Nonwaiver and Expenses. No course of dealing or any delay or failure to exercise any right hereunder on the part of a party shall operate as a waiver of such right or otherwise prejudice such party's rights, powers or remedies, notwithstanding the fact that the Holder's right to exercise this Warrant terminates on the Termination Date. If a party willfully

and knowingly fails to comply with any provision of this Warrant or the Note Purchase Agreement, which results in any material damage to the other party, the defaulting party shall pay to the non- defaulting party such amounts as shall be sufficient to cover the costs and expenses, including, but not limited to, reasonable attorneys' fees, including those of appellate proceedings, incurred by the non-defaulting party in collecting any amounts due pursuant hereto or in otherwise enforcing any of its rights, powers or remedies hereunder.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this Warrant Certificate to be duly executed as of the date first above written.

OCWEN FINANCIAL CORPORATION

By: _____
Name:
Title:

EXHIBIT A

NOTICE OF EXERCISE

(To be signed only upon exercise of Warrant)

To:_____

The undersigned, the holder of a right to purchase common stock, par value $0.01 per share ("**Common Stock**"), of OCWEN FINANCIAL CORPORATION, a Florida corporation (the "**Company**"), pursuant to the attached Warrant to Purchase Shares of Common Stock of Ocwen Financial Corporation (the "**Warrant**"), dated as of March 4, 2021, hereby elects to exercise the purchase right represented by such Warrant for, and to purchase thereunder, _____ (_____) shares of Common Stock and (choose one):

1) _____ will, within two Trading Days (as such term is defined in the Warrant) make payment of _____ Dollars ($_____) therefor by cashier's check from a United States bank, or by wire transfer of immediately available funds to the account designated below by the Company.

Amount of Transfer: $_____
Date of Transfer: _____, 20__
Bank: [•]
ABA Number: [•]
A/C Number: [•]
A/C Name: [•]
Ref: [•]
ATT: [•]

OR

2) _____ herewith elects to Net Exercise the Warrant pursuant to Section 1(c) thereof.

The undersigned requests that the certificates or book entry position representing the shares of Common Stock to be acquired pursuant to such exercise be issued in the name of, and delivered to _____, whose address is _____ _____.

By its signature below the undersigned hereby represents and warrants that it is an "accredited investor" as defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, as amended, and agrees to be bound by the terms and conditions of the attached Warrant as of the date hereof, including Section 7 thereof.

DATED: _____

[NAME OF HOLDER]

By: _____

Name: _____

Its: _____

EXHIBIT B

NOTICE OF ASSIGNMENT FORM

FOR VALUE RECEIVED, [_____] (the "**Assignor"**) hereby sells, assigns and transfers all of the rights of the undersigned Assignor under the attached Warrant with respect to the number of shares of common stock of **OCWEN FINANCIAL CORPORATION**, a Florida corporation (the "**Company**"), covered thereby set forth below, to the following "**Assignee**" and, in connection with such transfer, represents and warrants to the Company that the transfer is in compliance with Sections 7 and 11 of the Warrant and applicable federal and state securities laws:

NAME OF ASSIGNEE: ADDRESS/FAX NUMBER:

_____

Number of shares: Signature: _____

Dated: _____Witness: _____

ASSIGNEE ACKNOWLEDGMENT

The undersigned Assignee acknowledges that it has reviewed the attached Warrant and by its signature below it hereby represents and warrants that it is an "accredited investor" as defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, as amended, and agrees to be bound by the terms and conditions of the Warrant as of the date hereof, including Section 7 thereof.

Signature:_____

By: _____

Title: _____

Address:

_____

_____

_____

_____

REGISTRATION RIGHTS AGREEMENT

This REGISTRATION RIGHTS AGREEMENT (this "Agreement") is made and entered into as of March 4, 2021 (the "Closing Date"), by and between Ocwen Financial Corporation, a Florida corporation (the "Company"), Opps OCW Holdings, LLC, a Delaware limited liability company ("Opps OCW Holdings"), ROF8 OCW MAV PT, LLC, a Delaware limited liability company ("ROF8 MAV"), and ROF8 OCW Holdings, LLC, a Delaware limited liability company ("ROF8 Holdings") (Opps OCW Holdings and ROF8 Holdings are collectively referred to as the "Balance Sheet Purchasers," Opps OCW Holdings and ROF8 MAV are collectively referred to as the "MAV Purchasers" and Opps OCW Holdings, ROF8 Holdings and ROF8 MAV are collectively referred to as the "Purchasers").

WHEREAS, this Agreement is entered into in connection with the closing of the issuance and sale of the Balance Sheet Warrants (as defined below) pursuant to the Note and Warrant Purchase Agreement, dated as of February 9, 2021 (the "Note Purchase Agreement"), and the Balance Sheet Warrant Certificates, dated as of March 4, 2021 (collectively, the "Balance Sheet Warrant Certificate"), each by and between the Company and the Balance Sheet Purchasers;

WHEREAS, the Company and affiliates of the Purchasers previously entered into the Transaction Agreement, dated as of December 21, 2020, as amended on March 4, 2021 (the "Transaction Agreement");

WHEREAS, the Transaction Agreement contemplates the issuance of the Common Stock Shares (as defined below) and the MAV Warrants (as defined below) pursuant to the Securities Purchase Agreement (the "Securities Purchase Agreement"), and the MAV Warrant Certificate (the "MAV Warrant Certificate"), each by and between the Company and the MAV Purchasers upon the closing of the transactions contemplated by the Transaction Agreement (the "Second Closing Date");

WHEREAS, it is a condition to the consummation of the transactions contemplated by the Transaction Agreement and the Note Purchase Agreement that the parties hereto enter into this Agreement; and

WHEREAS, the Company has agreed to provide the registration and other rights set forth in this Agreement for the benefit of the Purchasers pursuant to the Note Purchase Agreement and the Balance Sheet Warrant Certificate and, upon the Second Closing Date, pursuant to the Transaction Agreement, the Securities Purchase Agreement and the MAV Warrant Certificate;

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth herein and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each party hereto, the parties hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.01 Definitions. Capitalized terms used herein without definition shall have the meanings given to them in the Securities Purchase Agreement. The terms set forth below are used herein as so defined:

"Affiliate" means, with respect to any Person, any other Person that directly or indirectly through one or more intermediaries controls, is controlled by or is under common control with, the Person in question. As used herein, the term "control" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise. For avoidance of doubt, for purposes of this Agreement, (i) the Company, on the one hand, and the Purchasers, on the other hand, shall not be considered Affiliates and

(ii) any fund, entity or account (or portion of any of the foregoing) managed, advised or sub-advised, directly or indirectly, by the Purchasers or a Holder or any of its Affiliates, shall be considered an Affiliate of the Purchasers or Holder (as the case may be).

"Agreement" has the meaning specified therefor in the introductory paragraph of this Agreement.

"Alternative Transaction" means a block trade, agented transaction, sale directly into the market, a purchase or sale by a broker, a derivative transaction, a short sale, a stock loan or stock pledge transaction and sales not involving a public offering.

"Alternative Transaction Counterparty" means each counterparty in an Alternative Transaction.

"Balance Sheet Purchasers" has the meaning specified therefor in the introductory paragraph of this Agreement.

"Balance Sheet Warrants" means the warrants, issued by the Company to the Balance Sheet Purchasers pursuant to Balance Sheet Warrant Certificate, to purchase shares of Common Stock and/or Preferred Stock.

"Balance Sheet Warrant Certificate" has the meaning specified therefor in the first whereas clause of this Agreement.

"Business Day" means any day other than a Saturday, Sunday, any federal legal holiday or day on which banking institutions in the State of New York are authorized or required by law or other governmental action to close.

"Closing Date" has the meaning specified therefor in the introductory paragraph of this Agreement.

"Common Stock" means the Company's common stock, par value $0.01 per share.

"Common Stock Shares" means the shares of Common Stock issued by the Company to the MAV Purchasers on the Second Closing Date under the Transaction Agreement and the Securities Purchase Agreement.

"Common Stock Price" means (x)(i) the arithmetic average of the VWAPs for the ten consecutive Trading Days ending on the date immediately preceding (1) the date of the Effectiveness Deadline in the case of the Liquidated Damages Multiplier under Section 2.01, (2) the date of a Company notice under Section 2.02 or (3) the first day following the expiration of the permitted delay period under Section 2.03, as applicable, (ii) if no VWAP of the Common Stock is reported for the Trading Market, the last reported sale price of the Common Stock on the New York Stock Exchange, and (iii) if there are no sales, the last reported bid price, of the Common Stock on the business day prior to the date of exercise on the Trading Market on which the Common Stock is then listed or quoted as reported by Bloomberg Financial Markets, or (y) if the Fair Market Value cannot be calculated as of such date on the foregoing bases, the price will be determined within ten Trading Days after the tenth day following the occurrence of an event requiring valuation by an independent, reputable appraiser selected by the Company. The determination of such appraiser shall be final and binding upon all parties absent manifest error and the fees and expenses of such appraiser shall be borne by the Company.

"Company" has the meaning specified therefor in the introductory paragraph of this Agreement.

"Delay Liquidated Damages" has the meaning specified therefor in Section 2.03 of this Agreement.

"Effective Date" means, with respect to a particular Shelf Registration Statement, the date of effectiveness of such Shelf Registration Statement.

"Effectiveness Deadline" has the meaning specified therefor in Section 2.01(a) of this Agreement.

"Effectiveness Period" means the period beginning on the Effective Date for the Registration Statement and ending at the time all Registrable Securities covered by such Registration Statement have ceased to be Registrable Securities.

"Electing Holders" has the meaning specified therefor in Section 2.04 of this Agreement.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Governmental Authority" means any federal, state, local or foreign government, or other governmental, regulatory or administrative authority, agency or commission or any court, tribunal, or judicial or arbitral body.

"Holder" means the record holder of any Registrable Securities. In accordance with Section 3.05 of this Agreement, for purposes of determining the availability of any rights and applicability of any obligations under this Agreement, including, calculating the amount of Registrable Securities held by a Holder, a Holder's Registrable Securities shall be aggregated together with all Registrable Securities held by other Holders who are Affiliates of such Holder.

"Included Registrable Securities" has the meaning specified therefor in Section 2.02(a) of this Agreement.

"Launch" has the meaning specified therefor in Section 2.04 of this Agreement.

"Law" means any statute, law, ordinance, regulation, rule, order, code, governmental restriction, decree, injunction or other requirement of law, or any judicial or administrative interpretation thereof, of any Governmental Authority.

"LD Period" has the meaning specified therefor in Section 2.01(b) of this Agreement.

"LD Termination Date" has the meaning specified therefor in Section 2.01(b) of this Agreement.

"Liquidated Damages" has the meaning specified therefor in Section 2.01(b) of this Agreement.

"Liquidated Damages Multiplier" means the product of the Common Stock Price times the number of Registrable Securities held by the applicable Holder.

"Losses" has the meaning specified therefor in Section 2.09(a) of this Agreement.

"Market Disruption Event" means: (a) a failure by the Trading Market to open for trading during its regular trading session; or (b) the occurrence or existence prior to 1:00 p.m., New York City time, on any trading day for the Common Stock for more than one half-hour period in the aggregate during regular trading hours of any suspension or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the Trading Market or otherwise) in the Common Stock or in any options contracts or futures contracts relating to the Common Stock.

"Managing Underwriter" means, with respect to any Underwritten Offering, the book-running lead manager of such Underwritten Offering.

"MAV Purchasers" has the meaning specified therefor in the introductory paragraph of this Agreement.

"MAV Warrant Certificate" has the meaning specified therefor in the third whereas clause of this Agreement.

"MAV Warrants" means the warrants, issued by the Company to the MAV Purchasers pursuant to Transaction Agreement, Securities Purchase Agreement and MAV Warrant Certificate, to purchase shares of Common Stock.

"Note Purchase Agreement" has the meaning specified therefor in the first whereas clause of this Agreement.

"NYSE" means The New York Stock Exchange, Inc.

"Opps OCW Holdings" has the meaning specified therefor in the introductory paragraph of this Agreement.

"Opt-Out Notice" has the meaning specified therefor in Section 2.02(a) of this Agreement.

"Person" means an individual or a corporation, limited liability company, partnership, joint venture, trust, unincorporated organization, association, government agency or political subdivision thereof or other entity.

"Piggyback Threshold Amount" means $5.0 million.

"Post-Launch Withdrawing Selling Holders" has the meaning specified therefor in Section 2.04 of this Agreement.

"Preferred Stock" means the Company's preferred stock, issuable pursuant to the Balance Sheet Warrant Certificate upon the terms set forth in Exhibit C thereto.

"Purchasers" has the meaning specified therefor in the introductory paragraph of this Agreement.

"Registrable Securities" means the Common Stock Shares, the shares of Common Stock issuable upon the exercise of the Balance Sheet Warrants, any shares of Preferred Stock issuable upon the exercise of the Balance Sheet Warrants, any shares of Common Stock issuable upon any sale or transfer of any shares of Preferred Stock issuable upon the exercise of the Balance Sheet Warrants, the shares of Common Stock issuable upon the exercise of the MAV Warrants, any other shares of Common Stock acquired by a Holder subsequent to the date hereof, and includes any type of ownership interest issued to Holders as a result of Section 3.04 of this Agreement.

"Registrable Securities Amount" means the calculation based on the product of the Common Stock Price times the number of Registrable Securities.

"Registration Expenses" has the meaning specified therefor in Section 2.08(b) of this Agreement.

"Registration Statement" has the meaning specified therefor in Section 2.01(a) of this Agreement.

"ROF8 Holdings" has the meaning specified therefor in the introductory paragraph of this Agreement.

"ROF8 MAV" has the meaning specified therefor in the introductory paragraph of this Agreement.

"SEC" means the U.S. Securities and Exchange Commission.

"Second Closing Date" has the meaning specified therefor in the third whereas clause of this Agreement.

"Securities Act" means the Securities Act of 1933, as amended.

"Securities Purchase Agreement" has the meaning specified therefor in the third whereas clause of this Agreement.

"Selling Expenses" has the meaning specified therefor in Section 2.08(b) of this Agreement.

"Selling Holder" means a Holder who is selling Registrable Securities under a Registration Statement pursuant to the terms of this Agreement.

"Selling Holder Indemnified Persons" has the meaning specified therefor in Section 2.09(a) of this Agreement.

"Shelf Registration Statement" means a registration statement under the Securities Act to permit the public resale of the Registrable Securities from time to time as permitted by Rule 415 under the Securities Act (or any successor or similar provision adopted by the SEC then in effect).

"Trading Day" means a day during which trading in securities generally occurs on the Trading Market, except a day on which a Market Disruption Event occurs.

"Trading Market" shall mean any of the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question: the New York Stock Exchange, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, the NYSE American or the OTC Markets (or any successors to any of the foregoing).

"Transaction Agreement" has the meaning specified therefor in the second whereas clause of this Agreement.

"Underwritten Offering" means an offering (including an offering pursuant to a Shelf Registration Statement) in which Registrable Securities are sold to one or more underwriters on a firm commitment basis for reoffering to the public or an offering that is a "bought deal" with one or more investment banks.

"Underwritten Offering Notice" has the meaning specified therefor in Section 2.04 of this Agreement.

"VWAP" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on the New York Stock Exchange, the daily volume weighted average price of the Common Stock for such date (or the nearest preceding date) on the New York Stock Exchange as reported by Bloomberg (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)) (or a similar organization or agency succeeding to its functions of reporting prices), or (b) if the Common Stock is not then listed or quoted on the New York Stock Exchange, then the daily volume weighted average price of the Common Stock for such date (or the nearest preceding date) on the Trading Market on which the Common Stock is then listed or quoted as reported by Bloomberg

(based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)) (or a similar organization or agency succeeding to its functions of reporting prices)

Section 1.02 Registrable Securities. Any Registrable Security shall cease to be a Registrable Security at the earliest of the following: (a) when a registration statement covering such Registrable Security becomes or has been declared effective by the SEC and such Registrable Security has been sold or disposed of pursuant to such effective registration statement; (b) when such Registrable Security has been sold or disposed of (excluding transfers or assignments by a Holder to an Affiliate) pursuant to Rule 144 under the Securities Act (or any successor or similar provision adopted by the SEC then in effect) under circumstances in which all of the applicable conditions of Rule 144 (as then in effect) are met; (c) when such Registrable Security is held by the Company or one of its direct or indirect subsidiaries; or (d) when such Registrable Security has been sold or disposed of in a private transaction in which the transferor's rights under this Agreement are not assigned to the transferee of such securities pursuant to Section 2.11 hereof.

ARTICLE II
REGISTRATION RIGHTS

Section 2.01 Shelf Registration.

(a) Shelf Registration. Within eighteen months after the Closing Date, the Company shall use commercially reasonable efforts to prepare and file a Shelf Registration Statement with the SEC (such date of filing with the SEC, the "Filing Date") to permit the public resale of all Registrable Securities on the terms and conditions specified in this Section 2.01 (a "Registration Statement"). The Registration Statement filed with the SEC pursuant to this Section 2.01(a) shall be on Form S-3 or, if Form S-3 is not then available to the Company, on Form S-1 or such other form of registration statement as is then available to effect a registration for resale of the Registrable Securities, covering the Registrable Securities, and shall contain a prospectus in such form as to permit any Selling Holder covered by such Registration Statement to sell such Registrable Securities pursuant to Rule 415 under the Securities Act (or any successor or similar provision adopted by the SEC then in effect) at any time beginning on the Effective Date for such Registration Statement; *provided, however,* such Registration Statement shall not be filed on a shelf registration statement that automatically becomes effective upon filing. Notwithstanding the foregoing, if the SEC prevents the Company from including any or all of the Registrable Securities proposed to be registered under such Registration Statement due to limitations on the use of Rule 415 under the Securities Act for the resale of the Registrable Securities held by any Purchaser or any other Holder or otherwise, such Registration Statement shall register for resale such number of Registrable Securities which is equal to the maximum number of Registrable Securities as is permitted by the SEC. In such event, the number of Registrable Securities to be registered for each Selling Holder named in the Registration Statement shall be reduced pro rata among all such Selling Holders on the basis of the number of Registrable Securities held by each such Selling Holder or in such other manner as such Selling Holders may agree. In the event the SEC informs the Company that all of such Registrable Securities cannot, as a result of the application of Rule 415, be registered for resale on the Registration Statement, the Company agrees to promptly inform the Selling Holders thereof and use its commercially reasonable efforts to file amendments to the Registration Statement as required by the SEC, covering the maximum number of Registrable Securities permitted to be registered by the SEC, on Form S-3 or such other form available to register for resale such shares as a secondary offering. In accordance with the foregoing, the Company will use its reasonable best efforts to make inquiries and communicate with the SEC, including following the consummation of a disposition of any registered Registrable Securities, in order to register all such Registrable Securities of the Selling Holders as soon as the SEC no longer prevents the Company from including such Registrable Securities proposed to be registered under such Registration Statement. The Company shall use commercially reasonable efforts to cause a Registration Statement filed pursuant to this Section 2.01(a) to be declared effective within (x) 15 calendar days from the Filing Date, if the SEC does not review the filed

Registration Statement or (y) 60 calendar days from the Filing Date, if the SEC reviews the filed Registration Statement (the "Effectiveness Deadline"). A Registration Statement shall provide for the resale pursuant to any method or combination of methods legally available to, and requested by, the Selling Holders, including by way of an Underwritten Offering, if such an election has been made pursuant to Section 2.04 of this Agreement, and by way of Alternative Transactions. During the Effectiveness Period, the Company shall use commercially reasonable efforts to cause a Registration Statement filed pursuant to this Section 2.01(a) to remain effective, and to be supplemented and amended to the extent necessary (including post-effective amendments) to ensure that such Registration Statement is available or, if not available, that another registration statement is available for the resale of the Registrable Securities until the date on which all Registrable Securities have ceased to be Registrable Securities. In the event that the minimum listing standards of the NYSE are satisfied, the Company shall prepare and file a supplemental listing application with the NYSE (or such other national securities exchange on which the Registrable Securities are then listed and traded) to list the Registrable Securities (other than shares of Preferred Stock) covered by a Registration Statement and shall use commercially reasonable efforts to have such Registrable Securities approved for listing on the NYSE (or such other national securities exchange on which the Registrable Securities are then listed and traded) by the Effective Date of such Registration Statement, subject only to official notice of issuance. Within two Business Days of the Effective Date of a Registration Statement, the Company shall notify the Selling Holders of the effectiveness of such Registration Statement.

When effective, a Registration Statement (including the documents incorporated therein by reference) will comply as to form in all material respects with all applicable requirements of the Securities Act and the Exchange Act and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading (in the case of any prospectus contained in such Registration Statement, in the light of the circumstances under which a statement is made). If the Managing Underwriter of any proposed Underwritten Offering of Registrable Securities (other than an Underwritten Offering of Included Registrable Securities pursuant to Section 2.02) advises the Company that the inclusion of all of the Selling Holders' Registrable Securities that the Selling Holders intend to include in such offering exceeds the number that can be sold in such offering without being likely to have an adverse effect on the price, timing or distribution of the Registrable Securities offered or the market for the Registrable Securities, then the Registrable Securities to be included in such Underwritten Offering shall include the number of Registrable Securities that such Managing Underwriter advises the Company and the Holder in its good faith opinion can be sold without having such adverse effect, with such number to be allocated (i) first, to the Selling Holders, allocated among such Selling Holders pro rata on the basis of the number of Registrable Securities held by each such Selling Holder or in such other manner as such Selling Holders may agree, and (ii) second, to any other holder of securities of the Company having rights of registration that are neither expressly senior nor subordinated to the Holders in respect of the Registrable Securities.

(b) Failure to Go Effective. If a Registration Statement required to be filed by Section 2.01(a) is not declared effective on or prior to the Effectiveness Deadline, then each Holder shall be entitled to a payment in cash (with respect to each Registrable Security held by the Holder), as liquidated damages and not as a penalty, of 0.25% of the Liquidated Damages Multiplier per 30-day period, which shall accrue daily, for the first 60 calendar days immediately following the Effectiveness Deadline, increasing by an additional 0.25% of the Liquidated Damages Multiplier per 30-calendar-day period, which shall accrue daily, for each subsequent 30-calendar-day period (*i.e.*, 0.5% for 61-90 calendar days, 0.75% for 91-120 calendar days and 1.00% thereafter), up to a maximum of 1.00% of the Liquidated Damages Multiplier per 30-calendar-day period, until such time as such Registration Statement is declared effective or when the Registrable Securities covered by such Registration Statement cease to be Registrable Securities (the "Liquidated Damages"). The Liquidated Damages payable pursuant to the immediately preceding sentence shall be payable within 10 Business Days after the end of each such 30-calendar-day period. Any Liquidated

Damages shall be paid to each Holder in immediately available funds. The accrual of Liquidated Damages to a Holder shall cease (an "LD Termination Date," and, each such period beginning on an Effectiveness Deadline and ending on an LD Termination Date being, an "LD Period") at the earlier of (1) the Registration Statement being declared effective and (2) when the Holder's Registrable Securities covered by such Registration Statement cease to be Registrable Securities. Any amount of Liquidated Damages shall be prorated for any period of less than 30 calendar days accruing during an LD Period. If the Company is unable to cause a Registration Statement to be declared effective on or prior to the Effectiveness Deadline as a result of an acquisition, merger, reorganization, disposition or other similar transaction, then the Company may request a waiver of the Liquidated Damages, and each Holder may individually grant or withhold its consent to such request in its discretion. Nothing in this Section 2.01(b) shall relieve the Company from its obligations under Section 2.01(a).

Section 2.02 Piggyback Rights.

(a) Participation. So long as a Holder has Registrable Securities, if the Company proposes to file (i) a shelf registration statement other than a Registration Statement contemplated by Section 2.01(a), (ii) a prospectus supplement to an effective shelf registration statement relating to the sale of equity securities of the Company for its own account or that of another Person, or both, other than a Registration Statement contemplated by Section 2.01(a) and Holders may be included without the filing of a post-effective amendment thereto, or (iii) a registration statement, other than a shelf registration statement, in each case, for the sale of shares of Common Stock in an Underwritten Offering for its own account or that of another Person, or both, then promptly following the selection of the Managing Underwriter for such Underwritten Offering, the Company shall give notice of such Underwritten Offering to each Holder (together with its Affiliates) holding at least the Piggyback Threshold Amount of the then-outstanding Registrable Securities (calculated based on the Common Stock Price) and such notice shall offer such Holders the opportunity to include in such Underwritten Offering such number of Registrable Securities (the "Included Registrable Securities") as each such Holder may request in writing; *provided*, *however*, that (A) the Company shall not be required to provide such opportunity to any such Holder that does not offer a minimum of the Piggyback Threshold Amount of Registrable Securities (based on the Common Stock Price), or such lesser amount if it constitutes the remaining holdings of such Holder, and (B) if the Managing Underwriter advises the Company that in its good faith opinion the inclusion of Registrable Securities for sale for the benefit of the Holders will have an adverse effect on the price, timing or distribution of the shares of Common Stock in the Underwritten Offering, then (x) if no Registrable Securities can be included in the Underwritten Offering in the good faith opinion of the Managing Underwriter, the Company shall not be required to offer such opportunity to the Holders, or (y) if any Registrable Securities can be included in the Underwritten Offering in the opinion of the Managing Underwriter, then the amount of Registrable Securities to be offered for the accounts of Holders shall be determined based on the provisions of Section 2.02(b). Any notice required to be provided in this Section 2.02(a) to Holders shall be provided on a Business Day and receipt of such notice shall be confirmed by the Holder. Each such Holder shall then have five Business Days (or three Business Days in connection with any overnight or bought Underwritten Offering) after notice has been delivered to request in writing the inclusion of Registrable Securities in the Underwritten Offering. If no written request for inclusion from a Holder is received within the specified time, each such Holder shall have no further right to participate in such Underwritten Offering. If, at any time after giving written notice of its intention to undertake an Underwritten Offering and prior to the closing of such Underwritten Offering, the Company shall determine for any reason not to undertake or to delay such Underwritten Offering, the Company may, at its election, give written notice of such determination to the Selling Holders and, (1) in the case of a determination not to undertake such Underwritten Offering, shall be relieved of its obligation to sell any Included Registrable Securities in connection with such terminated Underwritten Offering, and (2) in the case of a determination to delay such Underwritten Offering, shall be permitted to delay offering any Included Registrable Securities as part of such Underwritten Offering for the same period as the delay in the Underwritten Offering. Any Selling Holder shall have the right to

withdraw such Selling Holder's request for inclusion of such Selling Holder's Registrable Securities in such Underwritten Offering by giving written notice to the Company of such withdrawal at or prior to the time of pricing of such Underwritten Offering. Any Holder may deliver written notice (an "Opt-Out Notice") to the Company requesting that such Holder not receive notice from the Company of any proposed Underwritten Offering; *provided, however,* that such Holder may later revoke any such Opt-Out Notice in writing. Following receipt of an Opt-Out Notice from a Holder (unless subsequently revoked), the Company shall not be required to deliver any notice to such Holder pursuant to this Section 2.02(a) and such Holder shall no longer be entitled to participate in Underwritten Offerings by the Company pursuant to this Section 2.02(a).

(b) Priority. If the Managing Underwriter of any proposed Underwritten Offering of shares of Common Stock included in an Underwritten Offering involving Included Registrable Securities pursuant to this Section 2.02 advises the Company and the Holder that in its good faith opinion the total number of shares of Common Stock that the Selling Holders and any other Persons intend to include in such offering exceeds the number of shares of Common Stock that can be sold in such offering without being likely to have an adverse effect on the price, timing or distribution of shares of the Common Stock offered or the market for the shares of Common Stock, then the shares of Common Stock to be included in such Underwritten Offering shall include the number of Registrable Securities that such Managing Underwriter advises the Company and the Holder that in its good faith opinion can be sold without having such adverse effect, with such number to be allocated (i) first, to the Company or other party or parties requesting or initiating such registration or to any other holder of securities of the Company having rights of registration pursuant to an existing registration rights agreement and (ii) second, by the Selling Holders who have requested participation in such Underwritten Offering and by the other holders of shares of Common Stock (other than holders of Registrable Securities) with registration rights entitling them to participate in such Underwritten Offering, allocated among such Selling Holders and other holders pro rata on the basis of the number of Registrable Securities or shares of Common Stock proposed to be sold by each applicable Selling Holder or other holder in such Underwritten Offering (based, for each such participant, on the percentage derived by dividing (x) the number of shares of Common Stock proposed to be sold by such participant in such Underwritten Offering by (y) the aggregate number of shares of Common Stock proposed to be sold by all participants in such Underwritten Offering) or in such manner as they may agree. The allocation of shares of Common Stock to be included in any Underwritten Offering other than an Underwritten Offering involving Included Registrable Securities pursuant to this Section 2.02 shall be governed by Section 2.01(a).

(c) Termination of Piggyback Registration Rights. Each Holder's rights under this Section 2.02 shall terminate upon such Holder ceasing to hold at least the Piggyback Threshold Amount of Registrable Securities (calculated based on the Common Stock Price).

Section 2.03 Delay Rights.

Notwithstanding anything to the contrary contained herein, the Company may, upon written notice to (i) all Holders, delay the filing of a Registration Statement required under Section 2.01(a), or (ii) any Selling Holder whose Registrable Securities are included in a Registration Statement or other registration statement contemplated by this Agreement, suspend such Selling Holder's use of any prospectus that is a part of such Registration Statement or other registration statement (in which event the Selling Holder shall discontinue sales of the Registrable Securities pursuant to such Registration Statement or other registration statement contemplated by this Agreement but may settle any previously made sales of Registrable Securities) if the Company (x) is pursuing an acquisition, merger, reorganization, disposition or other similar transaction and the Company determines in good faith that the Company's ability to pursue or consummate such a transaction would be materially adversely affected by any required disclosure of such transaction in such Registration Statement or other registration statement or (y) has experienced some other material non-public event the disclosure of which at such time, in the good faith judgment of the Company,

would materially adversely affect the Company; *provided, however*, in no event shall (A) filing of such Registration Statement be delayed under clauses (x) or (y) of this Section 2.03 on more than two occasions or for more than an aggregate of 45 calendar days in any one instance, or for more than 90 calendar days in any 365 calendar-day period or (B) such Selling Holders be suspended under clauses (x) or (y) of this Section 2.03 from selling Registrable Securities pursuant to such Registration Statement or other registration statement for a period that exceeds an aggregate of 30 calendar days in any 180 calendar-day period or 60 calendar days in any 365 calendar-day period, in each case, exclusive of days covered by any lock-up agreement executed by a Selling Holder in connection with any Underwritten Offering. Upon disclosure of such information or the termination of the condition described above, the Company shall provide prompt notice, but in any event within one Business Day of such disclosure or termination, to the Selling Holders whose Registrable Securities are included in such Registration Statement and shall promptly terminate any suspension of sales it has put into effect and shall take such other reasonable actions to permit registered sales of Registrable Securities as contemplated in this Agreement.

If (i) the Selling Holders shall be prohibited or prevented from selling their Registrable Securities under a Registration Statement or other registration statement contemplated by this Agreement as a result of a delay or suspension pursuant to the immediately preceding paragraph in excess of the periods permitted therein or (ii) a Registration Statement or other registration statement contemplated by this Agreement is filed and is declared effective but, during the Effectiveness Period, shall thereafter cease to be effective or fail to be usable for its intended purpose without being succeeded within 90 calendar days by a post- effective amendment thereto, a supplement to the prospectus or a report filed with the SEC pursuant to Section 13(a), 13(c), 14 or l5(d) of the Exchange Act, then, until the suspension is lifted or the Registration Statement required under Section 2.01(a), a post-effective amendment, supplement or report is filed with the SEC, but not including any day on which a suspension is lifted or such Registration Statement, amendment, supplement or report is filed with the SEC, if applicable, each Selling Holder shall be entitled to a payment (with respect to each Registrable Security) from the Company, as liquidated damages and not as a penalty, of 0.25% of the Liquidated Damages Multiplier per 30-calendar-day period, which shall accrue daily, for the first 60 calendar days immediately following the earlier of (x) the date on which the suspension or delay period exceeded the permitted period and (y) the 31st calendar day after such Shelf Registration Statement ceased to be effective or failed to be usable for its intended purposes, with such payment amount increasing by an additional 0.25% of the Liquidated Damages Multiplier per 30-day period, which shall accrue daily, for each subsequent 30-calendar-day period (*i.e.*, 0.5% for 61-90 calendar days, 0.75% for 91- 120 calendar days and 1.00% thereafter), up to a maximum of 1.00% of the Liquidated Damages Multiplier per 30-day period (the "Delay Liquidated Damages"). For purposes of this paragraph, a suspension or delay shall be deemed lifted with respect to a Selling Holder on the date that (A) notice that the suspension has been terminated is delivered to such Selling Holder, (B) the Registration Statement required under Section 2.01(a) is filed with the SEC, or (C) a post-effective amendment or supplement to the prospectus or report is filed with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act. Any Delay Liquidated Damages shall cease to accrue pursuant to this paragraph upon the earlier of (1) a suspension or delay being deemed lifted and (2) when such Selling Holder no longer holds Registrable Securities included in such Registration Statement, and shall be payable within 10 Business Days after the end of each such 30-day period. Any amount of Delay Liquidated Damages shall be prorated for any period of less than 30 calendar days in which the payment of Delay Liquidated Damages ceases. Any Delay Liquidated Damages shall be paid to each Selling Holder in immediately available funds.

Section 2.04 Underwritten Offerings.

In the event that any Holder or Holders that are Affiliates of each other (the "Electing Holders")
elect to include, other than pursuant to Section 2.02 of this Agreement, at least the lesser of (i) $10.0 million of Registrable Securities in the aggregate (calculated based on the expected gross proceeds of the Underwritten Offering of such Registrable Securities) and (ii) 100% of the then outstanding Registrable

Securities held by such Electing Holders under a Registration Statement pursuant to an Underwritten Offering, the Company shall, upon request by the Electing Holders (such request, an "Underwritten Offering Notice"), retain underwriters to permit the Electing Holders to effect such sale through an Underwritten Offering; *provided, however,* that each Holder, together with its Affiliates, shall have the option and right to require the Company to effect not more than two Underwritten Offerings in the aggregate, subject to a maximum of one Underwritten Offering during any 90-day period. Upon delivery of such Underwritten Offering Notice to the Company, the Company shall as soon as practicable (but in no event later than one Business Day following the date of delivery of the Underwritten Offering Notice to the Company) deliver notice of such Underwritten Offering Notice to all other Holders, who shall then have two Business Days from the date that such notice is given to them to notify the Company in writing of the number of Registrable Securities held by such Holder that they want to be included in such Underwritten Offering. Any Holders notified about an Underwritten Offering by the Company after the Company has received the corresponding Underwritten Offering Notice may participate in such Underwritten Offering, but shall not count toward the $10.0 million of Registrable Securities required under clause (i) of this Section 2.04 to request an Underwritten Offering pursuant to an Underwritten Offering Notice. In connection with any Underwritten Offering under this Agreement, the Holders of a majority of the Registrable Securities being sold in such Underwritten Offering shall be entitled to select the Managing Underwriter or Underwriters, but only with the consent of the Company, which shall not be unreasonably withheld, delayed or conditioned. In connection with an Underwritten Offering contemplated by this Agreement in which a Selling Holder participates, each Selling Holder and the Company shall be obligated to enter into an underwriting agreement that contains such representations, covenants, indemnities and other rights and obligations as are customary in underwriting agreements for firm commitment offerings of securities. No Selling Holder may participate in such Underwritten Offering unless such Selling Holder agrees to sell its Registrable Securities on the basis provided in such underwriting agreement and completes and executes all questionnaires, powers of attorney, indemnities and other documents reasonably required under the terms of such underwriting agreement. Each Selling Holder may, at its option, require that any or all of the representations and warranties by, and the other agreements on the part of, the Company to and for the benefit of such underwriters also be made to and for such Selling Holder's benefit and that any or all of the conditions precedent to the obligations of such underwriters under such underwriting agreement also be conditions precedent to its obligations. No Selling Holder shall be required to make any representations or warranties to or agreements with the Company or the underwriters other than representations, warranties or agreements regarding such Selling Holder, its authority to enter into such underwriting agreement and to sell, and its ownership of, the securities whose offer and resale will be registered, on its behalf, its intended method of distribution and any other representation required by Law. If any Selling Holder disapproves of the terms of an underwriting, such Selling Holder may elect to withdraw therefrom by notice to the Company, the Electing Holders and the Managing Underwriter; *provided, however,* that any such withdrawal must be made no later than the time of pricing of such Underwritten Offering. If all Selling Holders withdraw from an Underwritten Offering prior to the pricing of such Underwritten Offering, the events will not be considered an Underwritten Offering and will not decrease the number of available Underwritten Offerings the Holders have the right and option to request under this Section 2.04. No such withdrawal or abandonment shall affect the Company's obligation to pay Registration Expenses pursuant to Section 2.08; *provided, however,* that if (A) certain Selling Holders withdraw from an Underwritten Offering after the public announcement at launch (the "Launch") of such Underwritten Offering (such Selling Holders, the "Post-Launch Withdrawing Selling Holders"), and (B) all Selling Holders withdraw from such Underwritten Offering prior to pricing, other than in either clause (A) or (B) as a result of the occurrence of any event that would reasonably be expected to permit the Company to exercise its rights to suspend the use of a Registration Statement or other registration statement pursuant to Section 2.03, then the Post-Launch Withdrawing Selling Holders shall pay for all reasonable Registration Expenses incurred by the Company during the period from the Launch of such Underwritten Offering until the time all Selling Holders withdraw from such Underwritten Offering.

Section 2.05 Sale Procedures.

In connection with its obligations under this Article II, the Company shall, as expeditiously as possible:

(a) use its reasonable best efforts to prepare and file with the SEC such amendments and supplements to a Registration Statement and the prospectus used in connection therewith as may be necessary to keep such Registration Statement effective for the Effectiveness Period and as may be necessary to comply with the provisions of the Securities Act with respect to the disposition of all Registrable Securities covered by such Registration Statement;

(b) if a prospectus supplement will be used in connection with the marketing of an Underwritten Offering (or Alternative Transaction) from a Registration Statement and the Managing Underwriter (or Alternative Transaction Counterparty) at any time shall notify the Company in writing that, in the sole judgment of such Managing Underwriter (or Alternative Transaction Counterparty), inclusion of detailed information to be used in such prospectus supplement is of material importance to the success of the Underwritten Offering (or Alternative Transaction) of such Registrable Securities, the Company shall use its reasonable best efforts to include such information in such prospectus supplement;

(c) furnish to each Selling Holder (i) as far in advance as reasonably practicable before filing a Registration Statement or any other registration statement contemplated by this Agreement or any supplement or amendment thereto, upon request, copies of reasonably complete drafts of all such documents proposed to be filed (including exhibits and each document incorporated by reference therein to the extent then required by the rules and regulations of the SEC), and provide each such Selling Holder the opportunity to object to any information pertaining to such Selling Holder and its plan of distribution that is contained therein and make the corrections reasonably requested by such Selling Holder with respect to such information prior to filing a Registration Statement or such other registration statement or supplement or amendment thereto, and (ii) such number of copies of such Registration Statement or such other registration statement and the prospectus included therein and any supplements and amendments thereto as such Selling Holder may reasonably request in order to facilitate the sale or other disposition of the Registrable Securities covered by such Registration Statement or other registration statement;

(d) if applicable, use its reasonable best efforts to register or qualify the Registrable Securities covered by a Registration Statement or any other registration statement contemplated by this Agreement under the securities or blue sky laws of such jurisdictions as the Selling Holders or, in the case of an Underwritten Offering (or Alternative Transaction), the Managing Underwriter (or Alternative Transaction Counterparty), shall reasonably request; *provided*, *however*, that the Company shall not be required to qualify generally to transact business in any jurisdiction where it is not then required to so qualify or to take any action that would subject it to general service of process in any such jurisdiction where it is not then so subject;

(e) promptly notify each Selling Holder, at any time when a prospectus relating thereto is required to be delivered by any of them under the Securities Act, of (i) the filing of a Registration Statement or any other registration statement contemplated by this Agreement or any prospectus or prospectus supplement to be used in connection therewith, or any amendment or supplement thereto, and, with respect to such Registration Statement or any other registration statement or any post-effective amendment thereto, when the same has become effective; and (ii) the receipt of any written comments from the SEC with respect to any filing referred to in clause (i) and any written request by the SEC for amendments or supplements to such Registration Statement or any other registration statement or any prospectus or prospectus supplement thereto;

(f) immediately notify each Selling Holder, at any time when a prospectus relating thereto is required to be delivered by such Selling Holder under the Securities Act, of (i) the happening of any event as a result of which the prospectus or prospectus supplement contained in a Registration Statement or any other registration statement contemplated by this Agreement, as then in effect, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading (in the case of any prospectus contained therein, in the light of the circumstances under which a statement is made); (ii) the issuance or express threat of issuance by the SEC of any stop order suspending the effectiveness of such Registration Statement or any other registration statement contemplated by this Agreement, or the initiation of any proceedings for that purpose; or (iii) the receipt by the Company of any notification with respect to the suspension of the qualification of any Registrable Securities for sale under the applicable securities or blue sky laws of any jurisdiction. Following the provision of such notice, the Company agrees to as promptly as practicable amend or supplement the prospectus or prospectus supplement or take other appropriate action so that the prospectus or prospectus supplement does not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing and to take such other commercially reasonable action as is necessary to remove a stop order, suspension, threat thereof or proceedings related thereto;

(g) upon request and subject to appropriate confidentiality obligations, furnish to each Selling Holder copies of any and all transmittal letters or other correspondence with the SEC or any other governmental agency or self-regulatory body or other body having jurisdiction (including any domestic or foreign securities exchange) relating to such offering of Registrable Securities;

(h) in the case of an Underwritten Offering (or an Alternative Transaction, to the extent customary for such Alternative Transaction), furnish, or use its reasonable best efforts to cause to be furnished, to the underwriters (or the Alternative Transaction Counterparties, as the case may be) upon request, (i) an opinion of counsel for the Company dated the date of the closing under the agreement governing such sale and (ii) a “comfort” letter, dated the pricing date of the relevant transaction and a letter of like kind dated the date of the closing under the agreement governing such sale, in each case, signed by the independent public accountants who have certified the Company’s financial statements included or incorporated by reference into the applicable registration statement, and each of the opinion and the “comfort” letter shall be in customary form and covering substantially the same matters with respect to such registration statement (and the prospectus and any prospectus supplement included therein) as would be customarily covered in opinions of issuer’s counsel and in accountants’ letters delivered to the underwriters (or Alternative Transaction Counterparties, as the case may be) in transactions of the type contemplated by such Underwritten Offering or Alternative Transaction (as the case may be) and such other matters as such underwriters and Selling Holders may reasonably request;;

(i) otherwise use its reasonable best efforts to comply with all applicable rules and regulations of the SEC, and make available to its security holders, as soon as reasonably practicable, an earnings statement, covering a period of twelve months beginning within three months after the Effective Date of such Registration Statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 promulgated thereunder;

(j) make available to the appropriate representatives of the Managing Underwriter (or Alternative Transaction Counterparties) and Selling Holders access to such information and the Company personnel as is reasonable and customary to enable such parties to establish a due diligence defense under the Securities Act; *provided*, that the Company need not disclose any non-public information to any such representative unless and until such representative has entered into a confidentiality agreement with the Company;

(k) if the minimum listing standards of the NYSE are satisfied, use its reasonable best efforts to cause all Registrable Securities(other than shares of Preferred Stock) registered pursuant to this Agreement to be listed on each securities exchange or nationally recognized quotation system on which the Common Stock are then listed or quoted;

(l) provide a transfer agent and registrar for all Registrable Securities covered by such registration statement not later than the Effective Date of such registration statement;

(m) enter into customary agreements and take such other actions as are reasonably requested by the Selling Holders or the underwriters, if any, in order to expedite or facilitate the disposition of Registrable Securities (including, making appropriate officers of the Company available to participate in any "road show" presentations before analysts, and other customary marketing activities (including one-on-one meetings with prospective purchasers of the Registrable Securities)), *provided*, *however*, that in the event the Company, using reasonable best efforts, is unable to make such appropriate officers of the Company available to participate in connection with any "road show" presentations and other customary marketing activities (whether in person or otherwise), the Company shall make such appropriate officers available to participate via conference call or other means of communication in connection with no more than one "road show" presentation per Underwritten Offering or Alternative Transaction;

(n) if requested by a Selling Holder, (i) incorporate in a prospectus supplement or post-effective amendment such information as such Selling Holder reasonably requests to be included therein relating to the sale and distribution of Registrable Securities, including information with respect to the number of Registrable Securities being offered or sold, the purchase price being paid therefor and any other terms of the offering of the Registrable Securities to be sold in such offering, and (ii) make all required filings of such prospectus supplement or post-effective amendment after being notified of the matters to be incorporated in such prospectus supplement or post-effective amendment;

(o) if reasonably required by the Company's transfer agent, the Company shall promptly deliver any authorizations, certificates, opinions or directions required by the transfer agent which authorize and direct the transfer agent to transfer Registrable Securities without legend upon sale by the Holder of such Registrable Securities under a Registration Statement; and

Notwithstanding anything to the contrary in this Section 2.05, the Company shall not name a Holder as an underwriter as defined in Section 2(a)(11) of the Securities Act in any Registration Statement without such Holder's consent. If the staff of the SEC requires the Company to name any Holder as an underwriter as defined in Section 2(a)(11) of the Securities Act, and such Holder does not consent thereto, then such Holder's Registrable Securities shall not be included on such Registration Statement, such Holder shall no longer be entitled to receive Liquidated Damages under this Agreement with respect to such Holder's Registrable Securities and the Company shall have no further obligations hereunder with respect to Registrable Securities held by such Holder, unless such Holder has not had an opportunity to conduct customary underwriter's due diligence with respect to the Company at the time such Holder's consent is sought.

Each Selling Holder, upon receipt of notice from the Company of the happening of any event of the kind described in Section 2.05(f), shall forthwith discontinue offers and sales of the Registrable Securities by means of a prospectus or prospectus supplement until such Selling Holder's receipt of the copies of the supplemented or amended prospectus contemplated by Section 2.05(f) or until it is advised in writing by the Company that the use of the prospectus may be resumed and has received copies of any additional or supplemental filings incorporated by reference in the prospectus, and, if so directed by the Company, such Selling Holder shall, or shall request the Managing Underwriter, if any, to deliver to the Company (at the Company's expense) all copies in their possession or control, other than permanent file

copies then in such Selling Holder's possession, of the prospectus covering such Registrable Securities current at the time of receipt of such notice.

Section 2.06 Cooperation by Holders.

The Company shall have no obligation to include Registrable Securities of a Holder in a Registration Statement or in an Underwritten Offering pursuant to Section 2.02(a) who has failed to timely furnish after receipt of a written request from the Company such information that the Company determines, after consultation with its counsel, is reasonably required in order for the registration statement or prospectus supplement, as applicable, to comply with the Securities Act, including, without limitation, the completion and submission by such Holder of any Selling Holder questionnaire required by the Company, and any such Holder shall not be entitled to Liquidated Damages or Delay Liquidated Damages in connection with the applicable Registration Statement or other registration statement contemplated by this Agreement.

Section 2.07 Restrictions on Public Sale by Holders of Registrable Securities.

Each Holder of Registrable Securities that participates in an Underwritten Offering will enter into a customary letter agreement with underwriters providing such Holder will not effect any public sale or distribution of Stock Registrable Securities during the 60 calendar-day period beginning on the date of a prospectus or prospectus supplement filed with the SEC with respect to the pricing of any Underwritten Offering (or such shorter period specified by the Managing Underwriter for such Underwritten Offering), *provided* that (i) the duration of the foregoing restrictions shall be no longer than the duration of the shortest restriction generally imposed by the underwriters on the Company or the officers, directors or any other Affiliate of the Company on whom a restriction is imposed and (ii) the restrictions set forth in this Section 2.07 shall not apply to any Registrable Securities that are included in such Underwritten Offering by such Holder. In addition, this Section 2.07 shall not apply to any Holder that is not entitled to participate in such Underwritten Offering, whether because such Holder delivered an Opt-Out Notice prior to receiving notice of the Underwritten Offering or because such Holder (together with its Affiliates) holds less than the Piggyback Threshold Amount of the then outstanding Registrable Securities (calculated based on the Registrable Securities Amount) or because the Registrable Securities held by such Holder may be disposed of without restriction pursuant to any section of Rule 144 under the Securities Act (or any successor or similar provision adopted by the SEC then in effect).

Section 2.08 Expenses.

(a) Expenses. The Company shall pay all reasonable Registration Expenses as determined in good faith by the Company, including, in the case of an Underwritten Offering (or Alternative Transaction), the reasonable Registration Expenses of an Underwritten Offering (or Alternative Transaction), regardless of whether any sale is made pursuant to such Underwritten Offering (or Alternative Transaction). Each Selling Holder shall pay its pro rata share of all Selling Expenses in connection with any sale of its Registrable Securities hereunder. Each Selling Holder's *pro rata* allocation of Selling Expenses shall be the percentage derived by dividing (i) the number of Registrable Securities sold by such Selling Holder in connection with such sale by (ii) the aggregate number of Registrable Securities sold by all Selling Holders in connection with such sale. In addition, except as otherwise provided in Sections 2.08 and 2.09 hereof, the Company shall not be responsible for legal fees incurred by Holders in connection with the exercise of such Holders' rights hereunder.

(b) Certain Definitions. "Registration Expenses" means all expenses incident to the Company's performance under or compliance with this Agreement to effect the registration of Registrable Securities on a Registration Statement pursuant to Section 2.01(a) or an Underwritten Offering or Alternative

Transaction covered under this Agreement, and the disposition of such Registrable Securities, including, without limitation, all registration, filing, securities exchange listing and NYSE fees, all registration, filing, qualification and other fees and expenses of complying with securities or blue sky laws, fees of the Financial Industry Regulatory Authority, Inc., fees of transfer agents and registrars, all word processing, duplicating and printing expenses, any transfer taxes, and the fees and disbursements of counsel and independent public accountants for the Company, including the expenses of any special audits or "comfort" letters required by or incident to such performance and compliance, and the reasonable fees and disbursements of one counsel for the Selling Holders participating in such Registration Statement, Underwritten Offering or Alternative Transaction to effect the disposition of such Registrable Securities, selected by the Holders of a majority of the Registrable Securities initially being registered under such Registration Statement or other registration statement as contemplated by this Agreement, subject to the reasonable consent of the Company. "Selling Expenses" means all underwriting discounts and selling commissions or similar fees or arrangements allocable to the sale of the Registrable Securities, and fees and disbursements of counsel to the Selling Holders, except for the reasonable fees and disbursements of counsel for the Selling Holders required to be paid by the Company pursuant to Sections 2.08 and 2.09.

Section 2.09 Indemnification.

(a) By the Company. In the event of a registration of any Registrable Securities under the Securities Act pursuant to this Agreement, the Company shall indemnify and hold harmless each Selling Holder thereunder, its directors, officers, managers, partners, employees and agents and each Person, if any, who controls such Selling Holder within the meaning of the Securities Act and the Exchange Act, and its directors, officers, managers, partners, employees or agents (collectively, the "Selling Holder Indemnified Persons"), against any losses, claims, damages, expenses or liabilities (including reasonable attorneys' fees and expenses) (collectively, "Losses"), joint or several, to which such Selling Holder Indemnified Person may become subject under the Securities Act, the Exchange Act or otherwise, insofar as such Losses (or actions or proceedings, whether commenced or threatened, in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact (in the case of any prospectus, in light of the circumstances under which such statement is made) contained in (which includes documents incorporated by reference in) such Registration Statement or any other registration statement contemplated by this Agreement, any preliminary prospectus, prospectus supplement or final prospectus contained therein, or any amendment or supplement thereof, or any free writing prospectus relating thereto or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein (in the case of a prospectus, in light of the circumstances under which they were made) not misleading, and shall reimburse each such Selling Holder Indemnified Person for any legal or other expenses reasonably incurred by them in connection with investigating, defending or resolving any such Loss or actions or proceedings; *provided*, *however*, that the Company shall not be liable in any such case if and to the extent that any such Loss arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission so made in conformity with information furnished by such Selling Holder Indemnified Person in writing specifically for use in such Registration Statement or such other registration statement, or prospectus supplement, as applicable. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such Selling Holder Indemnified Person, and shall survive the transfer of such securities by such Selling Holder.

(b) By Each Selling Holder. Each Selling Holder agrees severally and not jointly to indemnify and hold harmless the Company, its directors, officers, employees and agents and each Person, if any, who controls the Company within the meaning of the Securities Act or of the Exchange Act, and its directors, officers, employees and agents, to the same extent as the foregoing indemnity from the Company to the Selling Holders, but only with respect to information regarding such Selling Holder furnished in writing by or on behalf of such Selling Holder expressly for inclusion in such Registration Statement or any other

registration statement contemplated by this Agreement, any preliminary prospectus, prospectus supplement or final prospectus contained therein, or any amendment or supplement thereof, or any free writing prospectus relating thereto; *provided*, *however*, that the liability of each Selling Holder shall not be greater in amount than the dollar amount of the proceeds (net of any Selling Expenses) received by such Selling Holder from the sale of the Registrable Securities giving rise to such indemnification.

(c) Notice. Promptly after receipt by an indemnified party hereunder of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party hereunder, notify the indemnifying party in writing thereof, but the omission to so notify the indemnifying party shall not relieve it from any liability that it may have to any indemnified party other than under this Section 2.09. In any action brought against any indemnified party, it shall notify the indemnifying party of the commencement thereof. The indemnifying party shall be entitled to participate in and, to the extent it shall wish, to assume and undertake the defense thereof with counsel reasonably satisfactory to such indemnified party and, after notice from the indemnifying party to such indemnified party of its election so to assume and undertake the defense thereof, the indemnifying party shall not be liable to such indemnified party under this Section 2.09 for any legal expenses subsequently incurred by such indemnified party in connection with the defense thereof other than reasonable costs of investigation and of liaison with counsel so selected; *provided*, *however*, that, (i) if the indemnifying party has failed to assume the defense or employ counsel reasonably acceptable to the indemnified party or (ii) if the defendants in any such action include both the indemnified party and the indemnifying party and counsel to the indemnified party shall have concluded that there may be defenses available to the indemnified party that are different from or additional to those available to the indemnifying party, or if the interests of the indemnified party reasonably may be deemed to conflict with the interests of the indemnifying party, then the indemnified party shall have the right to select a separate counsel and to assume such legal defense and otherwise to participate in the defense of such action, with the reasonable expenses and fees of such separate counsel and other reasonable expenses related to such participation to be reimbursed by the indemnifying party as incurred. Notwithstanding any other provision of this Agreement, no indemnifying party shall settle any action brought against any indemnified party with respect to which such indemnified party is entitled to indemnification hereunder without the consent of the indemnified party, unless the settlement thereof imposes no liability or obligation on, and includes a complete and unconditional release from all liability of, and does not contain any admission of wrongdoing by, the indemnified party.

(d) Contribution. If the indemnification provided for in this Section 2.09 is held by a court or government agency of competent jurisdiction to be unavailable to any indemnified party or is insufficient to hold them harmless in respect of any Losses, then each such indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of such Loss in such proportion as is appropriate to reflect the relative fault of the indemnifying party on the one hand and of such indemnified party, on the other hand, in connection with the statements or omissions that resulted in such Losses, as well as any other relevant equitable considerations; *provided*, *however*, that in no event shall such Selling Holder be required to contribute an aggregate amount in excess of the dollar amount of proceeds (net of Selling Expenses) received by such Selling Holder from the sale of Registrable Securities giving rise to such indemnification. The relative fault of the indemnifying party on the one hand and the indemnified party on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact has been made by, or relates to, information supplied by such party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The parties hereto agree that it would not be just and equitable if contributions pursuant to this paragraph were to be determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to herein. The amount paid by an indemnified party as a result of the Losses referred to in the first sentence of this paragraph shall be deemed to include any legal

and other expenses reasonably incurred by such indemnified party in connection with investigating, defending or resolving any Loss that is the subject of this paragraph. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who is not guilty of such fraudulent misrepresentation.

(e) Other Indemnification. The provisions of this Section 2.09 shall be in addition to any other rights to indemnification or contribution that an indemnified party may have pursuant to law, equity, contract or otherwise.

Section 2.10 Rule 144 Reporting.

With a view to making available the benefits of certain rules and regulations of the SEC that may permit the sale of the Registrable Securities to the public without registration, the Company agrees to use its reasonable best efforts to:

(a) make and keep public information regarding the Company available, as those terms are understood and defined in Rule 144 under the Securities Act (or any successor or similar provision adopted by the SEC then in effect), at all times from and after the date hereof;

(b) file with the SEC in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act at all times from and after the date hereof; and

(c) so long as a Holder owns any Registrable Securities, furnish, promptly upon request, (x) a written statement by the Company, if true, that it has complied with the reporting requirements of Rule 144, the Securities Act and the Exchange Act, (y) a copy of the most recent annual or quarterly report of the Company and such other reports and documents so filed by the Company (it being understood that the availability of such report on the SEC's EDGAR system shall satisfy this requirement) and (z) such other information as may be necessary to permit the Purchasers to sell such securities pursuant to Rule 144 without registration.

Section 2.11 Transfer or Assignment of Registration Rights.

The rights to cause the Company to register Registrable Securities granted to the Purchasers by the Company under this Article II may be transferred or assigned by the Purchasers to one or more transferees or assignees of Registrable Securities, subject to the transfer restrictions provided in the Note Purchase Agreement, Balance Sheet Warrant Certificate, Securities Purchase Agreement and the MAV Warrant Certificate, *provided, however,* that (a) the Company is given written notice prior to any said transfer or assignment, stating the name and address of each of the transferee or assignee and identifying the Registrable Securities with respect to which such registration rights are being transferred or assigned and (b) each such transferee or assignee assumes in writing responsibility for its portion of the obligations of the Purchasers under this Agreement.

ARTICLE III
MISCELLANEOUS

Section 3.01 Communications.

All notices and other communications provided for or permitted hereunder shall be made in writing by facsimile, electronic mail, courier service or personal delivery:

(a) if to the Purchasers:

c/o Oaktree Capital Management, L.P.
333 S. Grand Avenue, 28th Floor
Los Angeles, CA 90071
Attn: Cary Kleinman, Scott Maddux and Dante Quazzo
E-Mail Address:

with a copy to (which shall not constitute notice):

Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, New York 10019
Attn: Kenneth M. Schneider, Esq., Ellen Ching, Esq.
E-Mail Address:

(b) if to a transferee of the Purchasers, to such Holder at the address provided pursuant to Section 2.11 above; and

(c) if to the Company:

Ocwen Financial Corporation
1661 Worthington Road, Suite 100
West Palm Beach, FL 33409
Attn: John Britti, Leah E. Hutton
E-Mail Address:

with a copy to (which shall not constitute notice):

Mayer Brown LLP

1221 Avenue of the Americas
New York, NY 10020
Attention: Anna Pinedo
Telephone:
Facsimile:
Email:

All such notices and communications shall be deemed to have been received at the time delivered by hand, if personally delivered; when receipt acknowledged, if sent via facsimile or sent via Internet electronic mail; and when actually received, if sent by courier service or any other means.

Section 3.02 Successor and Assigns.

This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of each of the parties, including subsequent Holders of Registrable Securities to the extent permitted herein.

Section 3.03 Assignment of Rights.

All or any portion of the rights and obligations of any Purchasers under this Agreement may be transferred or assigned by such Purchasers only in accordance with Section 2.11 hereof.

Section 3.04 Recapitalization, Exchanges, Etc. Affecting the Registrable Securities.

The provisions of this Agreement shall apply to the full extent set forth herein with respect to any and all units of the Company or any successor or assign of the Company (whether by merger, acquisition, consolidation, reorganization, sale of assets or otherwise) that may be issued in respect of, in exchange for or in substitution of, the Registrable Securities, and shall be appropriately adjusted for combinations, unit splits, recapitalizations, pro rata distributions of units, as provided in the Balance Sheet Warrant Certificate, the MAV Warrant Certificate and the like occurring after the date of this Agreement.

Section 3.05 Aggregation of Registrable Securities.

All Registrable Securities held or acquired by Persons who are Affiliates of one another shall be aggregated together for the purpose of determining the availability of any rights and applicability of any obligations under this Agreement.

Section 3.06 Specific Performance.

Damages in the event of breach of this Agreement by a party hereto may be difficult, if not impossible, to ascertain, and it is therefore agreed that each such Person, in addition to and without limiting any other remedy or right it may have, shall have the right to an injunction or other equitable relief in any court of competent jurisdiction, enjoining any such breach, and enforcing specifically the terms and provisions hereof, and each of the parties hereto hereby waives any and all defenses it may have on the ground of lack of jurisdiction or competence of the court to grant such an injunction or other equitable relief. The existence of this right shall not preclude any such Person from pursuing any other rights and remedies at law or in equity that such Person may have.

Section 3.07 Counterparts.

This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, including facsimile or .pdf counterparts, each of which counterparts, when so executed and delivered, shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same Agreement.

Section 3.08 Headings.

The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

Section 3.09 Governing Law.

This Agreement, including all issues and questions concerning its application, construction, validity, interpretation and enforcement, shall be construed in accordance with, and governed by, the laws of the State of New York.

Section 3.10 Severability of Provisions.

Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting or impairing the validity or enforceability of such provision in any other jurisdiction.

Section 3.11 Entire Agreement.

This Agreement is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein with respect to the rights granted by the Company set forth herein. This Agreement, the Note Purchase Agreement and the Securities Purchase Agreement supersede all prior agreements and understandings between the parties with respect to such subject matter.

Section 3.12 Amendment.

This Agreement may be amended only by means of a written amendment signed by the Company and the Holders of a majority of the then outstanding Registrable Securities; *provided, however*, that no such amendment shall materially and adversely affect the rights of any Holder hereunder without the consent of such Holder.

Section 3.13 No Presumption.

If any claim is made by a party relating to any conflict, omission or ambiguity in this Agreement, no presumption or burden of proof or persuasion shall be implied by virtue of the fact that this Agreement was prepared by or at the request of a particular party or its counsel.

Section 3.14 Interpretation.

Article and Section references are to this Agreement, unless otherwise specified. All references to instruments, documents, contracts and agreements are references to such instruments, documents, contracts and agreements as the same may be amended, supplemented and otherwise modified from time to time, unless otherwise specified. The words “include,” “includes” and “including” or words of similar import shall be deemed to be followed by the words “without limitation.” Whenever any determination, consent or approval is to be made or given by Purchasers under this Agreement, such action shall be in such Purchasers’ sole discretion unless otherwise specified. Unless expressly set forth or qualified otherwise (*e.g.*, by “Business” or “trading”), all references herein to a “day” are deemed to be a reference to a calendar day.

(*Signature pages follow*)

IN WITNESS WHEREOF, the parties hereto execute this Agreement, effective as of the date first above written.

OCWEN FINANCIAL CORPORATION

By: /s/ John V. Britti
Name: John V. Britti
Title: Executive Vice President and
Chief Investment Officer

OPPS OCW HOLDINGS, LLC

By: Oaktree Fund GP LLC
Its: Manager

By: Oaktree GP I, L.P.
Its. Managing Member

By: /s/ Jordan Mikes
Name: Jordan Mikes
Title: Authorized Signatory

By: /s/ Brian Laibow
Name: Brian Laibow
Title: Authorized Signatory

ROF8 OCW MAV PT, LLC

By: /s/ Cary Kleinman
Name: Cary Kleinman
Title: Authorized Signatory

By: /s/ Jason Keller
Name: Jason Keller
Title: Authorized Signatory

ROF8 OCW HOLDINGS, LLC

By: /s/ Cary Kleinman
Name: Cary Kleinman
Title: Authorized Signatory

By: /s/ Jason Keller
Name: Jason Keller
Title: Authorized Signatory

Certain schedules and exhibits have been omitted in accordance with Item 601(a)(5) of Regulation S-K. A copy of any referenced schedules will be furnished supplementally to the SEC upon request.

FIRST LIEN NOTES PLEDGE AND SECURITY AGREEMENT
dated as of March 4, 2021

among

EACH OF THE GRANTORS PARTY HERETO

and

WILMINGTON TRUST, NATIONAL ASSOCIATION,

as Collateral Trustee

TABLE OF CONTENTS

This **FIRST LIEN NOTES PLEDGE AND SECURITY AGREEMENT**, dated as of March 4, 2021 (this "**Agreement**"), among PHH Mortgage Corporation, a New Jersey corporation (the "**Company**") and a wholly-owned subsidiary of Ocwen Financial Corporation, a Florida corporation (the "**Parent**"), the Parent, PHH Corporation, a wholly-owned subsidiary of the Parent and parent company of the Company ("**PHH**"), each of the other subsidiaries of PHH party hereto from time to time, whether as an original signatory hereto or as an Additional Grantor (as herein defined) (the "**Subsidiary Guarantors**", together with the Parent and PHH, the "**Guarantors**", and together with the Company, the "**Grantors**" and each, a "**Grantor**"), and Wilmington Trust, National Association, as collateral trustee for the Secured Parties (as herein defined) (in such capacity as collateral trustee, together with its successors and permitted assigns, the "**Collateral Trustee**").

RECITALS:

WHEREAS, reference is made to that certain Indenture, dated as of the date hereof (as it may be amended, restated, supplemented or otherwise modified from time to time, the "**Indenture**"), by and among the Company, the Parent, PHH, the other subsidiary guarantors of PHH party thereto, Wilmington Trust, National Association, in its capacity as Trustee (as defined below) and as Collateral Trustee, pursuant to which the Company has issued $400,000,000 aggregate principal amount of 7.875% Senior Secured Notes due 2026 (together with any Additional Notes issued under the Indenture, the "**Notes**") upon the terms and subject to the conditions set forth therein;

WHEREAS, it is a condition to the issuance of the Notes that each Grantor executes and deliver the applicable Security Documents, including this Agreement;

WHEREAS, pursuant to the Indenture, each Guarantor from time to time party thereto has unconditionally and irrevocably guaranteed, the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Notes Obligations (as defined below);

WHEREAS, each Grantor is executing and delivering this Agreement pursuant to the terms of the Indenture to induce the Trustee to enter into the Indenture, to induce the noteholders to purchase the Notes;

WHEREAS, it is a condition to the issuance of the Notes that each Grantor execute and deliver this Agreement; and

WHEREAS, the rights of the Holders of the Notes with respect to the Liens on any Collateral granted by Parent shall be further governed by that Junior Priority Intercreditor Agreement (as defined below).

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, each Grantor and the Collateral Trustee agree as follows:

Section 1. DEFINITIONS; GRANT OF SECURITY.

1.1 General Definitions. In this Agreement, the following terms shall have the following meanings:

"**Additional Grantors**" shall have the meaning assigned in Section 7.3 hereof.

"**Agreement**" shall have the meaning set forth in the preamble.

"**Cash Proceeds**" shall have the meaning assigned in Section 9.7 hereof.

"**Collateral**" shall have the meaning assigned in Section 2.1 hereof.

"**Collateral Records**" shall mean books, records, ledger cards, files, correspondence, customer lists, supplier lists, blueprints, technical specifications, manuals, computer software and related documentation, computer printouts, tapes, disks and other electronic storage media and related data processing software and similar items that at any time evidence or contain information relating to any of the Collateral or are otherwise necessary or helpful in the collection thereof or realization thereupon.

"**Collateral Support**" shall mean all property (real or personal) assigned, hypothecated or otherwise securing any Collateral and shall include any security agreement or other agreement granting a lien or security interest in such real or personal property.

"**Collateral Trustee**" shall have the meaning set forth in the preamble, and its successors and assigns.

"**Company**" shall have the meaning set forth in the preamble.

"**Continuing**" means, with respect to any Default or Event of Default, that such Default or Event of Default has not been cured or waived or otherwise ceased to exist.

"**Contracts**" shall mean all contracts, leases and other agreements entered into by any Grantor pursuant to which such Grantor has the right (i) to receive moneys due and to become due to it thereunder or in connection therewith, (ii) to damages arising thereunder and (iii) to perform and to exercise all remedies thereunder.

"**Control**" shall mean: (1) with respect to any Deposit Accounts, control within the meaning of Section 9-104 of the UCC, (2) with respect to any Securities Accounts, Security Entitlements, Commodity Contracts or Commodity Accounts, control within the meaning of Section 9-106 of the UCC, (3) with respect to any Uncertificated Securities, control within the meaning of Section 8-106(c) of the UCC, (4) with respect to any Certificated Security, control within the meaning of Section 8-106(a) or (b) of the UCC, (5) with respect to any Electronic Chattel Paper, control within the meaning of Section 9-105 of the UCC, (6) with respect to Letter of Credit Rights, control within the meaning of Section 9-107 of the UCC and (7) with respect to any "transferable record"(as that term is defined in Section 201 of the Federal Electronic Signatures in Global and National Commerce Act or in Section 16 of the Uniform Electronic Transactions Act as in effect in any relevant jurisdiction), control within the meaning of Section 201 of the Federal Electronic Signatures in Global and National Commerce Act or in Section 16 of the Uniform Electronic Transactions Act as in effect in the jurisdiction relevant to such transferable record.

"**Controlled Foreign Corporation**" shall mean "controlled foreign corporation" as defined in the Code.

"**Copyright Licenses**" shall mean any and all agreements, licenses and covenants providing for the granting of any right in or any Copyright or otherwise providing for a covenant not to sue for infringement or other violation of any Copyright including, without limitation, each agreement required to be listed in Schedule 5.2(II)(B) under the heading "Copyright Licenses" (as such schedule may be amended or supplemented from time to time).

"**Copyrights**" shall mean all United States, and foreign copyrights (whether or not the underlying works of authorship have been published), including but not limited to copyrights in software and all rights in and to databases, all designs (including but not limited to industrial designs, Protected Designs within the meaning of 17 U.S.C. 1301 et seq. and Community designs) and all Mask Works (as defined under 17 U.S.C. 901 of the U.S. Copyright Act), whether registered or unregistered, as well as all moral rights, reversionary interests, and termination rights, and, with respect to any and all of the foregoing: (i) all registrations and applications therefor including, without limitation, the registrations and applications required to be listed in Schedule 5.2(II)(A) under the heading "Copyrights" (as such schedule may be amended or supplemented from time to time), (ii) all extensions and renewals thereof, (iii) the right to sue or otherwise recover for any past, present and future infringement or other violation thereof, (iv) all Proceeds of the foregoing, including, without limitation, license fees, royalties, income, payments, claims, damages and proceeds of suit now or hereafter due and/or payable with respect thereto and (v) all other rights of any kind accruing thereunder or pertaining thereto throughout the world.

"Custodial Accounts" shall mean any custodial accounts or clearing accounts established in the name of the Company or any other Grantor in the ordinary course of business to hold funds on behalf of a third party in connection with the origination or funding of any mortgage or other consumer loans or pursuant to or containing funds received solely in connection with Servicing Agreements in such Grantor's capacity as servicer, bailee or custodian and any related accounts maintained in the ordinary course of such Grantor's origination or servicing businesses in the name of such Grantor that are used solely for the collection, maintenance and disbursement of such funds on behalf of third parties for insurance payments, tax payments, suspense payments and other similar payments required to be made by such Grantor in its capacity as originator or servicer; provided that the books and records of such Grantor indicate that such accounts are being held "in trust for" or on behalf of another Person; provided further that the accounts listed on Schedules 5.2(I)(G), 5.2(I)(H) and 5.2(I)(I) shall not qualify as Custodial Accounts.

"**Excluded Asset**" shall mean any asset of any Grantor excluded from the security interest hereunder by virtue of Section 2.2 hereof but only to the extent, and for so long as, so excluded thereunder.

"**Governmental Authority**" shall mean any federal, state, municipal, national or other government, governmental department, central bank, commission, board, bureau, court, agency or instrumentality or political subdivision thereof or any entity, officer or examiner exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any government (including any supra-national body exercising such powers or functions, such as the European Union or the European Central Bank) or any court, in each case whether associated with a state of the United States, the United States, or a foreign entity or government.

"**Grantors**" shall have the meaning set forth in the preamble.

"**Guarantors**" shall have the meaning set forth in the preamble, and their respective successors and assigns.

"**Indenture**" shall have the meaning set forth in the preamble.

"**Indenture Documents**" shall mean each of this Agreement, the Intercreditor Agreement, the other Security Documents, the Indenture and the Notes.

"**Insurance**" shall mean (i) all insurance policies covering any or all of the Collateral (regardless of whether the Collateral Trustee is the loss payee thereof) and (ii) any key man life insurance policies.

"**Intellectual Property**" shall mean, the collective reference to all rights, priorities and privileges relating to intellectual property, whether arising under the United States, multinational or foreign laws or otherwise, including without limitation, Copyrights, Copyright Licenses, Patents, Patent Licenses, Trademarks, Trademark Licenses, Trade Secrets, and Trade Secret Licenses, and the right to sue or otherwise recover for any past, present and future infringement, dilution, misappropriation, or other violation or impairment thereof, including the right to receive all Proceeds therefrom, including without limitation license fees, royalties, income, payments, claims, damages and proceeds of suit, now or hereafter due and/or payable with respect thereto.

"**Intellectual Property Security Agreement**" shall mean each intellectual property security agreement executed and delivered by the applicable Grantors, substantially in the form set forth in Exhibit C, Exhibit D or Exhibit E, as applicable.

"**Investment Accounts**" shall mean the Securities Accounts, Commodity Accounts and Deposit Accounts.

"**Investment Related Property**" shall mean: (i) all "investment property" (as such term is defined in Article 9 of the UCC) and (ii) all of the following (regardless of whether classified as investment property under the UCC): all Pledged Equity Interests, Pledged Debt, Investment Accounts and certificates of deposit.

"**Material Adverse Effect**" shall mean any event, change, effect, development, circumstance or condition that has caused or could reasonably be expected to cause a material adverse change, material adverse effect on and/or material adverse developments with respect to (i) the business, general affairs, assets, liabilities, operations, management, financial condition, stockholders' equity or results of operations or value of the Company the Parent, each Subsidiary Guarantor and each of their Subsidiaries taken as a whole; (ii) the ability of any Grantor fully and timely to perform its Secured Obligations; (iii) the legality, validity, binding effect or enforceability against a Grantor of any Indenture Document to which it is a party or (iv) the rights, remedies and benefits available to, or conferred upon, any Holder or any Secured Party under any Indenture Document.

"**Material Intellectual Property**" shall mean any Intellectual Property included in the Collateral that is material to the business of any Grantor, as determined by such Grantor.

"**Notes**" shall have the meaning set forth in the preamble.

"**Notes Obligations**" shall mean all obligations of the Company and the Guarantors under the Notes, the Indenture, the Note Guarantees and the Security Documents, whether for principal, interest (including interest which, but for the filing of a petition in bankruptcy with respect to the Company or such Guarantor, would have accrued on any Notes Obligation, whether or not a claim is allowed against the Company or such Guarantor for such interest in the related bankruptcy proceeding), premium, fees, expenses, indemnification or otherwise.

"**Organizational Documents**" shall mean with respect to any Person all formation, organizational and governing documents, instruments and agreements, including (i) with respect to any corporation, its certificate or articles of incorporation or organization, as amended, supplemented or otherwise modified, and its by-laws, as amended, supplemented or otherwise modified, (ii) with respect to any limited partnership, its certificate of limited partnership, as amended, supplemented or otherwise modified, and its partnership agreement, as amended, supplemented or otherwise modified, (iii) with respect to any general partnership, its partnership agreement, as amended, supplemented or otherwise modified and (iv) with respect to any limited liability company, its articles of organization, as amended, supplemented or otherwise modified, and its operating agreement, as amended, supplemented or otherwise modified. In the event any term or condition of the Indenture or any other Indenture Document requires any Organizational Document to be certified by a secretary of state or similar governmental official, the reference to any such "Organizational Document" shall only be to a document of a type customarily certified by such governmental official.

"**Parent**" shall have the meaning set forth in the preamble.

"**Patent Licenses**" shall mean all agreements, licenses and covenants providing for the granting of any right in or to any Patent or otherwise providing for a covenant not to sue for infringement or other violation of any Patent (whether such Grantor is licensee or licensor thereunder) including, without limitation, each agreement required to be listed in Schedule 5.2(II)(D) under the heading "Patent Licenses" (as such schedule may be amended or supplemented from time to time).

"**Patents**" shall mean all United States and foreign patents and certificates of invention, or similar industrial property rights, and applications for any of the foregoing, including, without limitation: (i) each patent and patent application required to be listed in Schedule 5.2(II)(C) under the heading "Patents" (as such schedule may be amended or supplemented from time to time), (ii) all reissues, divisions, continuations, continuations-in-part, extensions, renewals, and reexaminations thereof, (iii) the right to sue or otherwise recover for any past, present and future infringement or other violation thereof, (iv) all Proceeds of the foregoing, including, without limitation, license fees, royalties, income, payments, claims, damages, and proceeds of suit now or hereafter due and/or payable with respect thereto and (v) all other rights of any kind accruing thereunder or pertaining thereto throughout the world.

"**PHH**" shall have the meaning set forth in the preamble.

"**Pledge Supplement**" shall mean an agreement substantially in the form of Exhibit A hereto.

"**Pledged Debt**" shall mean, subject to Section 2.2, all indebtedness for borrowed money owed to such Grantor, whether or not evidenced by any Instrument, including, without limitation, all indebtedness described on Schedule 5.2(I)(F) under the heading "Pledged Debt" (as such schedule may be amended or supplemented from time to time), issued by the obligors named therein, the instruments, if any, evidencing such any of the foregoing, and all interest, cash, instruments and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the foregoing.

"**Pledged Equity Interests**" shall mean all Pledged Stock, Pledged LLC Interests, Pledged Partnership Interests and any other participation or interests in any equity or profits of any business entity including, without limitation, any trust and all management rights relating to any entity whose equity interests are included as Pledged Equity Interests.

"**Pledged LLC Interests**" shall mean, subject to Section 2.2, all interests in any limited liability company and each series thereof including, without limitation, all limited liability company interests listed on Schedule 5.2(I)(B) under the heading "Pledged LLC Interests" (as such schedule may be amended or supplemented from time to time) and the certificates, if any, representing such limited liability company interests and any interest of such Grantor on the books and records of such limited liability company or on the books and records of any securities intermediary pertaining to such interest and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such limited liability company interests and all rights as a member of the related limited liability company.

"**Pledged Partnership Interests**" shall mean, subject to Section 2.2, all interests in any general partnership, limited partnership, limited liability partnership or other partnership including, without limitation, all partnership interests listed on Schedule 5.2(I)(C) under the heading "Pledged Partnership Interests" (as such schedule may be amended or supplemented from time to time) and the certificates, if any, representing such partnership interests and any interest of such Grantor on the books and records of such partnership or on the books and records of any securities intermediary pertaining to such interest and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such partnership interests and all rights as a partner of the related partnership.

"**Pledged Stock**" shall mean, subject to Section 2.2, all shares of capital stock owned by such Grantor, including, without limitation, all shares of capital stock described on Schedule 5.2(I)(A) under the heading "Pledged Stock" (as such schedule may be amended or supplemented from time to time), and the certificates, if any, representing such shares and any interest of such Grantor in the entries on the books of the issuer of such shares or on the books of any securities intermediary pertaining to such shares, and all dividends, distributions, cash, warrants, rights, options, instruments, securities and other property or proceeds from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of such shares.

"**Receivables**" shall mean (i) all "accounts" (as such term is defined in Article 9 of the UCC and (ii) all rights to payment, whether or not earned by performance, for goods or other property sold, leased, licensed, assigned or otherwise disposed of, or services rendered or to be rendered, including, without limitation all such rights constituting or evidenced by any Account, Chattel Paper, Instrument, General Intangible or Investment Related Property, together with all of Grantor's rights, if any, in any goods or other property giving rise to such right to payment and all Collateral Support and Supporting Obligations related thereto and all Receivables Records.

"**Receivables Records**" shall mean (i) all original copies of all documents, instruments or other writings or electronic records or other Records evidencing the Receivables, (ii) all books, correspondence, credit or other files, Records, ledger sheets or cards, invoices, and other papers relating to Receivables, including, without limitation, all tapes, cards, computer tapes, computer discs, computer runs, record keeping systems and other papers and documents relating to the Receivables, whether in the possession or under the control of Grantor or any computer bureau or agent from time to time acting for Grantor or otherwise, (iii) all evidences of the filing of financing statements and the registration of other instruments in connection therewith, and amendments, supplements or other modifications thereto, notices to other creditors, secured parties or agents thereof, and certificates, acknowledgments, or other writings, including, without limitation, lien search reports, from filing or other registration officers, (iv) all credit information, reports and memoranda relating thereto and (v) all other written or non-written forms of information related in any way to the foregoing or any Receivable.

"**Second Lien Collateral Agent**" shall have the meaning ascribed to such term in the Junior Priority Intercreditor Agreement.

"**Second Priority Debt Obligations**" shall have the meaning ascribed to such term in the Junior Priority Intercreditor Agreement.

"**Secured Obligations**" shall have the meaning assigned in Section 3.1 hereof.

"**Secured Parties**" shall mean the Collateral Trustee, the Trustee and each Holder of the Notes.

"**Securities**" shall mean any stock, shares, partnership interests, voting trust certificates, certificates of interest or participation in any profit-sharing agreement or arrangement, options, warrants, bonds, debentures, notes, or other evidences of indebtedness, secured or unsecured, convertible, subordinated or otherwise, or in general any instruments commonly known as "securities" or any certificates of interest, shares or participations in temporary or interim certificates for the purchase or acquisition of, or any right to subscribe to, purchase or acquire, any of the foregoing.

"**Subsidiary Guarantors**" shall have the meaning set forth in the preamble, and their respective successors and assigns.

"**Trademark Licenses**" shall mean any and all agreements, licenses and covenants providing for the granting of any right in or to any Trademark or otherwise providing for a covenant not to sue for infringement, dilution or other violation of any Trademark or permitting co-existence with respect to a Trademark (whether such Grantor is licensee or licensor thereunder) including, without limitation, each agreement required to be listed in Schedule 5.2(II)(F) under the heading "Trademark Licenses" (as such schedule may be amended or supplemented from time to time).

"**Trademarks**" shall mean all United States, and foreign trademarks, trade names, trade dress, corporate names, company names, business names, fictitious business names, Internet domain names, service marks, certification marks, collective marks, logos, other source or business identifiers, designs and general intangibles of a like nature, whether or not registered and with respect to any and all of the foregoing: (i) all registrations and applications therefor including, without limitation, the registrations and applications required to be listed in Schedule 5.2(II)(E) under the heading "Trademarks" (as such schedule may be amended or supplemented from time to time), (ii) all extensions or renewals of any of the foregoing, (iii) all of the goodwill of the business connected with the use of and symbolized by any of the foregoing, (iv) the right to sue or otherwise recover for any past, present and future infringement, dilution or other violation of any of the foregoing or for any injury to the related goodwill, (v) all Proceeds of the foregoing, including, without limitation, license fees, royalties, income, payments, claims, damages, and proceeds of suit now or hereafter due and/or payable with respect thereto and (vi) all other rights of any kind accruing thereunder or pertaining thereto throughout the world.

"**Trade Secret Licenses**" shall mean any and all agreements providing for the granting of any right in or to Trade Secrets (whether such Grantor is licensee or licensor thereunder) including, without limitation, each agreement required to be listed in Schedule 5.2(II)(G) under the heading "Trade Secret Licenses" (as such schedule may be amended or supplemented from time to time).

"**Trade Secrets**" shall mean all trade secrets, including all documents and things embodying, incorporating, or referring in any way to the foregoing, and with respect to any and all of the foregoing: (i) the right to sue or otherwise recover for any past, present and future misappropriation or other violation thereof, (ii) all Proceeds of the foregoing, including, without limitation, license fees, royalties, income, payments, claims, damages, and proceeds of suit now or hereafter due and/or payable with respect thereto and (iii) all other rights of any kind accruing thereunder or pertaining thereto throughout the world.

"**UCC**" shall mean the Uniform Commercial Code as in effect from time to time in the State of New York; provided, however, that in the event that, by reason of mandatory provisions of law, any or all of the perfection or priority of, or remedies with respect to, any Collateral is governed by the Uniform Commercial Code as enacted and in effect in a jurisdiction other than the State of New York, the term "UCC" shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions hereof relating to such perfection, priority or remedies.

"**United States**" shall mean the United States of America.

1.2 Definitions; Interpretation.

(i)In this Agreement, the following capitalized terms shall have the meaning given to them in the UCC (and, if defined in more than one Article of the UCC, shall have the meaning given in Article 9 thereof): Account, Account Debtor, As-Extracted Collateral, Bank, Certificated Security, Chattel Paper, Commercial Tort Claims, Commodity Account, Commodity Contract, Commodity Intermediary, Deposit Account, Document, Electronic Chattel Paper, Entitlement Order, Equipment, Farm Products, Fixtures, General Intangibles, Goods, Health-Care-Insurance Receivable, Instrument, Inventory, Letter of Credit Right, Manufactured Home, Money, Payment Intangible, Proceeds, Record, Securities Account, Securities Intermediary, Security Certificate, Security Entitlement, Supporting Obligations, Tangible Chattel Paper and Uncertificated Security.

(ii)All other capitalized terms used herein (including the preamble and recitals hereto) and not otherwise defined herein shall have the meanings ascribed thereto in the Indenture. The incorporation by reference of terms defined in the Indenture shall survive any termination of the Indenture until this agreement is terminated as provided in Section 11 hereof. Any of the terms defined herein may, unless the context otherwise requires, be used in the singular or the plural, depending on the reference. References herein to any Section, Appendix, Schedule or Exhibit shall be to a Section, an Appendix, a Schedule or an Exhibit, as the case may be, hereof unless otherwise specifically provided. The use herein of the word "include" or "including", when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not non-limiting language (such as "without limitation" or "but not limited to" or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that fall within the broadest possible scope of such general statement, term or matter. The terms lease and license shall include sub-lease and sub-license, as applicable. If any conflict or inconsistency exists between this Agreement and the Indenture, the Indenture shall govern. All references herein to provisions of the UCC shall include all successor provisions under any subsequent version or amendment to any Article of the UCC.

Section 2. GRANT OF SECURITY.

2.1 Grant of Security.

(a) Each Grantor hereby grants to the Collateral Trustee, for the benefit of the Secured Parties, a security interest in and continuing lien on all of such Grantor's right, title and interest in, to and under all personal property of such Grantor including, but not limited to the following, in each case whether now owned or existing or hereafter acquired or arising and wherever located (all of which being hereinafter collectively referred to as the "**Collateral**"):

(1) Accounts;

(2) Contracts;

(3) Chattel Paper;

(4) Documents;

(5) General Intangibles;

(6) Goods (including all of its Equipment, Fixtures and Inventory), together with all accessions, additions, attachments, improvements, substitutions and replacements thereto and therefor;

(7) Instruments;

(8) Insurance;

(9) Intellectual Property;

(10) Investment Related Property (including, without limitation, Deposit Accounts);

(11) Letter of Credit Rights;

(12) Money;

(13) Receivables and Receivables Records;

(14) Commercial Tort Claims now or hereafter described on Schedule 5.2(III);

(15) to the extent not otherwise included above, all other personal property of any kind and all Collateral Records, Collateral Support and Supporting Obligations relating to any of the foregoing; and

(16) to the extent not otherwise included above, all Proceeds, products, accessions, rents and profits of or in respect of any of the foregoing.

(i)Notwithstanding anything herein to the contrary, the liens and security interests granted to the Collateral Trustee pursuant to this Agreement and the exercise of any right or remedy by the Collateral Trustee hereunder are subject to the provisions of the Intercreditor Agreements. To the extent that the provisions of this Agreement shall conflict, or shall be inconsistent, with the provisions of any Intercreditor Agreement, the applicable provisions of such Intercreditor Agreement shall control; provided that nothing in the Intercreditor Agreement shall limit the rights, protections, immunities or indemnities of the Collateral Trustee under the Indenture Documents.

2.2 Certain Limited Exclusions. Notwithstanding anything herein or in any other Indenture Document to the contrary, in no event shall the Collateral (as such term is defined herein and used herein) include or the security interest granted under Section 2.1 hereof attach to:

(ii) any lease, license, contract or agreement to which any Grantor is a party, and any of its rights or interest thereunder, if and to the extent that a security interest is prohibited by or in violation of (i) any law, rule or regulation applicable to such Grantor, or (ii) a term, provision or condition of any such lease, license, contract, property right or agreement (unless such law, rule, regulation, term, provision or condition would be rendered ineffective with respect to the creation of the security interest hereunder pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law (including the Bankruptcy Code) or principles of equity); provided, however, that the Collateral shall include (and such security interest shall attach) immediately at such time as the contractual or legal prohibition shall no longer be applicable and to the extent severable, shall attach immediately to any portion of such lease, license, contract or agreement not subject to the prohibitions specified in (i) or (ii) above; provided further that the exclusions referred to in this clause (a) shall not include any Proceeds of any such lease, license, contract or agreement;

(iii)any of the outstanding voting capital stock of (i) (x) any Foreign Subsidiary or any Subsidiary of Parent that is treated as a partnership or a disregarded entity for U.S. federal income tax purposes and that has no material assets other than the stock of one or more Subsidiaries that are controlled foreign corporations within the meaning of Section 957 of the Code ("*CFC*"), (y) any Subsidiary of Parent that is a CFC or (z) any Subsidiary of Parent that is a Subsidiary of a CFC, in each case, in excess of 65% of all classes of capital stock of such Subsidiary; *provided* that to the extent the pledge of a greater percentage of the capital stock in such Subsidiary is permitted without adverse tax consequences, the Collateral shall include, and the security interest granted by the Company and each Guarantor shall attach to, such greater percentage of capital stock of each such Subsidiary (ii) any Subsidiary of Parent to the extent that the grant by the applicable pledgors of a Lien in the equity interest of such Subsidiary to secure the Notes (x) is prohibited or restricted by applicable law, rule or regulation or would require governmental (including regulatory) consent, approval, license or authorization unless such consent, approval, license or authorization has been received or (y) is prohibited or restricted by any contractual obligation existing on the Issue Date for so long as such prohibition or restriction is in effect (or, with respect to any Subsidiary acquired after the Issue Date, on the date such Subsidiary is so acquired, so long as such contractual obligation was not incurred in contemplation of such investment or acquisition and for so long as such prohibition or restriction is in effect) (unless, in each case of this clause (y), such prohibition, restriction or requirement would be rendered ineffective with respect to the creation of the security interest under the Security Documents pursuant to Section 9-408 of the UCC (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law (including the Bankruptcy Code) or principles of equity); provided, however, that the Collateral shall include (and such security interest shall attach) immediately at such time as the contractual or legal prohibition shall no longer be applicable and to the extent severable, shall attach immediately to any portion of such equity interests not subject to the prohibitions specified in this clause (ii); (iii) any Subsidiary of Parent that is a captive insurance company; (iv) any Unrestricted Subsidiary or (v) a Securitization Entity that cannot be pledged as a result of restrictions in its or its parent's Organizational Documents or documents governing or related to its or its subsidiaries' Indebtedness;

(iv)any applications for trademarks or service marks filed in the United States Patent and Trademark Office (the "**PTO**") pursuant to 15 U.S.C. §1051 Section 1(b) unless and until evidence of use of the mark in interstate commerce is submitted to the PTO pursuant to 15 U.S.C. §1051 Section 1(c) or Section 1(d);

(v)any MSRs that are not Specified MSRs (other than to the extent excluded under clause (e) below));

(vi)Securitization Assets and any assets or property subject to a Permitted Lien securing Non-Recourse Indebtedness, Permitted Funding Indebtedness, Permitted Securitization Indebtedness and Indebtedness under Credit Enhancement Agreements;

(vii)any Custodial Accounts;

(viii)any REO Assets;

(ix)any assets where a grant of security would require governmental (including regulatory) consent, approval, license or authorization unless such consent, approval, license or authorization has been received (unless such requirement would be rendered ineffective with respect to the creation of the security interest under the Security Documents pursuant to Sections 9-406, 9-407, 9-408 or 9-409 of the UCC (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law (including the Bankruptcy Code) or principles of equity); provided, however, that the Collateral shall include (and such security interest shall attach) immediately at such time as such requirement shall no longer be applicable and to the extent severable, shall attach immediately to any portion of such assets not subject to the requirements specified in this clause (h);

(x)(x) any segregated deposit account or securities account containing solely (i) deposits secured by Liens in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security, or to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, leases, government contracts, trade contracts, performance and return-of-money bonds and other similar obligations (exclusive of obligations for the payment of borrowed money or other Indebtedness), so long as no foreclosure, sale or similar proceedings have been commenced with respect to any portion of the Collateral on account thereof, or (ii) pledges or deposits in connection with workers' compensation, unemployment insurance and other social security legislation, in each case, to the extent and for so long as the contract or other agreement in which such Lien is granted validly prohibits the creation of any other Lien on such property and (y) any property of a person existing at the time such person is acquired or merged with or into or consolidated with the Company or any Guarantor that is subject to a Lien permitted pursuant to clause (5) or (6) of the definition of "Permitted Liens" as set forth in the Indenture; provided that any such Lien shall encumber only those assets which secured such Indebtedness at the time such assets were acquired by Parent or its Subsidiaries, to the extent and for so long as the contract or other agreement in which such Lien is granted validly prohibits the creation of any other Lien on such property; and

(xi)all fee-owned real property;

provided that, irrespective of the foregoing, the following assets shall constitute "Collateral": (1) Unencumbered Servicing Advances to the extent such security interest is permitted to be granted by applicable law and regulations and the applicable servicing agreement and (2) Specified Deferred Servicing Fees and Specified MSRs, in each case other than to the extent excluded under clause (e) above; *provided*, *further*, that Excluded Assets shall not include any proceeds, substitutions or replacements of any property referred to in clauses (a) through (j) above (unless such proceeds, substitutions or replacements would constitute Excluded Assets referred to in clauses (a) through (j) above).

Notwithstanding anything contained herein to the contrary, no Grantor shall be required to (i) take any action to create or perfect any security interest in the Collateral under the laws of any jurisdiction outside the United States, or (ii) take any action to perfect any security interest in any aircraft or any trucks, trailers, tractors, service vehicles, automobiles, rolling stock or other mobile equipment covered by certificate of title ownership (except, in each case, the filing of a financing statement).

Section 3. SECURITY FOR OBLIGATIONS; GRANTORS REMAIN LIABLE.

3.1 Security for Obligations. This Agreement secures, and the Collateral is collateral security for, the prompt and complete payment or performance in full when due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise (including (x) the payment of amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. §362(a) (and any successor provision thereof) and (y) interest and fees accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), of all Notes Obligations with respect to every Grantor (the "**Secured Obligations**").

3.2 Continuing Liability Under Collateral. Notwithstanding anything herein to the contrary, (i) each Grantor shall remain liable for all obligations under the Collateral and nothing contained herein is intended or shall be a delegation of duties to the Collateral Trustee or any Secured Party, (ii) each Grantor shall remain liable under each of the agreements included in the Collateral, including, without limitation, any agreements relating to Pledged Partnership Interests or Pledged LLC Interests, to perform all of the obligations undertaken by it thereunder all in accordance with and pursuant to the terms and provisions thereof and neither the Collateral Trustee nor any Secured Party shall have any obligation or liability under any of such agreements by reason of or arising out of this Agreement or any other document related thereto nor shall the Collateral Trustee nor any Secured Party have any obligation to make any inquiry as to the nature or sufficiency of any payment received by it or have any obligation to take any action to collect or enforce any rights under any agreement included in the Collateral, including, without limitation, any agreements relating to Pledged Partnership Interests or Pledged LLC Interests and (iii) the exercise by the Collateral Trustee of any of its rights hereunder shall not release any Grantor from any of its duties or obligations under the contracts and agreements included in the Collateral.

Section 4. CERTAIN PERFECTION REQUIREMENTS.

4.1 Delivery Requirements.

(a) With respect to any Certificated Securities included in the Collateral, each Grantor shall deliver to the Collateral Trustee (or its agent, designee or bailee) the Security Certificates evidencing such Certificated Securities duly indorsed by an effective indorsement (within the meaning of Section 8-107 of the UCC), or accompanied by share transfer powers or other instruments of transfer duly endorsed by such an effective endorsement, in each case, to the Collateral Trustee or in blank. In addition, each Grantor shall cause any certificates evidencing any Pledged Equity Interests, including, without limitation, any Pledged Partnership Interests or Pledged LLC Interests, to be similarly delivered to the Collateral Trustee regardless of whether such Pledged Equity Interests constitute Certificated Securities.

(b) With respect to any Instruments or Tangible Chattel Paper included in the Collateral, each Grantor shall deliver to the Collateral Trustee all such Instruments or Tangible Chattel Paper (other than any mortgage loans, auto dealer floorplan loans, or consumer loans owned by any Grantor in the ordinary course of business) to the Collateral Trustee duly indorsed in blank; provided, however, that such delivery requirement shall not apply to any Instruments or Tangible Chattel Paper having a face amount of less than $500,000 individually or $1,000,000 in the aggregate.

4.2 Control Requirements

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(a) With respect to any Uncertificated Security included in the Collateral (other than any Uncertificated Securities credited to a Securities Account), each Grantor shall cause the issuer of such Uncertificated Security (other than any such issuer which is a Foreign Subsidiary or a Securitization Entity) to either (i) register the Collateral Trustee as the registered owner thereof on the books and records of the issuer or (ii) execute an agreement substantially in the form of Exhibit B hereto (or such other agreement in form reasonably satisfactory to the Collateral Trustee), pursuant to which such issuer agrees to comply with the Collateral Trustee's instructions with respect to such Uncertificated Security without further consent by such Grantor which instructions shall only be given upon the occurrence and during the Continuance of an Event of Default.

(b) With respect to any Letter of Credit Rights relating to letters of credit drawable for an amount of $5,000,000 or more included in the Collateral (other than any Letter of Credit Rights constituting a Supporting Obligation for a Receivable in which the Collateral Trustee has a valid and perfected security interest), Grantor shall use commercially reasonable efforts to ensure that Collateral Trustee has Control thereof by obtaining the written consent of each issuer of each related letter of credit to the assignment of the proceeds of such letter of credit to the Collateral Trustee.

(c) With respect to any Deposit Account (other than any Deposit Account excluded from the Collateral pursuant to Section 2.2), each Grantor shall execute and shall use commercially reasonable efforts to cause each account bank maintaining such Deposit Account to execute an agreement (in form and substance reasonably satisfactory to the Collateral Trustee) granting Control over such Deposit Account to the Collateral Trustee within 90 days of the date hereof with respect to any Deposit Account maintained on the date hereof and within 30 days of opening or acquisition of any other Deposit Account after the date hereof; provided however, that such Control requirement shall not apply to any Deposit Accounts with a value of less than, or having funds or other assets credited thereto with a value of less than, $1,000,000 individually or $5,000,000 in the aggregate.

4.3 Intellectual Property Recording Requirements.

(a) In the case of any Material Intellectual Property (whether now owned or hereafter acquired) consisting of U.S. Patents and Patent Licenses in respect of U.S. Patents for which any Grantor is the licensee and the U.S. Patents are specifically identified, Grantor shall execute and deliver to the Collateral Trustee a Patent Security Agreement in substantially the form of Exhibit E hereto (or a supplement thereto) covering all such Patents and Patent Licenses in appropriate form for recordation with the U.S. Patent and Trademark Office with respect to the security interest of the Collateral Trustee.

(b) In the case of any Material Intellectual Property (whether now owned or hereafter acquired) consisting of U.S. Trademarks and Trademark Licenses in respect of U.S. Trademarks for which any Grantor is the licensee and the U.S. Trademarks are specifically identified, Grantor shall execute and deliver to the Collateral Trustee a Trademark Security Agreement in substantially the form of Exhibit C hereto (or a supplement thereto) covering all such Trademarks and Trademark Licenses in appropriate form for recordation with the U.S. Patent and Trademark Office with respect to the security interest of the Collateral Trustee.

(c) In the case of any Material Intellectual Property (whether now owned or hereafter acquired) consisting of registered U.S. Copyrights and Copyright Licenses in respect of U.S. Copyrights for which any Grantor is the licensee and the U.S. Copyright registrations are specifically identified, Grantor shall execute and deliver to the Collateral Trustee a Copyright Security Agreement in substantially the form of Exhibit D hereto (or a supplement thereto) covering all such Copyright and Copyright Licenses is in appropriate form for recordation with the U.S. Copyright Office with respect to the security interest of the Collateral Trustee.

4.4 Other Actions. With respect to any Pledged Partnership Interests and Pledged LLC Interests included in the Collateral, if the Grantors own less than 100% of the equity interests in any issuer of such Pledged Partnership Interests or Pledged LLC Interests, Grantors shall use their commercially reasonable efforts to obtain the consent of each other holder of partnership interest or limited liability company interests in such issuer to the security interest of the Collateral Trustee hereunder and following the occurrence and during the Continuance of an Event of Default, the transfer of such Pledged Partnership Interests and Pledged LLC Interests to the Collateral Trustee or its designee, and to the substitution of the Collateral Trustee or its designee as a partner or member with all the rights and powers related thereto. Each Grantor consents to the grant by each other Grantor of a Lien in all Investment Related Property to the Collateral Trustee and without limiting the generality of the foregoing consents to the transfer of any Pledged Partnership Interest and any Pledged LLC Interest to the Collateral Trustee or its designee following the occurrence and during the Continuance of an Event of Default and to the substitution of the Collateral Trustee or its designee as a partner in any partnership or as a member in any limited liability company with all the rights and powers related thereto.

4.5 Timing and Notice. Except as provided in Section 4.2(c), with respect to any Collateral in existence on the Issue Date, each Grantor shall comply with the requirements of Section 4 on the date hereof and with respect to any Collateral hereafter owned or acquired, such Grantor shall use commercially reasonable efforts to comply with such requirements within 30 days of Grantor acquiring rights therein. Each Grantor shall promptly inform the Collateral Trustee of its acquisition of any Collateral for which any action is required by Section 4 hereof (including, for the avoidance of doubt, the filing of any applications for, or the issuance or registration of, any Patents, Copyrights or Trademarks).

Section 5. REPRESENTATIONS AND WARRANTIES.

Each Grantor hereby represents and warrants, on the Issue Date, that:

5.1 Grantor Information & Status.

(a) Schedule 5.1(A) & (B) (as such schedule may be amended or supplemented from time to time) sets forth under the appropriate headings: (1) the full legal name of such Grantor, (2) all trade names or other names under which such Grantor currently conducts business, (3) the type of organization of such Grantor, (4) the jurisdiction of organization of such Grantor, (5) its organizational identification number, if any, and (6) the jurisdiction where the chief executive office or its sole place of business (or the principal residence if such Grantor is a natural person) is located;

(b) except as provided on Schedule 5.1(C), it has not changed its name, jurisdiction of organization, chief executive office or sole place of business (or principal residence if such Grantor is a natural person) or its corporate structure in any way (e.g., by merger, consolidation, change in corporate form or otherwise) and has not done business under any other name, in each case, within the past five (5) years;

(c) such Grantor has been duly organized and is validly existing as an entity of the type as set forth opposite such Grantor's name on Schedule 5.1(A) solely under the laws of the jurisdiction as set forth opposite such Grantor's name on Schedule 5.1(A) and remains duly existing as such. Such Grantor has not filed any certificates of dissolution or liquidation, any certificates of domestication, transfer or continuance in any other jurisdiction; and

(d) no Grantor is a "transmitting utility" (as defined in Section 9-102(a)(80) of the UCC).

5.2 Collateral Identification, Special Collateral.

(a) Schedule 5.2 (as such schedule may be amended or supplemented from time to time) sets forth under the appropriate headings all of such Grantor's: (1) Pledged Equity Interests, (2) Equity Interests (that would otherwise constitute a Pledged Equity Interest) to the extent they secure or are the subject of a negative pledge to support Non-Recourse Indebtedness of Parent, the Company or any other Grantor, (3) Pledged Debt (other than mortgage loans or consumer loans owned by any Grantor in the ordinary course of business), (4) Securities Accounts included in the Collateral other than any Securities Accounts holding assets with a market value of less than $1,000,000 individually or $5,000,000 in the aggregate, (5) Deposit Accounts included in the Collateral other than any Deposit Accounts holding less than $1,000,000 individually or $5,000,000 in the aggregate, (6) Commodity Contracts and Commodity Accounts, (7) all United States and foreign registrations and issuances of and applications for Patents, Trademarks, and Copyrights owned by each Grantor, (8) all Patent Licenses, Trademark Licenses, Trade Secret Licenses and Copyright Licenses constituting Material Intellectual Property, (9) Commercial Tort Claims other than any Commercial Tort Claims having a value of less than $500,000 individually and $1,000,000 in the aggregate, and (10) Letter of Credit Rights for letters of credit other than any Letters of Credit Rights worth less than $500,000, individually or $1,000,000 in the aggregate. Each Grantor shall supplement such schedules as necessary to ensure that such schedules are accurate on each Increased Amount Date;

(b) none of the Collateral constitutes, or is the Proceeds of, (1) Farm Products, (2) As-Extracted Collateral, (3) Health-Care-Insurance Receivables, (4) timber to be cut or (5) aircraft, aircraft engines, satellites, ships or railroad rolling stock. No material portion of the collateral consists of motor vehicles or other goods subject to a certificate of title statute of any jurisdiction;

(c) all information supplied by any Grantor with respect to any of the Collateral (in each case taken as a whole with respect to any particular Collateral) is accurate and complete in all material respects; and

(d) not more than 10% of the value of all personal property included in the Collateral (other than the Equity Interests of Foreign Subsidiaries of the Parent) is located in any country other than the United States.

5.3 Ownership of Collateral and Absence of Other Liens.

(a) such Grantor owns the Collateral purported to be owned by it or otherwise has the rights it purports to have in each item of Collateral and, as to all Collateral whether now existing or hereafter acquired, developed or created (including by way of lease or license), will continue to own or have such rights in each item of the Collateral (except as otherwise permitted by the Indenture), in each case free and clear of any and all Liens, rights or claims of all other Persons, including, without limitation, liens arising as a result of such Grantor becoming bound (as a result of merger or otherwise) as debtor under a security agreement entered into by another Person other than, in the case of priority only, any Permitted Liens; and

(b) other than any financing statements filed in favor of the Collateral Trustee, no effective financing statement, fixture filing or other instrument similar in effect under any applicable law covering all or any part of the Collateral is on file in any filing or recording office except for (x) financing statements for which duly authorized proper termination statements have been delivered to the Collateral Trustee to authorize the filing thereof and (y) financing statements filed (i) in connection with Permitted Liens or (ii) by individuals with respect to claims that do not constitute Liens. Other than the Collateral Trustee, the Second Lien Collateral Agent and any automatic control in favor of a Bank, Securities Intermediary or Commodity Intermediary maintaining a Deposit Account, Securities Account or Commodity Contract, no Person is in Control of any Collateral.

5.4 Status of Security Interest.

(a) upon the filing of financing statements naming each Grantor as "debtor" and the Collateral Trustee as "secured party" and describing the Collateral in the filing offices set forth opposite such Grantor's name on Schedule 5.4 hereof (as such schedule may be amended or supplemented from time to time), the security interest of the Collateral Trustee in all Collateral that can be perfected by the filing of a financing statement under the Uniform Commercial Code as in effect in any jurisdiction will constitute a valid, perfected, first priority Lien in favor of the Collateral Trustee subject in the case of priority only, to any Permitted Liens with respect to Collateral. Each agreement purporting to give the Collateral Trustee Control over any Collateral is effective to establish the Collateral Trustee's Control of the Collateral subject thereto;

(b) to the extent perfection or priority of the security interest therein is not subject to Article 9 of the UCC, upon recordation of the security interests granted hereunder in Patents, Trademarks, Copyrights and exclusive Copyright Licenses in the applicable intellectual property registries, including but not limited to the United States Patent and Trademark Office and the United States Copyright Office, the security interests granted to the Collateral Trustee hereunder shall constitute valid, perfected, first priority Liens (subject, in the case of priority only, to Permitted Liens);

(c) no authorization, consent, approval or other action by, and no notice to or filing with, any Governmental Authority or regulatory body or any other Person is required for either (i) the pledge or grant by any Grantor of the Liens purported to be created in favor of the Collateral Trustee hereunder or (ii) the exercise by Collateral Trustee of any rights or remedies in respect of any Collateral (whether specifically granted or created hereunder or created or provided for by applicable law), except (A) for the filings contemplated by clause (a) above, (B) as may be required, in connection with the disposition of any Investment Related Property, by laws generally affecting the offering and sale of Securities and (C) any consents needed to transfer the servicing under any servicing agreement to any successor servicer; and

(d) each Grantor is in compliance with its obligations under Section 4 hereof.

5.5 Pledged Equity Interests, Investment Related Property.

(a) it is the record and beneficial owner of the Pledged Equity Interests free of all Liens (other than Liens securing Second Priority Debt Obligations), rights or claims of other Persons and there are no outstanding warrants, options or other rights to purchase, or shareholder, voting trust or similar agreements outstanding with respect to, or property that is convertible into, or that requires the issuance or sale of, any Pledged Equity Interests;

(b) no consent of any Person including any other general or limited partner, any other member of a limited liability company, any other shareholder or any other trust beneficiary is necessary or desirable in connection with the creation, perfection or first priority status of the security interest of the Collateral Trustee in any Pledged Equity Interests or the exercise by the Collateral Trustee of the voting or other rights provided for in this Agreement or the exercise of remedies in respect thereof except such as have been obtained; and

(c) all of the Pledged LLC Interests and Pledged Partnership Interests either (i) are or represent interests that by their terms provide that they are securities governed by the uniform commercial code of an applicable jurisdiction or (ii)(A) are not traded on securities exchanges or in securities markets, (B) are not "investment company securities" (as defined in Section 8-103(b) of the UCC) and (C) do not provide, in the related operating or partnership agreement, as applicable, certificates, if any, representing such Pledged LLC Interests or Pledged Partnership Interests, as applicable, or otherwise that they are securities governed by the Uniform Commercial Code of any jurisdiction.

5.6 Intellectual Property.

(i)to the best of such Grantor's knowledge: it is the sole and exclusive owner of the entire right, title, and interest in and to all Intellectual Property listed on Schedule 5.2(II) (as such schedule may be amended or supplemented from time to time), or owns or has the right to use and, where such Grantor does so, sublicense others to use, all other Material Intellectual Property, free and clear of all Liens, claims and encumbrances, except for Permitted Liens and the licenses set forth on Schedule 5.2(II) (as such schedule may be amended or supplemented from time to time);

(ii)to the best of such Grantor's knowledge: all Material Intellectual Property of such Grantor is subsisting and has not been adjudged invalid or unenforceable, in whole or in part, nor, in the case of Patents, is any of the Intellectual Property the subject of a reexamination proceeding, and such Grantor has performed all acts reasonably necessary and has paid all renewal, maintenance, and other fees and taxes required to maintain each and every registration and application of Copyrights, Patents and Trademarks of such Grantor constituting Material Intellectual Property in full force and effect;

(iii)to the best of the Grantor's knowledge and excluding Intellectual Property that is the subject of a pending application: all Material Intellectual Property is valid and enforceable; no holding, decision, ruling, or judgment has been rendered in any action or proceeding before any court or administrative authority challenging the validity, enforceability, or scope of, or such Grantor's right to register, own or use, any Material Intellectual Property of such Grantor, and no such action or proceeding is pending or, to the best of such Grantor's knowledge, threatened;

(iv)to the best of the Grantor's knowledge: all registrations, issuances and applications for Copyrights, Patents and Trademarks of such Grantor are standing in the name of such Grantor, and none of the Trademarks, Patents, Copyrights or Trade Secrets owned by such Grantor has been licensed by such Grantor to any Affiliate or third party, except as disclosed in Schedule 5.2(II) (as such schedule may be amended or supplemented from time to time);

(v)such Grantor has not made a previous assignment, sale, transfer, exclusive license or similar arrangement constituting a present or future assignment, sale, transfer, exclusive license or similar arrangement of any Material Intellectual Property that has not been terminated or released;

(vi)such Grantor generally used appropriate statutory notice of registration in connection with its use of its registered Trademarks and proper marking practices in connection with the use of Patents constituting Material Intellectual Property;

(vii)such Grantor has taken commercially reasonable steps to protect the confidentiality of its Trade Secrets constituting Material Intellectual Property;

(viii)such Grantor controls the nature and quality of all products sold and all services rendered under or in connection with all Trademarks of such Grantor and has taken all action reasonably necessary to insure that all licensees of the Trademarks owned by such Grantor comply with such Grantor's standards of quality, in each case, to the extent constituting Material Intellectual Property; and

(ix)to the best of such Grantor's knowledge: the conduct of such Grantor's business does not infringe, misappropriate, dilute or otherwise violate any Intellectual Property right of any other Person; and no claim has been made that the use of any Material Intellectual Property owned or used by such Grantor (or any of its respective licensees) infringes, misappropriates, dilutes or otherwise violates the asserted rights of any other Person, and no demand that such Grantor enter into a license or co-existence agreement has been made but not resolved.

Section 6. COVENANTS AND AGREEMENTS.

Each Grantor hereby covenants and agrees that:

6.1 Grantor Information & Status.

(a) Without limiting any prohibitions or restrictions on mergers or other transactions set forth in the Indenture, it shall not change such Grantor's name, identity, corporate structure (e.g. by merger, consolidation, change in corporate form or otherwise), sole place of business (or principal residence if such Grantor is a natural person), chief executive office, type of organization or jurisdiction of organization or establish any trade names unless it shall have (a) notified the Collateral Trustee in writing at least thirty (30) days prior to any such change or establishment, identifying such new proposed name, identity, corporate structure, sole place of business (or principal residence if such Grantor is a natural person), chief executive office, jurisdiction of organization or trade name and providing such other information in connection therewith as the Collateral Trustee may reasonably request and (b) taken all actions necessary to maintain the continuous validity, perfection and the same or better priority of the Collateral Trustee's security interest in the Collateral granted or intended to be granted and agreed to hereby, which in the case of any merger or other change in corporate structure shall include, without limitation, executing and delivering to the Collateral Trustee a completed Pledge Supplement, substantially in the form of Exhibit A attached hereto together with all Supplements to Schedules thereto, upon completion of such merger or other change in corporate structure confirming the grant of the security interest hereunder.

6.2 Collateral Identification; Special Collateral.

(a) in the event that it hereafter acquires any Collateral of a type described in Section 5.2(b) hereof, it shall promptly notify the Collateral Trustee thereof in writing and take such actions and execute such documents and make such filings all at Grantor's expense as necessary (or as the Collateral Trustee may reasonably request) in order to ensure that the Collateral Trustee has a valid, perfected, first priority security interest in such Collateral, subject in the case of priority only, to any Permitted Liens. Notwithstanding the foregoing, no Grantor shall be required to notify the Collateral Trustee or take any such action unless such Collateral is of a material value or is material to such Grantor's business; and

(b) in the event that it hereafter acquires or has any Commercial Tort Claim in excess of $500,000 individually or $1,000,000 in the aggregate it shall deliver to the Collateral Trustee a completed Pledge Supplement, substantially in the form of Exhibit A attached hereto, together with all Supplements to Schedules thereto, identifying such new Commercial Tort Claims.

6.3 Ownership of Collateral and Absence of Other Liens.

(a) except for the security interest created by this Agreement, it shall not create or suffer to exist any Lien upon or with respect to any of the Collateral, other than Permitted Liens, and such Grantor shall defend the Collateral against all Persons at any time claiming any interest therein;

(b) upon such Grantor or any officer of such Grantor obtaining knowledge thereof, it shall promptly notify the Collateral Trustee in writing of any event that is reasonably likely to have a Material Adverse Effect on the value of the Collateral or any material portion thereof, the ability of any Grantor or the Collateral Trustee to dispose of the Collateral or any material portion thereof, or the rights and remedies of the Collateral Trustee in relation thereto, including, without limitation, the levy of any legal process against the Collateral or any material portion thereof; and

(c) it shall not sell, transfer or assign (by operation of law or otherwise) or exclusively license to another Person any Collateral except as otherwise permitted by the Indenture.

6.4 Status of Security Interest.

(a) Subject to the limitations set forth in subsection (b) of this Section 6.4 and except as otherwise permitted by the Indenture, each Grantor shall maintain the security interest of the Collateral Trustee hereunder in all Collateral as valid, perfected, first priority Liens (subject, in the case of priority only, to Permitted Liens).

(b) Notwithstanding the foregoing (or anything else to the contrary herein or in any other Security Document), no Grantor shall be required to take any action to (i) other than as set forth in Section 4.2, perfect a security interest in any Collateral that can only be perfected by Control, (ii) make foreign filings with respect to Intellectual Property or (iii) make any filings with registrars of motor vehicles or similar governmental authorities with respect to goods covered by a certificate of title, in each case except as and to the extent specified in Section 4 hereof.

6.5 Receivables.

(a) it shall keep and maintain at its own cost and expense satisfactory and complete records of the Receivables, including, but not limited to, the originals of all documentation with respect to all Receivables and records of all payments received and all credits granted on the Receivables, all merchandise returned and all other dealings therewith;

(b) other than in the ordinary course of business or as permitted by the Indenture Documents, following and during the continuation of an Event of Default, (i) it shall not amend, modify, terminate or waive any provision of any Receivable in any manner which could reasonably be expected to have a material adverse effect on the value of such Receivable; and (ii) it shall not (w) grant any extension or renewal of the time of payment of any Receivable, (x) compromise or settle any dispute, claim or legal proceeding with respect to any Receivable for less than the total unpaid balance thereof, (y) release, wholly or partially, any Person liable for the payment thereof, or (z) allow any credit or discount thereon; and

(c) at any time following the occurrence and during the continuation of an Event of Default, the Collateral Trustee shall have the right to notify, or require any Grantor to notify, any Account Debtor of the Collateral Trustee's security interest in the Receivables and any Supporting Obligation and, in addition, the Collateral Trustee may: (1) direct the Account Debtors under any Receivables to make payment of all amounts due or to become due to such Grantor thereunder directly to the Collateral Trustee; (2) notify, or require any Grantor to notify, each Person maintaining a lockbox or similar arrangement to which Account Debtors under any Receivables have been directed to make payment to remit all amounts representing collections on checks and other payment items from time to time sent to or deposited in such lockbox or other arrangement directly to the Collateral Trustee; and (3) enforce, at the expense of such Grantor, collection of any such Receivables and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as such Grantor might have done. If the Collateral Trustee notifies any Grantor that it has elected to collect the Receivables in accordance with the preceding sentence, any payments of Receivables received by such Grantor shall be forthwith (and in any event within two (2) Business Days) deposited by such Grantor in the exact form received, duly indorsed by such Grantor to the Collateral Trustee and until so turned over, all amounts and proceeds (including checks and other instruments) received by such Grantor in respect of the Receivables, any Supporting Obligation or Collateral Support shall be received in trust for the benefit of the Collateral Trustee hereunder and shall be segregated from other funds of such Grantor and such Grantor shall not adjust, settle or compromise the amount or payment of any Receivable, or release wholly or partly any Account Debtor or obligor thereof, or allow any credit or discount thereon.

6.6 Pledged Equity Interests, Investment Related Property.

(a) Except as provided in the next sentence, in the event such Grantor receives any dividends, interest or distributions on any Pledged Equity Interest or other Investment Related Property, upon the merger, consolidation, liquidation or dissolution of any issuer of any Pledged Equity Interest or Investment Related Property, then (a) such dividends, interest or distributions and securities or other property shall be included in the definition of Collateral without further action and (b) such Grantor shall immediately take all steps, if any, necessary to ensure the validity, perfection, priority and, if applicable, control of the Collateral Trustee over such Investment Related Property (including, without limitation, delivery thereof to the Collateral Trustee to the extent otherwise required pursuant to this Agreement) and pending any such action such Grantor shall be deemed to hold such dividends, interest, distributions, securities or other property in trust for the benefit of the Collateral Trustee and shall segregate such dividends, distributions, Securities or other property from all other property of such Grantor. Notwithstanding the foregoing, so long as no Event of Default shall have occurred and be Continuing, the Collateral Trustee authorizes each Grantor to retain all cash dividends and distributions paid in the normal course of the business of the issuer and consistent with the past practice of the issuer and all payments of interest;

(b) Voting.

(i) So long as no Event of Default shall have occurred and be Continuing, except as otherwise provided under the covenants and agreements relating to Investment Related Property in this Agreement or elsewhere herein or in the Indenture, each Grantor shall be entitled to exercise or refrain from exercising any and all voting and other consensual rights pertaining to the Investment Related Property or any part thereof for any purpose not inconsistent with the terms of this Agreement or the Indenture; provided, no Grantor shall exercise or refrain from exercising any such right without the prior written consent of the Collateral Trustee (as directed by a majority of Holders in aggregate principal amount of Notes) if such action would have a Material Adverse Effect on the value of the Collateral; it being understood, however, that neither the voting by such Grantor of any Pledged Stock for, or such Grantor's consent to, the election of directors (or similar governing body) at a regularly scheduled annual or other meeting of stockholders or with respect to incidental matters at any such meeting, nor such Grantor's consent to or approval of any action otherwise permitted under this Agreement and the Indenture, shall be deemed inconsistent with the terms of this Agreement or the Indenture within the meaning of this Section 6.6(b)(i); and

(ii) Upon the occurrence and during the continuation of an Event of Default:

(1) all rights of each Grantor to exercise or refrain from exercising the voting and other consensual rights which it would otherwise be entitled to exercise pursuant hereto shall cease and all such rights shall thereupon become vested in the Collateral Trustee who shall thereupon have the sole right to exercise such voting and other consensual rights; and

(2) in order to permit the Collateral Trustee to exercise the voting and other consensual rights which it may be entitled to exercise pursuant hereto and to receive all dividends and other distributions which it may be entitled to receive hereunder: (1) each Grantor shall promptly execute and deliver (or cause to be executed and delivered) to the Collateral Trustee all proxies, dividend payment orders and other instruments as the Collateral Trustee may from time to time reasonably request and (2) each Grantor acknowledges that the Collateral Trustee may utilize the power of attorney set forth in Section 8.1; and

(c) Except to the extent not prohibited by the Indenture, without the prior written consent of the Collateral Trustee (as directed by a majority of Holders in aggregate principal amount of Notes), it shall not vote to enable or take any other action to: (i) amend or terminate any partnership agreement, limited liability company agreement, certificate of incorporation, by-laws or other organizational documents in any way that materially changes the rights of such Grantor with respect to any Investment Related Property or adversely affects the validity, perfection or priority of the Collateral Trustee's security interest, (ii) permit any Subsidiary that is an issuer of any Pledged Equity Interest to issue any additional stock, partnership interests, limited liability company interests or other equity interests of any nature or to issue securities convertible into or granting the right of purchase or exchange for any stock or other equity interest of any nature of such issuer, (iii) permit any issuer of any Pledged Equity Interest to dispose of all or a material portion of their assets, (iv) waive any default under or breach of any terms of organizational document relating to the issuer of any Pledged Equity Interest or the terms of any Pledged Debt consisting of intercompany debt or (v) cause any issuer of any Pledged Partnership Interests or Pledged LLC Interests which are not securities (for purposes of the UCC) on the date hereof to elect or otherwise take any action to cause such Pledged Partnership Interests or Pledged LLC Interests to be treated as securities for purposes of the UCC; provided, however, notwithstanding the foregoing, if any issuer of any Pledged Partnership Interests or Pledged LLC Interests takes any such action in violation of the foregoing in this clause (v), such Grantor shall promptly notify the Collateral Trustee in writing of any such election or action and, in such event, shall take all steps necessary or advisable to establish the Collateral Trustee's "control" thereof; and

(d) Except to the extent not prohibited by the Indenture, without the prior written consent of the Collateral Trustee (as directed by a majority of Holders in aggregate principal amount of Notes), it shall not permit any issuer of any Pledged Equity Interest to merge or consolidate unless (i) all the outstanding capital stock or other equity interests of the surviving or resulting corporation, limited liability company, partnership or other entity is, upon such merger or consolidation, pledged hereunder and no cash, securities or other property is distributed in respect of the outstanding equity interests of any other constituent Grantor; provided that if the surviving or resulting Grantors upon any such merger or consolidation involving an issuer which is a Controlled Foreign Corporation, then such Grantor shall only be required to pledge equity interests in accordance with Section 2 and (ii) Grantor promptly complies with the delivery and control requirements of Section 4 hereof.

(e) Such Grantor covenants and agrees that, without the prior express written consent of the Collateral Trustee (as directed by a majority of Holders in aggregate principal amount of Notes), it will not agree to any election by any limited liability company or partnership, as applicable, to treat the Pledged LLC Interests or Pledged Partnership Interests, as applicable, as securities governed by the Uniform Commercial Code of any jurisdiction and in any event will promptly notify the Collateral Trustee in writing if the representation set forth in Section 5.5(c) becomes untrue for any reason and, in such event, take such action as necessary (or as the Collateral Trustee may reasonably request) in order to establish the Collateral Trustee's "control" (within the meaning of Section 8-106 of the New York UCC) over such Pledged LLC Interests or Pledged Partnership Interests, as applicable. Such Grantor shall not consent to any amendment to any related operating or partnership agreement, as applicable, that would render the representation in Section 5.5(c) to no longer be true and correct.

6.7 Intellectual Property.

(a) Except in each case as shall be consistent with commercially reasonable business judgment, it shall not do any act or omit to do any act whereby any of the Material Intellectual Property, as determined at the time of the determination, may lapse, or become abandoned, canceled, dedicated to the public, forfeited, unenforceable or otherwise impaired, or which would adversely affect the validity, grant, or enforceability of the security interest granted therein;

(b) it shall not, with respect to any Trademarks constituting Material Intellectual Property at the time, cease the use of any of such Trademarks or fail to maintain the level of the quality of products sold and services rendered under any of such Trademark at a level at least substantially consistent with the quality of such products and services as of the date hereof, and each Grantor shall take all steps reasonably necessary to insure that licensees of such Trademarks use such consistent standards of quality;

(c) it shall promptly notify the Collateral Trustee if it receives any demand or threat or is the subject of any claim in a formal proceeding before a tribunal of competent authority of which it knows or has reason to know that any item of Material Intellectual Property is or has become, or may become, (i) abandoned or dedicated to the public or placed in the public domain, (ii) invalid or unenforceable, (iii) subject to any adverse determination (including the institution of, or any adverse claim with respect to, any action or proceeding in the United States Patent and Trademark Office, the United States Copyright Office, any state registry, any foreign counterpart of the foregoing, or any court) or (iv) the subject of any reversion or termination rights;

(d) except in each case as shall be consistent with commercially reasonable business judgment, it shall take all reasonable steps, including in any proceeding before the United States Patent and Trademark Office, the United States Copyright Office, any state registry or any foreign counterpart of the foregoing, to pursue any application and maintain any registration or issuance of each Trademark, Patent, and Copyright owned by any Grantor and constituting Material Intellectual Property which is now or shall become included in the Intellectual Property including, but not limited to, those items on Schedule 5.2(II) (as such schedule may be amended or supplemented from time to time); and

(e) it shall use commercially reasonable efforts so as not to permit the inclusion in any contract to which it hereafter becomes a party of any provision that could or may in any way materially impair or prevent the creation of a security interest in, or the assignment of, such Grantor's rights and interests in any property included within the definitions of any Material Intellectual Property acquired under such contracts.

Section 7. ACCESS; RIGHT OF INSPECTION AND FURTHER ASSURANCES; ADDITIONAL GRANTORS.

7.1 Access; Right of Inspection. The Collateral Trustee shall (at such Grantor's expense) at all times have full and free access (following reasonable advance notice) during normal business hours to all the books, correspondence and records of each Grantor, and the Collateral Trustee and its representatives may (but shall not be obligated to) examine the same, take extracts therefrom and make photocopies thereof, and each Grantor agrees to render to the Collateral Trustee, at such Grantor's cost and expense, such clerical and other assistance as may be reasonably requested with regard thereto. The Collateral Trustee and its representatives shall at all times (following reasonable advance notice) also have the right (but not the obligation) to enter any premises of each Grantor and inspect any property of each Grantor (during normal business hours) where any of the Collateral of such Grantor granted pursuant to this Agreement is located for the purpose of inspecting the same, observing its use or otherwise protecting its interests therein.

7.2 Further Assurances.

(a) Each Grantor agrees that from time to time, at the expense of such Grantor, that it shall promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary, or that the Collateral Trustee may reasonably request, in order to create and/or maintain the validity, perfection or priority of and protect any security interest granted or purported to be granted hereby or to enable the Collateral Trustee to exercise and enforce its rights and remedies hereunder with respect to any Collateral. Without limiting the generality of the foregoing, each Grantor shall:

(i) file such financing or continuation statements, or amendments thereto, record security interests in Intellectual Property and execute and deliver such other agreements, instruments, endorsements, powers of attorney or notices, as may be necessary or desirable, or as the Collateral Trustee may reasonably request, in order to effect, reflect, perfect and preserve the security interests granted or purported to be granted hereby;

(ii) take all actions necessary to ensure the recordation of appropriate evidence of the liens and security interest granted hereunder in any Intellectual Property with any United States intellectual property registry in which said Intellectual Property is registered or issued or in which an application for registration or issuance is pending including, without limitation, the United States Patent and Trademark Office, the United States Copyright Office, the various Secretaries of State;

(iii) at any reasonable time, upon reasonable request by the Collateral Trustee, assemble the Collateral and allow inspection of the Collateral by the Collateral Trustee, or persons designated by the Collateral Trustee;

(iv) appear in and defend any action or proceeding that may affect such Grantor's title to or the Collateral Trustee's security interest in all or any part of the Collateral; and

(v) furnish the Collateral Trustee with such information regarding the Collateral, including, without limitation, the location thereof, as the Collateral Trustee may reasonably request from time to time.

(b) Without limiting its obligations hereunder, each Grantor hereby authorizes the Collateral Trustee to file a Record or Records, including, without limitation, financing or continuation statements, Intellectual Property Security Agreements and amendments and supplements to any of the foregoing, in any jurisdictions and with any filing offices as are necessary to perfect or otherwise protect the security interest granted to the Collateral Trustee herein. Such financing statements may describe the Collateral in the same manner as described herein or may contain an indication or description of collateral that describes such property in any other manner as is necessary to ensure the perfection of the security interest in the Collateral granted to the Collateral Trustee herein, including, without limitation, describing such property as "all assets, whether now owned or hereafter acquired, developed or created" or words of similar effect. Each Grantor shall furnish to the Collateral Trustee from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as are necessary or as the Collateral Trustee may reasonably request, all in reasonable detail.

(c) Each Grantor hereby authorizes the Collateral Trustee to modify this Agreement after obtaining such Grantor's approval of or signature to such modification by amending Schedule 5.2 (as such schedule may be amended or supplemented from time to time) to include reference to any right, title or interest in any existing Intellectual Property or any Intellectual Property acquired or developed by any Grantor after the execution hereof or to delete any reference to any right, title or interest in any Intellectual Property in which any Grantor no longer has or claims any right, title or interest.

7.3 Additional Grantors. From time to time subsequent to the date hereof, additional Persons may become parties hereto as additional Grantors (each, an "**Additional Grantor**"), by executing a Pledge Supplement. Upon delivery of any such Pledge Supplement to the Collateral Trustee, notice of which is hereby waived by Grantors, each Additional Grantor shall be a Grantor and shall be as fully a party hereto as if Additional Grantor were an original signatory hereto. Each Grantor expressly agrees that its obligations arising hereunder shall not be affected or diminished by the addition or release of any other Grantor hereunder. This Agreement shall be fully effective as to any Grantor that is or becomes a party hereto regardless of whether any other Person becomes or fails to become or ceases to be a Grantor hereunder.

Section 8. COLLATERAL AGENT APPOINTED ATTORNEY-IN-FACT.

8.1 Power of Attorney. Each Grantor hereby irrevocably appoints the Collateral Trustee (such appointment being coupled with an interest) as such Grantor's attorney-in-fact, with full authority in the place and stead of such Grantor and in the name of such Grantor, the Collateral Trustee or otherwise, from time to time in the Collateral Trustee's discretion to take any action and to execute any instrument that the Collateral Trustee may deem reasonably necessary to accomplish the purposes of this Agreement, including, without limitation, the following:

(a) upon the occurrence and during the Continuance of any Event of Default, to obtain and adjust insurance required to be maintained by such Grantor or paid to the Collateral Trustee pursuant to the Indenture;

(b) upon the occurrence and during the Continuance of any Event of Default, to ask for, demand, collect, sue for, recover, compound, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Collateral;

(c) upon the occurrence and during the Continuance of any Event of Default, to receive, endorse and collect any drafts or other instruments, documents and chattel paper in connection with clause (b) above;

(d) upon the occurrence and during the Continuance of any Event of Default, to file any claims or take any action or institute any proceedings that the Collateral Trustee may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of the Collateral Trustee with respect to any of the Collateral;

(e) upon the occurrence and during the Continuance of any Event of Default, to prepare and file any UCC financing statements against such Grantor as debtor;

(f) upon the occurrence and during the Continuance of any Event of Default, to prepare, sign, and file for recordation in any United States intellectual property registry, appropriate evidence of the lien and security interest granted herein in the Intellectual Property in the name of such Grantor as debtor;

(g) upon the occurrence and during the Continuance of any Event of Default, to take or cause to be taken all actions necessary to perform or comply or cause performance or compliance with the terms of this Agreement, including, without limitation, access to pay or discharge taxes or Liens (other than Permitted Liens) levied or placed upon or threatened against the Collateral, the legality or validity thereof and the amounts necessary to discharge the same to be determined by the Collateral Trustee in its sole discretion, any such payments made by the Collateral Trustee to become obligations of such Grantor to the Collateral Trustee, due and payable immediately without demand; and

(h) upon the occurrence and during the Continuance of any Event of Default generally to sell, transfer, lease, license, pledge, make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Collateral Trustee were the absolute owner thereof for all purposes, and to do, at the Collateral Trustee's option and such Grantor's expense, at any time or from time to time, all acts and things that the Collateral Trustee deems reasonably necessary to protect, preserve or realize upon the Collateral and the Collateral Trustee's security interest therein in order to effect the intent of this Agreement, all as fully and effectively as such Grantor might do.

8.2 No Duty on the Part of Collateral Trustee or Secured Parties. The powers conferred on the Collateral Trustee hereunder are solely to protect the interests of the Secured Parties in the Collateral and shall not impose any duty or obligation upon the Collateral Trustee or any Secured Party to exercise any such powers. The Collateral Trustee and the Secured Parties shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their officers, directors, employees or agents shall be responsible for any act or failure to act hereunder, except for their own gross negligence or willful misconduct.

Section 9. REMEDIES.

9.1 Generally.

(a) If any Event of Default shall have occurred and be Continuing, subject to any Intercreditor Agreement, the Collateral Trustee may exercise in respect of the Collateral, in addition to all other rights and remedies provided for herein or otherwise available to it at law or in equity, all the rights and remedies of a secured party on default under the UCC (whether or not the UCC applies to the affected Collateral) to collect, enforce or satisfy any Secured Obligations then owing, whether by acceleration or otherwise, and also may pursue any of the following separately, successively or simultaneously:

(i) require any Grantor to, and each Grantor hereby agrees that it shall at its expense and promptly upon request of the Collateral Trustee forthwith, assemble all or part of the tangible Collateral as directed by the Collateral Trustee and make it available to the Collateral Trustee at a place to be designated by the Collateral Trustee that is reasonably convenient to both parties;

(ii) enter onto the property where any Collateral is located and take possession thereof with or without judicial process;

(iii) prior to the disposition of the Collateral, store, process, repair or recondition the Collateral or otherwise prepare the Collateral for disposition in any manner to the extent the Collateral Trustee deems appropriate; and

(iv) without notice except as specified below or under the UCC, sell, assign, lease, license (on an exclusive or nonexclusive basis) or otherwise dispose of the Collateral or any part thereof in one or more parcels at public or private sale, at any of the Collateral Trustee's offices or elsewhere, for cash, on credit or for future delivery, at such time or times and at such price or prices and upon such other terms as the Collateral Trustee may deem commercially reasonable.

(b) The Collateral Trustee or any other Secured Party may be the purchaser of any or all of the Collateral at any public or private (to the extent to the portion of the Collateral being privately sold is of a kind that is customarily sold on a recognized market or the subject of widely distributed standard price quotations) sale in accordance with the UCC and the Collateral Trustee, as collateral trustee for and representative of the Secured Parties, shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such sale made in accordance with the UCC, to use and apply any of the Secured Obligations as a credit on account of the purchase price for any Collateral payable by the Collateral Trustee at such sale. Each purchaser at any such sale shall hold the property sold absolutely free from any claim or right on the part of any Grantor, and each Grantor hereby waives (to the extent permitted by applicable law) all rights of redemption, stay and/or appraisal which it now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted. Each Grantor agrees that, to the extent notice of sale shall be required by law, at least ten (10) days' notice to such Grantor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Collateral Trustee shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Collateral Trustee may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. Each Grantor agrees that it would not be commercially unreasonable for the Collateral Trustee to dispose of the Collateral or any portion thereof by using Internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capability of doing so, or that match buyers and sellers of assets. Each Grantor hereby waives any claims against the Collateral Trustee arising by reason of the fact that the price at which any Collateral may have been sold at such a private sale was less than the price which might have been obtained at a public sale, even if the Collateral Trustee accepts the first offer received and does not offer such Collateral to more than one offeree. If the proceeds of any sale or other disposition of the Collateral are insufficient to pay all the Secured Obligations, Grantors shall be liable for the deficiency and the fees of any attorneys employed by the Collateral Trustee to collect such deficiency. Each Grantor further agrees that a breach of any of the covenants contained in this Section will cause irreparable injury to the Collateral Trustee, that the Collateral Trustee has no adequate remedy at law in respect of such breach and, as a consequence, that each and every covenant contained in this Section shall be specifically enforceable against such Grantor, and such Grantor hereby waives and agrees not to assert any defenses against an action for specific performance of such covenants except for a defense that no default has occurred giving rise to the Secured Obligations becoming due and payable prior to their stated maturities. Nothing in this Section shall in any way limit the rights of the Collateral Trustee hereunder.

(c) The Collateral Trustee may sell the Collateral without giving any warranties as to the Collateral. The Collateral Trustee may specifically disclaim or modify any warranties of title or the like. This procedure will not be considered to adversely affect the commercial reasonableness of any sale of the Collateral.

(d) The Collateral Trustee shall have no obligation to marshal any of the Collateral.

9.2 Application of Proceeds. Subject to the Intercreditor Agreements, except as expressly provided elsewhere in this Agreement, all proceeds received by the Collateral Trustee in respect of any sale of, any collection from, or other realization upon all or any part of the Collateral shall be applied in full or in part by the Collateral Trustee against, the Secured Obligations in the following order of priority: first, to the payment of all reasonable costs and expenses of such sale, collection or other realization, including reasonable compensation to the Trustee, the Collateral Trustee and their agents and counsel, and all other expenses, liabilities and advances made or incurred by the Trustee or the Collateral Trustee in connection therewith, and all amounts for which the Trustee or the Collateral Trustee is entitled to indemnification under the Indenture Documents and all advances made by the Collateral Trustee hereunder for the account of the applicable Grantor, and to the payment of all reasonable costs and expenses paid or incurred by the Collateral Trustee in connection with the exercise of any right or remedy hereunder or under the Indenture Documents, all in accordance with the terms hereof or thereof; second, to the extent of any excess of such proceeds, to the payment of all other Secured Obligations for the ratable benefit of the Holders of the Notes; and third, to the extent of any excess of such proceeds, to the to the Company or to such party as a court of competent jurisdiction shall direct including any Guarantor, if applicable.

9.3 Sales on Credit. If the Collateral Trustee sells any of the Collateral upon credit, Grantor will be credited only with payments actually made by purchaser and received by Collateral Trustee and applied to indebtedness of the purchaser. In the event the purchaser fails to pay for the Collateral, Collateral Trustee may resell the Collateral and Grantor shall be credited with proceeds of the sale.

9.4 Investment Related Property. Each Grantor recognizes that, by reason of certain prohibitions contained in the Securities Act and applicable state securities laws, the Collateral Trustee may be compelled, with respect to any sale of all or any part of the Investment Related Property conducted without prior registration or qualification of such Investment Related Property under the Securities Act and/or such state securities laws, to limit purchasers to those who will agree, among other things, to acquire the Investment Related Property for their own account, for investment and not with a view to the distribution or resale thereof. Each Grantor acknowledges that any such private sale may be at prices and on terms less favorable than those obtainable through a public sale without such restrictions (including a public offering made pursuant to a registration statement under the Securities Act) and, notwithstanding such circumstances, each Grantor agrees that any such private sale shall not be deemed to have been made in a commercially unreasonable manner solely as a result of such limitation and that the Collateral Trustee shall have no obligation to engage in public sales and no obligation to delay the sale of any Investment Related Property for the period of time necessary to permit the issuer thereof to register it for a form of public sale requiring registration under the Securities Act or under applicable state securities laws, even if such issuer would, or should, agree to so register it. If the Collateral Trustee determines to exercise its right to sell any or all of the Investment Related Property, upon written request, each Grantor shall and shall cause each issuer of any Pledged Stock to be sold hereunder, each partnership and each limited liability company from time to time to furnish to the Collateral Trustee all such information as the Collateral Trustee may reasonably request in order to determine the number and nature of interest, shares or other instruments included in the Investment Related Property which may be sold by the Collateral Trustee in exempt transactions under the Securities Act and the rules and regulations of the Securities and Exchange Commission thereunder, as the same are from time to time in effect.

9.5 Grant of Intellectual Property License. For the purpose of enabling the Collateral Trustee, during the Continuance of an Event of Default, to exercise rights and remedies under Section 9 hereof at such time as the Collateral Trustee shall be lawfully entitled to exercise such rights and remedies, and for no other purpose, each Grantor hereby grants to the Collateral Trustee, to the extent assignable, an irrevocable, non-exclusive license (exercisable without payment of royalty or other compensation to such Grantor), subject, in the case of Trademarks, to sufficient rights to quality control and inspection in favor of such Grantor to avoid the risk of invalidation of such Trademarks, to use, assign, license or sublicense any of the Intellectual Property now owned or hereafter acquired, developed or created by such Grantor, wherever the same may be located. Such license shall include access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout hereof.

9.6 Intellectual Property.

(a) Anything contained herein to the contrary notwithstanding, in addition to the other rights and remedies provided herein, upon the occurrence and during the continuance of an Event of Default:

(i) the Collateral Trustee shall have the right (but not the obligation) to bring suit or otherwise commence any action or proceeding in the name of any Grantor, the Collateral Trustee or otherwise, in the Collateral Trustee's sole discretion, to enforce any Intellectual Property rights of such Grantor, in which event such Grantor shall, at the request of the Collateral Trustee, do any and all lawful acts and execute any and all documents reasonably required by the Collateral Trustee in aid of such enforcement and such Grantor shall promptly, upon demand, reimburse and indemnify the Collateral Trustee as provided in Section 7.07 of the Indenture in connection with the exercise of its rights under this Section 9.6, and, to the extent that the Collateral Trustee shall elect not to bring suit to enforce any Intellectual Property rights as provided in this Section 9.6, each Grantor agrees to use all reasonable measures, whether by action, suit, proceeding or otherwise, to prevent the infringement, misappropriation, dilution or other violation of any of such Grantor's rights in the Intellectual Property by others and for that purpose agrees to diligently maintain any action, suit or proceeding against any Person so infringing, misappropriating, diluting or otherwise violating, as shall be necessary to prevent such infringement, misappropriation, dilution or other violation;

(ii) upon written demand from the Collateral Trustee, each Grantor shall grant, assign, convey or otherwise transfer to the Collateral Trustee or such Collateral Trustee's designee all of such Grantor's right, title and interest in and to any Intellectual Property and shall execute and deliver to the Collateral Trustee such documents as are necessary or appropriate to carry out the intent and purposes of this Agreement;

(iii) each Grantor agrees that such an assignment and/or recording shall be applied to reduce the Secured Obligations outstanding only to the extent that the Collateral Trustee (or any Secured Party) receives cash proceeds in respect of the sale of, or other realization upon, any such Intellectual Property;

(iv) within five (5) Business Days after written notice from the Collateral Trustee, each Grantor shall make available to the Collateral Trustee, to the extent within such Grantor's power and authority, such personnel in such Grantor's employ on the date of such Event of Default as the Collateral Trustee may reasonably designate, by name, title or job responsibility, to permit such Grantor to continue, directly or indirectly, to produce, advertise and sell the products and services sold or delivered by such Grantor under or in connection with any Trademarks or Trademark Licenses, such persons to be available to perform their prior functions on the Collateral Trustee's behalf and to be compensated by the Collateral Trustee at such Grantor's expense on a per diem, pro rata basis consistent with the salary and benefit structure applicable to each as of the date of such Event of Default; and

(v) the Collateral Trustee shall have the right to notify, or require each Grantor to notify, any obligors with respect to amounts due or to become due to such Grantor in respect of the Intellectual Property of such Grantor, of the existence of the security interest created herein, to direct such obligors to make payment of all such amounts directly to the Collateral Trustee, and, upon such notification and at the expense of such Grantor, to enforce collection of any such amounts and to adjust, settle or compromise the amount or payment thereof, in the same manner and to the same extent as such Grantor might have done; it being understood and agreed that

(1) all amounts and proceeds (including checks and other instruments) received by such Grantor in respect of amounts due to such Grantor in respect of the Collateral or any portion thereof shall be received in trust for the benefit of the Collateral Trustee hereunder, shall be segregated from other funds of such Grantor and shall be forthwith paid over or delivered to the Collateral Trustee in the same form as so received (with any necessary endorsement) to be held as cash Collateral and applied as provided by Section 9.7 hereof; and

(2) such Grantor shall not adjust, settle or compromise the amount or payment of any such amount or release wholly or partly any obligor with respect thereto or allow any credit or discount thereon.

(b) If (i) an Event of Default shall have occurred and, by reason of cure, waiver, modification, amendment or otherwise, no longer be Continuing, (ii) no other Event of Default shall have occurred and be Continuing, (iii) an assignment or other transfer to the Collateral Trustee of any rights, title and interests in and to any Intellectual Property of such Grantor shall have been previously made and shall have become absolute and effective and (iv) the Secured Obligations shall not have become immediately due and payable, upon the written request of any Grantor, the Collateral Trustee shall promptly execute and deliver to such Grantor, at such Grantor's sole cost and expense, such assignments or other transfer as may be necessary to reassign to such Grantor any such rights, title and interests as may have been assigned to the Collateral Trustee as aforesaid, subject to any disposition thereof that may have been made by the Collateral Trustee; provided, after giving effect to such reassignment, the Collateral Trustee's security interest granted pursuant hereto, as well as all other rights and remedies of the Collateral Trustee granted hereunder, shall continue to be in full force and effect; and provided further, the rights, title and interests so reassigned shall be free and clear of any other Liens granted by or on behalf of the Collateral Trustee and the Secured Parties.

9.7 Cash Proceeds; Deposit Accounts.

i.If any Event of Default shall have occurred and be Continuing, in addition to the rights of the Collateral Trustee specified in Section 6.5 with respect to payments of Receivables, all proceeds of any Collateral received by any Grantor consisting of cash, checks and other near-cash items (collectively, "**Cash Proceeds**") shall be held by such Grantor in trust for the Collateral Trustee, segregated from other funds of such Grantor, and upon request by the Collateral Trustee shall, forthwith upon receipt by such Grantor, be turned over to the Collateral Trustee in the exact form received by such Grantor (duly indorsed by such Grantor to the Collateral Trustee, if required) and held by the Collateral Trustee. Any Cash Proceeds received by the Collateral Trustee (whether from a Grantor or otherwise) may, in the sole discretion of the Collateral Trustee, (A) be held by the Collateral Trustee for the ratable benefit of the Secured Parties, as collateral security for the Secured Obligations (whether matured or unmatured) and/or (B) then or at any time thereafter may be applied by the Collateral Trustee against the Secured Obligations then due and owing.

Section 10. COLLATERAL AGENT.

The Collateral Trustee has been appointed to act as Collateral Trustee hereunder by the Holders of the Notes. The Collateral Trustee shall be obligated, and shall have the right hereunder, to make demands, to give notices, to exercise or refrain from exercising any rights, and to take or refrain from taking any action (including, without limitation, the release or substitution of Collateral), solely in accordance with this Agreement and the Indenture. In furtherance of the foregoing provisions of this Section, each Secured Party, by its acceptance of the benefits hereof, agrees that it shall have no right individually to realize upon any of the Collateral hereunder, it being understood and agreed by such Secured Party that all rights and remedies hereunder may be exercised solely by the Collateral Trustee for the benefit of Secured Parties in accordance with the terms of this Section. The provisions of the Indenture relating to the Collateral Trustee or the Trustee, if applicable, including, without limitation, the provisions relating to resignation or removal of the Collateral Trustee and the protections, rights, indemnities, powers and duties and immunities of the Collateral Trustee are incorporated herein by this reference and shall survive any termination of the Indenture or removal or resignation of the Collateral Trustee or Trustee, if applicable.

In connection with exercising any right or discretionary duty hereunder (including, without limitation, the exercise of any rights following the occurrence of an Event of Default), the Collateral Trustee shall be entitled to request and rely upon the direction of Holders of a majority in aggregate outstanding amount of the Notes to direct the Collateral Trustee pursuant to the Indenture. The Collateral Trustee shall not have any liability for taking any action at such direction or for its failure to take any action pending the receipt of such direction. The Collateral Trustee shall not be responsible for and makes no representation as to the validity or adequacy of this Agreement, and it shall not be responsible for any statement or recital in this Agreement. Neither the Collateral Trustee nor any of its affiliates, directors, officers, agents or employees shall be responsible for or have any duty to ascertain, inquire into or verify (i) any statement, warranty or representation made in connection with this Agreement; (ii) the performance or observance of any of the covenants or agreements of the Company herein; or (iii) the receipt of items required to be delivered to the Collateral Trustee.

Section 11. CONTINUING SECURITY INTEREST; ASSIGNMENTS UNDER THE INDENTURE DOCUMENTS.

11.1 Continuing Security Interest; Assignment

. This Agreement shall create a continuing security interest in the Collateral and shall remain in full force and effect until the payment in full of all Secured Obligations (other than contingent indemnification obligations for which no claim has been made) and inure, together with the rights and remedies of the Collateral Trustee hereunder, to the benefit of the Collateral Trustee and its successors, transferees and assigns. Without limiting the generality of the foregoing, any Secured Party may assign or otherwise transfer any indebtedness held by it secured by this Agreement to any other person, and such other person shall thereupon become vested with all the benefits in respect thereof granted to such Secured Party, herein or otherwise, subject however, to the provisions of the Indenture.

11.2 Termination; Release. A Grantor shall automatically be released from its obligations hereunder and/or the security interests in any Collateral securing the Note Obligations shall in each case be automatically released upon the occurrence of any of the circumstances set forth in Section 11.02 of the Indenture without delivery of any instrument or performance of any act by any party. Upon any such termination and delivery of the documents referenced in Section 13.04 of the Indenture, the Collateral Trustee shall, at the Grantors' expense, execute and deliver to Grantors or otherwise authorize the filing of such documents as Grantors shall reasonably request, including financing statement amendments to evidence such termination. Upon any disposition of property permitted by the Indenture, the related Liens granted herein shall be deemed to be automatically released and such property shall automatically revert to the applicable Grantor with no further action on the part of any Person. The Collateral Trustee shall, at the applicable Grantor's expense and upon delivery of the documents referenced in Section 13.04 of the Indenture, execute and deliver or otherwise authorize the filing of such documents as such Grantor shall reasonably request, in form and substance reasonably satisfactory to the Collateral Trustee, including financing statement amendments to evidence such release.

Section 12. STANDARD OF CARE; COLLATERAL AGENT MAY PERFORM.

The powers conferred on the Collateral Trustee hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the exercise of reasonable care in the custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, the Collateral Trustee shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral. The Collateral Trustee shall be deemed to have exercised reasonable care in the custody and preservation of Collateral in its possession if such Collateral is accorded treatment substantially equal to that which the Collateral Trustee accords its own property. Neither the Collateral Trustee nor any of its directors, officers, employees or agents shall be liable for failure to demand, collect or realize upon all or any part of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of any Grantor or otherwise. If any Grantor fails to perform any agreement contained herein, the Collateral Trustee may itself perform, or cause performance of, such agreement, and the expenses of the Collateral Trustee incurred in connection therewith shall be payable by each Grantor under Section 7.07 of the Indenture.

Section 13. [RESERVED].

Section 14. [RESERVED].

Section 15. MISCELLANEOUS.

Any notice required or permitted to be given under this Agreement shall be given in accordance with Section 13.02 of the Indenture. No failure or delay on the part of the Collateral Trustee in the exercise of any power, right or privilege hereunder or under any other Indenture Document shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other power, right or privilege. All rights and remedies existing under this Agreement and the other Indenture Documents are cumulative to, and not exclusive of, any rights or remedies otherwise available. In case any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby. All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted by an exception to, or would otherwise be within the limitations of, another covenant shall not avoid the occurrence of a Default or an Event of Default if such action is taken or condition exists. This Agreement shall be binding upon and inure to the benefit of the Collateral Trustee and Grantors and their respective successors and assigns. No Grantor shall, without the prior written consent of the Collateral Trustee given in accordance with the Indenture, assign any right, duty or obligation hereunder. This Agreement and the other Indenture Documents embody the entire agreement and understanding among Grantors and the Collateral Trustee and supersede all prior agreements and understandings among such parties relating to the subject matter hereof and thereof. Accordingly, the Security Documents may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements among the parties. This Agreement may be executed in one or more counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document. Counterparts may be delivered via facsimile, electronic mail (including any electronic signature covered by the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act, the Electronic Signatures and Records Act or other applicable law, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER AND ALL CLAIMS AND CONTROVERSIES ARISING OUT OF THE SUBJECT MATTER HEREOF WHETHER SOUNDING IN CONTRACT LAW, TORT LAW OR OTHERWISE SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAW PROVISIONS THAT WOULD RESULT IN THE APPLICATION OF ANY OTHER LAW (OTHER THAN ANY MANDATORY PROVISIONS OF THE UCC RELATING TO THE LAW GOVERNING PERFECTION AND THE EFFECT OF PERFECTION OF THE SECURITY INTEREST).

SUBJECT TO CLAUSE (E) OF THE FOLLOWING SENTENCE, ALL JUDICIAL PROCEEDINGS BROUGHT AGAINST ANY GRANTOR ARISING OUT OF OR RELATING HERETO OR ANY OTHER INDENTURE DOCUMENT, OR ANY OF THE OBLIGATIONS, WILL BE BROUGHT IN ANY STATE OR FEDERAL COURT OF COMPETENT JURISDICTION IN THE STATE, COUNTY AND CITY OF NEW YORK SITTING IN THE BOROUGH OF MANHATTAN. BY EXECUTING AND DELIVERING THIS AGREEMENT, EACH GRANTOR, FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, HEREBY EXPRESSLY AND IRREVOCABLY (A) ACCEPTS GENERALLY AND UNCONDITIONALLY THE EXCLUSIVE JURISDICTION AND VENUE OF SUCH COURTS (OTHER THAN WITH RESPECT TO ACTIONS BY ANY AGENT IN RESPECT OF RIGHTS UNDER ANY SECURITY AGREEMENT GOVERNED BY ANY LAWS OTHER THAN THE LAWS OF THE STATE OF NEW YORK OR WITH RESPECT TO ANY COLLATERAL SUBJECT THERETO); (B) WAIVES (I) JURISDICTION AND VENUE OF COURTS IN ANY OTHER JURISDICTION IN WHICH IT MAY BE ENTITLED TO BRING SUIT BY REASON OF ITS PRESENT OR FUTURE DOMICILE OR OTHERWISE AND (II) ANY DEFENSE OF FORUM NON CONVENIENS; (C) AGREES THAT SERVICE OF ALL PROCESS IN ANY SUCH PROCEEDING IN ANY SUCH COURT MAY BE MADE BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE APPLICABLE GRANTOR AT ITS ADDRESS PROVIDED IN ACCORDANCE WITH THIS SECTION 15; (D) AGREES THAT SERVICE AS PROVIDED IN CLAUSE (C) ABOVE IS SUFFICIENT TO CONFER PERSONAL JURISDICTION OVER THE APPLICABLE GRANTOR IN ANY SUCH PROCEEDING IN ANY SUCH COURT, AND OTHERWISE CONSTITUTES EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT; AND (E) AGREES THAT THE COLLATERAL TRUSTEE RETAINS THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO BRING PROCEEDINGS AGAINST ANY GRANTOR IN THE COURTS OF ANY OTHER JURISDICTION IN CONNECTION WITH THE EXERCISE OF ANY RIGHTS UNDER ANY SECURITY DOCUMENT OR THE ENFORCEMENT OF ANY JUDGMENT.

EACH OF THE PARTIES HERETO HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING HEREUNDER OR UNDER ANY OF THE OTHER INDENTURE DOCUMENTS OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THIS TRANSACTION OR THE COLLATERAL TRUSTEE/COMPANY RELATIONSHIP THAT IS BEING ESTABLISHED. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. EACH PARTY HERETO ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS AGREEMENT, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN ITS RELATED FUTURE DEALINGS. EACH PARTY HERETO FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY A MUTUAL WRITTEN WAIVER SPECIFICALLY REFERRING TO THIS SECTION 15 AND EXECUTED BY EACH OF THE PARTIES HERETO), AND THIS WAIVER WILL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS HERETO OR ANY OF THE OTHER INDENTURE DOCUMENTS OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THE NOTES. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, each Grantor and the Collateral Trustee have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

PHH MORTGAGE CORPORATION,
as Grantor

By: /s/ John V. Britti
Name: John V. Britti
Title: Executive Vice President and
Chief Investment Officer

OCWEN FINANCIAL CORPORATION,
as Grantor

By: /s/ John V. Britti
Name: John V. Britti
Title: Executive Vice President and
Chief Investment Officer

PHH CORPORATION,
as Grantor

By: /s/ John V. Britti
Name: John V. Britti
Title: President and Chief Executive
Officer

WILMINGTON TRUST, NATIONAL ASSOCIATION, as Collateral Trustee

By: /s/ Nedine P. Sutton
Name: Nedine P. Sutton
Title: Vice President

SCHEDULE 5.1
TO PLEDGE AND SECURITY AGREEMENT

GENERAL INFORMATION

(A) Full Legal Name, Type of Organization, Jurisdiction of Organization, Chief Executive Office/Sole Place of Business (or Residence if Grantor is a Natural Person) and Organizational Identification Number of each Grantor:

Full Legal Name	Type of Organization	Jurisdiction of Organization	Chief Executive Office/Sole Place of Business	Organization I.D.#
Ocwen Financial Corporation	Corporation	Florida	1661 Worthington Road, Suite 100 West Palm Beach, Florida 33409	S75556
PHH Corporation	Corporation	Maryland	3000 Leadenhall Road Mount Laurel, NJ 08054	D00171744
PHH Mortgage Corporation	Corporation	New Jersey	1 Mortgage Way Mount Laurel, NJ 08054	0100051189

(B) Other Names (including any Trade Name or Fictitious Business Name) under which each Grantor currently conducts business:

Full Legal Name	Trade Name or Fictitious Business Name
PHH Mortgage Corporation	Century 21 Mortgage Coldwell Banker Mortgage ERA Mortgage Instamortgage.com Mortgagesave.com MortgageQuestions.com Mortgage Service Center PHH Mortgage Services Liberty Reverse Mortgage Liberty Home Equity Solutions Domain Distinctive Property Finance

(C) Changes in Name, Jurisdiction of Organization, Chief Executive Office or Sole Place of Business (or Principal Residence if Grantor is a Natural Person) and Corporate Structure within past five (5) years:

Grantor	Date of Change	Description of Change
PHH Mortgage Corporation	June 1, 2019	The following entities merged into the company: Ocwen Loan Servicing, LLC
PHH Mortgage Corporation	February 28, 2019	The following entities merged into the company: Homeward Residential, Inc.
PHH Corporation	October 4, 2018	The following entities merged into the company: POMS Corp
PHH Corporation	February 27, 2019	The following entities merged into the company: Homeward Residential Holdings, Inc.

SCHEDULE 5.2
TO PLEDGE AND SECURITY AGREEMENT

COLLATERAL IDENTIFICATION

I. INVESTMENT RELATED PROPERTY

(A) Pledged Stock:

Grantor	**Stock Issuer**	**Class of Stock**	**Certificated (Y/N)**	**Stock Certificate No.**	**Par Value**	**No. of Pledged Stock**	**Percentage of Outstanding Stock of the Stock Issuer**
Ocwen Financial Corporation	Investors Mortgage Insurance Holding Company	common	Y	1	$0.01	1,000,000	100%
Ocwen Financial Corporation	PHH Corporation	common	N	N/A	N/A	100%	100%
Ocwen Financial Corporation	Ocwen Financial Insurance Services, Inc.	common	N	N/A	N/A	100%	100%
PHH Mortgage Corporation	PHH Broker Partner Corporation	common	Y	2	$0.01	5,000	100%
PHH Corporation	PHH Mortgage Corporation	common	N	N/A	N/A	100%	100%

Pledged LLC Interests:

	Limited Liability Company	Certificated (Y/N)	Certificate No. (if any)	No. of Pledged Units	Percentage of Outstanding LLC Interests of the Limited Liability Company
wen Financial Corporation	MSR Asset Vehicle LLC	N	N/A	100%	100%
wen Financial Corporation	Ocwen Luxembourg II S.à r.l.	N	N/A	65%[1]	65%
wen Financial Corporation	Ocwen Capital Management, LLC	N	N/A	100%	100%
wen Financial Corporation	Ocwen USVI Services, LLC	N	N/A	100%	100%
wen Financial Corporation	Apartment Holdings, LLC	N	N/A	100%	100%
HH Mortgage Corporation	Homeward Residential Mauritius Holdings Company	N	N/A	65%[1]	65%
HH Mortgage Corporation	MFAHM, LLC	N	N/A	100%	100%
HH Mortgage Corporation	Ocwen Financial Services S.R.L.	N	N/A	0.01%	0.01%
HH Mortgage Corporation	PHH Mortgage Capital LLC	Y	1	100	100%
HH Mortgage Corporation	REO Management, LLC	N	N/A	100%	100%
PHH Corporation	PHH de Brasil Paricopaceos Ltda.	N	N/A	65%[1]	65%

(C) Pledged Partnership Interests:

[1] To the extent the pledge of a greater percentage of the capital stock in such Subsidiary is permitted without adverse tax consequences, the Collateral shall include, and the security interest granted by the Grantor shall attach to, such greater percentage of capital stock of each such Subsidiary

Grantor	Partnership	Type of Partnership Interests (e.g., general or limited)	Certificated (Y/N)	Certificate No. (if any)	Percentage of Outstanding Partnership Interests of the Partnership
Ocwen Financial Corporation	Ocwen Mortgage Asset Partners, L.P.	exempted limited partnership	N	N/A	4.0%
PHH Mortgage Corporation	Litton Loan Servicing LP	Limited partnership	N	N/A	99.0%

(D) Trust Interests or other Equity Interests not listed above:

Grantor	Trust	Class of Trust Interests	Certificated (Y/N)	Certificate No. (if any)	Percentage of Outstanding Trust Interests of the Trust
N/A					

(E) Excluded Equity Interests

Grantor	Stock Issuer /LLC/Partnership/Trust	Percentage of Outstanding Interests of such Entity
Ocwen Financial Corporation	CR Limited	100%
PHH Mortgage Corporation	Ocwen Advance Facility Transferor, LLC	100%
PHH Mortgage Corporation	Ocwen Freddie Advance Depositor LLC	100%
PHH Mortgage Corporation	PMC ESR Trust I	100%
PHH Mortgage Corporation	PMC ESR Trust II	100%
PHH Mortgage Corporation	PMC PLS ESR ISSUER LLC	100%
PHH Mortgage Corporation	OLS BWH, LLC	100%
PHH Corporation	Atrium Insurance Corporation	100%

(F) Pledged Debt:

Grantor	Issuer	Original Principal Amount	Outstanding Principal Balance	Issue Date	Maturity Date
N/A					

(G) Securities Account:

[Omitted]

(H) Deposit Accounts:

[Omitted]

Commodity Contracts and Commodity Accounts:

[Omitted]

II. INTELLECTUAL PROPERTY

(A) Copyrights

Grantor	Jurisdiction	Title of Work	Registration Number (if any)	Registration Date
None				

(B) Copyright Licenses

Grantor	Description of Copyright License	Registration Number (if any) of underlying Copyright	Name of Licensor
None			

(C) Patents

Grantor	Jurisdiction	Title of Patent	Patent Number/(Application Number)	Issue Date/(Filing Date)
None				

(D) Patent Licenses

Grantor	Description of Patent License	Patent Number of underlying Patent	Name of Licensor
None			

(E) Trademarks

[Omitted]

(F) Trademark Licenses

Grantor	Description of Trademark License	Registration Number of underlying Trademark	Name of Licensor
None			

(G) Trade Secret Licenses

Grantor	Description of Trade Secret License	Registration Number (if any)	Name of Licensor
None			

III. COMMERCIAL TORT CLAIMS

Grantor	Commercial Tort Claims
None	

IV. LETTER OF CREDIT RIGHTS

Grantor	Description of Letters of Credit
None	

SCHEDULE 5.4
TO PLEDGE AND SECURITY AGREEMENT

FINANCING STATEMENTS:

Grantor	Filing Jurisdiction(s)
Ocwen Financial Corporation	Florida Secured Transaction Registry
PHH Mortgage Corporation	State of New Jersey, Department of Revenue & Enterprise Services
PHH Corporation	Maryland State Department of Assessments and Taxation

EXHIBIT A
TO FIRST LIEN NOTES PLEDGE AND SECURITY AGREEMENT

PLEDGE SUPPLEMENT

This **PLEDGE SUPPLEMENT**, dated [mm/dd/yy] (this "**Pledge Supplement**"), is delivered by **[NAME OF GRANTOR]** a **[Name of State of Incorporation] [**Corporation**]** (the "**Grantor**") pursuant to the First Lien Notes Pledge and Security Agreement, dated as of March 4, 2021 (as it may be from time to time amended, restated, modified or supplemented, the "**Security Agreement**"), among PHH MORTGAGE CORPORATION, a New Jersey corporation (the "**Company**") and a wholly-owned subsidiary of OCWEN FINANCIAL CORPORATION, a Florida corporation ("**Parent**"), the Parent, PHH CORPORATION, a wholly-owned subsidiary of the Parent and parent company of the Company ("**PHH**"), the other Grantors named therein, and WILMINGTON TRUST, NATIONAL ASSOCIATION, as the Collateral Trustee (together with its successors and assigns, the "**Collateral Trustee**"). Capitalized terms used herein not otherwise defined herein shall have the meanings ascribed thereto in the Security Agreement.

The Grantor hereby becomes a party to the Security Agreement, confirms the grant to the Collateral Trustee set forth in the Security Agreement of, and does hereby grant to the Collateral Trustee, a security interest in all of the Grantor's right, title and interest in, to and under all Collateral to secure the Secured Obligations, in each case whether now or hereafter existing or in which Grantor now has or hereafter acquires an interest and wherever the same may be located. The Grantor represents and warrants that the attached Supplements to the Schedules of the Security Agreement accurately and completely set forth all additional information required to be provided pursuant to the Security Agreement and hereby agrees that such Supplements to Schedules of the Security Agreement shall constitute part of the Schedules to the Security Agreement.

THIS PLEDGE SUPPLEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER AND ALL CLAIMS AND CONTROVERSIES ARISING OUT OF THE SUBJECT MATTER HEREOF WHETHER SOUNDING IN CONTRACT LAW, TORT LAW OR OTHERWISE SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAW PROVISIONS THAT WOULD RESULT IN THE APPLICATION OF ANY OTHER LAW (OTHER THAN ANY MANDATORY PROVISIONS OF THE UCC RELATING TO THE LAW GOVERNING PERFECTION AND THE EFFECT OF PERFECTION OF THE SECURITY INTEREST).

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the Grantor has caused this Pledge Supplement to be duly executed and delivered by its duly authorized officer as of [**mm/dd/yy**].

[NAME OF GRANTOR]

By:_____
Name:
Title:

EXHIBIT B
TO FIRST LIEN NOTES PLEDGE AND SECURITY AGREEMENT

FIRST LIEN UNCERTIFICATED SECURITIES CONTROL AGREEMENT

This First Lien Uncertificated Securities Control Agreement, dated as of [_____], 20[__] (this "**Control Agreement**") among [_____] (the "**Pledgor**"), WILMINGTON TRUST, NATIONAL ASSOCIATION, as collateral trustee for the Secured Parties (together with its successors and assigns, the "**Collateral Trustee**") and [_____], a [_____] [corporation] (the "**Issuer**"). Capitalized terms used but not defined herein shall have the meanings assigned in the First Lien Notes Pledge and Security Agreement, dated March 4, 2021, among the Pledgor, the other Grantors party thereto and WILMINGTON TRUST, NATIONAL ASSOCIATION, as the Collateral Trustee (the "**Security Agreement**").

Section 1. Registered Ownership of Shares. The Issuer hereby confirms and agrees that as of the date hereof the Pledgor is the registered owner of [_____] shares of the Issuer's [common] stock (the "**Pledged Shares**") and the Issuer shall not change the registered owner of the Pledged Shares without the prior written consent of the Collateral Trustee.

Section 2. Instructions. If at any time the Issuer shall receive instructions originated by the Collateral Trustee relating to the Pledged Shares, the Issuer shall comply with such instructions without further consent by the Pledgor or any other person.

Section 3. Additional Representations and Warranties of the Issuer. The Issuer hereby represents and warrants to the Collateral Trustee that:

(a) except for the Second Lien Collateral Agent it has not entered into, and until the termination of this Control Agreement will not enter into, any agreement with any other person relating the Pledged Shares pursuant to which it has agreed to comply with instructions originated by such other person;

(b) except with respect to ta Second Lien Uncertificated Securities Control Agreement entered into with the Collateral Trustee, it has not entered into, and until the termination of this Control Agreement will not enter into, any agreement with the Pledgor or the Collateral Trustee purporting to limit or condition the obligation of the Issuer to comply with instructions of the Collateral Trustee as set forth in Section 2 hereof;

(c) except for the claims and interest of the Collateral Trustee, the Second Lien Collateral Agent and the Pledgor in the Pledged Shares, the Issuer does not know of any claim to, or interest in, the Pledged Shares. If any person asserts any lien, encumbrance or adverse claim (including any writ, garnishment, judgment, warrant of attachment, execution or similar process) against the Pledged Shares, the Issuer will promptly notify the Collateral Trustee and the Pledgor thereof; and

(d) this Control Agreement is the valid and legally binding obligation of the Issuer.

Section 4. Choice of Law. This Control Agreement shall be governed by the laws of the State of New York.

Section 5. Conflict with Other Agreements. In the event of any conflict between this Control Agreement (or any portion thereof) and any other agreement now existing or hereafter entered into, other than any Intercreditor Agreement, the terms of this Control Agreement shall prevail. In the event of any conflict or inconsistency between the provisions of this Agreement and any Intercreditor Agreement (including the Junior Priority Intercreditor Agreement), the provisions of such Intercreditor Agreement shall control; provided that nothing in the Intercreditor Agreement shall limit the rights, protections, immunities or indemnities of the Collateral Trustee under the Indenture Documents. No amendment or modification of this Control Agreement or waiver of any right hereunder shall be binding on any party hereto unless it is in writing and is signed by all of the parties hereto.

Section 6. Voting Rights. Until such time as the Collateral Trustee shall otherwise instruct the Issuer in writing, the Pledgor shall have the right to vote the Pledged Shares.

Section 7. Successors; Assignment. The terms of this Control Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective corporate successors or heirs and personal representatives who obtain such rights solely by operation of law. The Collateral Trustee may assign its rights hereunder only with the express written consent of the Issuer and by sending written notice of such assignment to the Pledgor.

Section 8. Indemnification of Issuer. The Pledgor and the Collateral Trustee each hereby agree that (a) the Issuer is released from any and all liabilities to the Pledgor and the Collateral Trustee arising from the terms of this Control Agreement and the compliance of the Issuer with the terms hereof, except to the extent that such liabilities arise from the Issuer's negligence and (b) the Pledgor, its successors and assigns shall at all times indemnify and save harmless the Issuer from and against any and all claims, actions and suits of others arising out of the terms of this Control Agreement or the compliance of the Issuer with the terms hereof, except to the extent that such arises from the Issuer's negligence, and from and against any and all liabilities, losses, damages, costs, charges, counsel fees and other expenses of every nature and character arising by reason of the same, until the termination of this Control Agreement.

Section 9. Notices. Any notice, request or other communication required or permitted to be given under this Control Agreement shall be in writing and deemed to have been properly given when delivered in person, or when sent by telecopy or other electronic means and electronic confirmation of error free receipt is received or two (2) days after being sent by certified or registered United States mail, return receipt requested, postage prepaid, addressed to the party at the address set forth below.

Pledgor: [Name and Address of Pledgor]
Attention: [_____]
Telecopier: [_____]

Collateral Trustee: WILMINGTON TRUST, NATIONAL ASSOCIATION
246 Goose Lane, Suite 105
Guilford, CT 06437
Attention: Ocwen Loan Servicing, LLC Administrator
Telecopier:

Issuer: [Insert Name and Address of Issuer]
Attention: [_____]
Telecopier: [_____]

Any party may change its address for notices in the manner set forth above.

Section 10. Termination. The obligations of the Issuer to the Collateral Trustee pursuant to this Control Agreement shall continue in effect until the security interests of the Collateral Trustee in the Pledged Shares have been terminated pursuant to the terms of the Security Agreement and the Collateral Trustee has notified the Issuer of such termination in writing. The Collateral Trustee agrees to provide Notice of Termination in substantially the form of Exhibit A hereto to the Issuer upon the request of the Pledgor on or after the termination of the Collateral Trustee's security interest in the Pledged Shares pursuant to the terms of the Security Agreement. The termination of this Control Agreement shall not terminate the Pledged Shares or alter the obligations of the Issuer to the Pledgor pursuant to any other agreement with respect to the Pledged Shares.

Section 11. Counterparts. This Control Agreement may be executed in any number of counterparts, all of which shall constitute one and the same instrument, and any party hereto may execute this Control Agreement by signing and delivering one or more counterparts. Counterparts may be delivered via facsimile, electronic mail (including any electronic signature covered by the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act, the Electronic Signatures and Records Act or other applicable law, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

The Collateral Trustee is executing this Agreement solely in its capacity as Collateral Trustee under the Security Agreement. In entering into this Agreement, and in taking (or refraining from) any actions under or pursuant to this Agreement, the Collateral Trustee shall be protected by and shall enjoy all of the rights, privileges, immunities, protections and indemnities granted to it under the Security Agreement and Indenture Documents.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Control Agreement to be executed as of the date first above written by their respective officers thereunto duly authorized.

[NAME OF PLEDGOR],
as Pledgor

By:__
Name:
Title:

[NAME OF ISSUER],
as Issuer

By:__
Name:
Title:

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Collateral Trustee

By:__
Name:
Title:

Exhibit A

[Letterhead of Collateral Trustee]

[Date]

[Name and Address of Issuer]
Attention: [__]

Re: Termination of Control Agreement

You are hereby notified that the Uncertificated Securities Control Agreement between you, [Name of Pledgor] (the "**Pledgor**") and the undersigned (a copy of which is attached) is terminated and you have no further obligations to the undersigned pursuant to such Uncertificated Securities Control Agreement (the "**Control Agreement**"). Notwithstanding any previous instructions to you, you are hereby instructed to accept all future instructions with respect to Pledged Shares (as defined in the Control Agreement) from the Pledgor. This notice terminates any obligations you may have to the undersigned with respect to the Pledged Shares, however, nothing contained in this notice shall alter any obligations which you may otherwise owe to the Pledgor pursuant to any other agreement.

You are instructed to deliver a copy of this notice by facsimile transmission to the Pledgor.

Very truly yours,
WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Collateral Trustee

By:__
Name:
Title:

EXHIBIT C
TO FIRST LIEN NOTES PLEDGE AND SECURITY AGREEMENT

FORM OF FIRST LIEN TRADEMARK SECURITY AGREEMENT

This **FIRST LIEN TRADEMARK SECURITY AGREEMENT**, dated as of [_____], 20[__] (as it may be amended, restated, supplemented or otherwise modified from time to time, this "**Agreement**"), is made by the entities identified as grantors on the signature pages hereto (collectively, the "**Grantors**") in favor of Wilmington Trust, National Association, as collateral trustee for the Secured Parties (in such capacity, together with its successors and permitted assigns, the "**Collateral Trustee**").

WHEREAS, the Grantors are party to a First Lien Notes Pledge and Security Agreement, dated as of March 4, 2021 (as it may be amended, restated, supplemented or otherwise modified from time to time, the "**Pledge and Security Agreement**") among each of the Grantors and the other grantors party thereto and the Collateral Trustee pursuant to which the Grantors granted a security interest to the Collateral Trustee in the Trademark Collateral (as defined below) and are required to execute and deliver this Agreement.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Grantors hereby agree with the Collateral Trustee as follows:

SECTION 1. Defined Terms

Unless otherwise defined herein, terms defined in the Pledge and Security Agreement and used herein have the meanings given to them in the Pledge and Security Agreement.

SECTION 2. Grant of Security Interest in Trademark Collateral

Each Grantor hereby grants to the Collateral Trustee, for the benefit of the Secured Parties, a security interest in and continuing lien on all of such Grantor's right, title and interest in, to and under all Trademarks and Trademark Licenses, including those listed in Schedule A hereto, in each case whether now owned or existing or hereafter acquired, developed, created or arising and wherever located (collectively, the "**Trademark Collateral**"), but excluding any Excluded Assets.

SECTION 3. Pledge and Security Agreement

The security interest granted pursuant to this Agreement is granted in conjunction with the security interest granted to the Collateral Trustee for the Secured Parties pursuant to the Pledge and Security Agreement, and the Grantors hereby acknowledge and affirm that the rights and remedies and other protections and indemnities of the Collateral Trustee with respect to the security interest in the Trademark Collateral made and granted hereby are more fully set forth in the Pledge and Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein. In the event that any provision of this Agreement is deemed to conflict with the Pledge and Security Agreement, the provisions of the Pledge and Security Agreement shall control. Notwithstanding anything herein to the contrary, the liens and security interests granted to the Collateral Trustee pursuant to this Agreement and the exercise of any right or remedy by the Collateral Trustee hereunder are subject to the provisions of the Junior Priority Intercreditor Agreement. In the event of any conflict or inconsistency between the provisions of this Agreement and any Intercreditor Agreement (including the Junior Priority Intercreditor Agreement), the provisions of such Intercreditor Agreement shall control; provided that nothing in the Intercreditor Agreement shall limit the rights, protections, immunities or indemnities of the Collateral Trustee under the Indenture Documents.

SECTION 4. Governing Law

THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER AND ALL CLAIMS AND CONTROVERSIES ARISING OUT OF THE SUBJECT MATTER HEREOF WHETHER SOUNDING IN CONTRACT LAW, TORT LAW OR OTHERWISE SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAW PROVISIONS THAT WOULD RESULT IN THE APPLICATION OF ANY OTHER LAW (OTHER THAN ANY MANDATORY PROVISIONS OF LAW RELATING TO THE LAW GOVERNING PERFECTION AND THE EFFECT OF PERFECTION OF THE SECURITY INTEREST).

SECTION 5. Counterparts

This Agreement may be executed in one or more counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including any electronic signature covered by the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act, the Electronic Signatures and Records Act or other applicable law, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, each Grantor has caused this Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

[NAME OF GRANTOR]

By: _____
Name:
Title:

Accepted and Agreed:

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Collateral Trustee

By: _____
Name:
Title:

EXHIBIT D
TO FIRST LIEN NOTES PLEDGE AND SECURITY AGREEMENT

FORM OF FIRST LIEN COPYRIGHT SECURITY AGREEMENT

This **FIRST LIEN COPYRIGHT SECURITY AGREEMENT**, dated as of [_____], 20[__] (as it may be amended, restated, supplemented or otherwise modified from time to time, this "**Agreement**"), is made by the entities identified as grantors on the signature pages hereto (collectively, the "**Grantors**") in favor of Wilmington Trust, National Association, as collateral trustee for the Secured Parties (in such capacity, together with its successors and permitted assigns, the "**Collateral Trustee**").

WHEREAS, the Grantors are party to a First Lien Notes Pledge and Security Agreement, dated as of March 4, 2021 (as it may be amended, restated, supplemented or otherwise modified from time to time, the "**Pledge and Security Agreement**") among each of the Grantors and the other grantors party thereto and the Collateral Trustee pursuant to which the Grantors granted a security interest to the Collateral Trustee in the Copyright Collateral (as defined below) and are required to execute and deliver this Agreement.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Grantors hereby agree with the Collateral Trustee as follows:

SECTION 1. Defined Terms

Unless otherwise defined herein, terms defined in the Pledge and Security Agreement and used herein have the meanings given to them in the Pledge and Security Agreement.

SECTION 2. Grant of Security Interest

Each Grantor hereby grants to the Collateral Trustee, for the benefit of the Secured Parties, a security interest in and continuing lien on all of such Grantor's right, title and interest in, to and under all Copyrights and Copyright Licenses, including those listed in Schedule A attached hereto, in each case whether now owned or existing or hereafter acquired, developed, created or arising and wherever located (collectively, the "**Copyright Collateral**"), but excluding any Excluded Assets.

SECTION 3. Pledge and Security Agreement

The security interest granted pursuant to this Agreement is granted in conjunction with the security interest granted to the Collateral Trustee for the Secured Parties pursuant to the Pledge and Security Agreement, and the Grantors hereby acknowledge and affirm that the rights and remedies and other protections and indemnities of the Collateral Trustee with respect to the security interest in the Copyright Collateral made and granted hereby are more fully set forth in the Pledge and Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein. In the event that any provision of this Agreement is deemed to conflict with the Pledge and Security Agreement, the provisions of the Pledge and Security Agreement shall control. Notwithstanding anything herein to the contrary, the liens and security interests granted to the Collateral Trustee pursuant to this Agreement and the exercise of any right or remedy by the Collateral Trustee hereunder are subject to the provisions of the Junior Priority Intercreditor Agreement. In the event of any conflict or inconsistency between the provisions of this Agreement and any Intercreditor Agreement (including the Junior Priority Intercreditor Agreement), the provisions of such Intercreditor Agreement shall control, provided that nothing in the Intercreditor Agreements shall limit the rights, protections, immunities and indemnities of the Collateral Trustee under the Indenture.

SECTION 4. Governing Law

THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER AND ALL CLAIMS AND CONTROVERSIES ARISING OUT OF THE SUBJECT MATTER HEREOF WHETHER SOUNDING IN CONTRACT LAW, TORT LAW OR OTHERWISE SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAW PROVISIONS THAT WOULD RESULT IN THE APPLICATION OF ANY OTHER LAW (OTHER THAN ANY MANDATORY PROVISIONS OF LAW RELATING TO THE LAW GOVERNING PERFECTION AND THE EFFECT OF PERFECTION OF THE SECURITY INTEREST).

SECTION 5. Counterparts

This Agreement may be executed in one or more counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including any electronic signature covered by the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act, the Electronic Signatures and Records Act or other applicable law, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, each Grantor has caused this Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

[NAME OF GRANTOR]

By: _____
Name:
Title:

Accepted and Agreed:

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Collateral Trustee

By: _____
Name:
Title:

EXHIBIT E
TO FIRST LIEN NOTES PLEDGE AND SECURITY AGREEMENT

FORM OF FIRST LIEN PATENT SECURITY AGREEMENT

This **FIRST LIEN PATENT SECURITY AGREEMENT**, dated as of [_____], 20[__] (as it may be amended, restated, supplemented or otherwise modified from time to time, this "**Agreement**"), is made by the entities identified as grantors on the signature pages hereto (collectively, the "**Grantors**") in favor of Wilmington Trust, National Association, as collateral trustee for the Secured Parties (in such capacity, together with its successors and permitted assigns, the "**Collateral Trustee**").

WHEREAS, the Grantors are party to a First Lien Notes Pledge and Security Agreement, dated as of March 4, 2021 (as it may be amended, restated, supplemented or otherwise modified from time to time, the "**Pledge and Security Agreement**") among each of the Grantors and the other grantors party thereto and the Collateral Trustee pursuant to which the Grantors granted a security interest to the Collateral Trustee in the Patent Collateral (as defined below) and are required to execute and deliver this Agreement.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Grantors hereby agree with the Collateral Trustee as follows:

SECTION. 1. Defined Terms

Unless otherwise defined herein, terms defined in the Pledge and Security Agreement and used herein have the meanings given to them in the Pledge and Security Agreement.

SECTION 2. Grant of Security Interest

Each Grantor hereby grants to the Collateral Trustee, for the benefit of the Secured Parties, a security interest in and continuing lien on all of such Grantor's right, title and interest in, to and under all Patents and Patent Licenses, including those listed in Schedule A attached hereto, in each case whether now owned or existing or hereafter acquired, developed, created or arising and wherever located (collectively, the "**Patent Collateral**"), but excluding any Excluded Assets.

SECTION 3. Pledge and Security Agreement

The security interest granted pursuant to this Agreement is granted in conjunction with the security interest granted to the Collateral Trustee for the Secured Parties pursuant to the Pledge and Security Agreement, and the Grantors hereby acknowledge and affirm that the rights and remedies and other protections and indemnities of the Collateral Trustee with respect to the security interest in the Patent Collateral made and granted hereby are more fully set forth in the Pledge and Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein. In the event that any provision of this Agreement is deemed to conflict with the Pledge and Security Agreement, the provisions of the Pledge and Security Agreement shall control. Notwithstanding anything herein to the contrary, the liens and security interests granted to the Collateral Trustee pursuant to this Agreement and the exercise of any right or remedy by the Collateral Trustee hereunder are subject to the provisions of the Junior Priority Intercreditor Agreement. In the event of any conflict or inconsistency between the provisions of this Agreement and any Intercreditor Agreement (including the Junior Priority Intercreditor Agreement), the provisions of such Intercreditor Agreement shall control, provided that nothing in the Intercreditor Agreements shall limit the rights, protections, immunities and indemnities of the Collateral Trustee under the Indenture.

SECTION 4. Governing Law

THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER AND ALL CLAIMS AND CONTROVERSIES ARISING OUT OF THE SUBJECT MATTER HEREOF WHETHER SOUNDING IN CONTRACT LAW, TORT LAW OR OTHERWISE SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAW PROVISIONS THAT WOULD RESULT IN THE APPLICATION OF ANY OTHER LAW (OTHER THAN ANY MANDATORY PROVISIONS OF LAW RELATING TO THE LAW GOVERNING PERFECTION AND THE EFFECT OF PERFECTION OF THE SECURITY INTEREST).

SECTION 5. Counterparts

This Agreement may be executed in one or more counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including any electronic signature covered by the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act, the Electronic Signatures and Records Act or other applicable law, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, each Grantor has caused this Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

[NAME OF GRANTOR]

By: ____
Name:
Title:

Accepted and Agreed:

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Collateral Trustee

By: __
Name:
Title:

Certain schedules and exhibits have been omitted in accordance with Item 601(a)(5) of Regulation S-K. A copy of any referenced schedules will be furnished supplementally to the SEC upon request.

INDENTURE

Dated as of March 4, 2021

Among
PHH MORTGAGE CORPORATION,
as the Issuer

OCWEN FINANCIAL CORPORATION,
as the Parent

THE OTHER GUARANTORS NAMED ON THE SIGNATURE PAGES HERETO

and

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as the Trustee and as the Collateral Trustee

7.875% SENIOR SECURED NOTES DUE 2026

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EXHIBITS

INDENTURE, dated as of March 4, 2021, between PHH Mortgage Corporation, a New Jersey corporation (collectively with successors and assigns, the "**Issuer**"), Ocwen Financial Corporation, a Florida corporation (collectively with successors and assigns, the "**Parent**"), PHH Corporation, the parent company of the Issuer and a direct wholly-owned subsidiary of Parent ("**PHH**") and Wilmington Trust, National Association, a national banking association, as Trustee and Collateral Trustee.

W I T N E S S E T H

WHEREAS, the Issuer has duly authorized the creation of an issue of $400,000,000 aggregate principal amount of its 7.875% Senior Secured Notes due 2026 (the "**Initial Notes**");

WHEREAS, the Issuer has duly authorized the execution and delivery of this Indenture.

NOW, THEREFORE, the Issuer, any Guarantors from time to time party hereto and the Trustee agree as follows for the benefit of each other and for the equal and ratable benefit of the Holders of the Notes.

SECTION 1.01
DEFINITIONS AND INCORPORATION BY REFERENCE

SECTION 1.01 *Definitions.*

"**144A Global Note**" means a Global Note, substantially in the form of Exhibit A hereto, bearing the Global Note Legend, the Private Placement Legend and, if applicable, the OID Legend and deposited with or on behalf of, and registered in the name of, the Depositary or its nominee that will be issued in a denomination equal to the outstanding principal amount of the Notes sold in reliance on Rule 144A.

"**Acquired Indebtedness**" means Indebtedness of a Person or any of its Restricted Subsidiaries existing at the time such Person becomes a Restricted Subsidiary of PHH or at the time it merges or consolidates with PHH or any of its Restricted Subsidiaries or assumed in connection with the acquisition of assets from such Person or secured by a Lien encumbering any asset acquired by such Person and, in each case, whether or not incurred by such Person in connection with, or in anticipation or contemplation of, such Person becoming a Restricted Subsidiary of PHH or such acquisition, merger or consolidation.

"**Additional Notes**" means additional Notes (other than the Initial Notes) issued from time to time under this Indenture in accordance with Sections 2.01, 4.09 and 4.12.

"**Advance Facility Reserves**" means, on any date of determination, the aggregate amount on deposit in segregated reserve trust accounts for any Servicing Advance Facility after giving effect to any amounts owed but unpaid to the related lenders under such Servicing Advance Facility.

"**Affiliate**" means, with respect to any specified Person, any other Person who directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such specified Person. The term "**control**" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise; and the terms "**controlling**" and "**controlled**" have meanings correlative of the foregoing.

"**Agent**" means any Registrar or Paying Agent and its successors and assigns.

"**Applicable Premium**" means, with respect to any Note on any applicable redemption date, the greater of (i) 1.0% of the then outstanding principal amount of such Note and (ii) the excess of:

(1) the present value at such redemption date of the sum of (A) the redemption price of such Note at March 15, 2023 (such redemption price being set forth in Section 3.07(c)) plus (B) all required interest payments due on such Note through March 15, 2023 (excluding accrued but unpaid interest), such present value to be computed using a discount rate equal to the Treasury Rate as of such redemption date plus 50 basis points; over

(2) the then outstanding principal amount of such Note.

The Applicable Premium shall be calculated by the Issuer, and the Trustee shall have no responsibility to verify such amount.

"**Applicable Procedures**" means, with respect to any transfer or exchange of or for beneficial interests in any Global Note, the rules and procedures of the Depositary, Euroclear and/or Clearstream that apply to such transfer or exchange.

"**Asset Sale**" means:

(1) the sale, lease (other than operating leases entered in the ordinary course of business), conveyance or other disposition of any assets or rights; *provided* that the sale, lease (other than operating leases entered in the ordinary course of business), conveyance or other disposition of all or substantially all of the assets of PHH and its Restricted Subsidiaries taken as a whole, other than any Required Asset Sale, will be governed by the provisions of Section 4.14 and/or Section 5.01 and not by the provisions of Section 4.10; *provided*, *further*, that a transaction otherwise meeting the requirements of an "Asset Sale" under this definition will be deemed to be an Asset Sale notwithstanding its treatment under GAAP; and

(2) the issuance or sale of Equity Interests in any of PHH's Restricted Subsidiaries.

Notwithstanding the foregoing, none of the following items will be deemed to be an Asset Sale:

(1) any single transaction or series of related transactions that involves assets having a Fair Market Value of less than $15.0 million; *provided* that all such transactions that are deemed to not be Asset Sales pursuant to this clause (1) shall not exceed $20.0 million in any calendar year;

(2) a transfer of assets between or among PHH and any Restricted Subsidiary of PHH;

(3) an issuance of Equity Interests by a Restricted Subsidiary of PHH to PHH or to another Restricted Subsidiary of PHH;

(4) the sale of advances, MSRs, mortgages, other loans (including non-performing loans), customer receivables, mortgage related securities or derivatives or other assets (or any interests in any of the foregoing) in the ordinary course of business, the sale, transfer or discount of accounts receivable or other assets that by their terms convert into cash and any sale of securities in respect of additional fundings under reverse mortgage loans, in each case, in the ordinary course of business;

(5) the sale or other disposition of cash or Cash Equivalents or Investment Grade Securities;

(6) the sale, conveyance or other disposition of Investments or other assets and disposition or compromise of mortgages, other loans or receivables, in each case, in connection with the workout, compromise, settlement or collection thereof or exercise of remedies with respect thereto, in the ordinary course of business or in bankruptcy, foreclosure or similar proceedings, including foreclosure, repossession and disposition of REO Assets and other collateral for mortgages or other loans serviced and/or originated by PHH or any of its Subsidiaries;

(7) the modification of any mortgages or other loans owned or serviced by PHH or any of its Restricted Subsidiaries in the ordinary course of business;

(8) a Restricted Payment that does not violate Section 4.07 or a Permitted Investment;

(9) disposals, liquidations or replacements of damaged, worn out or obsolete equipment or other assets no longer used or useful in the business of PHH and its Restricted Subsidiaries, in each case the ordinary course of business;

(10) assets sold, conveyed or otherwise disposed of pursuant to the terms of MTM MSR Indebtedness, Permitted Funding Indebtedness or Non-Recourse Indebtedness;

(11) a sale, conveyance or other disposition (in one or more transactions) of Securitization Assets or Residual Interests;

(12) a sale, conveyance or other disposition (in one or more transactions) of Servicing Advances, Residential Mortgage Loans or MSRs or any parts thereof (a) in the ordinary course of business, (b) in connection with the transfer or termination of the related MSRs or (c) in connection with Excess Servicing Strip in the ordinary course of business;

(13) a sale, conveyance or other disposition of Securitization Assets in the ordinary course of business in connection with the origination, acquisition, securitization and/or sale of loans that are purchased, insured, guaranteed, or securitized;

(14) a sale, conveyance or other disposition of MSRs or any interests therein in connection with MSR Facilities or Warehouse Facilities or REO Assets;

(15) a sale, conveyance or other disposition of Equity Interests of an Unrestricted Subsidiary (other than an Unrestricted Subsidiary the primary assets of which are cash and Cash Equivalents);

(16) the creation of a Lien (but not the sale or other disposition of the property subject to such Lien) permitted by Section 4.12;

(17) transactions pursuant to repurchase agreements entered into in the ordinary course of business;

(18) any Co-Investment Transaction;

(19) any sale or other disposition of a minority interest in any Person that is not a Subsidiary, that constituted a Restricted Payment or Permitted Investment; *provided* that (x) the majority interests in such Person shall also be concurrently sold or transferred on the same terms and the holder or holders of such majority interests shall have required such sale or disposition of such minority interest pursuant to the exercise of any applicable drag-along rights and (y) the Net Proceeds from the sale or transfer of such minority interest are applied in accordance with Section 4.10;

(20) any lease or license of real and personal property in the ordinary course of business;

(21) any surrender or waiver of contract rights or settlement, release, recovery on or surrender of contract, tort or other claims in the ordinary course of business;

(22) sales, contributions, assignments or other transfers of Servicing Advances to Securitization Entities and Warehouse Facility Trusts in connection with Securitizations or Warehouse Facilities;

(23) dispositions of Investments in joint ventures or similar entities to the extent required by, or made pursuant to customary buy/sell arrangements between, the parties to such joint venture set forth in joint venture arrangements and similar binding arrangements;

(24) inventory (or other assets) sold, leased or licensed in the ordinary course of business (excluding any such sales, leases or licenses by operations or divisions discontinued or to be discontinued);

(25) the sale, lease, conveyance or other disposition of any assets or rights required or advisable as a result of statutory or regulatory changes or requirements (including any settlements with any regulatory agencies) as determined in good faith by the senior management of the Issuer; *provided* that any cash or Cash Equivalents received must be applied as Net Proceeds in accordance with Section 4.10; and

(26) any unwinding of any Currency Agreement or Permitted Hedging Transaction.

"**Asset Swap**" means an exchange (or concurrent purchase and sale) of property, plant, equipment or other assets (excluding working capital or current assets) of PHH or any of its Restricted Subsidiaries for the assets or Capital Stock of a Person conducting a Permitted Business; *provided* that, in the case of any such exchange for Capital Stock of a Person conducting a Permitted Business, such Person is or becomes a Restricted Subsidiary; *provided, further*, that any Unrestricted Cash received must be applied as Net Proceeds in accordance with Section 4.10.

"**Attributable Debt**" in respect of a sale and leaseback transaction means, as of the time of determination, the present value (discounted at the interest rate per annum implicit in the lease involved in such sale and leaseback transaction, as determined in good faith by the Issuer) of the obligation of the lessee thereunder for rental payments (excluding, however, any amounts required to be paid by such lessee, whether or not designated as rent or additional rent, on account of maintenance and repairs, insurance, taxes, assessments, water rates or similar charges or any amounts required to be paid by such lessee thereunder contingent upon the amount of sales or similar contingent amounts) during the remaining term of such lease (including any period for which such lease has been extended or may, at the option of the lessor, be extended); *provided, however*, that if such sale and leaseback transaction results in a Capitalized Lease Obligation, the amount of Indebtedness represented thereby will be determined in accordance with the definition of "Capitalized Lease Obligation." In the case of any lease which is terminable by the lessee upon the payment of a penalty, such rental payments shall also include the amount of such penalty, but no rental payments shall be considered as required to be paid under such lease subsequent to the first date upon which it may be so terminated.

"**Bankruptcy Code**" means Title 11 of the United States Code, as amended.

"**Bankruptcy Law**" means the Bankruptcy Code or any similar federal, foreign or state law for the relief of debtors.

"**Board of Directors**" means, as to any Person, the Board of Directors, or similar governing body, of such Person or any duly authorized committee thereof, including, but not limited to, the audit committee.

"**Board Resolution**" means, with respect to any Person, a copy of a resolution certified by the Secretary or an Assistant Secretary of such Person to have been duly adopted by the Board of Directors of such Person and to be in full force and effect on the date of such certification, and delivered to the Trustee.

"**Business Day**" means each day that is not a Saturday, a Sunday or a day on which commercial banking institutions are not required to be open in the State of New York or the place of payment.

"**Capital Stock**" means:

(1) with respect to any Person that is a corporation, any and all shares, interests, participations or other equivalents (however designated and whether or not voting) of corporate stock, including each class of Common Stock and Preferred Stock of such Person; or

(2) with respect to any Person that is not a corporation, any and all partnership, membership or other equity interests (whether general or limited) of such Person,

but, in each case, excluding any debt security that is convertible or exchangeable for Capital Stock.

"**Capitalized Lease Obligation**" means, as to any Person, the obligations of such Person as lessee under a lease that are required to be classified and accounted for as capital lease obligations under GAAP and, for purposes of this definition, the amount of such obligations at any date shall be the capitalized amount of such obligations at such date, determined in accordance with GAAP; *provided*, for the avoidance of doubt, that any obligations of PHH and its Restricted Subsidiaries either existing on the date of this Indenture or created prior to the recharacterization described below that were not included on the consolidated balance sheet of Parent or PHH as Capitalized Lease Obligations and that are subsequently recharacterized as Capitalized Lease Obligations due to a change in GAAP, shall for purposes of this Indenture not be treated as Capitalized Lease Obligations or Indebtedness. Notwithstanding anything to the contrary in this Indenture, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made without giving effect to any change to capital lease accounting rules from those in effect on December 5, 2016 pursuant to Accounting Standards Codification 840 and other lease accounting guidance as in effect on December 5, 2016.

"**Cash Equivalents**" means:

(1) Dollars;

(2) in the case of any Foreign Subsidiary of PHH that is a Restricted Subsidiary of PHH, such local currencies held by such Foreign Subsidiary of PHH from time to time in the ordinary course of business;

(3) securities or any evidence of indebtedness issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality of the United States government *(provided* that the full faith and credit of the United States is pledged in support of those securities or such evidence of indebtedness);

(4) marketable direct obligations issued by any state of the United States of America or any political subdivision of any such state or any public instrumentality thereof maturing within one year from the date of acquisition thereof and, at the time of acquisition, having one of the three highest ratings obtainable from either S&P or Moody's;

(5) certificates of deposit with maturities of twelve months or less from the date of acquisition, bankers' acceptances with maturities not exceeding twelve months and overnight bank deposits with any domestic commercial bank having capital and surplus in excess of $500.0 million and a Moody's or S&P rating of "B" or better;

(6) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clauses (3), (4) and (5) above entered into with any financial institution meeting the qualifications specified in clause (5) above;

(7) commercial paper having one of the two highest ratings obtainable from Moody's or S&P and in each case maturing within twelve months after the date of acquisition; and

(8) money market funds (i) at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clauses (1) through (7) of this definition or (ii) that comply with the criteria under Rule 2a-7 of the Investment Company Act of 1940 and are rated at least AAA by S&P or Aaa by Moody's.

In the case of Investments by any Foreign Subsidiary of PHH that is a Restricted Subsidiary of PHH, Cash Equivalents shall also include (a) investments of the type and maturity described in clauses (1) through (8) above of foreign obligors, which Investments or obligors (or the parents of such obligors) have ratings described in such clauses or equivalent ratings from comparable foreign rating agencies and (b) local currencies and other short-term investments utilized by Foreign Subsidiaries that are Restricted Subsidiaries in accordance with normal investment practices for cash management in investments analogous to the foregoing investments in clauses (1) through (8) and in this paragraph.

"**Change of Control**" means the occurrence of any of the following:

(1) the sale, lease or transfer, in one or a series of related transactions, of all or substantially all of the assets of the Parent or PHH and their respective Subsidiaries, taken as a whole, to any Person;

(2) the Parent becomes aware of (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) the acquisition by any Person or group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision), including any group acting for the purpose of acquiring, holding or disposing of securities (within the meaning of Rule 13d-5(b)(1) under the Exchange Act), in a single transaction or in a related series of transactions, by way of merger, consolidation or other business combination or purchase of beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act, or any successor provision) of 50.0% or more of the total voting power of the Voting Stock of Parent;

(3) PHH shall cease for any reason to be a Wholly Owned Subsidiary of Parent; or

(4) the Issuer shall cease for any reason to be a Wholly Owned Restricted Subsidiary of PHH.

For purposes of this definition, any direct or indirect holding company of Parent shall not itself be considered a "Person" or "group" for purposes of clause (2) above; *provided* that no "Person" or "group" beneficially owns, directly or indirectly, more than 50.0% of the total voting power of the Voting Stock of such holding company.

"**Clearstream**" means Clearstream Banking, Société Anonyme and its successors and/or assigns.

"**Co-Investment Transaction**" means a transaction pursuant to which a portion of MSRs or the right to receive fees in respect of MSRs are transferred for fair value to another Person.

"**Code**" means the Internal Revenue Code of 1986, as amended.

"**Collateral**" means, collectively, all of the real, personal and mixed property in which Liens are purported to be granted pursuant to the Security Documents as security for the Notes Obligations.

"**Collateral Trustee**" means Wilmington Trust, National Association, as collateral trustee, until a successor replaces it in accordance with the applicable provisions of this Indenture and the Security Documents, and thereafter means the successor serving hereunder and thereunder.

"Common Stock" of any Person means any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person's common stock, whether outstanding on the Issue Date or issued after the Issue Date, and includes, without limitation, all series and classes of such common stock.

"**Consolidated Net Income**" shall mean, for any period, the net income (or loss) of PHH and its Restricted Subsidiaries determined on a consolidated basis for such period (taken as a single accounting period) in accordance with GAAP, *provided* that:

(A) the following items shall be excluded in computing Consolidated Net Income (without duplication):

(i) the net income or loss of any Person that is not a Restricted Subsidiary of PHH, except to the extent of the amount of cash dividends or other cash distributions of net income actually paid to PHH or a Restricted Subsidiary by such Person during such period;

(ii) the net income (or loss) of any Person prior to the date it becomes a Restricted Subsidiary or all or substantially all of the property or the net income related to assets of such Person are acquired by PHH or a Restricted Subsidiary; and

(iii) the net income of any Restricted Subsidiary that is not a Guarantor to the extent that the declaration or payment of cash dividends or similar cash distributions by such Restricted Subsidiary of such net income is not at the time permitted by the operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to such Restricted Subsidiary;

(B) items classified as extraordinary gains or losses (calculated on an after-tax basis) shall be excluded in computing Consolidated Net Income (without duplication); and

(C) the following items (the amounts thereof to be initially calculated on a pre-tax basis and then adjusted for taxes cumulatively) shall be excluded in computing Consolidated Net Income:

(i) changes in the fair value of PHH's assets or liabilities, including changes in the fair value of MSRs and reverse mortgage loans;

(ii) direct impairment charges or the reversal of such charges;

(iii) gains and losses realized upon the disposition (including reserves or abandonments) of assets outside of the ordinary course of business;

(iv) income or loss (less all fees and expenses or charges relating thereto) attributable to the early extinguishment of Indebtedness;

(v) the cumulative effect of a change in accounting principles during such period;

(vi) the amortization of cash flow hedges, MSRs and intangibles;

(vii) the amount of all reversals made (or incurred) on account of an item added back to or deducted from Consolidated Net Income in a previous period following the Issue Date pursuant to clauses (A) through (C) hereof;

(viii) any income or loss related to the Fair Market Value of economic hedges related to MSRs or other mortgage related assets or securities, to the extent that such other mortgage related assets or securities are valued at Fair Market Value and gains and losses with respect to such related assets or securities have been excluded pursuant to another clause of this provision; and

(ix) in the case of a successor to PHH or the Issuer by consolidation or merger or as a transferee of PHH's or the Issuer's assets, as applicable, any earnings of the successor corporation prior to such consolidation, merger or transfer of assets.

"**Corporate Indebtedness**" means, with respect to any Person, the aggregate consolidated amount of Indebtedness of such Person and its Restricted Subsidiaries then outstanding that would be shown on a consolidated balance sheet of such Person and its Restricted Subsidiaries (excluding, for the purpose of this definition, Indebtedness incurred under clauses (2), (5), (6), (7), (9), (10), (11), (12), (15), (18), (19), (20), (22), (23), (24), (25), (26), (27), (29) and (31) of the definition of "Permitted Indebtedness").

"Corporate Trust Office" of the Trustee or Collateral Trustee, as applicable, shall be at the address of the Trustee or Collateral Trustee specified in Section 13.02 or such other address as to which the Trustee or Collateral Trustee may give notice to the Holders and the Issuer.

"Credit Enhancement Agreements" means, collectively, any documents, instruments, guarantees or agreements entered into by Parent, PHH, any of their Subsidiaries or any Securitization Entity for the purpose of providing credit support (that is reasonably customary as determined by PHH's senior management) with respect to any MTM MSR Indebtedness, Permitted Funding Indebtedness or Permitted Securitization Indebtedness.

"**Currency Agreement**" means, with respect to any specified Person, any foreign exchange contract, currency swap agreement, futures contracts, options on futures contracts or other similar agreement or arrangement designed to protect such Person or any of its Restricted Subsidiaries against fluctuations in currency values.

"**Custodian**" means the Trustee, as custodian with respect to the Notes in global form, or any successor entity thereto.

"**Default**" means an event or condition the occurrence of which is, or with the lapse of time or the giving of notice or both would be, an Event of Default.

"**Definitive Note**" means a certificated Note registered in the name of the Holder thereof and issued in accordance with Section 2.06(c), substantially in the form of Exhibit A hereto, except that such Note shall not bear the Global Note Legend and shall not have the "Schedule of Exchanges of Interests in the Global Note" attached thereto.

"**Depositary**" means, with respect to the Notes issuable or issued in whole or in part in global form, the Person specified in Section 2.03 as the Depositary with respect to the Notes, and any and all successors thereto appointed as Depositary hereunder and having become such pursuant to the applicable provision of this Indenture.

"**Designated Noncash Consideration**" means the Fair Market Value of any noncash consideration received by PHH or one of its Restricted Subsidiaries in connection with an Asset Sale that is designated as Designated Noncash Consideration pursuant to an Officers' Certificate executed by the principal financial officer of PHH or such Restricted Subsidiary at the time of such Asset Sale less the amount of cash and Cash Equivalents received in connection with a subsequent sale of or collection on such Designated Noncash Consideration.

"**Disqualified Capital Stock**" means that portion of any Capital Stock that, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable at the option of the holder thereof), or upon the happening of any event (other than an event which would constitute a Change of Control), matures or is mandatorily redeemable (other than for Qualified Capital Stock), pursuant to a sinking fund obligation or otherwise, or is redeemable at the sole option of the holder thereof (except, in each case, upon the occurrence of a Change of Control) on or prior to the final maturity date of the Notes.

"**Dollar**" or "**$**" means the lawful money of the United States of America.

"**Equal Priority Intercreditor Agreement**" means an Intercreditor Agreement, substantially in the form attached hereto as Exhibit H, to be entered into by the Issuer, the Guarantors, the Collateral Trustee and each collateral agent for Other Pari Passu Secured Indebtedness.

"**Equity Interests**" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"Equity Offering" means a public or private sale of Equity Interests of the Parent (other than Disqualified Capital Stock and other than to a Subsidiary of the Parent) by the Parent.

"**Euroclear**" means Euroclear S.A./N.V., as operator of the Euroclear system and its successors and/or assigns.

"**Excess Servicing Strip**" means any transaction consisting of the sale of excess servicing fees, or any interest therein to a third party in the ordinary course of business and for Fair Market Value, or any similar transaction.

"**Exchange Act**" means the Securities Exchange Act of 1934, as amended, or any successor statute or statutes thereto.

"**Excluded Contributions**" means net cash proceeds or marketable securities received by PHH from contributions to its common equity capital designated as Excluded Contributions pursuant to an Officers' Certificate on the date such capital contributions are made.

"**Excluded Subsidiary**" means (i) any Foreign Subsidiary; any Subsidiary of PHH that is treated as a partnership or a disregarded entity for U.S. federal income tax purposes and that has no material assets other than the stock of one or more Foreign Subsidiaries that are controlled foreign corporations within the meaning of Section 957 of the Code ("**CFC**"); any Subsidiary of PHH that is a CFC; and any Subsidiary of PHH that is a Subsidiary of a CFC, (ii) any Subsidiary of PHH that is not a Material Subsidiary; (iii) any Subsidiary of PHH (a) constituting a mutual fund, unregistered investment fund or other investment company (including any statutory trust constituted for such purpose) or (b) that is a CFTC-registered introducing broker or a FINRA-member broker-dealer; (iv) any Subsidiary of PHH to the extent that the provision by such Subsidiary of a guarantee in respect of the Notes (a) is prohibited or restricted by (1) applicable law, rule or regulation or (2) any contractual obligation existing on the Issue Date for so long as such prohibition or restriction is in effect (or, with respect to any Subsidiary acquired after the Issue Date, on the date such Subsidiary is so acquired, so long as such contractual obligation was not incurred in contemplation of such investment and for so long as such prohibition or restriction is in effect)) or (b) would require consent, approval, license or authorization by any governmental or regulatory authority or by Fannie Mae, Freddie Mac or Ginnie Mae unless such consent, approval, license or authorization has been received; (v) any Subsidiary that is a captive insurance company; (vi) any Unrestricted Subsidiary, (vii) any Securitization Entity, (viii) Warehouse Facility Trust or (ix) MSR Facility Trust. For the avoidance of doubt, in no event shall the Issuer constitute an Excluded Subsidiary.

"**Existing Facilities**" means, collectively, the Existing MSR Facilities, the Existing Servicing Advance Facilities and the Existing Warehouse Facilities.

"**Existing MSR Facilities**" means the MSR Facilities of PHH and its Restricted Subsidiaries in existence on the Issue Date, in each case, together with the related documents thereto (including, without limitation, any security documents), in each case as such agreements may be amended (including any amendment and restatement thereof), supplemented or otherwise modified from time to time, including any agreement extending the maturity of, increasing the interest rate or fees applicable thereto, refinancing, replacing or otherwise restructuring (including adding Subsidiaries of PHH as additional borrowers or guarantors thereunder) all or any portion of the Indebtedness under such agreement or any successor or replacement agreement and whether by the same or any other agent, lender or group of lenders.

"**Existing Servicing Advance Facilities**" means the Servicing Advance Facilities of PHH and its Restricted Subsidiaries in existence on the Issue Date, in each case, together with the related documents thereto (including, without limitation, any security documents), in each case as such agreements may be amended (including any amendment and restatement thereof), supplemented or otherwise modified from time to time, including any agreement extending the maturity of, increasing the interest rate or fees applicable thereto, refinancing, replacing or otherwise restructuring (including adding Subsidiaries of PHH as additional borrowers or guarantors thereunder) all or any portion of the Indebtedness under such agreement or any successor or replacement agreement and whether by the same or any other agent, lender or group of lenders.

"**Existing Warehouse Facilities**" means the Warehouse Facilities of PHH and its Restricted Subsidiaries in existence on the Issue Date, in each case, together with the related documents thereto (including, without limitation, any security documents), in each case as such agreements may be amended (including any amendment and restatement thereof), supplemented or otherwise modified from time to time, including any agreement extending the maturity of, increasing the interest rate or fees applicable thereto, refinancing, replacing or otherwise restructuring (including adding Subsidiaries of PHH as additional borrowers or guarantors thereunder) all or any portion of the Indebtedness under such agreement or any successor or replacement agreement and whether by the same or any other agent, lender or group of lenders.

"**Fair Market Value**" means, with respect to any asset (including any Equity Interests of any Person), the price at which a willing buyer that is not an Affiliate of the seller and a willing seller, would reasonably be expected to agree to purchase and sell such asset, as determined in good faith by PHH or the Restricted Subsidiary purchasing or selling such asset. For the avoidance of doubt, any sale, contribution, assignment or other transfer shall not be deemed to be for less than Fair Market Value solely because such sale, contribution, assignment or transfer was made at a discount to par.

"**Fannie Mae**" means the Federal National Mortgage Association, in its corporate capacity, and any majority owned and controlled affiliate thereof.

"**First Lien LTV Ratio**" means (I) as of the last date of any Fiscal Quarter, the loan-to-value ratio as of such date of (i) the aggregate principal amount of the First Priority Obligations then outstanding to (ii) the sum of:

(A) Specified Net Servicing Advances, plus

(B) Specified Deferred Servicing Fees that are subject to a valid and perfected First Priority Lien in favor of the Collateral Trustee for its benefit and the benefit of the Holders of the Notes and in favor of any collateral agent for its benefit and the benefit of any other First Priority Secured Parties, plus

(C) the excess of Specified MSR Value over the aggregate outstanding principal balance of MTM MSR Indebtedness and Permitted MSR Indebtedness to the extent advanced with respect to MSRs, plus

(D) the greater of zero and the result of (x) the sum of (i) all Unrestricted Cash of the Issuer and the Guarantors that is subject to a valid and perfected First Priority Lien in favor of the Collateral Trustee for its benefit of the Holders of the Notes and in favor of any collateral agent for its benefit and the benefit of the Holders of the Notes and in favor of any collateral agent for its benefit and the benefit of any other First Priority Secured Parties and (ii) up to $40 million in the aggregate of Unrestricted Cash of any Restricted Subsidiary that is not a Guarantor to the extent that such cash may be freely distributed by such Restricted Subsidiary to the Issuer or a Guarantor minus (y) $50 million, plus

(E) Advance Facility Reserves, plus

(F) Specified Loan Value, plus

(G) Specified Residual Value, plus

(H) without duplication of clause (D), the fair value of marketable securities held by PHH and its Subsidiaries that are subject to a valid and perfected First Priority Lien in favor of the Collateral Trustee for its benefit and the benefit of the Holders of the Notes and in favor of any collateral agent for its benefit and the benefit of any other First Priority Secured Parties as of the last day of the most recently ended Fiscal Quarter for which financial statements have been delivered to the Holders pursuant to Section 4.03;

provided that the foregoing calculations in clause (ii) shall not include (x) any assets that have a negative value and (y) any Excess Servicing Strips; and (II) as of any other date of determination, the amount set forth in clause (I) above as of the last day of the calendar month most recently ended for which internal financial statements are available, as calculated on a pro forma basis after giving effect to any First Priority Obligations incurred on such date.

"**First Priority Liens**" means the liens on the Collateral created in favor of the Collateral Trustee for its benefit and the benefit of the Trustee and the Holders of the Notes and in favor of any collateral agent for its benefit and the benefit of any other First Priority Secured Parties.

"**First Priority Obligations**" means (i) the Notes Obligations and (ii) Obligations of the Issuer and the Guarantors in respect of Other Pari Passu Secured Indebtedness.

"**First Priority Secured Parties**" mean the holders of First Priority Obligations.

"**Fiscal Quarter**" means a fiscal quarter of any Fiscal Year.

"**Fiscal Year**" means the fiscal year of PHH and its Subsidiaries ending on December 31 of each calendar year.

"**Foreign Subsidiary**" means, with respect to any Person, any Restricted Subsidiary of such Person that is not organized or existing under the laws of the United States, any state thereof or the District of Columbia.

"**Foreign Subsidiary Total Assets**" means the total assets of the Foreign Subsidiaries of PHH, as determined in accordance with GAAP in good faith by PHH without intercompany eliminations.

"**Freddie Mac**" means the Federal Home Loan Mortgage Corporation.

"**GAAP**" means generally accepted accounting principles set forth in the opinions and pronouncements of the Financial Accounting Standards Board Accounting Standards Codification or in such other statements by such other entity as may be approved by a significant segment of the accounting profession of the United States, which are in effect as of the Issue Date.

"**Ginnie Mae**" means the Government National Mortgage Association.

"**Global Note Legend**" means the legend set forth in Section 2.06(g)(ii), which is required to be placed on all Global Notes issued under this Indenture.

"**Global Notes**" means, individually and collectively, each of the Restricted Global Notes and the Unrestricted Global Notes, substantially in the form of Exhibit A hereto, issued in accordance with Article 2.

"**Government Securities**" means securities that are:

(1) direct obligations of the United States of America denominated and payable in US dollars for the timely payment of which its full faith and credit is pledged; or

(2) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the timely payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America, which, in either case, are not callable or redeemable at the option of the issuers thereof, and shall also include a depository receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act), as custodian with respect to any such Government Securities or a specific payment of principal of or interest on any such Government Securities held by such custodian for the account of the holder of such depository receipt; *provided* that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the Government Securities or the specific payment of principal of or interest on the Government Securities evidenced by such depository receipt.

"**Grantors**" means, collectively, the Issuer and the Guarantors.

"**guarantee**" means a guarantee (other than by endorsement of negotiable instruments for collection in the ordinary course of business), direct or indirect, in any manner including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take or pay or to maintain financial statement conditions or otherwise).

"**Guarantors**" means, collectively, (i) the Parent, (ii) PHH and (iii) each Subsidiary of PHH that executes a Note Guarantee (including, without limitation, any supplemental indenture in the form of Exhibit D hereto) in accordance with the provisions of this Indenture, other than an Excluded Subsidiary, and their respective successors and assigns, until the Note Guarantee of such Person has been released in accordance with the provisions of this Indenture (each, a "**Subsidiary Guarantor**"), and each, a "**Guarantor**."

"**Holder**" means the Person in whose name the Note is registered on the Registrar's book.

"**Indebtedness**" means with respect to any Person, without duplication:

(1) all Obligations of such Person for borrowed money;

(2) all Obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(3) all Capitalized Lease Obligations of such Person;

(4) all Obligations of such Person issued or assumed as the deferred purchase price of property, all conditional sale obligations and all Obligations under any title retention agreement (but excluding trade accounts payable and other accrued liabilities arising in the ordinary course of business that are not overdue by 180 days or more or are being contested in good faith by appropriate proceedings promptly instituted and diligently conducted);

(5) all Obligations for the reimbursement of any obligor on any standby letter of credit, banker's acceptance or similar credit transaction;

(6) guarantees and other contingent obligations in respect of Indebtedness referred to in clauses (1) through (5) above and clause (8) or (9) below, but excluding any guaranty or other recourse arising from or otherwise based on matters such as fraud, misappropriation, breaches of representations, warranties or covenants and misapplication and customary indemnities in connection with transaction similar to the related Indebtedness;

(7) Obligations of any other Person of the type referred to in clauses (1) through (6) above and clause (9) below which are secured by any lien on any property or asset of such Person, the amount of such Obligation being deemed to be the lesser of the Fair Market Value of such property or asset and the amount of the Obligation so secured;

(8) all net Obligations under currency agreements and interest swap agreements of such Person;

(9) all Attributable Debt of such Person; and

(10) all Disqualified Capital Stock issued by such Person with the amount of Indebtedness represented by such Disqualified Capital Stock being equal to the greater of its voluntary or involuntary liquidation preference and its maximum fixed repurchase price, but excluding accrued dividends, if any.

For purposes hereof, the "**maximum fixed repurchase price**" of any Disqualified Capital Stock which does not have a fixed repurchase price shall be calculated in accordance with the terms of such Disqualified Capital Stock as if such Disqualified Capital Stock were purchased on any date on which Indebtedness shall be required to be determined pursuant to this Indenture, and if such price is based upon, or measured by, the Fair Market Value of such Disqualified Capital Stock, such Fair Market Value shall be determined reasonably and in good faith by the Board of Directors of the issuer of such Disqualified Capital Stock. Notwithstanding anything in this definition to the contrary, in no event shall obligations under any derivative transaction related to the hedging of the mortgage origination pipeline or MSRs in the ordinary course of business and not for speculative purposes be deemed "Indebtedness." For the avoidance of doubt, Indebtedness shall not include any liability recorded on the balance sheet of PHH's financial statements that corresponds to (i) MSRs (or the economic interests in MSRs) that have been sold or transferred to a third party and for which PHH or a Restricted Subsidiary is the servicer or sub-servicer and such MSRs (such economic interests) are required under GAAP to be recorded as an asset on the balance sheet of PHH's financial statements and (ii) mortgage loans that have been sold or transferred to a third party or securitized in a securitization sponsored by a third party or pursuant to any Specified Government Entity securitization program.

The amount of any Indebtedness outstanding as of any date shall be:

(1) the accreted value thereof, in the case of any Indebtedness issued at a discount to par;

(2) with respect to any Obligations under currency agreements and interest swap agreements, the net amount payable if such agreements terminated at that time due to default by such Person;

(3) in respect of Indebtedness of another Person secured by a Lien on the assets of the specified Person, the lesser of:

(a) the Fair Market Value of such assets at the date of determination; and

(b) the amount of the Indebtedness of the other Person; or

(4) except as provided above, the principal amount or liquidation preference thereof, in the case of any other Indebtedness.

"**Indenture**" means this Indenture, as amended or supplemented from time to time.

"**Indirect Participant**" means a Person who holds a beneficial interest in a Global Note through a Participant.

"**Initial Notes**" as defined in the recitals hereto.

"**Intercreditor Agreements**" means the Junior Priority Intercreditor Agreement and the Equal Priority Intercreditor Agreement.

"**Interest Payment Date**" means March 15 and September 15 of each year.

"**Investment**" means, with respect to any Person, any direct or indirect loan or other extension of credit (including, without limitation, a guarantee), advance or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or any purchase or acquisition by such Person of any Capital Stock, bonds, notes, debentures or other securities. "Investment" shall exclude (w) residential mortgage loans in the ordinary course of business, warehouse loans secured by residential mortgage loans and related assets, drawing accounts and similar expenditures in the ordinary course of business, (x) accounts receivable, extensions of trade credit or advances by PHH and its Restricted Subsidiaries on commercially reasonable terms in accordance with PHH's or its Restricted Subsidiaries' normal trade practices, as the case may be, (y) deposits made in the ordinary course of business and customary deposits into reserve accounts related to Securitizations and (z) commission, moving, entertainment and travel expenses and similar advances to officers, directors, managers and employees, in each case, made in the ordinary course of business. Except as otherwise provided in this Indenture, the amount of an Investment will be determined at the time the Investment is made and without giving effect to subsequent changes in value.

"**Investment Grade**" means a rating of the Notes by both S&P and Moody's, each such rating being one of such agency's four highest generic rating categories that signifies investment grade (*i.e.*, BBB- (or the equivalent) or higher by S&P and Baa3 (or the equivalent) or higher by Moody's); *provided* that, in each case, such ratings are publicly available; *provided*, *further*, that in the event Moody's or S&P is no longer in existence for purposes of determining whether the Notes are rated "Investment Grade," such organization may be replaced by a nationally recognized statistical rating organization (as defined in Section 3(a)(62) of the Exchange Act) designated by the Issuer, notice of which shall be given to the Trustee.

"**Investment Grade Securities**" means marketable securities of a Person (other than PHH or its Restricted Subsidiaries, an Affiliate or joint venture of PHH or any Restricted Subsidiary), acquired by PHH or any of its Restricted Subsidiaries in the ordinary course of business that are rated, at the time of acquisition, BBB- (or the equivalent) or higher by S&P and Baa3 (or the equivalent) or higher by Moody's.

"**Issue Date**" means March 4, 2021, the date on which the Notes are originally issued.

"**Issuer Order**" means a written request or order signed on behalf of the Issuer by an Officer of the Issuer and delivered to the Trustee.

"**Junior Priority Intercreditor Agreement**" means the Junior Priority Intercreditor Agreement, substantially in the form attached hereto as Exhibit G, to be dated as of the Issue Date and entered into by the Parent, the Collateral Trustee and the Parent Notes Collateral Agent.

"**Lien**" means any lien, mortgage, deed of trust, pledge, security interest, charge or encumbrance of any kind (including any conditional sale or other title retention agreement having substantially the same economic effect as any of the foregoing, any lease in the nature thereof and any agreement to give any security interest); *provided* that in no event shall an operating lease or a transfer of assets pursuant to a Co-Investment Transaction be deemed to constitute a Lien.

"**Material Subsidiary**" means, at any time, (i) each Subsidiary of PHH that is not an Excluded Subsidiary (other than pursuant to clause (ii) of the definition thereof) which represents (a) 5% or more of PHH's consolidated total assets or (b) 5% or more of PHH's consolidated total revenues, in each case, as determined at the end of the most recent Fiscal Quarter of PHH based on the financial statements of PHH delivered pursuant to Section 4.03 or (ii) any Subsidiary of PHH designated by notice in writing given by the Issuer to the Trustee to be a "Material Subsidiary"; *provided* that any such Subsidiary so designated as a "Material Subsidiary" shall at all times thereafter remain a Material Subsidiary for the purposes of this Indenture unless otherwise agreed to by the Issuer and with the consent of the Holders of at least a majority in principal amount of the then outstanding Notes issued under this Indenture or unless such Material Subsidiary ceases to be a Subsidiary in a transaction not prohibited by this Indenture; *provided*, *further*, that if at any time the Subsidiaries of PHH (excluding all Excluded Subsidiaries (other than pursuant to clause (ii) of the definition thereof)) that are not Material Subsidiaries because they do not meet the thresholds set forth in clause (i) comprise in the aggregate more than (x) 10% of PHH's consolidated total assets or (y) 10% of PHH's consolidated total revenues, in each case as determined at the end of the most recent fiscal quarter of PHH based on the financial statements of PHH delivered pursuant to this Indenture (but excluding from each such calculation the contribution of Excluded Subsidiaries (other than pursuant to clause (ii) of the definition thereof)), then the Issuer shall, not later than thirty (30) days after the date by which financial statements for such quarter are required to be delivered pursuant to this Indenture, (1) designate in writing to the Trustee one or more of its Subsidiaries as "Material Subsidiaries" to the extent required such that the foregoing condition ceases to be true and (2) comply with Section 4.15 applicable to such Subsidiaries. Notwithstanding the foregoing, for purposes of all calculations under clauses (i)(a) and (x) of the proviso above, all assets of any Subsidiary of PHH that is not a Foreign Subsidiary that have been transferred into a securitization of Ginnie Mae Home Equity Conversion Mortgage-Backed Securities and are held on such Subsidiary's balance sheet only to comply with the true sale accounting rules set forth in Financial Accounting Standards Board Statement 140 (or other applicable rule under GAAP requiring such assets to be held on the balance sheet) shall be disregarded in determining PHH's consolidated total assets and the assets of any such Subsidiary that is not a Foreign Subsidiary.

"**Moody's**" means Moody's Investors Service, Inc., a subsidiary of Moody's Corporation, and its successors.

"**MSR Assets**" means MSRs other than (i) MSRs on loans originated by PHH or its Restricted Subsidiaries for so long as such MSRs are financed in the normal course of the origination of such loans and (ii) MSRs subject to existing Liens on the Issue Date securing Existing MSR Facilities.

"**MSR Facility**" means any financing arrangement of any kind, including, but not limited to, financing arrangements in the form of repurchase facilities, loan agreements, note issuance facilities and commercial paper facilities, with a financial institution or other lender (including, without limitation, any Specified Government Entity) or purchaser, in each case, primarily to finance or refinance the purchase, origination, pooling or funding by PHH or a Restricted Subsidiary of PHH of MSRs originated, purchased or owned by PHH or any Restricted Subsidiary of PHH, including, for the avoidance of doubt, any arrangement secured by MSRs or any interest therein held by PHH or any Restricted Subsidiary.

"**MSR Facility Trust**" means any Person (whether or not a Subsidiary of PHH) established for the purpose of issuing notes or other securities in connection with an MSR Facility, which (i) notes and securities are backed by specified MSRs originated or purchased by, and/or contributed to, such Person from PHH or any of its Restricted Subsidiaries or (ii) notes and securities are backed by specified MSRs purchased by, and/or contributed to, such Person from PHH or any of its Restricted Subsidiaries.

"**MSR Indebtedness**" means Indebtedness in connection with a MSR Facility; the amount of any particular MSR Indebtedness as of any date of determination shall be calculated in accordance with GAAP.

"**MSRs**" means mortgage servicing rights (including master servicing rights and excess mortgage servicing rights) entitling the holder to service mortgage loans (including reverse mortgage loans).

"**MTM MSR Indebtedness**" means MSR Indebtedness that by its terms obligates PHH or a Restricted Subsidiary to make payments to reduce the outstanding obligations under such MSR Indebtedness or provide additional collateral to support the obligations under such MSR Indebtedness if the market value of the MSRs securing such MSR Indebtedness decreases, excluding any MSR Indebtedness to the extent of the principal balance thereof advanced with respect to MSRs for reverse mortgage loans securing such MSR Indebtedness.

"**MTM MSR Indebtedness LTV Ratio**" means (a) as of the last day of any Fiscal Quarter, the loan-to-value ratio as of such date of (i) the aggregate principal amount of the MTM MSR Indebtedness then outstanding to (ii) Specified MSR Value and (b) as of any other date of determination, the loan-to-value ratio of the (i) aggregate principal amount of the MTM MSR Indebtedness then outstanding to (ii) the sum of (x) the Specified MSR Value as of the last date of the immediately preceding Fiscal Quarter *plus* (y) the market value of MSRs that have been acquired by the Issuer or its Restricted Subsidiaries since the last date of the immediately preceding Fiscal Quarter or are to be acquired on such date of determination, as determined by the Issuer in good faith using the same methodology used to calculate the Specified MSR Value *minus* (z) the market value of MSRs that have been sold by the Issuer or its Restricted Subsidiaries since the last date of the immediately preceding Fiscal Quarter or are to be sold on such date of determination, as determined by the Issuer in good faith using the same methodology used to calculate the Specified MSR Value; *provided* that the foregoing calculations in clause (a)(ii) and (b)(ii) shall not include (x) any assets that have a negative value, (y) any Excess Servicing Strips or (z) any MSRs that secure any Permitted Funding Indebtedness. For the avoidance of doubt, to the extent any MTM MSR Indebtedness is combined with any Permitted Funding Indebtedness, the MTM MSR Indebtedness LTV Ratio shall be calculated without regard to the portion of such combined Indebtedness that constitutes Permitted Funding Indebtedness. For example, if any Indebtedness consists of a combination of MTM MSR Indebtedness and Permitted Servicing Advance Facility Indebtedness pursuant to which an aggregate principal balance of $100 million is outstanding, $75 million of which has been advanced with respect to MSRs with a Specified MSR Value of $125 million and $25 million of which has been advanced with respect to Servicing Advances, the resulting MTM MSR Indebtedness LTV Ratio of such MTM MSR Indebtedness would be equal to 0.60 to 1.

"**Net Proceeds**" means the aggregate cash proceeds received by PHH or any of its Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash received upon the sale or other disposition of any non-cash consideration received in any Asset Sale), net of the direct costs relating to such Asset Sale, including, without limitation, legal, accounting and investment banking fees, and sales commissions, and any relocation expenses incurred as a result of the Asset Sale, taxes paid or payable as a result of the Asset Sale, in each case, after taking into account any available tax credits or deductions and any tax sharing arrangements, distributions to minority interest holders in Restricted Subsidiaries as a result of such Asset Sale and amounts required to be applied to the repayment of Indebtedness (other than First Priority Obligations and other Indebtedness secured on a basis junior to the First Priority Liens) secured by a Lien on the asset or assets that were the subject of such Asset Sale and any reserve for adjustment in respect of the sale price of such asset or assets established in accordance with GAAP.

"**Non-Recourse Indebtedness**" means, with respect to any specified Person or any of its Restricted Subsidiaries, Indebtedness that is specifically advanced to finance the origination or the acquisition of investment assets and secured only by the assets to which such Indebtedness relates without recourse to such Person or any of its Restricted Subsidiaries (other than subject to such customary carve-out matters for which such Person or its Subsidiaries acts as a guarantor in connection with such Indebtedness, such as fraud, misappropriation, breach of representation, warranty or covenant and misapplication and customary indemnities in connection with similar transactions, unless, until and for so long as a claim for payment or performance has been made thereunder (which has not been satisfied) at which time the obligations with respect to any such customary carve-out shall not be considered Non-Recourse Indebtedness, to the extent that such claim is a liability of such Person for GAAP purposes).

"**Non-U.S. Person**" means a Person who is not a U.S. Person.

"**Note Guarantee**" means the guarantee by each Guarantor of the Issuer's obligations under this Indenture and the Notes, executed pursuant to the provisions of this Indenture.

"**Notes**" means the Initial Notes and more particularly means any Note authenticated and delivered under this Indenture. For all purposes of this Indenture, the term "Notes" shall also include any Additional Notes that may be issued in accordance with the terms of this Indenture.

"**Notes Obligations**" mean all Obligations of the Issuer and the Guarantors under the Notes, this Indenture, the Note Guarantees and the Security Documents.

"**Obligations**" means all obligations for principal, premium, interest, penalties, fees, indemnification, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

"**OID Legend**" means the legend set for in Section 2.06(g)(iv) to be placed on each Note issued hereunder that has more than a *de minimis* amount of original issue discount for U.S. federal income tax purposes.

"**Officer**" means the Chairman of the Board, the Chief Executive Officer, the Chief Financial Officer, the President, any Executive Vice President, Senior Vice President or Vice President, of the Issuer, or, in the event that the Issuer has no such officers, a person duly authorized under applicable law by the directors or a similar body to act on behalf of the Issuer. A reference to an "Officer" of a Guarantor has a correlative meaning.

"**Officers' Certificate**" means a certificate signed by or on behalf of a Person by two Officers of such Person and delivered to the Trustee and/or the Collateral Trustee.

"**Offering Memorandum**" means the Issuer's offering memorandum dated February 26, 2021, relating to the sale of the Initial Notes.

"**Opinion of Counsel**" means a written opinion from legal counsel who is reasonably acceptable to the Trustee and/or the Collateral Trustee. The counsel may be an employee of or counsel to the Issuer.

"**Organizational Documents**" means with respect to any Person all formation, organizational and governing documents, instruments and agreements, including (i) with respect to any corporation, its certificate or articles of incorporation or organization, as amended, supplemented or otherwise modified, and its by-laws, as amended, supplemented or otherwise modified, (ii) with respect to any limited partnership, its certificate of limited partnership, as amended, supplemented or otherwise modified, and its partnership agreement, as amended, supplemented or otherwise modified, (iii) with respect to any general partnership, its partnership agreement, as amended, supplemented or otherwise modified and (iv) with respect to any limited liability company, its articles of organization, as amended, supplemented or otherwise modified, and its operating agreement, as amended, supplemented or otherwise modified. In the event any term or condition of this Indenture or any other Security Document requires any Organizational Document to be certified by a secretary of state or similar governmental official, the reference to any such "Organizational Document" shall only be to a document of a type customarily certified by such governmental official.

"**Other Pari Passu Secured Indebtedness**" means any Indebtedness of the Issuer or any Guarantor that is pari passu in right of payment to the Notes or any Note Guarantee, as the case may be, and is secured by a Lien on the Collateral permitted by clause (10) of the definition of "Permitted Liens" that has the same priority as the Lien securing the Notes and the Note Guarantees and that is designated in writing as such by the Issuer to the Trustee and the holders or a representative of the holders of which enter into the Equal Priority Intercreditor Agreement or a joinder thereto. "Other Pari Passu Secured Indebtedness" does not include the Notes and the Note Guarantees issued on the Issue Date, but includes any Additional Notes and related Note Guarantees, *provided* that no entry into the Equal Priority Intercreditor Agreement or a joinder thereto will be required for Additional Notes.

"**Parent Notes**" means (x) the $199.5 million aggregate principal amount of the Parent's Senior Secured Notes due 2027 issued on the Issue Date and (y) up to $85.5 million aggregate principal amount of the Parent's Senior Secured Notes due 2027 issued after the Issue Date.

"**Parent Notes Collateral Agent**" means Oaktree Fund Administration, LLC, in its capacity as collateral agent for the holders of the Parent Notes.

"**Participant**" means, with respect to the Depositary, Euroclear or Clearstream, a Person who has an account with the Depositary, Euroclear or Clearstream, respectively (and, with respect to DTC, shall include Euroclear and Clearstream).

"**Permitted Business**" means the businesses of PHH and its Subsidiaries as described (or incorporated by reference) in the Offering Memorandum and businesses that are reasonably related, ancillary or complementary thereto or reasonable developments or extensions thereof, including, but not limited to: (u) loan servicing and collection activities and ancillary services directly related thereto (including, but not limited to, the making of servicer advances and financing of advances), (v) asset management for investors that are not a part of PHH's consolidated group and management of loans, real estate owned and securities portfolios for investors that are not a part of PHH's consolidated group, (w) originating, acquiring, investing in, pooling, securitizing and/or selling Servicing Advances, MSRs, residential and commercial mortgage loans (including reverse mortgage loans and auto dealer floorplan loans) or other loans, leases, asset-backed and mortgage-backed securities and other related securities or derivatives, consumer receivables, REO Assets or Residual Interests and other similar assets (or any interests in any of the foregoing), (x) providing warehouse financings to third-party loan originators, (y) support services to third-party lending and loan investment and servicing businesses (including any due diligence services, loan underwriting services, real estate title services, provision of broker-price opinions and other valuation services), collection of consumer receivables, bankruptcy assistance and solution activities, and the provision of technological support products and services related to the foregoing; as well as any business in the insurance industry and businesses that are reasonably related, ancillary or complementary thereto or reasonable developments or extensions thereof.

"**Permitted Funding Indebtedness**" means (i) any Permitted Servicing Advance Facility Indebtedness, (ii) any Permitted Warehouse Indebtedness, (iii) any Permitted Residual Indebtedness, (iv) any Permitted MSR Indebtedness, (v) any Indebtedness of the type set forth in clauses (i) through (iv) of this definition that is acquired by PHH or any of its Restricted Subsidiaries in connection with an acquisition permitted under this Indenture, (vi) any facility that combines any Indebtedness under clause (i), (ii), (iii) or (v) of this definition and (vii) any Refinancing Indebtedness of the Indebtedness under clause (i), (ii), (iii), (v) or (vi) of this definition and advanced to PHH or any of its Restricted Subsidiaries based upon, and secured by, Servicing Advances, MSRs, mortgages or other loans, securities or derivatives, receivables, REO Assets or Residual Interests and other similar assets (or any interests in any of the foregoing) existing on the Issue Date or created thereafter, *provided*, *however*, solely as of the date of the incurrence of such Permitted Funding Indebtedness, the amount of the excess (determined as of the most recent date for which internal financial statements are available), if any, of (x) the amount of any Indebtedness incurred in accordance with this clause (vii) for which the holder thereof has contractual recourse to PHH or its Restricted Subsidiaries to satisfy claims with respect thereto (excluding recourse for customary carve-out matters such as fraud, misappropriation, breaches of representations, warranties and covenants and misapplication and customary indemnities in connection with similar transactions) over (y) the aggregate (without duplication of amounts) Realizable Value of the assets that secure such Indebtedness shall not be Permitted Funding Indebtedness (but shall not be deemed to be a new incurrence of Indebtedness subject to the provisions of Section 4.09, except with respect to, and solely to the extent of, any such excess that exists upon the initial incurrence of such Indebtedness incurred under this clause (vii)). The amount of any Permitted Funding Indebtedness shall be determined in accordance with the definition of "Indebtedness." For the avoidance of doubt, MTM MSR Indebtedness shall not constitute Permitted Funding Indebtedness, but any Permitted Funding Indebtedness may be combined with an MTM MSR Indebtedness, in which case such Indebtedness shall be deemed to constitute an MTM MSR Indebtedness to the extent of the aggregate principal balance thereof advanced with respect to MSRs securing such MTM MSR Indebtedness and shall otherwise constitute a Permitted Funding Indebtedness.

"**Permitted Hedging Transactions**" means entering into instruments and contracts and making margin calls thereon by PHH or any of its Restricted Subsidiaries in reasonable relation to a Permitted Business that are entered into for bona fide hedging purposes and not for speculative purposes (as determined in good faith by the Board of Directors or senior management of PHH or such Restricted Subsidiary) and shall include, without limitation, interest rate swaps, caps, floors, collars and forward hedge or mortgage sale contracts and similar instruments, "interest only" mortgage derivative assets or other mortgage derivative products, future contracts and options on futures contracts on the Eurodollar, Federal Funds, Treasury bills and Treasury rates and similar financial instruments.

"**Permitted Indebtedness**" means, without duplication, each of the following:

(1) Indebtedness under the Initial Notes and the Note Guarantees (including Note Guarantees from additional Guarantors after the Issue Date) thereof;

(2) Indebtedness incurred pursuant to the Existing Facilities in an aggregate principal amount at any time outstanding not to exceed the maximum amount available under each Existing Facility as in effect on the Issue Date;

(3) Indebtedness of PHH or any Restricted Subsidiary that constitutes First Priority Obligations so long as, on the date of the incurrence of such Indebtedness or Preferred Stock, as applicable, after giving effect to the incurrence thereof and the use of proceeds thereof, (a) the First Lien LTV Ratio of PHH and its Restricted Subsidiaries is no higher than 0.35 to 1.0 and (b) the ratio of Corporate Indebtedness of PHH and its Restricted Subsidiaries to Tangible Net Worth of Parent and its Subsidiaries is no higher than 1.0 to 1.0;

(4) other Indebtedness and Preferred Stock of PHH and its Restricted Subsidiaries outstanding on the Issue Date (other than Indebtedness described in clauses (1), (2) and (3) above);

(5) Permitted Hedging Transactions;

(6) Indebtedness under Currency Agreements; *provided* that in the case of Currency Agreements which relate to Indebtedness, such Currency Agreements do not increase the Indebtedness of PHH and its Restricted Subsidiaries outstanding other than as a result of fluctuations in foreign currency exchange rates or by reason of fees, indemnities and compensation payable thereunder;

(7) Indebtedness owed to and held by PHH or a Restricted Subsidiary; *provided*, *however*, that (a) any subsequent issuance or transfer of any Capital Stock which results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary of PHH or any transfer of such Indebtedness (other than to PHH or a Restricted Subsidiary of PHH) shall be deemed, in each case, to constitute the incurrence of such Indebtedness by the obligor thereon, and (b) if the Issuer or any Guarantor is the obligor on such Indebtedness, such Indebtedness is expressly subordinated to the prior payment in full in cash of all obligations with respect to the Notes or the Note Guarantee, as applicable;

(8) the incurrence of Indebtedness the proceeds of which are used for working capital purposes in an aggregate amount not to exceed $50.0 million at any one time outstanding;

(9) the Issuance of Preferred Stock by Restricted Subsidiaries to officers, directors and employees of PHH or any Restricted Subsidiary as compensation, bonus awards or other incentive arrangements, *provided* that aggregate liquidation preference of all shares of Preferred Stock issued pursuant to this clause (9) in any calendar year shall not exceed $10.0 million, *provided* that any amounts available to be issued pursuant to this clause (9) that are unissued during any calendar year may be carried forward and utilized in succeeding calendar years;

(10) Indebtedness of PHH or any of its Restricted Subsidiaries represented by letters of credit for the account of PHH or such Restricted Subsidiary, as the case may be, in order to provide security for workers' compensation claims, payment obligations in connection with self-insurance or similar requirements in the ordinary course of business;

(11) (a) Permitted Funding Indebtedness and (b) MTM MSR Indebtedness so long as on the date of the incurrence of such MTM MSR Indebtedness, after giving effect to the incurrence thereof and the use of proceeds thereof, the MTM MSR Indebtedness LTV Ratio of PHH and its Restricted Subsidiaries is no higher than 0.65 to 1.0;

(12) Permitted Securitization Indebtedness and Indebtedness under Credit Enhancement Agreements;

(13) Refinancing Indebtedness;

(14) (A) any guarantee by PHH or a Restricted Subsidiary of Indebtedness or other obligations of any Restricted Subsidiary of PHH (other than Non-Recourse Indebtedness) so long as the incurrence of such Indebtedness incurred by such Restricted Subsidiary of PHH is permitted under the terms of this Indenture, or (B) any guarantee by a Restricted Subsidiary of Indebtedness of PHH (other than Non-Recourse Indebtedness); *provided* that such guarantee is permitted under the terms of this Indenture;

(15) Non-Recourse Indebtedness;

(16) (x) Acquired Indebtedness and Indebtedness incurred by PHH or any Restricted Subsidiary of PHH in connection with the acquisition of a Permitted Business and (y) Indebtedness of a Person or any of its Restricted Subsidiaries existing at the time such Person becomes a Restricted Subsidiary of PHH or at the time it merges or consolidates with PHH or any of its Restricted Subsidiaries or assumed in connection with the acquisition of assets from such Person or secured by a Lien encumbering any asset acquired by such Person and, in each case, not incurred by such Person in connection with, or in anticipation or contemplation of, such Person becoming a Restricted Subsidiary of PHH or such acquisition, merger or consolidation in connection with the acquisition of a Permitted Business; *provided* that, in each case, on the date of the incurrence of such Indebtedness, after giving effect to the incurrence thereof and the use of proceeds therefrom, (a) the Total LTV Ratio of PHH and its Restricted Subsidiaries on a pro forma basis would be either (i) no higher than 0.45 to 1.0 or (ii) no higher than the Total LTV Ratio of PHH and its Restricted Subsidiaries immediately prior to such transaction and (b) the ratio of Corporate Indebtedness of PHH and its Restricted Subsidiaries to Tangible Net Worth of Parent and its Subsidiaries on a pro forma basis would be (i) no higher than 1.25 to 1.0 or (ii) no higher than the ratio of Corporate Indebtedness of PHH and its Restricted Subsidiaries to Tangible Net Worth of Parent and its Subsidiaries immediately prior to such transaction;

provided that the aggregate principal amount of Indebtedness and Preferred Stock that may be incurred and outstanding at any one time by Restricted Subsidiaries that are not Guarantors pursuant to subclause (x) of this clause (16) does not exceed $25.0 million;

(17) Indebtedness (including Capitalized Lease Obligations) incurred to finance the development, construction, acquisition, purchase, lease, repairs, maintenance or improvement of assets (including, but not limited to, assets consisting of Servicing Advances, mortgages or other loans, mortgage related securities or derivatives, consumer receivables, REO Assets or Residual Interests and other similar assets (or any interests in any of the foregoing), but excluding all MSRs) by PHH or any Restricted Subsidiary (including the acquisition or purchase of any assets (other than MSRs) through the acquisition of any Person that becomes a Restricted Subsidiary or by the merger or consolidated of a Person with or into PHH or any Restricted Subsidiary) that is secured by a Lien on the assets acquired, purchased, leased or improved; *provided* that the Liens securing such Indebtedness may not extend to any other assets or property owned by PHH or any of its Restricted Subsidiaries at the time the Lien is incurred and the Indebtedness secured by the Lien may not be incurred more than 270 days after the latter of the acquisition or completion of the construction of the assets or property subject to the Lien; *provided*, *further*, that the amount of such Indebtedness does not exceed the Fair Market Value on the date that such Indebtedness is incurred of the assets or property developed, constructed, purchased, leased, repaired, maintained or improved with the proceeds of such Indebtedness;

(18) Indebtedness arising from agreements of PHH or any of its Restricted Subsidiaries providing for indemnification, adjustment of purchase price, earnouts or similar obligations, in each case, incurred or assumed in connection with the acquisition or disposition of any business, assets or a Subsidiary, other than guarantees of Indebtedness incurred by any Person acquiring all or any portion of such business, assets or a Subsidiary for the purpose of financing such acquisition;

(19) Indebtedness consisting of Indebtedness from the repurchase, retirement or other acquisition or retirement for value by PHH of Common Stock (or options, warrants or other rights to acquire Common Stock) of Parent from any future, current or former officer, director, manager or employee (or any spouses, successors, executors, administrators, heirs or legatees of any of the foregoing) of Parent or any of its Subsidiaries or their authorized representatives to the extent described in clause (iv) of Section 4.07(b);

(20) Indebtedness in respect of netting services, overdraft protections and otherwise in connection with customary deposit accounts maintained by Parent, PHH or any of their Subsidiaries with banks and other financial institutions as part of its ordinary cash management program;

(21) the incurrence of Indebtedness by a Foreign Subsidiary in an amount not to exceed at any one time outstanding, together with any other Indebtedness incurred under this clause (21), 5.0% of Foreign Subsidiary Total Assets;

(22) shares of Preferred Stock of a Restricted Subsidiary of PHH issued to PHH or another Restricted Subsidiary; *provided* that any subsequent issuance or transfer of any Capital Stock or any other event which results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any other subsequent transfer of any such share of Preferred Stock (except to PHH or another Restricted Subsidiary) shall be deemed in each case to be an issuance of such shares or Preferred Stock not permitted by this clause (22);

(23) Indebtedness of PHH and its Restricted Subsidiary consisting of the financing of insurance premiums in the ordinary course of business;

(24) Obligations in respect of performance, bid, appeal, customs, surety bonds and completion guarantees (including Obligations under any letter of credit incurred for such purposes) provided by PHH and its Restricted Subsidiaries in the ordinary course of business or in connection with judgments that do not result in an Event of Default;

(25) to the extent constituting Indebtedness, Indebtedness under Excess Servicing Strip incurred in the ordinary course of business;

(26) to the extent otherwise constituting Indebtedness, obligations arising from agreements providing for indemnification, adjustment of purchase price or similar obligations, in each case, incurred or assumed in connection with the disposition of Servicing Advances, MSRs, mortgages or other loans, mortgage related securities or derivatives, consumer receivables, REO Assets or Residual Interests and other similar assets (or any interests in any of the foregoing) purchased or originated by PHH or any of its Restricted Subsidiaries arising in the ordinary course of business;

(27) guarantees by PHH and its Restricted Subsidiaries of Indebtedness that is otherwise Permitted Indebtedness;

(28) Indebtedness or Disqualified Capital Stock of PHH and Indebtedness, Disqualified Capital Stock or Preferred Stock of any of PHH's Restricted Subsidiaries in an aggregate principal amount or liquidation preference (together with Refinancing Indebtedness in respect thereof) up to 100.0% of the net cash proceeds received by PHH since immediately after the Issue Date from the issue or sale of Equity Interests of PHH or cash contributed to the capital of PHH (in each case, other than proceeds of Disqualified Capital Stock or sales of Equity Interests to PHH or any of its Subsidiaries) to the extent that such net cash proceeds or cash have not been applied to make a Restricted Payment pursuant to Section 4.07 and are thereafter excluded from clause (C)(2) of Section 4.07(a); *provided*, *however*, that the aggregate amount of Indebtedness and Preferred Stock incurred by Restricted Subsidiaries (other than Guarantors) pursuant to this clause (28) may not exceed $35.0 million in the aggregate at any one time outstanding;

(29) Indebtedness arising out of or to fund purchases of all remaining outstanding asset-backed securities of any Securitization Entity for the purpose of relieving PHH or a Subsidiary of PHH of the administrative expense of servicing such Securitization Entity;

(30) [reserved];

(31) guarantees by PHH and the Restricted Subsidiaries of PHH to owners of servicing rights in the ordinary course of business;

(32) additional Indebtedness incurred by PHH or any of its Restricted Subsidiaries in an aggregate principal amount not to exceed the greater of (x) $40.0 million and (y) 0.4% of Total Assets of PHH and its Restricted Subsidiaries at any one time outstanding; and

(33) additional Indebtedness incurred by PHH or any of its Restricted Subsidiaries that is owed to or held by Parent or any of Subsidiary of Parent (other than PHH or any of its Restricted Subsidiaries) in an aggregate principal amount not to exceed the greater of (x) $25.0 million and (y) 0.25% of Total Assets of PHH and its Restricted Subsidiaries at any one time outstanding.

For purposes of determining compliance with Section 4.09, in the event that an item of Indebtedness meets the criteria of more than one of the categories of Permitted Indebtedness described in clauses (1) through (33) above or is entitled to be incurred pursuant to the second paragraph of such covenant, PHH shall, in its sole discretion, classify (and may later reclassify) such item of Indebtedness or any portion thereof in any manner that complies with this covenant. Accrual of interest, accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, and the payment of dividends on Disqualified Capital Stock in the form of additional shares of the same class of Disqualified Capital Stock will not be deemed to be an incurrence of Indebtedness or an issuance of Disqualified Capital Stock for purposes of Section 4.09.

"**Permitted Investments**" means:

(1) any Investment in PHH or in a Restricted Subsidiary;

(2) any Investment in cash or Cash Equivalents or Investment Grade Securities;

(3) any Investment by PHH or any Restricted Subsidiary of PHH in a Person, if as a result of such Investment (i) such Person becomes a Restricted Subsidiary of PHH or (ii) such Person is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, PHH or a Restricted Subsidiary of PHH;

(4) Investments by PHH or any Restricted Subsidiary in Securitization Entities, Warehouse Facility Trusts, MSR Facility Trusts, Investments in mortgage related securities or charge-off receivables in the ordinary course of business;

(5) Investments arising out of purchases of all remaining outstanding asset-backed securities of any Securitization Entity and/or Securitization Assets of any Securitization Entity in the ordinary course of business or for the purpose of relieving PHH or a Subsidiary of PHH of the administrative expense of servicing such Securitization Entity;

(6) Investments in MSRs (including in the form of repurchases of MSRs);

(7) Investments in Residual Interests in connection with any Securitization, Warehouse Facility or MSR Facility;

(8) Investments by PHH or any Restricted Subsidiary in the form of loans extended to non-Affiliate borrowers in connection with any loan origination business of PHH or such Restricted Subsidiary in the ordinary course of business;

(9) any Investment made as a result of the receipt of securities or other assets of non-cash consideration from an Asset Sale that was made pursuant to and in compliance with Section 4.10, or any other disposition of assets not constituting an Asset Sale;

(10) Investments made solely in exchange for the issuance of Equity Interests (other than Disqualified Capital Stock) of PHH or any Unrestricted Subsidiary (other than an Unrestricted Subsidiary the primary assets of which are cash and Cash Equivalents);

(11) any Investments received in compromise or resolution of (a) obligations of trade creditors or customers that were incurred in the ordinary course of business of PHH or any of its Restricted Subsidiaries, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer, or (b) litigation, arbitration or other disputes with Persons who are not Affiliates;

(12) Investments in connection with Permitted Hedging Transactions;

(13) repurchases of the Notes;

(14) Investments in and making or origination of Servicing Advances, residential or commercial mortgage loans and Securitization Assets (whether or not made in conjunction with the acquisition of MSRs);

(15) guarantees of Indebtedness permitted under Section 4.09;

(16) any transaction to the extent it constitutes an Investment that is permitted and made in accordance with the provisions of Section 4.11(c) (except transactions described in clauses (vii) and (ix) of Section 4.11(c));

(17) Investments consisting of extensions of credit in the nature of accounts receivable, notes receivable arising from the grant of trade credit, and guarantees and letters of credit for the benefit of existing or potential suppliers, customers, distributors, licensors, licensees, lessees and lessors, in each case in the ordinary course of business; and Investments consisting of purchases and acquisitions of inventory, supplies, material, equipment or services in the ordinary course of business or the licensing or contribution of intellectual property pursuant to joint marketing arrangements with other Persons;

(18) endorsements for collection or deposit in the ordinary course of business;

(19) any Investment existing on the Issue Date or made pursuant to binding commitments in effect on the Issue Date or an Investment consisting of any extension, modification or renewal of any Investment existing on the Issue Date; *provided* that the amount of any such Investment may only be increased pursuant to this clause (19) to the extent required by the terms of such Investment as in existence on the Issue Date or as otherwise permitted under this Indenture;

(20) any Investment by PHH or any Restricted Subsidiary of PHH in any Person where such Investment was acquired by PHH or any Restricted Subsidiary of PHH (a) in exchange for any other Investment or accounts receivable held by PHH or any such Restricted Subsidiary in connection with or as a result of a bankruptcy, workout, reorganization or recapitalization of the issuer of such other Investment or accounts receivable, or (b) as a result of a foreclosure by PHH or any Restricted Subsidiary of PHH with respect to any secured Investment or other transfer of title with respect to any secured Investment in default;

(21) any Investment by PHH or any Restricted Subsidiary of PHH in a joint venture not to exceed the greater of (a) $60.0 million and (b) 0.6% of Total Assets of PHH and its Restricted Subsidiaries;

(22) other Investments having an aggregate Fair Market Value, taken together with all other Investments made pursuant to this clause (22) that are at that time outstanding, net of cash repayments of principal in the case of loans, sale proceeds in the case of Investments in the form of debt instruments and cash equity returns (whether as a distribution, dividend, redemption or sale) in the case of equity investments, not to exceed the greater of (a) $50.0 million and (b) 0.5% of Total Assets of PHH and its Restricted Subsidiaries at the time of such Investment (with the Fair Market Value of each Investment being measured at the time made and without giving effect to subsequent changes in value);

(23) purchases of mortgage backed or asset backed securities or similar instruments related to a Permitted Business;

(24) Investments related to any Indebtedness permitted under clause (20) of the definition of “Permitted Indebtedness”;

(25) advances to, or guarantees of Indebtedness of, employees of Parent, PHH or any of their Subsidiaries not in excess of $5.0 million outstanding at any one time;

(26) loans and advances to officers, directors and employees of Parent, PHH or any of their Subsidiaries for business-related travel expenses, moving expenses and other travel related expenses, in each case in the ordinary course of business; and

(27) any Co-Investment Transaction.

"**Permitted Liens**" means the following types of Liens:

(1) Liens for taxes, assessments or governmental charges or claims either (a) not yet delinquent for a period of more than 30 days, or (b) contested in good faith by appropriate proceedings and as to which Parent or its Subsidiaries shall have set aside on their books such reserves as may be required pursuant to GAAP;

(2) statutory and common law Liens of landlords and Liens of carriers, warehousemen, mechanics, suppliers, materialmen, repairmen and other Liens imposed by law incurred in the ordinary course of business;

(3) Liens incurred or deposits made in the ordinary course of business in connection with workers' compensation laws, unemployment insurance laws or similar legislation and other types of social security or obtaining of insurance, including any Lien securing letters of credit issued in the ordinary course of business in connection therewith, or to secure the performance of tenders, statutory obligations, surety and appeal bonds, bids, trade contracts, performance and completion guarantees, leases, contracts in the ordinary course of business, government contracts, performance and return-of-money bonds and other similar obligations (exclusive of obligations for the payment of borrowed money);

(4) Liens securing Indebtedness permitted to be incurred pursuant to clause (8) of the definition of "Permitted Indebtedness";

(5) Liens on assets, property or shares of stock of a Person existing at the time such Person becomes a Restricted Subsidiary or is merged with or into or consolidated or amalgamated with Parent, PHH or any Restricted Subsidiary of PHH; *provided*, *however*, that such Liens are not created or incurred in connection with, or in contemplation of, such other Person becoming such a Restricted Subsidiary or merging with or into or consolidating or amalgamating with Parent, PHH or any Restricted Subsidiary of PHH; *provided*, *further*, *however*, that such Liens may not extend to any other assets or property owned by PHH or any Restricted Subsidiary;

(6) Liens on assets or property (other than MSRs) at the time Parent, PHH or a Restricted Subsidiary acquired such assets or property or within 270 days of such acquisition, including any acquisition by means of a merger, amalgamation or consolidation with or into Parent, PHH or any Restricted Subsidiary; *provided* that the Liens may not extend to any other assets or property owned by Parent, PHH or any Restricted Subsidiary (other than assets and property affixed or appurtenant thereto); *provided*, *further,* that the aggregate amount of obligations secured thereby does not exceed the greater of (x) $50.0 million and (y) 0.5% of Total Assets of PHH and its Restricted Subsidiaries at any time outstanding and no such Lien may secure obligations in an amount that exceeds the Fair Market Value of the assets or property acquired as of the date of acquisition;

(7) Liens securing Indebtedness or other obligations of Parent, PHH, a Restricted Subsidiary of PHH owing to Parent, PHH or another Restricted Subsidiary of PHH;

(8) Liens arising from leases, subleases, licenses or sublicenses granted to others which do not materially interfere with the ordinary conduct of the business of Parent, PHH or any of its Restricted Subsidiaries;

(9) Liens arising from Uniform Commercial Code financing statement filings regarding operating leases entered into by Parent, PHH and its Restricted Subsidiaries or dispositions of assets;

(10) Liens securing Indebtedness permitted to be incurred pursuant to clause (3) of the definition of "Permitted Indebtedness," subject to the terms of the Equal Priority Intercreditor Agreement;

(11) Liens (x) in favor of the Issuer or any Guarantor, (y) on the assets of any Restricted Subsidiary that is not a Guarantor and (z) any Liens on the assets of any Restricted Subsidiary that becomes a Guarantor after the Issue Date that are in existence at the time it becomes a Guarantor not created in contemplation of such acquisition;

(12) Liens on Parent Collateral securing the Parent Notes or any Indebtedness incurred by Parent to Refinance the Parent Notes in accordance with the definition of "Second Priority Obligations," subject to the terms of the Junior Priority Intercreditor Agreement;

(13) grants of software and other technology licenses in the ordinary course of business;

(14) Liens to secure any refinancing, refunding, extension, renewal or replacement (or successive refinancings, refundings, extensions, renewals or replacements) as a whole, or in part, of any Indebtedness secured by any Lien referred to in clauses (5), (6), (12), (21), (28) and (39) of this definition; *provided*, *however*, that (x) such new Lien shall be limited to all or part of the same property that secured the original Lien (plus improvements on such property), and (y) the Indebtedness secured by such Lien at such time is not increased to any amount greater than the sum of (A) the outstanding principal amount or, if greater, committed amount of the Indebtedness described under clauses (5), (6), (12), (21), (28) and (39) of this definition at the time the original Lien became a Permitted Lien under this Indenture, and (B) an amount necessary to pay any accrued and unpaid interest, fees and expenses, including premiums, related to such refinancing, refunding, extension, renewal or replacement;

(15) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale or purchase of goods entered into in the ordinary course of business;

(16) Liens incurred to secure cash management services or to implement cash pooling arrangements in the ordinary course of business and Liens arising by virtue of any statutory or common law provisions relating to banker's Liens, rights of set-off or similar rights and remedies as to deposit accounts, securities accounts or other funds maintained with a depository or financial institution or securities intermediary;

(17) any encumbrance or restriction (including put and call arrangements) with respect to Capital Stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement;

(18) any amounts held by a trustee in the funds and accounts under an indenture securing any revenue bonds issued for the benefit of Parent, PHH or any Restricted Subsidiary of PHH;

(19) judgment Liens not giving rise to an Event of Default;

(20) survey exceptions, encumbrances, easements or reservations of, or rights of other for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes or zoning or other restrictions as to the use of real property or Liens incidental to the conduct of the Permitted Business of Parent, PHH and their Subsidiaries and other similar charges or encumbrances in respect of real property not interfering, in the aggregate, in any material respect with the ordinary conduct of the business of Parent, PHH or any of their Subsidiaries;

(21) any interest or title of a lessor under any Capitalized Lease Obligation; *provided* that such Liens do not extend to any property or assets which is not leased property subject to such Capitalized Lease Obligation;

(22) Liens upon specific items of inventory or other goods and proceeds of any Person securing such Person's obligations in respect of bankers' acceptances issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods;

(23) Liens securing reimbursement obligations with respect to letters of credit which encumber documents and other property relating to such letters of credit and products and proceeds thereof;

(24) Liens encumbering deposits made to secure obligations arising from statutory, regulatory, contractual, or warranty requirements of Parent, PHH or any of their Subsidiaries, including rights of offset and set-off;

(25) Liens securing Permitted Hedging Transactions (and similar obligations of Parent, PHH and its Restricted Subsidiaries) and the costs thereof;

(26) Liens securing Indebtedness under Currency Agreements;

(27) Liens with respect to obligations at any one time outstanding that do not exceed the greater of (x) $40.0 million and (y) 0.4% of Total Assets of PHH and its Restricted Subsidiaries;

(28) Liens securing Indebtedness incurred to finance the construction or purchase of assets (excluding MSR Assets) by Parent, PHH or any of PHH's Restricted Subsidiaries (including any acquisition of Capital Stock or by means of a merger, amalgamation or consolidation with or into PHH or any Restricted Subsidiary); *provided* that any such Lien may not extend to any other property owned by Parent, PHH or any of PHH's Restricted Subsidiaries at the time the Lien is incurred and the Indebtedness secured by the Lien may not be incurred more than 180 days after the acquisition or completion of the construction of the property subject to the Lien; *provided, further,* that the amount of Indebtedness secured by such Liens does not exceed the purchase price of the assets purchased or constructed with the proceeds of such Indebtedness;

(29) Liens on Securitization Assets, any intangible contract rights and other accounts, documents, records and assets directly related to the foregoing assets and the proceeds thereof incurred in connection with Permitted Securitization Indebtedness or permitted guarantees thereof;

(30) Liens on spread accounts and credit enhancement assets, Liens on the stock of Restricted Subsidiaries of PHH substantially all of which are spread accounts and credit enhancement assets and Liens on interests in Securitization Entities, in each case incurred in connection with Credit Enhancement Agreements;

(31) Liens to secure Indebtedness of any Foreign Subsidiary of PHH or any Restricted Subsidiary that is not a Guarantor securing Indebtedness of such Foreign Subsidiary or such Restricted Subsidiary that is permitted by the terms of this Indenture to be incurred; *provided* that such Liens extend only to the assets of such Subsidiaries;

(32) (i) Liens of a collection bank arising under Section 4-210 of the Uniform Commercial Code, or any comparable or successor provision, on items in the course of collection, and (ii) bankers' Liens, right of set-off and other similar Liens existing solely with respect to property in one or more accounts maintained by Parent, PHH or any of their Subsidiaries as customary in the banking industry in favor of the bank or banks with which such accounts are maintained, securing amounts owing to such bank customarily so secured;

(33) Liens solely on cash advances or any cash earnest money deposits made by Parent, PHH or any of their Subsidiaries in connection with any letter of intent or purchase agreement and Liens consisting of an agreement to sell or otherwise dispose of any property permitted under this Indenture;

(34) Liens on Servicing Advances, Residential Mortgage Loans or MSRs or any part thereof and any intangible contract rights and other accounts, documents, records and property directly related to the foregoing assets and any proceeds thereof, in each case that are the subject of an Excess Servicing Strip or an MSR Facility entered into in the ordinary course of business securing obligations under such Excess Servicing Strip or MSR Facility and Liens in any cash collateral or restricted accounts securing MSR Facilities;

(35) Liens on cash, cash equivalents or other property arising in connection with the discharge or redemption of Indebtedness;

(36) Liens on any real property constituting exceptions to title as set forth in a mortgage title policy delivered to a secured lender with respect thereto;

(37) Liens on insurance policies and the proceeds thereof securing the financing of premiums with respect thereto; *provided* that such Liens shall not exceed the amount of such premiums so financed;

(38) Liens on the property or assets of any Restricted Subsidiary that is not a Guarantor securing Indebtedness of any Restricted Subsidiary that is not a Guarantor;

(39) Liens to secure the Notes issued on the Issue Date (and excluding, for the avoidance of doubt, any Additional Notes issued after the Issue Date); and

(40) Liens on cash collateral posted in respect of letters of credit and bank guarantees incurred in the ordinary course of business so long as (i) such Liens only secure obligations under such letters of credit and bank guarantees and (ii) the amount of cash on which Liens may be granted pursuant to this clause (40) shall not exceed 105% of the aggregate amount of Indebtedness secured by such Liens.

"**Permitted MSR Indebtedness**" means MSR Indebtedness that is not MTM MSR Indebtedness, *provided* that the excess (determined as of the most recent date for which internal financial statements are available), if any, of (x) the amount of any such MSR Indebtedness for which the holder thereof has contractual recourse to the Issuer or its Subsidiaries to satisfy claims with respect to such Permitted Residual Indebtedness (excluding recourse for customary carve-out matters such as fraud, misappropriation, breaches of representations, warranties and covenants and misapplication and customary indemnities in connection with similar transactions) over (y) the aggregate (without duplication of amounts) Realizable Value of the assets that secure such MSR Indebtedness shall be deemed not to be Permitted MSR Indebtedness (but shall not be deemed to be a new incurrence of Indebtedness subject to the provisions of Section 4.09, except with respect to, and solely to the extent of, any such excess that exists upon the initial incurrence of such Indebtedness). The amount of any particular Permitted MSR Indebtedness as of any date of determination shall be calculated in accordance with GAAP (subject to the last sentence of the penultimate paragraph of the definition of "Indebtedness").

"**Permitted Payments to Parent**" means, without duplication as to amounts:

(1) payments to Parent to permit Parent to pay:

(a) administrative and general corporate overhead expenses (including, but not limited to accounting, legal, investment banking, consulting other professional fees and expenses) and other operating expenses of Parent and its Subsidiaries that are attributable to the ownership or operation of the business of PHH and its Subsidiaries as determined in good faith by PHH;

(b) costs (including all professional fees and expenses) incurred by Parent in connection with reporting obligations under or otherwise incurred in connection with compliance with applicable laws, rules or regulations of any governmental, regulatory or self-regulatory body or stock exchange, this Indenture or any other agreement or instrument relating to the Notes, the Note Guarantees or any other Indebtedness of PHH or any of its Subsidiaries, including in respect of any reports filed or delivered with respect to the Securities Act, Exchange Act or the respective rules and regulations promulgated thereunder, to the extent such costs are allocable to PHH and its Subsidiaries as determined in good faith by PHH;

(c) customary indemnification obligations of Parent owing to directors, officers, employees or other Persons under its Organizational Documents or pursuant to written agreements with any such Person;

(d) obligations of Parent in respect of director and officer insurance (including premiums therefor) to the extent costs related to such obligations relate to PHH and any of its Subsidiaries as determined in good faith by PHH;

(e) customary expenses incurred by Parent in connection with any offering, sale, conversion or exchange of Capital Stock or Indebtedness;

(f) litigation and regulatory settlements, judgments, fines and penalties to the extent any of the foregoing arise out of or relate to the business or operations of PHH and its Subsidiaries;

(g) amounts to finance Investments that would otherwise be permitted to be made pursuant to Section 4.07 if made by PHH or any of its Restricted Subsidiaries; *provided*, that (A) such Restricted Payment shall be made substantially concurrently with the closing of such Investment, (B) Parent or any of its Subsidiaries shall, immediately following the closing thereof, cause (1) all property acquired (whether assets or Equity Interests) to be contributed to the capital of PHH or one of PHH's Restricted Subsidiaries or (2) the merger, consolidation or amalgamation of the Person formed or acquired into PHH or one of PHH's Restricted Subsidiaries (to the extent not prohibited by Section 5.01) in order to consummate such Investment, (C) Parent and its Affiliates (other than PHH or any of its Restricted Subsidiaries) receives no consideration or other payment in connection with such transaction except to the extent PHH or any of its Restricted Subsidiaries could have given such consideration or made such payment in compliance with this Indenture and such consideration or other payment is included as a Restricted Payment or a Permitted Investment under this Indenture, (D) any property received by PHH shall not increase amounts available for Restricted Payments pursuant to Section 4.07(a)(C)(2) and (E) such Investment shall be deemed to be made by PHH or such Restricted Subsidiary pursuant to another provision of such covenant or pursuant to the definition of "Permitted Investments"; and

(h) amounts constituting or to be used for purposes of making payments to the extent specified in clauses (c)(i) and (xiii) of Section 4.11;

(2) for so long as PHH is a member of a group filing a consolidated or combined tax return with Parent, payments to Parent in respect of an allocable portion of the tax liabilities (including any penalties and interest) of such group that is attributable to PHH and its Subsidiaries ("**Tax Payments**"). The Tax Payments shall not exceed the lesser of (i) the amount of the relevant tax (including any penalties and interest) that PHH would owe if PHH were filing a separate tax return (or a separate consolidated or combined return with its Subsidiaries that are members of the consolidated or combined group), taking into account any carryovers and carrybacks of tax attributes (such as net operating losses) of PHH and such Subsidiaries from other taxable years and (ii) the net amount of the relevant tax that Parent actually owes to the appropriate taxing authority; and

(3) payments to Parent to permit Parent to pay any taxes, including sales, use, transfer, rental, ad valorem, value added, stamp, property, consumption, franchise, license, capital, registration, business, customs, net worth, gross receipts, excise, occupancy, intangibles or similar taxes and other fees and expenses (other than (x) taxes measured by income and (y) withholding taxes), required to be paid (provided such taxes are in fact paid) by Parent by virtue of its:

(a) being organized or having Capital Stock outstanding (but not by virtue of owning stock or other equity interests of any corporation or other entity other than, directly or indirectly, PHH or any of its Subsidiaries) or otherwise maintaining its existence or good standing under applicable law;

(b) being a holding company parent, directly or indirectly, of PHH or any of its Subsidiaries;

(c) receiving dividends from or other distributions in respect of the Capital Stock of, directly or indirectly, PHH or any of its Subsidiaries; or

(d) having made any payment in respect to any of the items for which PHH is permitted to make payments to Parent under Section 4.07.

"**Permitted Residual Indebtedness**" means any Indebtedness of PHH or any of its Subsidiaries under a Residual Funding Facility; *provided* that the excess (determined as of the most recent date for which internal financial statements are available), if any of (x) the amount of any such Permitted Residual Indebtedness for which the holder thereof has contractual recourse to PHH or its Subsidiaries to satisfy claims with respect to such Permitted Residual Indebtedness (excluding recourse for customary carve-out matters such as fraud, misappropriation, breaches of representations, warranties and covenants and misapplication and customary indemnities in connection with similar transactions) over (y) the aggregate (without duplication of amounts) Realizable Value of the assets that secure such Permitted Residual Indebtedness shall be deemed not to be Permitted Residual Indebtedness (but shall not be deemed to be a new incurrence of Indebtedness subject to the provisions of Section 4.09 except with respect to, and solely to the extent of, any such excess that exists upon the initial incurrence of such Indebtedness).

"**Permitted Securitization Indebtedness**" means Securitization Indebtedness; *provided* that (i) in connection with any Securitization, any Warehouse Indebtedness used to finance the purchase or origination of any receivables or other assets subject to such Securitization is repaid in connection with such Securitization to the extent of the net proceeds received by PHH and its Subsidiaries from the applicable Securitization Entity and (ii) the excess (determined as of the most recent date for which internal financial statements are available), if any, of (x) the amount of any such Securitization Indebtedness for which the holder thereof has contractual recourse to PHH or its Subsidiaries to satisfy claims with respect to such Securitization Indebtedness (excluding recourse for customary carve-out matters such as fraud, misappropriation, breaches of representations, warranties and covenants and misapplication and customary indemnities in connection with similar transactions) over (y) the aggregate (without duplication of amounts) Realizable Value of the assets that secure such Securitization Indebtedness shall not be Permitted Securitization Indebtedness (but shall not be deemed to be a new incurrence of Indebtedness subject to the provisions of Section 4.09 except with respect to, and solely to the extent of, any such excess that exists upon the initial incurrence of such Indebtedness).

"**Permitted Servicing Advance Facility Indebtedness**" means any Indebtedness of PHH or any of its Subsidiaries incurred under a Servicing Advance Facility; *provided, however*, that the excess (determined as of the most recent date for which internal financial statements are available), if any of (x) the amount of any such Permitted Servicing Advance Facility Indebtedness for which the holder thereof has contractual recourse to PHH or its Subsidiaries to satisfy claims with respect to such Permitted Servicing Advance Facility Indebtedness (excluding recourse for customary carve-out matters such as fraud, misappropriation, breaches of representations, warranties and covenants and misapplication and customary indemnities in connection with similar transactions) over (y) the aggregate (without duplication of amounts) Realizable Value of the assets that secure such Permitted Servicing Advance Facility Indebtedness shall not be Permitted Servicing Advance Facility Indebtedness (but shall not be deemed to be a new incurrence of Indebtedness subject to the provisions of Section 4.09 except with respect to, and solely to the extent of, any such excess that exists upon the initial incurrence of such Indebtedness).

"**Permitted Warehouse Indebtedness**" means Warehouse Indebtedness; *provided* that the excess (determined as of the most recent date for which internal financial statements are available), if any, of (x) the amount of any such Warehouse Indebtedness for which the holder thereof has contractual recourse to PHH or its Subsidiaries to satisfy claims with respect to such Warehouse Indebtedness (excluding recourse for matters such as fraud, misappropriation, breaches of representations and warranties and misapplication) over (y) the aggregate (without duplication of amounts) Realizable Value of the assets that secure such Warehouse Indebtedness shall not be Permitted Warehouse Indebtedness (but shall not be deemed to be a new incurrence of Indebtedness subject to the provisions of Section 4.09 except with respect to, and solely to the extent of, any such excess that exists upon the initial incurrence of such Indebtedness). The amount of any particular Permitted Warehouse Indebtedness as of any date of determination shall be calculated in accordance with GAAP (subject to the last sentence of the penultimate paragraph of the definition of "Indebtedness").

"**Person**" means an individual, partnership, corporation, limited liability company, unincorporated organization, trust or joint venture, or a governmental agency or political subdivision thereof.

"**Preferred Stock**" of any Person means any Capital Stock of such Person that has preferential rights to any other Capital Stock of such Person with respect to dividends or redemptions or upon liquidation.

"**Private Placement Legend**" means the legend set forth in Section 2.06(g)(i) to be placed on all Notes issued under this Indenture, except where otherwise permitted by the provisions of this Indenture.

"**QIB**" means a "qualified institutional buyer" as defined in Rule 144A.

"**Qualified Capital Stock**" means any Capital Stock that is not Disqualified Capital Stock.

"**Rating Agencies**" means Moody's and S&P.

"**Realizable Value**" of an asset means (i) with respect to any REO Asset, the value realizable upon the disposition of such asset as determined by PHH in its reasonable discretion and consistent with customary industry practice and (ii) with respect to any other asset, the lesser of (x) if applicable, the face value of such asset and (y) the market value of such asset as determined by PHH in accordance with the agreement governing the applicable Permitted Servicing Advance Facility Indebtedness, Permitted Warehouse Indebtedness, Permitted MSR Indebtedness or Permitted Residual Indebtedness, as the case may be (or, if such agreement does not contain any related provision, as determined by senior management of PHH in good faith); *provided*, *however*, that the realizable value of any asset described in clause (i) or (ii) above which an unaffiliated third party has a binding contractual commitment to purchase from PHH or any of its Restricted Subsidiaries shall be the minimum price payable to PHH or such Restricted Subsidiary for such asset pursuant to such contractual commitment.

"**Record Date**" for the interest payable on any applicable Interest Payment Date means March 1 or September 1 (whether or not a Business Day) next preceding such Interest Payment Date.

"**Refinance**" means, in respect of any security or Indebtedness, to refinance, extend, renew, refund, repay, prepay, redeem, defease or retire, or to issue a security or Indebtedness in exchange or replacement for, such security or Indebtedness in whole or in part. "**Refinanced**" and "**Refinancing**" shall have correlative meanings.

"**Refinancing Indebtedness**" means any Refinancing by PHH or any Subsidiary of PHH of Indebtedness incurred in accordance with clause (1), (3), (4), (13), (16), (17) or (28) of the definition of "Permitted Indebtedness" or incurred pursuant to Section 4.09(b), and in each case that does not:

(1) result in an increase in the aggregate principal amount of Indebtedness of such Person as of the date of such proposed Refinancing (or, if such Refinancing Indebtedness is issued with original issue discount, the aggregate issue price of such Indebtedness is not more than the aggregate principal amount of Indebtedness being refinanced) (*plus* the amount of any premium required to be paid under the terms of the instrument governing such Indebtedness and *plus* the amount of reasonable tender premiums, as determined in good faith by PHH, defeasance costs, accrued interest and fees and expenses incurred by PHH in connection with such Refinancing and amounts of Indebtedness otherwise permitted to be incurred under this Indenture); or

(2) create Indebtedness with a Weighted Average Life to Maturity that is less than the Weighted Average Life to Maturity of the Indebtedness being Refinanced or a scheduled final maturity earlier than the scheduled final maturity of the Indebtedness being Refinanced;

provided that (i) (a) if the Indebtedness being Refinanced is Indebtedness of the Issuer or a Guarantor, such Indebtedness that is incurred is incurred by the Issuer or any Guarantor or (b) if the Indebtedness being Refinanced is Indebtedness of a Restricted Subsidiary that is not a Guarantor, such Indebtedness that is incurred is incurred by PHH or any Restricted Subsidiary, and (ii) if such Indebtedness being Refinanced is subordinate or junior to the Notes or any Note Guarantee, then such Refinancing Indebtedness shall be subordinate and/or junior to the Notes or such Note Guarantee at least to the same extent and in the same manner as the Indebtedness being Refinanced.

"**Regulation S**" means Regulation S promulgated under the Securities Act.

"**Regulation S Global Note**" means a Regulation S Temporary Global Note or Regulation S Permanent Global Note, as applicable.

"**Regulation S Permanent Global Note**" means a permanent Global Note, substantially in the form of Exhibit A hereto, bearing the Global Note Legend and, if applicable, the OID Legend and deposited with or on behalf of and registered in the name of the Depositary or its nominee, issued in a denomination equal to the outstanding principal amount of the Regulation S Temporary Global Note upon expiration of the Restricted Period.

"**Regulation S Temporary Global Note**" means a temporary Global Note, substantially in the form of Exhibit A hereto, bearing the Global Note Legend, the Private Placement Legend, the Regulation S Temporary Global Note Legend and, if applicable, the OID Legend and deposited with or on behalf of and registered in the name of the Depositary or its nominee, issued in a denomination equal to the outstanding principal amount of the Notes initially sold in reliance on Rule 903.

"**Regulation S Temporary Global Note Legend**" means the legend set forth in Section 2.06(g)(iii).

"**REO Asset**" of a Person means a real estate asset owned by such Person and acquired as a result of the foreclosure or other enforcement of a lien on such asset securing a Servicing Advance or loans and other mortgage-related receivables.

"**Required Asset Sale**" means any Asset Sale that is a result of a repurchase right or obligation or a mandatory sale right or obligation related to (i) MSRs, (ii) pools or portfolios of MSRs, or (iii) the Capital Stock of any Person that holds MSRs or pools or portfolios of MSRs, which rights or obligations are either in existence on the Issue Date (or substantially similar in nature to such rights or obligations in existence on the Issue Date) or pursuant to the guidelines or regulations of a Specified Government Entity.

"**Residential Mortgage Loan**" means any residential mortgage loan, manufactured housing installment sale contract and loan agreement, home equity loan, home improvement loan, consumer installment sale contract or similar loan evidenced by a Residential Mortgage Note, and any installment sale contract, loan contract or chattel paper.

"**Residential Mortgage Note**" means a promissory note, bond or similar instrument evidencing indebtedness of an obligor under a Residential Mortgage Loan, including, without limitation, all related security interests and any and all rights to receive payments due thereunder.

"**Residual Funding Facility**" means any funding arrangement with a financial institution or institutions or other lenders or purchasers under which advances are made to PHH or any Restricted Subsidiary secured by Residual Interests.

"**Residual Interests**" means any residual, subordinated, reserve accounts and retained ownership interest held by PHH or a Restricted Subsidiary in Securitization Entities, Warehouse Facility Trusts and/or MSR Facility Trusts, regardless of whether required to appear on the face of the consolidated financial statements in accordance with GAAP.

"**Responsible Officer**" means, when used with respect to the Trustee or Collateral Trustee, any officer within the Corporate Trust Office of the Trustee or Collateral Trustee, as applicable, including any vice president, any assistant vice president, any trust officer, any assistant trust officer or any other officer of the Trustee or Collateral Trustee, as applicable, who customarily performs functions similar to those performed by the Persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of such Person's knowledge of and familiarity with the particular subject and in each case who shall have direct responsibility for the administration of this Indenture.

"**Restricted Definitive Note**" means a Definitive Note bearing, or that is required to bear, the Private Placement Legend and, if applicable, the OID Legend.

"**Restricted Global Note**" means a Global Note bearing, or that is required to bear, the Private Placement Legend and, if applicable, the OID Legend.

"**Restricted Investment**" means an Investment other than a Permitted Investment.

"**Restricted Period**" means the 40-day distribution compliance period as defined in Regulation S applicable to such Note.

"**Restricted Subsidiary**" of a Person means any Subsidiary of the referent Person that is not an Unrestricted Subsidiary. Unless the context requires otherwise, any reference herein to a "Restricted Subsidiary" or "Restricted Subsidiaries" shall mean each direct and indirect Subsidiary of PHH that is not then an Unrestricted Subsidiary.

"**Rule 144**" means Rule 144 promulgated under the Securities Act.

"**Rule 144A**" means Rule 144A promulgated under the Securities Act.

"**Rule 903**" means Rule 903 promulgated under the Securities Act.

"**Rule 904**" means Rule 904 promulgated under the Securities Act.

"**S&P**" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., and its successors.

"**SEC**" means the Securities and Exchange Commission.

"**Second Priority Obligations**" means (i) the indebtedness outstanding under the Parent Notes and the related documentation that is secured by a Permitted Lien permitted by clause (12) of the definition of "Permitted Liens," and all other obligations of Parent under Parent Notes and the related indenture and (ii) the Obligations relating to any Indebtedness incurred to Refinance the Parent Notes that does not:

(1) result in an increase in the aggregate principal amount of Indebtedness of Parent as of the date of such proposed Refinancing (or, if such Indebtedness is issued with original issue discount, the aggregate issue price of such Indebtedness is not more than the aggregate principal amount of Indebtedness being refinanced) (*plus* the amount of any premium required to be paid under the terms of the instrument governing such Indebtedness and *plus* the amount of reasonable tender premiums, as determined in good faith by Parent, defeasance costs, accrued interest and fees and expenses incurred by Parent in connection with such Refinancing); or

(2) create Indebtedness with a Weighted Average Life to Maturity that is less than the Weighted Average Life to Maturity of the Indebtedness being Refinanced or a scheduled final maturity earlier than the scheduled final maturity of the Indebtedness being Refinanced;

provided that (i) such Indebtedness that is incurred is incurred by Parent and (ii) such Indebtedness is either (x) unsecured or (y) secured by a junior priority lien on Parent Collateral, subject to the terms of the Junior Priority Intercreditor Agreement.

"**Second Priority Representative**" means (i) in the case of the Parent Notes, the Parent Notes Collateral Agent, and (ii) in the case of any other Second Priority Obligations, the trustee, administrative agent, collateral agent, security agent or similar representative for such Second Priority Obligations that is named as the representative in respect of such Second Priority Obligations in the applicable joinder agreement to the Junior Priority Intercreditor Agreement.

"**Securities Act**" means the Securities Act of 1933, as amended, or any successor statute or statutes thereto.

"**Securitization**" means a public or private transfer, sale or financing of (i) Servicing Advances, (ii) MSRs (other than MSRs relating to MTM MSR Indebtedness), (iii) mortgage loans, (iv) installment contracts, (v) deferred servicing fees, (vi) warehouse loans secured by mortgage loans, (vii) mortgage backed and other asset backed securities, including interest only securities, (viii) dealer floorplan loans and/or (ix) other loans and related assets, (x) other receivables or similar assets (or any interests in any of the foregoing) and any other asset capable of being securitized, (clauses (i)—(x) above, collectively, the "**Securitization Assets**") by which PHH or any of its Restricted Subsidiaries directly or indirectly securitizes a pool of specified Securitization Assets including, without limitation, any such transaction involving the sale of specified Securitization Assets to a Securitization Entity, but excluding any MTM MSR Indebtedness and any MSRs relating to MTM MSR Indebtedness.

"**Securitization Assets**" has the meaning specified in the definition of "Securitization."

"**Securitization Entity**" means (i) any Person (whether or not a Restricted Subsidiary of PHH) established for the purpose of issuing asset-backed or mortgaged-backed or mortgage pass-through securities of any kind (including collateralized mortgage obligations and net interest margin securities), (ii) any special purpose Subsidiary established for the purpose of selling, depositing or contributing Securitization Assets into a Person described in clause (i) or holding securities in any related Securitization Entity, regardless of whether such person is an issuer of securities; *provided* that such Person is not an obligor with respect to any Indebtedness of the Issuer or any Guarantor and (iii) any special purpose Subsidiary of PHH formed exclusively for the purpose of satisfying the requirements of Credit Enhancement Agreements and regardless of whether such Subsidiary is an issuer of securities; *provided* that such Person is not an obligor with respect to any Indebtedness of the Issuer or any Guarantor other than under Credit Enhancement Agreements.

"**Securitization Indebtedness**" means (i) Indebtedness of PHH or any of its Restricted Subsidiaries incurred pursuant to on-balance sheet Securitizations treated as financings and (ii) any Indebtedness consisting of advances made to PHH or any of its Restricted Subsidiaries based upon securities issued by a Securitization Entity pursuant to a Securitization and acquired or retained by PHH or any of its Restricted Subsidiaries.

"**Security Agreement**" means the Pledge and Security Agreement, substantially in the form attached hereto as Exhibit F, to be dated as of the Issue Date and entered into by the Issuer and each Guarantor, as it may be amended, restated, supplemented or otherwise modified from time to time.

"**Security Documents**" means the Security Agreement, the Intellectual Property Security Agreements and all other instruments, documents and agreements evidencing or creating or purporting to create any security interests in favor of the Collateral Trustee for its benefit and for the benefit of the Trustee and the Holders, in all or any portion of the Collateral, in each case, as amended, modified, restated, supplemented or replaced from time to time.

"**Servicing**" means loan servicing, sub-servicing rights, special servicing rights and master servicing rights and obligations including one or more of the following functions (or a portion thereof): (a) the administration and collection of payments for the reduction of principal and/or the application of interest on a loan (including for the avoidance of doubt, administering any loan modification and other loss mitigation efforts); (b) the collection of payments on account of taxes and insurance; (c) the remittance of appropriate portions of collected payments; (d) the provision of full escrow administration; (e) the right to receive fees and other compensation and any ancillary fees arising from or connected to the assets serviced, earnings and other benefits of the related accounts and, in each case, all rights, powers and privileges incident to any of the foregoing, and expressly includes the right to enter into arrangements with third Person that generate ancillary fees and benefits with respect to the serviced assets (whether such assets are serviced as primary servicer, sub-servicer, special servicer and/or master servicer); (f) the realization on the security for a loan (and the administration of any related REO Assets); and (g) any other obligation imposed on a servicer pursuant to a Servicing Agreement.

"**Servicing Advance Facility**" means any funding arrangement with lenders collateralized in whole or in part by Servicing Advances under which advances are made to PHH or any of its Restricted Subsidiaries based on such collateral.

"**Servicing Advances**" means the right to be reimbursed for advances made by PHH or any of its Restricted Subsidiaries in its capacity as servicer or any predecessor servicer of any mortgage-related receivables to fund principal, interest, escrow, foreclosure, insurance, tax or other payments or advances when the borrower on the underlying receivable is delinquent in making payments on such receivable; to enforce remedies, manage and liquidate REO Assets; or that PHH or any of its Restricted Subsidiaries otherwise advances in its capacity as servicer or any predecessor servicer pursuant to any Servicing Agreement.

"**Servicing Agreements**" means any servicing agreements (including whole loan servicing agreements for portfolios of whole mortgage loans), pooling and servicing agreements, interim servicing agreements and other servicing agreements, and any other agreement governing the rights, duties and obligations of either PHH or any Restricted Subsidiary, as a servicer, under such servicing agreements, including the servicing guide of any Specified Government Entities, as a servicer, under such servicing agreements (including for the avoidance of doubt, any agreements related to primary servicing, sub-servicing, special servicing and master servicing).

"**Significant Subsidiary**" with respect to any Person, means any Subsidiary of such Person that satisfies the criteria for a "significant subsidiary" set forth in Rule 1-02 of Regulation S-X under the Exchange Act, as such regulation is in effect on the Issue Date.

"**Specified Deferred Servicing Fees**" means the right to payment, whether now or hereafter acquired or created, of deferred fees payable to PHH and its Restrictive Subsidiaries under each of the Servicing Agreements; *provided*, *however*, that "Specified Deferred Servicing Fees" shall not include any rights to repayment of Servicing Advances.

"**Specified Government Entities**" means the Federal Housing Administration, Veterans Administration, Ginnie Mae, Fannie Mae, Freddie Mac or other similar governmental agencies or government sponsored programs.

"**Specified Loan Value**" means (i) the fair value of all receivables evidencing loans made to unaffiliated third parties, any interest in the real properties or other collateral underlying such loans and any proceeds thereof held by PHH and its Restricted Subsidiaries on a consolidated basis less (ii) the aggregate outstanding amount of Indebtedness under any repurchase agreement or other financing agreement that is secured by and attributable to such loans.

"**Specified MSR Value**" means the value of all MSRs of PHH and its Restricted Subsidiaries, as such value is determined by PHH in good faith using the same methodology that PHH uses when preparing its financial statements. For the avoidance of doubt, "Specified MSR Value" shall not include the value of any Specified Deferred Servicing Fees.

"**Specified MSRs**" means MSRs owned by the Parent, PHH and any Grantor (other than MSRs relating to Servicing Agreements entered into with Specified Government Entities); *provided, however*, that "Specified MSRs" shall not include any rights to repayment of Servicing Advances.

"**Specified Net Servicing Advances**" means the amount of (i) the sum of (A) the book value of all Servicing Advances (including, but not limited to, all Unencumbered Servicing Advances) and (B) all deferred servicing fees that are pledged pursuant to any Servicing Advance Facility, less (ii) the aggregate outstanding amounts under any Servicing Advance Facility.

"**Specified Residual Value**" means (i) the fair value of all Residual Interests held by PHH and its Restricted Subsidiaries on a consolidated basis *less* (ii) the aggregate outstanding amount of Indebtedness under any Residual Funding Facility.

"**Subsidiary,**" with respect to any Person, means:

(1) any corporation of which the outstanding Capital Stock having at least a majority of the votes entitled to be cast in the election of directors under ordinary circumstances shall at the time be owned, directly or indirectly, by such Person; or

(2) any other Person of which at least a majority of the voting interest under ordinary circumstances is at the time, directly or indirectly, owned by such Person.

"**Tangible Net Worth**" means (i) the Total Assets of Parent and its Subsidiaries less (1) goodwill and (2) intangible assets of Parent and its Subsidiaries, less (ii) Parent's and its Subsidiaries' Total Liabilities, in each case determined on a consolidated basis in accordance with GAAP, as shown on the most recent balance sheet of Parent.

"**Total Assets**" means the total assets of Parent and its Subsidiaries or PHH and its Restricted Subsidiaries, as applicable, determined on a consolidated basis in accordance with GAAP, as shown on the most recent balance sheet of Parent.

"**Total Liabilities**" means the total liabilities of Parent and its Subsidiaries or PHH and its Restricted Subsidiaries, as applicable, determined on a consolidated basis in accordance with GAAP, as shown on the most recent balance sheet of Parent.

"**Total LTV Ratio**" means (I) as of the last date of any Fiscal Quarter, the loan-to-value ratio as of such date of (i) the aggregate principal amount of the Corporate Indebtedness then outstanding to (ii) the sum of:

(A) Specified Net Servicing Advances, plus

(B) Specified Deferred Servicing Fees that are subject to a valid and perfected First Priority Lien in favor of the Collateral Trustee for its benefit and the benefit of the Holders of the Notes and in favor of any collateral agent for its benefit and the benefit of any other First Priority Secured Parties, plus

(C) the excess of Specified MSR Value over the aggregate outstanding principal balance of MTM MSR Indebtedness and Permitted MSR Indebtedness to the extent advanced with respect to MSRs, plus

(D) the greater of zero and the result of (x) the sum of (i) all Unrestricted Cash of the Issuer and the Guarantors that is subject to a valid and perfected First Priority Lien in favor of the Collateral Trustee for its benefit of and the benefit of the Holders of the Notes and in favor of any collateral agent for its benefit and the benefit of the Holders of the Notes and in favor of any collateral agent for its benefit and the benefit of any other First Priority Secured Parties and (ii) up to $40 million in the aggregate of Unrestricted Cash of any Restricted Subsidiary that is not a Guarantor to the extent that such cash may be freely distributed by such Restricted Subsidiary to the Issuer or a Guarantor minus (y) $50 million, plus

(E) Advance Facility Reserves, plus

(F) Specified Loan Value, plus

(G) Specified Residual Value, plus

(H) without duplication of clause (D), the fair value of marketable securities held by PHH and its Subsidiaries that are subject to a valid and perfected First Priority Lien in favor of the Collateral Trustee for its benefit and the benefit of the Holders of the Notes and in favor of any collateral agent for its benefit and the benefit of any other First Priority Secured Parties as of the last day of the most recently ended Fiscal Quarter for which financial statements have been delivered to the Holders pursuant to Section 4.03;

provided that the foregoing calculations in clause (ii) shall not include (x) any assets that have a negative value and (y) any Excess Servicing Strips; and (II) as of any other date of determination, the amount set forth in clause (I) above as of the last day of the calendar month most recently ended for which internal financial statements are available, as calculated on a pro forma basis after giving effect to any Corporate Indebtedness incurred on such date.

"**Treasury Rate**" means, as determined by the Issuer, with respect to any redemption date, the weekly average rounded to the nearest 1/100th of a percentage point (for the most recently completed week for which such information is available as of the date that is two Business Days prior to the redemption date) of the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H. 15 with respect to each applicable day during such week (or, if such statistical release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from such redemption date to March 15, 2023; *provided*, *however*, that if no published maturity exactly corresponds with such date, then the Treasury Rate shall be interpolated or extrapolated on a straight-line basis from the arithmetic mean of the yields for the next shortest and next longest published maturities; *provided*, *further*, *however*, that if the period from such redemption date to March 15, 2023, is less than one year, the weekly average yield on actively traded United States Treasury securities adjusted to a constant maturity of one year will be used.

"**Trust Indenture Act**" means the Trust Indenture Act of 1939, as amended (15 U.S.C. §§ 77aaa-777bbbb).

"**Trustee**" means Wilmington Trust, National Association, as trustee, until a successor replaces it in accordance with the applicable provisions of this Indenture and thereafter means the successor serving hereunder.

"**UCC**" means the Uniform Commercial Code (or any similar or equivalent legislation) as in effect in any applicable jurisdiction.

"**Unencumbered Servicing Advances**" means all rights to reimbursement or payment, whether now or hereafter acquired or created, of any Servicing Advances that do not collateralize or secure any Servicing Advance Facility, and includes, in any event, all rights to reimbursement or payment of Servicing Advances pursuant to the Servicing Agreements.

"**Unrestricted Cash**" means all unrestricted cash and Cash Equivalents of PHH and its consolidated Subsidiaries that are not required to be reserved by such Person in a restricted escrow arrangement or other similarly restricted arrangement pursuant to a contractual agreement or requirement of law. For purposes of clarification, Cash or Cash Equivalents that are deposited into an account with respect to which such Person has the sole right of withdrawal of such cash or Cash Equivalents and are available for use by such Person in its business without restriction shall be considered unrestricted regardless of whether there is a Lien on such account.

"**Unrestricted Definitive Note**" means one or more Definitive Notes, substantially in the form of Exhibit A hereto, that bear, if applicable, the OID Legend and that do not bear and are not required to bear the Private Placement Legend.

"**Unrestricted Global Note**" means a permanent Global Note, substantially in the form of Exhibit A hereto, that bears the Global Note Legend and, if applicable, the OID Legend and that has the "Schedule of Exchanges of Interests in the Global Note" attached thereto, and that is deposited with or on behalf of and registered in the name of the Depositary, representing Notes that do not bear and are not required to bear the Private Placement Legend.

"**Unrestricted Subsidiary**" means any Subsidiary of PHH that is designated by the Board of Directors of PHH as an Unrestricted Subsidiary pursuant to a Board Resolution, but only to the extent that such Subsidiary:

(1) has no Indebtedness other than Non-Recourse Indebtedness and other Indebtedness that is not recourse to PHH or any Restricted Subsidiary or any of their assets;

(2) except as permitted by Section 4.11, is not party to any agreement, contract, arrangement or understanding with PHH or any Restricted Subsidiary of PHH unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to PHH or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of PHH;

(3) is a Person with respect to which neither PHH nor any of its Restricted Subsidiaries has any direct or indirect obligation (a) to subscribe for additional Equity Interests or (b) to maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results; and

(4) has not guaranteed or otherwise directly or indirectly provided credit support for any Indebtedness of PHH or any of its Restricted Subsidiaries.

For the avoidance of doubt, in no event shall the Issuer constitute an Unrestricted Subsidiary.

"**U.S. Person**" means a U.S. person as defined in Rule 902(k) under the Securities Act.

"**Voting Stock**" of any Person as of any date means the Capital Stock of such Person that is at the time entitled to vote in the election of the Board of Directors of such Person.

"**Warehouse Facility**" means any financing arrangement of any kind, including, but not limited to, financing arrangements in the form of repurchase facilities, loan agreements, note and/or other security issuance facilities and commercial paper facilities (excluding in all cases, Securitizations), with a financial institution or other lender or purchaser exclusively to (i) either (x) finance or refinance the purchase, origination or funding by PHH or a Restricted Subsidiary of PHH of, or (y) provide funding to PHH or a Restricted Subsidiary of PHH through the pledge or transfer of, loans, mortgage-related securities (excluding securities related solely to MSRs) and other mortgage-related receivables (or any interest therein) purchased or originated by PHH or any Restricted Subsidiary of PHH in the ordinary course of business, (ii) finance or refinance Servicing Advances; (iii) finance or refinance REO Assets related to loans and other mortgage-related receivables purchased or originated by PHH or any Restricted Subsidiary of PHH or (iv) finance or refinance any Securitization Asset*; provided* that such purchase, origination, pooling, funding refinancing and carrying is in the ordinary course of business. Notwithstanding anything to the contrary, in no event shall a Warehouse Facility include any financing arrangement with respect to MSRs related to MTM MSR Indebtedness.

"**Warehouse Facility Trusts**" means any Person (whether or not a Subsidiary of PHH) established for the purpose of issuing notes or other securities in connection with a Warehouse Facility, which notes and securities are backed by (i) specified loans, mortgage-related securities and other receivables purchased by, and/or contributed to, such Person from PHH or any Restricted Subsidiary of PHH; (ii) specified Servicing Advances purchased by, and/or contributed to, such Person from PHH or any other Restricted Subsidiary of PHH; or (iii) the carrying of REO Assets related to loans and other receivables purchased by, and/or contributed to, such Person or any Restricted Subsidiary of PHH.

"**Warehouse Indebtedness**" means Indebtedness in connection with a Warehouse Facility; *provided* that the amount of any particular Warehouse Indebtedness as of any date of determination shall be calculated in accordance with GAAP.

"**Weighted Average Life to Maturity**" means, when applied to any Indebtedness, Disqualified Capital Stock or Preferred Stock, as the case may be, at any date, the number of years obtained by dividing: (1) the then outstanding aggregate principal amount of such Indebtedness or redemption or similar payment with respect to such Disqualified Capital Stock or Preferred Stock into (2) the sum of the total of the products obtained by multiplying (i) the amount of each then remaining scheduled installment, sinking fund, serial maturity or other required scheduled payment of principal, including payment at final maturity, in respect thereof, by (ii) the number of years (calculated to the nearest one-twelfth) which will elapse between such date and the making of such payment.

"**Wholly Owned Restricted Subsidiary**" of any Person means any Restricted Subsidiary of such Person of which all the outstanding voting securities (other than in the case of a Foreign Subsidiary, directors' qualifying shares or an immaterial amount of shares required to be owned by other Persons pursuant to applicable law) are owned by such Person or any Wholly Owned Restricted Subsidiary of such Person.

"**Wholly Owned Subsidiary**" of any Person means any Subsidiary of such Person of which all the outstanding voting securities (other than in the case of a Foreign Subsidiary, directors' qualifying shares or an immaterial amount of shares required to be owned by other Persons pursuant to applicable law) are owned by such Person or any Wholly Owned Subsidiary of such Person.

SECTION 1.02 *Other Definitions.*

Term	**Defined in Section**
"Acceptable Commitment"	4.10
"Affiliate Transaction"	4.11
"Applicable Law"	13.18
"Authentication Order"	2.02
"Asset Sale Offer"	4.10
"Change of Control Offer"	4.14
"Change of Control Payment"	4.14
"Change of Control Payment Date"	4.14
"Covenant Defeasance"	8.03
"DTC"	2.03
"Event of Default"	6.01
"Excess Proceeds"	4.10
"incur"	4.09
"Legal Defeasance"	8.02
"Note Register"	2.03
"notice of acceleration":	6.02
"Offer Amount"	3.09
"Offer Period"	3.09
"Pari Passu Debt"	4.10
"Paying Agent"	2.03
"Purchase Date"	3.09
"Registrar"	2.03
"Restricted Payment"	4.07
"Reversion Date"	4.18
"Security Document Order"	11.05
"Surviving Entity"	5.01
"Suspended Covenants	4.18
"Suspension Period"	4.18
"Tax Payments"	1.01

SECTION 1.03. [Reserved].

SECTION 1.04. *Rules of Construction.* Unless the context otherwise requires:

(a) term has the meaning assigned to it;

(b) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;

(c) "or" is not exclusive;

(d) words in the singular include the plural, and in the plural include the

singular;

(e) "including" means including without limitation;

(f) "will" shall be interpreted to express a command;

(g) provisions apply to successive events and transactions;

(h) references to sections of, or rules under, the Securities Act shall be deemed to include substitute, replacement or successor sections or rules adopted by the SEC from time to time;

(i) unless the context otherwise requires, any reference to an "Article," "Section" or "clause" refers to an Article, Section or clause, as the case may be, of this Indenture; and

(j) the words "herein," "hereof' and "hereunder" and other words of similar import refer to this Indenture as a whole and not any particular Article, Section, clause or other subdivision.

SECTION 1.01. *Acts of Holders*.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by an agent duly appointed in writing. Except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments or record or both are delivered to the Trustee and, where it is hereby expressly required, to the Issuer. Proof of execution of any such instrument or of a writing appointing any such agent, or the holding by any Person of a Note, shall be sufficient for any purpose of this Indenture and (subject to Section 7.01) conclusive in favor of the Trustee and the Issuer, if made in the manner provided in this Section 1.05.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Where such execution is by or on behalf of any legal entity other than an individual, such certificate or affidavit shall also constitute proof of the authority of the Person executing the same. The fact and date of the execution of any such instrument or writing, or the authority of the Person executing the same, may also be proved in any other manner that the Trustee deems sufficient.

(c) The ownership of Notes shall be proved by the Note Register.

(d) Any request, demand, authorization, direction, notice, consent, waiver or other action by the Holder of any Note shall bind every future Holder of the same Note and the Holder of every Note issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof, in respect of any action taken, suffered or omitted by the Trustee, Collateral Trustee or the Issuer in reliance thereon, whether or not notation of such action is made upon such Note.

(e) The Issuer may set a record date for purposes of determining the identity of Holders entitled to give any request, demand, authorization, direction, notice, consent, waiver or take any other act, or to vote or consent to any action by vote or consent authorized or permitted to be given or taken by Holders. Unless otherwise specified, if not set by the Issuer prior to the first solicitation of a Holder made by any Person in respect of any such action, or in the case of any such vote, prior to such vote, any such record date shall be the later of 30 days prior to the first solicitation of such consent or the date of the most recent list of Holders furnished to the Trustee prior to such solicitation.

(f) Without limiting the foregoing, a Holder entitled to take any action hereunder with regard to any particular Note may do so with regard to all or any part of the principal amount of such Note or by one or more duly appointed agents, each of which may do so pursuant to such appointment with regard to all or any part of such principal amount. Any notice given or action taken by a Holder or its agents with regard to different parts of such principal amount pursuant to this paragraph shall have the same effect as if given or taken by separate Holders of each such different part.

(g) Without limiting the generality of the foregoing, a Holder, including any Depositary that is the Holder of a Global Note, may make, give or take, by a proxy or proxies duly appointed in writing, any request, demand, authorization, direction, notice, consent, waiver or other action provided in this Indenture to be made, given or taken by Holders, and DTC that is the Holder of a Global Note may provide its proxy or proxies to the beneficial owners of interests in any such Global Note through such Depositary's standing instructions and customary practices.

(h) The Issuer may fix a record date for the purpose of determining the Persons who are beneficial owners of interests in any Global Note held by any Depositary entitled under the procedures of such Depositary to make, give or take, by a proxy or proxies duly appointed in writing, any request, demand, authorization, direction, notice, consent, waiver or other action provided in this Indenture to be made, given or taken by Holders. If such a record date is fixed, the Holders on such record date or their duly appointed proxy or proxies, and only such Persons, shall be entitled to make, give or take such request, demand, authorization, direction, notice, consent, waiver or other action, whether or not such Holders remain Holders after such record date. No such request, demand, authorization, direction, notice, consent, waiver or other action shall be valid or effective if made, given or taken more than 90 days after such record date.

ARTICLE 2
THE NOTES

SECTION 2.01. *Form and Dating; Terms.*

(a) *General*. The Notes and the Trustee's certificate of authentication shall be substantially in the form of Exhibit A hereto. The Notes may have notations, legends or endorsements required by law, stock exchange rules or usage. Each Note shall be dated the date of its authentication. The Notes shall be in minimum denominations of $2,000 and any integral multiple of $1,000 in excess thereof.

(b) *Global Notes.* Global Notes shall be substantially in the form of Exhibit A hereto (including the Global Note Legend thereon and the "Schedule of Exchanges of Interests in the Global Note" attached thereto). Definitive Notes shall be substantially in the form of Exhibit A hereto (but without the Global Note Legend thereon and without the "Schedule of Exchanges of Interests in the Global Note" attached thereto). Each Global Note shall represent such of the outstanding Notes as shall be specified therein and each shall represent the aggregate principal amount of outstanding Notes from time to time endorsed thereon and the aggregate principal amount of outstanding Notes represented thereby may from time to time be reduced or increased, as appropriate, to reflect transfers, exchanges and redemptions. Any endorsement of a Global Note to reflect the amount of any increase or decrease in the aggregate principal amount of outstanding Notes represented thereby shall be made by the Trustee, in accordance with instructions given by the Holder thereof as required by Section 2.06.

(c) *Temporary Global Notes.* Notes offered and sold in reliance on Regulation S shall be issued initially in the form of the Regulation S Temporary Global Note, which shall be deposited on behalf of the purchasers of the Notes represented thereby with the Trustee, as Custodian for the Depositary, and registered in the name of the Depositary or the nominee of the Depositary for the accounts of designated agents holding on behalf of Euroclear or Clearstream, duly executed by the Issuer and authenticated by the Trustee as hereinafter provided. The Restricted Period shall be terminated upon the receipt by the Trustee of:

(i) a written certificate or other evidence in a form reasonably acceptable to the Issuer of non-United States beneficial ownership of 100% of the aggregate principal amount of the Regulation S Temporary Global Note (except to the extent of any beneficial owners thereof who acquired an interest therein during the Restricted Period pursuant to another exemption from registration under the Securities Act and who shall take delivery of a beneficial ownership interest in a 144A Global Note bearing a Private Placement Legend, all as contemplated by Section 2.06(b)); and

(ii) an Officers' Certificate from the Issuer.

Following the termination of the Restricted Period, upon receipt of an Issuer Order, beneficial interests in the Regulation S Temporary Global Note shall be exchanged for beneficial interests in the Regulation S Permanent Global Note pursuant to the Applicable Procedures. Simultaneously with the authentication of the Regulation S Permanent Global Note, the Trustee shall cancel the Regulation S Temporary Global Note, following which temporary beneficial interests in the Regulation S Temporary Global Note shall automatically become beneficial interests in the Regulation S Permanent Global Note. The aggregate principal amount of the Regulation S Temporary Global Note and the Regulation S Permanent Global Note may from time to time be increased or decreased by adjustments made on the records of the Trustee and the Depositary or its nominee, as the case may be, in connection with transfers of interest as hereinafter provided.

(d) *Terms.* The aggregate principal amount of Notes that may be authenticated and delivered under this Indenture is unlimited, subject to the limitations in Sections 4.09 and 4.12.

The terms and provisions contained in the Notes shall constitute, and are hereby expressly made, a part of this Indenture and the Issuer, the Guarantors, if any, and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby. However, to the extent any provision of any Note conflicts with the express provisions of this Indenture, the provisions of this Indenture shall govern and be controlling.

The Notes shall be subject to repurchase by the Issuer pursuant to an Asset Sale Offer as provided in Section 4.10 or a Change of Control Offer as provided in Section 4.14. The Notes shall not be redeemable, other than as provided in Article 3.

Additional Notes ranking *pari passu* with the Initial Notes may be created and issued from time to time by the Issuer without notice to or consent of the Holders and shall be consolidated with and form a single class with the Initial Notes and shall have the same terms as to status, waivers, amendments, offers to repurchase, redemption or otherwise as the Initial Notes (but not as to issue date, issue price, first payment date or interest accruing prior to such first payment date); *provided* that if any such Additional Notes are not fungible with the Initial Notes for U.S. federal income tax purposes, such Additional Notes shall have a separate CUSIP number; *provided*, *further*, that the Issuer's ability to issue Additional Notes shall be subject to the Issuer's compliance with Sections 4.09 and 4.12.

(e) *Euroclear and Clearstream Applicable Procedures*. The provisions of the "Operating Procedures of the Euroclear System" and "Terms and Conditions Governing Use of Euroclear" and the "General Terms and Conditions of Clearstream Banking" and "Customer Handbook" of Clearstream shall be applicable to transfers of beneficial interests in the Regulation S Temporary Global Note and the Regulation S Permanent Global Notes that are held by Participants through Euroclear or Clearstream and such provisions shall supersede the provisions in Section 2.06, as applicable, to the extent that they conflict with such provisions, with respect to such transfers.

SECTION 2.02. *Execution and Authentication.* At least one Officer of the Issuer shall execute the Notes on behalf of the Issuer by manual, electronic or facsimile signature.

If an Officer whose signature is on a Note no longer holds that office at the time a Note is authenticated, the Note shall nevertheless be valid.

A Note shall not be entitled to any benefit under this Indenture or be valid or obligatory for any purpose until authenticated substantially in the form of Exhibit A hereto, as the case may be, by the manual signature of the Trustee. The signature shall be conclusive evidence that the Note has been duly authenticated and delivered under this Indenture.

On the Issue Date, the Trustee shall, upon receipt of an Issuer Order to authenticate (an "**Authentication Order**") the Initial Notes, authenticate and deliver the Initial Notes. In addition, at any time, from time to time, the Trustee shall, upon receipt of a Board Resolution and an Authentication Order, authenticate and deliver any Additional Notes for an aggregate principal amount specified in such Authentication Order for such Additional Notes issued hereunder. Such Authentication Order shall specify the amount of the Notes to be authenticated and, in case of any issuance of Additional Notes pursuant to Section 2.01, shall certify that such issuance is in compliance with Section 4.09.

The Trustee may appoint an authenticating agent acceptable to the Issuer to authenticate Notes. An authenticating agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent has the same rights as an Agent to deal with Holders or an Affiliate of the Issuer.

SECTION 2.03. *Registrar and Paying Agent.* The Issuer shall (a) maintain an office or agency where Notes may be presented for registration of transfer or for exchange ("**Registrar**") and (b) an office or agency where Notes may be presented for payment ("**Paying Agent**"). The Registrar shall keep a register of the Notes ("**Note Register**") and of their transfer and exchange. The registered Holder of a Note shall be treated as the owner of the Note for all purposes. The Issuer may appoint one or more co-registrars and one or more additional paying agents. The term "Registrar" includes any co-registrar and the term "Paying Agent" includes any additional paying agent. The Issuer may change any Paying Agent or Registrar without prior notice to any Holder. The Issuer shall notify the Trustee in writing of the name and address of any Agent not a party to this Indenture. If the Issuer fails to appoint or maintain another entity as Registrar or Paying Agent, the Trustee shall act as such. The Issuer or any of its Subsidiaries may act as Paying Agent or Registrar.

The Issuer initially appoints The Depository Trust Company ("**DTC**") to act as Depositary with respect to the Global Notes representing the Notes.

The Issuer initially appoints the Trustee to act as the Paying Agent and Registrar for the Notes and to act as Custodian with respect to the Global Notes.

SECTION 2.04. *Paying Agent to Hold Money in Trust.* The Issuer shall require each Paying Agent other than the Trustee to agree in writing that the Paying Agent shall hold in trust for the benefit of Holders or the Trustee all money held by the Paying Agent for the payment of principal, premium, if any, interest on the Notes, and will notify the Trustee of any default by the Issuer in making any such payment. While any such default continues, the Trustee may require a Paying Agent to pay all money held by it to the Trustee. The Issuer at any time may require a Paying Agent to pay all money held by it to the Trustee. Upon payment over to the Trustee, the Paying Agent (if other than the Issuer or a Subsidiary) shall have no further liability for the money. If the Issuer or a Subsidiary acts as Paying Agent, it shall segregate and hold in a separate trust fund for the benefit of the Holders all money held by it as Paying Agent. Upon any bankruptcy or reorganization proceedings relating to the Issuer, the Trustee shall serve as Paying Agent for the Notes.

SECTION 2.05. *Holder Lists.* The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of all Holders and shall otherwise comply with Trust Indenture Act Section 312(a). If the Trustee is not the Registrar, the Issuer shall furnish to the Trustee at least ten Business Days before each Interest Payment Date and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of the Holders of Notes and the Issuer shall otherwise comply with Trust Indenture Act Section 312(a).

SECTION 2.06. *Transfer and Exchange*.

(a) *Transfer and Exchange of Global Notes*. Except as otherwise set forth in this Section 2.06, a Global Note may be transferred, in whole and not in part, only to another nominee of the Depositary or to a successor Depositary or a nominee of such successor Depositary. A beneficial interest in a Global Note may not be exchanged for a Definitive Note unless (i) the Depositary (x) notifies the Issuer that it is unwilling or unable to continue as Depositary for such Global Note or (y) has ceased to be a clearing agency registered under the Exchange Act and, in either case, a successor Depositary is not appointed by the Issuer within 90 days after the date of such notice from the Depositary, (ii) subject to the procedures of the Depositary, the Issuer, at its option, notifies the Trustee in writing that it elects to cause the issuance of the Definitive Notes, *provided* that in no event shall Definitive Notes be issued upon the transfer or exchange of beneficial interests in the Regulation S Temporary Global Note prior to (A) the

expiration of the Restricted Period and (B) the receipt by the Registrar of any certificates required pursuant to Rule 903, (iii) there shall have occurred and be continuing a Default or Event of Default with respect to the Notes, or (iv) upon prior written notice given to the Trustee by or on behalf of the Depositary in accordance with this Indenture. Upon the occurrence of any of the preceding events in clauses (i), (ii), (iii) or (iv), Definitive Notes delivered in exchange for any Global Note or beneficial interests in Global Notes will be registered in the names, and issued in any approved denominations, requested by or on behalf of the Depositary (in accordance with its customary procedures) and will bear the applicable restricted legends required pursuant to Section 2.01 and this Section 2.06. Global Notes also may be exchanged or replaced, in whole or in part, as provided in Sections 2.07 and 2.10. Every Note authenticated and delivered in exchange for, or in lieu of, a Global Note or any portion thereof, pursuant to this Section 2.06 or Sections 2.07 or 2.10, shall be authenticated and delivered in the form of, and shall be, a Global Note, except for Definitive Notes issued subsequent to any of the preceding events in clauses (i), (ii), (iii) or (iv) and pursuant to Section 2.06(c). A Global Note may not be exchanged for another Note other than as provided in this Section 2.06; *provided*, *however*, that beneficial interests in a Global Note may be transferred and exchanged as provided in Section 2.06(b), (c) or (f).

(b) *Transfer and Exchange of Beneficial Interests in the Global Notes.* The transfer and exchange of beneficial interests in the Global Notes shall be effected through the Depositary, in accordance with the provisions of this Indenture and the Applicable Procedures. Beneficial interests in the Restricted Global Notes shall be subject to restrictions on transfer comparable to those set forth herein to the extent required by the Securities Act. Transfers of beneficial interests in the Global Notes also shall require compliance with either subparagraph (i) or (ii) below, as applicable, as well as one or more of the other following subparagraphs, as applicable:

(i) *Transfer of Beneficial Interests in the Same Global Note*. Beneficial interests in any Restricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in the same Restricted Global Note in accordance with the transfer restrictions set forth in the Private Placement Legend; *provided*, *however*, that prior to the expiration of the Restricted Period, transfers of beneficial interests in the Regulation S Temporary Global Note may not be made to a U.S. Person or for the account or benefit of a U.S. Person (other than an initial purchaser). Beneficial interests in any Unrestricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note. No written orders or instructions shall be required to be delivered to the Registrar to effect the transfers described in this Section 2.06(b)(i).

(ii) *All Other Transfers and Exchanges of Beneficial Interests in Global Notes*. In connection with all transfers and exchanges of beneficial interests that are not subject to Section 2.06(b)(i), the transferor of such beneficial interest must deliver to the Registrar either (A) (1) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to credit or cause to be credited a beneficial interest in another Global Note in an amount equal to the beneficial interest to be transferred or exchanged and (2) instructions given in accordance with the Applicable Procedures containing information regarding the Participant account to be credited with such increase or (B) (1) a written order from a Participant or an Indirect Participant given to the Depositary in accordance with the Applicable Procedures directing the Depositary to cause to be issued a Definitive Note in an amount equal to the beneficial interest to be transferred or exchanged and (2) instructions given by the Depositary to the Registrar containing information regarding the Person in whose name such Definitive Note shall be registered to effect the transfer or exchange referred to in (1) above; *provided* that in no event shall Definitive Notes be issued upon the transfer or exchange of beneficial interests in the Regulation S Temporary Global Note prior to (A) the expiration of the Restricted Period and (B) the receipt by the Registrar of any certificates required pursuant to Rule 903. Upon satisfaction of all of the requirements for transfer or exchange of beneficial interests in Global Notes contained in this Indenture and the Notes or otherwise applicable under the Securities Act, the Trustee shall adjust the principal amount of the relevant Global Note(s) pursuant to Section 2.06(h).

(iii) *Transfer of Beneficial Interests to Another Restricted Global Note*. A beneficial interest in any Restricted Global Note may be transferred to a Person who takes delivery thereof in the form of a beneficial interest in another Restricted Global Note if the transfer complies with the requirements of Section 2.06(b)(ii) and the Registrar receives the following:

(A) if the transferee will take delivery in the form of a beneficial interest in the 144A Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof; or

(B) if the transferee will take delivery in the form of a beneficial interest in the Regulation S Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof.

(iv) *Transfer and Exchange of Beneficial Interests in a Restricted Global Note for Beneficial Interests in an Unrestricted Global Note*. A beneficial interest in any Restricted Global Note may be exchanged by any holder thereof for a beneficial interest in an Unrestricted Global Note or transferred to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note if the exchange or transfer complies with the requirements of Section 2.06(b)(ii) and the Registrar receives the following:

)1) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a beneficial interest in an Unrestricted Global Note, a certificate from such Holder substantially in the form of Exhibit C hereto, including the certifications in item (1)(a) thereof; or

i.if the holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note, a certificate from such holder in the form of Exhibit B hereto, including the certificates in item (4) thereof;

and, in each such case set forth in this clause (iv), an Opinion of Counsel to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

If any such transfer is effected pursuant to clause (iv) above at a time when an Unrestricted Global Note has not yet been issued, the Issuer shall issue and, upon receipt of an Authentication Order in accordance with Section 2.02, the Trustee shall authenticate one or more Unrestricted Global Notes in an aggregate principal amount equal to the aggregate principal amount of beneficial interests transferred pursuant to clause (iv) above.

Beneficial interests in an Unrestricted Global Note cannot be exchanged for, or transferred to Persons who take delivery thereof in the form of, a beneficial interest in a Restricted Global Note.

(c) *Transfer or Exchange of Beneficial Interests for Definitive Notes.*

(i) *Beneficial Interests in Restricted Global Notes to Restricted Definitive Notes.* If any holder of a beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Restricted Definitive Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Restricted Definitive Note, then, upon the occurrence of any of the events in clauses (i), (ii), (iii) or (iv) of Section 2.06(a) and receipt by the Registrar of the following documentation:

(A) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Restricted Definitive Note, a certificate from such holder substantially in the form of Exhibit C hereto, including the certifications in item (2)(a) thereof;

(B) if such beneficial interest is being transferred to a QIB in accordance with Rule 144A, a certificate substantially in the form of Exhibit B hereto, including the certifications in item (1) thereof;

(C) if such beneficial interest is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904, a certificate substantially in the form of Exhibit B hereto, including the certifications in item (2) thereof;

(D) if such beneficial interest is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144, a certificate substantially in the form of Exhibit B hereto, including the certifications in item (3)(a) thereof;

(E) if such beneficial interest is being transferred to the Issuer or any of its Subsidiaries, a certificate substantially in the form of Exhibit B hereto, including the certifications in item (3)(b) thereof; or

(F) if such beneficial interest is being transferred pursuant to an effective registration statement under the Securities Act, a certificate substantially in the form of Exhibit B hereto, including the certifications in item (3)(c) thereof,

the Trustee shall cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.06(h), and the Issuer shall execute and the Trustee shall authenticate and mail to the Person designated in the instructions a Definitive Note in the applicable principal amount. Any Definitive Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 2.06(c) shall be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest shall instruct the Registrar through instructions from the Depositary and the Participant or Indirect Participant. The Trustee shall mail such Definitive Notes to the Persons in whose names such Notes are so registered. Any Definitive Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 2.06(c)(i) shall bear the Private Placement Legend and shall be subject to all restrictions on transfer contained herein and therein.

(ii) *Beneficial Interests in Regulation S Temporary Global Note to Definitive Notes.* Notwithstanding Sections 2.06(c)(i)(A) and (C), a beneficial interest in the Regulation S Temporary Global Note may not be exchanged for a Definitive Note or transferred to a Person who takes delivery thereof in the form of a Definitive Note prior to (A) the expiration of the Restricted Period and (B) the receipt by the Registrar of a certificate substantially in the form of Exhibit B (with item 2 of such certification being checked), except in the case of a transfer pursuant to an exemption from the registration requirements of the Securities Act other than Rule 903 or Rule 904.

(iii) *Beneficial Interests in Restricted Global Notes to Unrestricted Definitive Notes.* A holder of a beneficial interest in a Restricted Global Note may exchange such beneficial interest for an Unrestricted Definitive Note or may transfer such beneficial interest to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note only upon the occurrence of any of the events in clauses (i), (ii), (iii) or (iv) of Section 2.06(a) and if the Registrar receives the following:

(1) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for an Unrestricted Definitive Note, a certificate from such holder substantially in the form of Exhibit C hereto, including the certifications in item (1)(b) thereof; or

(2) if the holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of an Unrestricted Definitive Note, a certificate from such holder substantially in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this clause (iii), an Opinion of Counsel to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(iv) *Beneficial Interests in Unrestricted Global Notes to Unrestricted Definitive Notes.* If any holder of a beneficial interest in an Unrestricted Global Note proposes to exchange such beneficial interest for an Unrestricted Definitive Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note, then, upon the occurrence of any of the events in clauses (i), (ii), (iii) or (iv) of Section 2.06(a) and satisfaction of the conditions set forth in Section 2.06(b)(ii), the Trustee shall cause the aggregate principal amount of the applicable Unrestricted Global Note to be reduced accordingly pursuant to Section 2.06(h), and the Issuer shall execute and the Trustee shall authenticate and mail to the Person designated in the instructions an Unrestricted Definitive Note in the applicable principal amount. Any Unrestricted Definitive Note issued in exchange for a beneficial interest pursuant to this Section 2.06(c)(iv) shall be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest shall instruct the Registrar through instructions from or through the Depositary and the Participant or Indirect Participant. The Trustee shall mail such Unrestricted Definitive Notes to the Persons in whose names such Notes are so registered. Any Unrestricted Definitive Note issued in exchange for a beneficial interest pursuant to this Section 2.06(c)(iv) shall not bear the Private Placement Legend.

(d) *Transfer and Exchange of Definitive Notes for Beneficial Interests*.

(i) *Restricted Definitive Notes to Beneficial Interests in Restricted Global Notes.* If any Holder of a Restricted Definitive Note proposes to exchange such Note for a beneficial interest in a Restricted Global Note or to transfer such Restricted Definitive Note to a Person who takes delivery thereof in the form of a beneficial interest in a Restricted Global Note, then, upon receipt by the Registrar of the following documentation:

(A) if the Holder of such Restricted Definitive Note proposes to exchange such Note for a beneficial interest in a Restricted Global Note, a certificate from such Holder substantially in the form of Exhibit C hereto, including the certifications in item (2)(b) thereof;

(B) if such Restricted Definitive Note is being transferred to a QIB in accordance with Rule 144A, a certificate substantially in the form of Exhibit B hereto, including the certifications in item (1) thereof;

(C) if such Restricted Definitive Note is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904, a certificate substantially in the form of Exhibit B hereto, including the certifications in item (2) thereof;

(D) if such Restricted Definitive Note is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144, a certificate substantially in the form of Exhibit B hereto, including the certifications in item (3)(a) thereof; or

(E) if such Restricted Definitive Note is being transferred to the Issuer or any of its Subsidiaries, a certificate substantially in the form of Exhibit B hereto, including the certifications in item (3)(b) thereof,

the Trustee shall cancel the Restricted Definitive Note and increase or cause to be increased the aggregate principal amount of, in the case of clause (A) above, the applicable Restricted Global Note, in the case of clause (B) above, the applicable 144A Global Note, and in the case of clause (C) above, the applicable Regulation S Global Note.

(ii) *Restricted Definitive Notes to Beneficial Interests in Unrestricted Global Notes.* A Holder of a Restricted Definitive Note may exchange such Note for a beneficial interest in an Unrestricted Global Note or transfer such Restricted Definitive Note to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note only if the Registrar receives the following:

(1) if the Holder of such Restricted Definitive Notes proposes to exchange such Notes for a beneficial interest in the Unrestricted Global Note, a certificate from such Holder substantially in the form of Exhibit C hereto, including the certifications in item (1)(c) thereof; or

(2) if the Holder of such Restricted Definitive Notes proposes to transfer such Notes to a Person who shall take delivery thereof in the form of a beneficial interest in the Unrestricted Global Note, a certificate from such Holder substantially in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this clause (ii), an Opinion of Counsel to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

Upon satisfaction of the conditions of any of the subparagraphs in this Section 2.06(d)(ii), the Trustee shall cancel the Restricted Definitive Notes and increase or cause to be increased the aggregate principal amount of the Unrestricted Global Note.

(iii) *Unrestricted Definitive Notes to Beneficial Interests in Unrestricted Global Notes.* A Holder of an Unrestricted Definitive Note may exchange such Note for a beneficial interest in an Unrestricted Global Note or transfer such Unrestricted Definitive Notes to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note at any time. Upon receipt of a request for such an exchange or transfer, the Trustee shall cancel the applicable Unrestricted Definitive Note and increase or cause to be increased the aggregate principal amount of one of the Unrestricted Global Notes.

If any such exchange or transfer from a Definitive Note to a beneficial interest is effected pursuant to subparagraph (d)(ii) or (d)(iii) above at a time when an Unrestricted Global Note has not yet been issued, the Issuer shall issue and, upon receipt of an Authentication Order in accordance with Section 2.02, the Trustee shall authenticate one or more Unrestricted Global Notes in an aggregate principal amount equal to the principal amount of Definitive Notes so transferred.

(e) *Transfer and Exchange of Definitive Notes for Definitive Notes.* Upon request by a Holder of Definitive Notes and such Holder's compliance with the provisions of this Section 2.06(e), the Registrar shall register the transfer or exchange of Definitive Notes. Prior to such registration of transfer or exchange, the requesting Holder shall present or surrender to the Registrar the Definitive Notes duly endorsed or accompanied by a written instruction of transfer in form satisfactory to the Registrar duly executed by such Holder or by its attorney, duly authorized in writing. In addition, the requesting Holder shall provide any additional certifications, documents and information, as applicable, required pursuant to the following provisions of this Section 2.06(e):

(i) *Restricted Definitive Notes to Restricted Definitive Notes.* Any Restricted Definitive Note may be transferred to and registered in the name of Persons who take delivery thereof in the form of a Restricted Definitive Note if the Registrar receives the following:

(A) if the transfer will be made pursuant to a QIB in accordance with Rule 144A, then the transferor must deliver a certificate substantially in the form of Exhibit B hereto, including the certifications in item (1) thereof;

(B) if the transfer will be made pursuant to Rule 903 or Rule 904 then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof; or

(C) if the transfer will be made pursuant to any other exemption from the registration requirements of the Securities Act, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications required by item (3) thereof, if applicable.

(ii) *Restricted Definitive Notes to Unrestricted Definitive Notes.* Any Restricted Definitive Note may be exchanged by the Holder thereof for an Unrestricted Definitive Note or transferred to a Person or Persons who take delivery thereof in the form of an Unrestricted Definitive Note if the Registrar receives the following:

SECTION 21.07. if the Holder of such Restricted Definitive Notes proposes to exchange such Notes for an Unrestricted Definitive Note, a certificate from such Holder substantially in the form of Exhibit C hereto, including the certifications in item (1)(d) thereof; or

SECTION 22.07. if the Holder of such Restricted Definitive Notes proposes to transfer such Notes to a Person who shall take delivery thereof in the form of an Unrestricted Definitive Note, a certificate from such Holder substantially in the form of Exhibit B hereto, including the certifications in item (4) thereof,

and, in each such case set forth in this clause (ii), if the Registrar so requests, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(iii) *Unrestricted Definitive Notes to Unrestricted Definitive Notes.* A Holder of Unrestricted Definitive Notes may transfer such Notes to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note. Upon receipt of a request to register such a transfer, the Registrar shall register the Unrestricted Definitive Notes pursuant to the instructions from the Holder thereof.

(f) *[Reserved]*.

(g) *Legends.* The following legends shall appear on the face of all Global Notes and Definitive Notes issued under this Indenture unless specifically stated otherwise in the applicable provisions of this Indenture:

(i) *Private Placement Legend.*

(A) Except as permitted by subparagraph (B) below, each Global Note and each Definitive Note (and all Notes issued in exchange therefor or substitution thereof) shall bear the legend in substantially the following form:

"THE SECURITY (OR ITS PREDECESSOR) EVIDENCED HEREBY WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER SECTION 5 OF THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND THE SECURITY EVIDENCED HEREBY MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THE SECURITY EVIDENCED HEREBY IS HEREBY NOTIFIED THAT THE SELLER MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER. THE HOLDER OF THE SECURITY EVIDENCED HEREBY AGREES FOR THE BENEFIT OF THE ISSUER THAT (A) SUCH SECURITY MAY BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (1)(a) INSIDE THE UNITED STATES TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, (b) OUTSIDE THE UNITED STATES TO A FOREIGN PERSON IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (c) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF APPLICABLE) OR (d) IN ACCORDANCE WITH ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT (AND BASED UPON AN OPINION OF COUNSEL ACCEPTABLE TO THE ISSUER IF THE ISSUER SO REQUESTS), (2) TO THE ISSUER OR (3) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT AND, IN EACH CASE, IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR ANY OTHER APPLICABLE JURISDICTION AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THE SECURITY EVIDENCED HEREBY OF THE RESALE RESTRICTIONS SET FORTH IN CLAUSE (A) ABOVE. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 FOR RESALE OF THE SECURITY EVIDENCED HEREBY."

(B) Notwithstanding the foregoing, any Global Note or Definitive Note issued pursuant to subparagraph (b)(iv), (c)(iii), (c)(iv), (d)(ii), (d)(iii), (e)(ii) or (e)(iii) of this Section 2.06 (and all Notes issued in exchange therefor or substitution thereof) shall not bear the Private Placement Legend.

(ii) *Global Note Legend.* Each Global Note shall bear a legend in substantially the following form (with appropriate changes in the last sentence if DTC is not the Depositary):

"THIS GLOBAL NOTE IS HELD BY THE DEPOSITARY (AS DEFINED IN THE INDENTURE GOVERNING THIS NOTE) OR ITS NOMINEE IN CUSTODY FOR THE BENEFIT OF THE BENEFICIAL OWNERS HEREOF. UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR NOTES IN DEFINITIVE FORM, THIS NOTE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY OR BY THE DEPOSITARY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY. UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (55 WATER STREET, NEW YORK, NEW YORK) ("DTC") TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR SUCH OTHER ENTITY AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN."

(iii) *Regulation S Temporary Global Note Legend.* The Regulation S Temporary Global Note shall bear a legend in substantially the following form:

"BY ITS ACQUISITION HEREOF, THE HOLDER HEREOF REPRESENTS THAT IT IS NOT A U.S. PERSON, NOR IS IT PURCHASING FOR THE ACCOUNT OF A U.S. PERSON, AND IS ACQUIRING THIS SECURITY IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT."

(iv) *OID Legend.* Each Note issued hereunder that has more than a *de minimis* amount of original issue discount for U.S. federal income tax purposes shall bear a legend in substantially the following form:

"THIS NOTE IS ISSUED WITH ORIGINAL ISSUE DISCOUNT FOR PURPOSES OF SECTION 1271 ET SEQ. OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED. A HOLDER MAY OBTAIN THE ISSUE PRICE, AMOUNT OF ORIGINAL ISSUE DISCOUNT, ISSUE DATE AND YIELD TO MATURITY FOR SUCH NOTE BY SUBMITTING A REQUEST FOR SUCH INFORMATION TO PHH MORTGAGE CORPORATION, 1 Mortgage Way Mount Laurel, NJ 08054, Email: ocwendebtagreementnotices@ocwen.com; cc: legalnotice@phhmail.com, Attention: General Counsel and Secretary."

(v) *Applicable Procedures for Delegending.* After one year has elapsed following (1) the Issue Date or (2) if the Issuer has issued any Additional Notes with the same terms and the same CUSIP number as the Notes within one year following the Issue Date, the date of original issuance of such Additional Notes, if the Notes are freely tradable pursuant to Rule 144 under the Securities Act by Holders who are not Affiliates of the Issuer where no conditions of Rule 144 are then applicable (other than the holding period requirement in paragraph (d)(1)(ii) of Rule 144 so long as such holding period requirement is satisfied), the Issuer shall, at its option:

(A) instruct the Trustee in writing to remove the Private Placement Legend from the Notes by delivering to the Trustee a certificate in the form of Exhibit E hereto, and upon such instruction the Private Placement Legend shall be removed by the Trustee from any Global Notes representing such Notes without further action on the part of Holders;

(B) notify Holders of the Notes that the Private Placement Legend has been removed or deemed removed; and

(C) instruct DTC to change the CUSIP number for the Notes to the unrestricted CUSIP number for the Notes.

In no event will the failure of the Issuer to provide any notice set forth in this paragraph or of the Trustee to remove the Private Placement Legend constitute a failure by the Issuer to comply with any of its covenants or agreements set forth in Section 6.01 or otherwise. Any Restricted Note (or security issued in exchange or substitution therefor) as to which such restrictions on transfer shall have expired in accordance with their terms shall, upon the Trustee's receipt of the certificate required by clause (A) above and surrender of such Restricted Note for exchange to the Registrar in accordance with the provisions of Article 2 of this Indenture, be exchanged for a new Note or Notes, of like tenor and aggregate principal amount, which shall not bear the Private Placement Legend.

Notwithstanding any provision herein to the contrary, in the event that Rule 144 as promulgated under the Securities Act (or any successor rule) is amended to change the one-year holding period thereunder (or the corresponding period under any successor rule), (1) each reference in this Section 2.06(g)(v) to "one year" shall be deemed for all purposes hereof to be references to such changed period, and (2) all corresponding references in the Notes shall be deemed for all purposes hereof to be references to such changed period; *provided*, that such changes shall not become effective if they are otherwise prohibited by, or would otherwise cause a violation of, the then applicable federal securities laws. This Section 2.06(g)(v) shall apply to successive amendments to Rule 144 (or any successor rule) changing the holding period thereunder.

(h) *Cancellation and/or Adjustment of Global Notes.* At such time as all beneficial interests in a particular Global Note have been exchanged for Definitive Notes or a particular Global Note has been redeemed, repurchased or canceled in whole and not in part, each such Global Note shall be returned to or retained and canceled by the Trustee in accordance with Section 2.11. At any time prior to such cancellation, if any beneficial interest in a Global Note is exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note or for Definitive Notes, the principal amount of Notes represented by such Global Note shall be reduced accordingly and an endorsement shall be made on such Global Note by the Trustee or by the Depositary at the direction of the Trustee to reflect such reduction; and if the beneficial interest is being exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note, such other Global Note shall be increased accordingly and an endorsement shall be made on such Global Note by the Trustee or by the Depositary at the direction of the Trustee to reflect such increase.

(i) *General Provisions Relating to Transfers and Exchanges*.

(i) To permit registrations of transfers and exchanges, the Issuer shall execute and the Trustee shall authenticate Global Notes and Definitive Notes upon receipt of an Authentication Order in accordance with Section 2.02 or at the Registrar's request.

(ii) No service charge shall be made to a holder of a beneficial interest in a Global Note or to a Holder of a Definitive Note for any registration of transfer or exchange, but the Issuer may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith (other than any such transfer taxes or similar governmental charge payable upon exchange or transfer pursuant to Sections 2.07, 2.10, 3.06, 3.09, 4.10, 4.14 and 9.05).

(iii) Neither the Registrar nor the Issuer shall be required to register the transfer of or exchange any Note selected for redemption or tendered for repurchase pursuant to a Change of Control Offer or Asset Sale Offer in whole or in part, except the portion of any Note being redeemed or repurchased in part that is not redeemed or repurchased.

(iv) All Global Notes and Definitive Notes issued upon any registration of transfer or exchange of Global Notes or Definitive Notes shall be the valid obligations of the Issuer, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Global Notes or Definitive Notes surrendered upon such registration of transfer or exchange.

(v) The Issuer shall not be required (A) to issue, to register the transfer of or to exchange any Notes during a period beginning at the opening of business 15 days before the day of delivery of a notice of redemption of Notes under Section 3.02 and ending at the close of business on the day of such mailing, (B) to register the transfer of or to exchange any Note so selected for redemption or tendered (and not validly withdrawn) for purchase in connection with a Change of Control Offer or an Asset Sale Offer, in each case in whole or in part, except the unredeemed or unpurchased portion of any Note being redeemed or purchased in part or (C) to register the transfer of or to exchange a Note between a Record Date and the next succeeding Interest Payment Date.

(vi) Prior to due presentment for the registration of a transfer of any Note, the Trustee, Collateral Trustee, any Agent and the Issuer may deem and treat the Person in whose name any Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of, premium, if any, interest on such Notes and for all other purposes, and none of the Trustee, Collateral Trustee, any Agent or the Issuer shall be affected by notice to the contrary.

(vii) Upon surrender for registration of transfer of any Note at the office or agency of the Issuer designated pursuant to Section 4.02, the Issuer shall execute, and the Trustee shall authenticate and mail, in the name of the designated transferee or transferees, one or more replacement Notes of any authorized denomination or denominations of a like aggregate principal amount.

(viii) At the option of the Holder, Notes may be exchanged for other Notes of any authorized denomination or denominations of a like aggregate principal amount upon surrender of the Notes to be exchanged at such office or agency. Whenever any Global Notes or Definitive Notes are so surrendered for exchange, the Issuer shall execute, and the Trustee shall authenticate and mail, the replacement Global Notes and Definitive Notes which the Holder making the exchange is entitled to in accordance with the provisions of Section 2.02.

(ix) All certifications, certificates and Opinions of Counsel required to be submitted to the Registrar pursuant to this Section 2.06 to effect a registration of transfer or exchange may be submitted by facsimile.

(x) The Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Indenture or under applicable law with respect to any transfer of any interest in any Note (including any transfers between or among Depositary participants or beneficial owners of interests in any Global Note) other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by the terms of, this Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

(xi) The Trustee shall have no responsibility for any actions taken or not taken by the Depositary.

SECTION 2.07. *Replacement Notes.* If any mutilated Note is surrendered to the Trustee, the Registrar or the Issuer and the Trustee receives evidence to its satisfaction of the ownership and destruction, loss or theft of any Note, the Issuer shall issue and the Trustee, upon receipt of an Authentication Order, shall authenticate a replacement Note if the Trustee's requirements are met. An indemnity bond must be supplied by the Holder that is sufficient in the judgment of the Trustee to protect the Trustee and in the judgment of the Issuer to protect the Issuer, the Trustee, any Agent and any authenticating agent from any loss that any of them may suffer if a Note is replaced. The Issuer and the Trustee may charge the Holder for their expenses in replacing a Note.

Every replacement Note is a contractual obligation of the Issuer and shall be entitled to all of the benefits of this Indenture equally and proportionately with all other Notes duly issued hereunder.

SECTION 2.08. *Outstanding Notes.* The Notes outstanding at any time are all the Notes authenticated by the Trustee except for those canceled by it, those delivered to it for cancellation, those reductions in the interest in a Global Note effected by the Trustee in accordance with the provisions hereof, and those described in this Section 2.08 as not outstanding. Except as set forth in Section 2.09, a Note does not cease to be outstanding because the Issuer or an Affiliate of the Issuer holds the Note.

If a Note is replaced pursuant to Section 2.07, it ceases to be outstanding unless the Trustee receives proof satisfactory to it that the replaced Note is held by a bona fide purchaser.

If the principal amount of any Note is considered paid under Section 4.01, it ceases to be outstanding and interest on it ceases to accrue.

If the Paying Agent (other than the Issuer, a Subsidiary or an Affiliate of any thereof) holds, on a redemption date or maturity date, money sufficient to pay Notes payable on that date, then on and after that date such Notes shall be deemed to be no longer outstanding and shall cease to accrue interest.

SECTION 2.09. *Treasury Notes.* In determining whether the Holders of the required principal amount of Notes have concurred in any direction, waiver or consent, Notes owned by the Issuer, or by any Affiliate of the Issuer, shall be considered as though not outstanding, except that for the purposes of determining whether the Trustee shall be protected in relying on any such direction, waiver or consent, only Notes that a Responsible Officer of the Trustee has been notified in writing are so owned shall be so disregarded. Notes so owned which have been pledged in good faith shall not be disregarded if the pledgee establishes to the satisfaction of the Trustee the pledgee's right to deliver any such direction, waiver or consent with respect to the Notes and that the pledgee is not the Issuer, a Guarantor, if any, or any Affiliate of the Issuer or a Guarantor, if any.

SECTION 2.10. *Temporary Notes.* Until certificates representing Notes are ready for delivery, the Issuer may prepare and the Trustee, upon receipt of an Authentication Order, shall authenticate temporary Notes. Temporary Notes shall be substantially in the form of certificated Notes but may have variations that the Issuer consider appropriate for temporary Notes and as shall be reasonably acceptable to the Trustee. Without unreasonable delay, the Issuer shall prepare and the Trustee shall authenticate definitive Notes in exchange for temporary Notes.

Holders and beneficial holders, as the case may be, of temporary Notes shall be entitled to all of the benefits accorded to Holders, or beneficial holders, respectively, of Notes under this Indenture.

SECTION 2.11. *Cancellation.* The Issuer at any time may deliver Notes to the Trustee for cancellation. The Registrar and Paying Agent shall forward to the Trustee any Notes surrendered to them for registration of transfer, exchange or payment. The Trustee or, at the direction of the Trustee, the Registrar or the Paying Agent and no one else shall cancel all Notes surrendered for registration of transfer, exchange, payment, replacement or cancellation and shall dispose of such cancelled Notes in accordance with its customary procedures. The Issuer may not issue new Notes to replace Notes that they have paid or that have been delivered to the Trustee for cancellation.

SECTION 2.12. *CUSIP and ISIN Numbers.* The Issuer in issuing the Notes may use CUSIP numbers and/or ISIN numbers (if then generally in use) and, if so, the Trustee shall use CUSIP numbers and/or ISIN numbers in notices of redemption, Change of Control Offers and Asset Sale Offers as a convenience to Holders; *provided*, the Trustee shall have no liability for any defect in any CUSIP numbers as they appear on the Notes, on any notice or elsewhere and that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Notes or as contained in any such notice and that reliance may be placed only on the other identification numbers printed on the Notes, and any such redemption or repurchase pursuant to a Change of Control Offer or Asset Sale Offer shall not be affected by any defect in or omission of such numbers. The Issuer shall as promptly as practicable notify the Trustee in writing of any change in the CUSIP number and ISIN numbers.

RTICLE 3
REDEMPTION

SECTION 3.01. *Notices to Trustee*.

(a) If the Issuer elects to redeem Notes pursuant to Section 3.07, it shall furnish to the Trustee, at least fifteen calendar days before notice of redemption is required to be mailed or caused to be mailed to Holders pursuant to Section 3.03 (unless a shorter notice shall be agreed to by the Trustee), an Officers' Certificate from the Issuer setting forth (i) the paragraph or subparagraph of such Note and/or Section of this Indenture pursuant to which the redemption shall occur, (ii) the redemption date, (iii) the principal amount of the Notes to be redeemed and (iv) the redemption price.

(b) Except as otherwise provided in this Indenture or the Notes, any redemption notice may, at the Issuer's discretion, be subject to one or more conditions precedent, including completion of an Equity Offering, financing or other corporate transaction. If such redemption is subject to the satisfaction of one or more conditions precedent, in the Issuer's discretion the redemption date may be delayed or the redemption may be rescinded in the event any such conditions shall not have been satisfied or waived by the original redemption date.

(c) The Trustee shall not be liable for any actions taken or not taken by DTC.

SECTION 3.02. *Selection of Notes to Be Redeemed or Purchased*. If less than all of the Notes are to be redeemed or purchased in an offer to purchase at any time, the Trustee shall select the Notes to be redeemed or purchased on a *pro rata* basis, by lot or by such other method as the Trustee shall deem fair and appropriate; *provided* that if the Notes are in global form, interest in such global notes will be selected for redemption by DTC in accordance with Applicable Procedures. In the event of partial redemption or purchase by lot, the particular Notes to be redeemed or purchased shall be selected, unless otherwise provided herein, not less than 30 nor more than 60 days prior to the redemption date by the Trustee or DTC, as applicable, from the outstanding Notes not previously called for redemption or purchase.

The Trustee shall promptly notify the Issuer in writing of the Notes selected for redemption or purchase and, in the case of any Note selected for partial redemption or purchase, the principal amount thereof to be redeemed or purchased. Notes and portions of Notes selected shall be in amounts of $2,000 or whole multiples of $1,000 in excess of $2,000; no Notes of $2,000 or less may be redeemed or purchased in part, except that if all of the Notes of a Holder are to be redeemed or purchased, the entire outstanding amount of Notes held by such Holder, even if not $2,000 or a multiple of $1,000 in excess thereof, shall be redeemed or purchased. Except as provided in the preceding sentence, provisions of this Indenture that apply to Notes called for redemption or purchase also apply to portions of Notes called for redemption or purchase.

SECTION 3.03. *Notice of Redemption.* Subject to Section 3.09, the Issuer shall mail or cause to be given (or, in the case of Global Notes, delivered, in accordance with the Applicable Procedures) notices of redemption at least 30 days but not more than 60 days before the redemption date to each Holder of Notes to be redeemed at such Holder's registered address, with a copy to the Trustee.

The notice shall identify the Notes to be redeemed (including CUSIP number(s)) and shall state:

(a) the redemption date;

(b) the redemption price;

(c) if any Note is to be redeemed in part only, the portion of the principal amount of that Note that is to be redeemed and that, after the redemption date upon surrender of such Note, a new Note or Notes in principal amount equal to the unredeemed portion of the original Note representing the same indebtedness to the extent not redeemed will be issued in the name of the Holder of the Notes upon cancellation of the original Note;

(d) the name and address of the Paying Agent;

(e) that Notes called for redemption must be surrendered to the Paying Agent to collect the redemption price;

(f) that, unless the Issuer defaults in making such redemption payment, interest on Notes called for redemption ceases to accrue on and after the redemption date;

(g) the Section of this Indenture pursuant to which the Notes called for redemption are being redeemed;

(h) that no representation is made as to the correctness or accuracy of the CUSIP number and ISIN number, if any, listed in such notice or printed on the Notes; and

(i) if in connection with a redemption pursuant to Section 3.01(b) or 3.07(b), any condition to such redemption.

At the Issuer's request, the Trustee shall give the notice of redemption in the Issuer's name and at its expense; *provided* that the Issuer shall have delivered to the Trustee, at least fifteen calendar days before notice of redemption is required to be mailed or caused to be mailed to Holders pursuant to this Section 3.03 (unless a shorter notice shall be agreed to by the Trustee), an Officers' Certificate of the Issuer requesting that the Trustee give such notice and attaching a copy of the notice to be delivered to each Holder of Notes.

SECTION 3.04. *Effect of Notice of Redemption.* Once notice of redemption is mailed in accordance with Section 3.03, Notes called for redemption become irrevocably due and payable on the redemption date at the redemption price (except as provided for in Section 3.01(b) or Section 3.07(b)). The notice, if mailed in a manner herein provided, shall be conclusively presumed to have been given, whether or not the Holder receives such notice. In any case, failure to give such notice by mail or any defect in the notice to the Holder of any Note designated for redemption in whole or in part shall not affect the validity of the proceedings for the redemption of any other Note. Subject to Section 3.05, on and after the redemption date, interest ceases to accrue on Notes or portions of Notes called for redemption, as long as the Issuer has deposited with the Paying Agent funds in satisfaction of the applicable redemption price.

SECTION 3.05. *Deposit of Redemption or Purchase Price*. Prior to 10:00 a.m. (New York City time) on the redemption or purchase date, the Issuer shall deposit with the Trustee or with the Paying Agent money sufficient to pay the redemption or purchase price of and accrued and unpaid interest on all Notes to be redeemed or purchased on that date. The Trustee or the Paying Agent shall promptly return to the Issuer any money deposited with the Trustee or the Paying Agent by the Issuer in excess of the amounts necessary to pay the redemption or purchase price of, and accrued and unpaid interest on, all Notes to be redeemed or purchased.

If the Issuer complies with the provisions of the preceding paragraph, on and after the redemption or purchase date, interest shall cease to accrue on the Notes or the portions of Notes called for redemption or purchase. If a Note is redeemed or purchased on or after a Record Date but on or prior to the related Interest Payment Date, then any accrued and unpaid interest to the redemption or purchase date shall be paid to the Person in whose name such Note was registered at the close of business on such Record Date. If any Note called for redemption or purchase shall not be so paid upon surrender for redemption or purchase because of the failure of the Issuer to comply with the preceding paragraph, interest shall be paid on the unpaid principal, from the redemption or purchase date until such principal is paid, and to the extent lawful on any interest accrued to the redemption or purchase date not paid on such unpaid principal, in each case at the rate provided in the Notes and in Section 4.01.

SECTION 3.06 *Notes Redeemed or Purchased in Part.* Upon surrender of a Note that is redeemed or purchased in part, the Issuer shall issue and the Trustee shall authenticate for the Holder at the expense of the Issuer a new Note equal in principal amount to the unredeemed or unpurchased portion of the Note surrendered representing the same indebtedness to the extent not redeemed or purchased; *provided* that each new Note will be in a principal amount of $2,000 or an integral multiple of $1,000 in excess of $2,000.

SECTION 3.07. *Optional Redemption*.

(a) At any time prior to March 15, 2023, the Issuer may on any one or more occasions redeem all or a part of the Notes, upon not less than 30 nor more than 60 days' notice to the Holders (with a copy to the Trustee), at a redemption price equal to 100.0% of the principal amount of the Notes redeemed, plus the Applicable Premium, plus accrued and unpaid interest on the Notes redeemed, to the applicable date of redemption (subject to the rights of Holders of Notes on the relevant regular Record Date to receive interest due on the relevant Interest Payment Date that is on or prior to the applicable date of redemption).

(b) Additionally, at any time, or from time to time, on or prior to March 15, 2023, the Issuer may, at its option, use the net cash proceeds of one or more Equity Offerings, which proceeds are contributed by Parent to the Issuer, to redeem up to 35.0% of the principal amount of all Notes originally issued under this Indenture (including Additional Notes) upon not less than 30 or more than 60 days' notice to the Holders (with a copy to the Trustee) at a redemption price equal to 107.875% of the principal amount of the Notes redeemed, plus accrued and unpaid interest to, but excluding, the date of redemption (subject to the rights of Holders of Notes on the relevant regular Record Date to receive interest due on the relevant Interest Payment Date that is on or prior to the applicable date of redemption); *provided* that:

(i) at least 65.0% of the principal amount of all Notes issued under this Indenture (including Additional Notes) remains outstanding immediately after any such redemption; and

(ii) the Issuer makes such redemption not more than 120 days after the consummation of any such Equity Offering.

Notice of any redemption upon any Equity Offering may be given prior to the completion thereof, and any such redemption or notice may, at the Issuer's discretion, be subject to one or more conditions precedent.

(c) On or after March 15, 2023, the Issuer may on any one or more occasions redeem all or a part of the Notes, upon not less than 30 nor more than 60 days' notice to the Holders (with a copy to the Trustee), at the redemption prices (expressed as percentages of principal amount) set forth below, plus accrued and unpaid interest on the Notes redeemed, to the applicable date of redemption, if redeemed during the twelve-month period beginning on March 15 of the years indicated below (subject to the rights of Holders of Notes on the relevant regular Record Date to receive interest due on the relevant Interest Payment Date that is on or prior to the applicable date of redemption):

Year	**Percentage**
2023	103.938%
2024	101.969%
2025 and thereafter	100.000%

(d) Any redemption pursuant to this Section 3.07 shall be made pursuant to the provisions of Sections 3.01 through 3.06.

(e) In addition to the Issuer's rights to redeem Notes pursuant to Sections 3.07(a), (b) and (c), the Issuer may at any time and from time to time purchase Notes in open-market transactions, tender offers or otherwise.

Notwithstanding the foregoing, in connection with any tender for or other offer to purchase all of the outstanding Notes, if Holders of not less than 90% in aggregate principal amount of the outstanding Notes validly tender and do not withdraw such Notes in such tender or other offer and the Issuer, or any third party making such a tender or other offer in lieu of the Issuer, purchases all of the Notes validly tendered and not withdrawn by such Holders, all of the Holders of the Notes will be deemed to have consented to such tender or other offer and accordingly, the Issuer or such third party will have the right upon not less than 30 nor more than 60 days' prior notice, given not more than 30 days following such purchase date, to redeem all (but not less than all) of the Notes that remain outstanding following such purchase at a price equal to the price offered to each other Holder in such tender or other offer plus, to the extent not included in the tender or other offer payment, accrued and unpaid interest, if any, thereon, to, but excluding, the redemption date.

SECTION 3.08. *Mandatory Redemption.* The Issuer shall not be required to make mandatory redemption or sinking fund payments with respect to the Notes.

SECTION 3.09. *Offers to Repurchase by Application of Excess Proceeds*.

(a) In the event that, pursuant to Section 4.10, the Issuer shall be required to commence an Asset Sale Offer, it shall follow the procedures specified below.

(b) The Asset Sale Offer shall remain open for a period of 20 Business Days following its commencement and no longer, except to the extent that a longer period is required by applicable law (the "**Offer Period**"). Promptly after the termination of the Offer Period (the "**Purchase Date**"), the Issuer shall apply all Excess Proceeds (the "**Offer Amount**") to the purchase of Notes and Pari Passu Debt, as provided in Section 4.10. Payment for any Notes so purchased shall be made in the same manner as interest payments are made.

(c) If the Purchase Date is on or after a Record Date and on or before the related Interest Payment Date, any accrued and unpaid interest up to but excluding the Purchase Date, shall be paid to the Person in whose name a Note is registered at the close of business on such Record Date, and no additional interest shall be payable to Holders who tender Notes pursuant to the Asset Sale Offer.

(d) Upon the commencement of an Asset Sale Offer, the Issuer shall send, by first-class mail, a notice to each of the Holders, with a copy to the Trustee, or otherwise in accordance with the Applicable Procedures. The notice shall contain all instructions and materials necessary to enable such Holders to tender Notes pursuant to the Asset Sale Offer. The Asset Sale Offer shall be made to all Holders and holders of Pari Passu Debt. The notice, which shall govern the terms of the Asset Sale Offer, shall state:

(i) that an Asset Sale Offer is being made pursuant to this Section 3.09 and Section 4.10 and the length of time the Asset Sale Offer shall remain open (which shall be for a period of 20 Business Days following its commencement, except to the extent that a longer period is required by applicable law);

(ii) the Offer Amount, the purchase price and the Purchase Date;

(iii) that any Note not tendered or accepted for payment shall continue to accrue interest;

(iv) that, unless the Issuer defaults in making such payment, any Note accepted for payment pursuant to the Asset Sale Offer shall cease to accrue interest after the Purchase Date;

(v) that Holders electing to have a Note purchased pursuant to an Asset Sale Offer may elect to have Notes purchased in a minimum denomination of $2,000 or an integral multiple of $1,000 in excess of $2,000;

(vi) that Holders electing to have a Note purchased pursuant to an Asset Sale Offer shall be required to surrender the Note, with the form entitled "Option of Holder to Elect Purchase" on the reverse of the Note which is attached as Exhibit A hereto, completed, to the paying agent at the address specified in the notice (or transfer by book-entry transfer to the Depositary, as applicable) prior to the close of business on the third Business Day prior to the Purchase Date;

(vii) that Holders shall be entitled to withdraw their tendered Notes and their election, if any, to require the Issuer to purchase such Notes; *provided* that the Paying Agent receives, not later than the close of business on the last day of the Offer Period, a facsimile transmission or letter setting forth the name of the Holder of the Notes, the principal amount of the Notes tendered for purchase and a statement that such Holder is withdrawing its tendered Notes and its election to have such Note purchased;

(viii) that, if the aggregate principal amount of Notes and Pari Passu Debt surrendered by the holders thereof exceeds the Offer Amount, the Issuer will determine the amount of the Notes and such Pari Passu Debt to be purchased on a *pro rata* basis or as nearly a *pro rata* basis as is practicable (subject to the Applicable Procedures) and the Trustee will select the Notes to be purchased on a *pro rata* basis, by lot or by such method as the Trustee shall deem fair and appropriate; *provided* that if the Notes are in global form, interest in such global notes will be selected for purchase by DTC in accordance with its Applicable Procedures (with such adjustments as may be appropriate so that only Notes in minimum denominations of $2,000, or integral multiples of $1,000 in excess of $2,000, shall be purchased);

(ix) that Holders whose certificated Notes were purchased only in part shall be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered (or transferred by book-entry transfer) representing the same indebtedness to the extent not repurchased; and

(x) any other instructions, as determined by the Issuer, consistent with this 3.09 and Section 4.10, that a Holder must follow.

(e) On or before the Purchase Date, the Issuer shall, to the extent lawful, (i) accept for payment, on a *pro rata* basis as described in clause (d)(viii) of this Section 3.09, the Offer Amount of Notes and, if required, Pari Passu Debt or portions thereof validly tendered pursuant to the Asset Sale Offer, or if less than the Offer Amount has been tendered, all Notes and Pari Passu Debt tendered and (ii) deliver or cause to be delivered to the Trustee the Notes properly accepted together with an Officers' Certificate of the Issuer stating the aggregate principal amount of Notes or portions thereof so tendered.

(f) The Issuer, the Depositary or the Paying Agent, as the case may be, shall promptly mail or deliver to each tendering Holder an amount equal to the purchase price of the Notes properly tendered by such Holder and accepted by the Issuer for purchase, and the Issuer shall promptly issue a new Note, and the Trustee, upon receipt of an Authentication Order, shall authenticate and mail or deliver (or cause to be transferred by book-entry) such new Note to such Holder in a principal amount equal to any unpurchased portion of the Note surrendered representing the same indebtedness to the extent not repurchased; *provided*, that each such new Note shall be in a minimum principal amount of $2,000 or an integral multiple of $1,000, in excess of $2,000. Any Note not so accepted shall be promptly mailed or delivered by the Issuer to the Holder thereof. The Issuer shall publicly announce the results of the Asset Sale Offer on or as soon as practicable after the Purchase Date.

(g) Prior to 10:00 a.m. New York City time on the Purchase Date, the Issuer shall deposit with the Trustee or with the Paying Agent, money sufficient to pay the purchase price of and accrued and unpaid interest on all Notes to be purchased on that Purchase Date. Upon written request therefore, the Trustee or the Paying Agent shall promptly return to the Issuer any money deposited with the Trustee or the Paying Agent, as applicable, by the Issuer in excess of the amount necessary to pay the purchase price of, and accrued and unpaid interest on, all Notes to be purchased.

(h) Other than as specifically provided in this Section 3.09 or Section 4.10, any purchase pursuant to this Section 3.09 shall be made pursuant to the applicable provisions of Sections 3.01 through 3.06.

ARTICLE 4
COVENANTS

SECTION 4.01. *Payment of Notes.* The Issuer shall pay or cause to be paid the principal of, premium, if any, and interest on the Notes on the dates and in the manner provided in the Notes. Principal, premium, if any, and interest shall be considered paid on the date due if the Paying Agent, if other than the Issuer or a Subsidiary of the Issuer, holds as of 10:00 a.m. (New York City time) on the due date money deposited by the Issuer in immediately available funds and designated for and sufficient to pay all principal, premium, if any, and interest then due.

The Issuer shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal at the rate equal to the then applicable interest rate on the Notes to the extent lawful. The Issuer shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest (without regard to any applicable grace period) at the same rate to the extent lawful.

SECTION 4.02. *Maintenance of Office or Agency.* The Issuer shall maintain in the United States an office or agency (which may be an office of the Trustee or an affiliate of the Trustee, Registrar or co-registrar) required under Section 2.03 where Notes may be surrendered for registration of transfer or for exchange. The Issuer shall give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Issuer shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations and surrenders may be made at the Corporate Trust Office of the Trustee.

The Issuer may also from time to time designate one or more other offices or agencies where the Notes may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; *provided* that no such designation or rescission shall in any manner relieve the Issuer of its obligation to maintain an office or agency in the United States for such purposes. The Issuer shall give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

The Issuer hereby designates the Corporate Trust Office of the Trustee as one such office or agency of the Issuer in accordance with Section 2.03.

SECTION 4.03. *Reports and Other Information*.

(a) So long as any Notes are outstanding and whether or not required by the rules and regulations of the SEC, PHH shall cause Parent to file, and Parent shall file, with the SEC and furnish to the Trustee and the Holders of Notes, within five days of the time periods specified in the SEC's rules and regulations:

(i) all quarterly and annual reports that would be required to be filed with the SEC on Forms 10-Q and 10-K if the Parent were required to file such reports; and

(ii) all current reports that would be required to be filed with the SEC on Form 8-K if the Parent were required to file such reports.

The availability of the foregoing materials on the SEC's EDGAR service (or its successor) shall be deemed to satisfy PHH's delivery obligation.

(b) All such reports will be prepared in all material respects in accordance with all of the rules and regulations applicable to such reports. Each annual report on Form 10-K will include a report on the Parent's consolidated financial statements by the Parent's certified independent accountants, and each Form 10-Q and 10-K will include a "Management's Discussion and Analysis of Financial Condition and Results of Operations" that (x) describes the financial condition and results of operations of the Parent and its consolidated Subsidiaries and (y) details the items enumerated in clause (ii) of the definition of "Total LTV Ratio".

(c) If, at any time, the Parent is no longer subject to the periodic reporting requirements of the Exchange Act for any reason, PHH shall cause Parent to, and Parent shall nevertheless continue filing the reports specified in clauses (a) and (b) of this Section 4.03 with the SEC within the time periods specified above unless the SEC will not accept such a filing. PHH shall cause Parent not to, and Parent shall not, take any action for the purpose of causing the SEC not to accept any such filings. If, notwithstanding the foregoing, the SEC will not accept the Parent's filings for any reason, PHH shall post the reports referred to in clauses (a) and (b) of this Section 4.03 on a website within the time periods that would apply if PHH were required to file those reports with the SEC.

(d) If the combined operations of Parent and its Subsidiaries, excluding the operations of PHH and its Subsidiaries and excluding Cash Equivalents, would, if held by a single Subsidiary of PHH, constitute a Significant Subsidiary of PHH, then the quarterly and annual financial information required by clauses (a) and (b) of this Section 4.03 will include either (i) a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto of the financial condition and results of operations of PHH and its Subsidiaries separate from the financial condition and results of operations of Parent and its other Subsidiaries or (ii) annual and quarterly financial statements of PHH and its Subsidiaries on a consolidated basis; *provided*, *however*, that the requirements of this clause (d) shall not apply if Parent files with the SEC the reports referred to in clauses (a)(i) and (ii) of this Section 4.03, and any such report contains the information required in this clause (d).

(e) If, at any time, PHH has designated any of its Subsidiaries as Unrestricted Subsidiaries, then either on the face of the financial statements or in the footnotes to the financial statements and in any "Management's Discussion and Analysis of Financial Condition and Results of Operations," or other comparable section, Parent shall provide an analysis and discussion of the material differences with respect to the financial condition and results of operations of PHH and its Restricted Subsidiaries as compared to Parent and its Subsidiaries (including such Unrestricted Subsidiaries).

(f) In addition, PHH agrees that, for so long as any Notes remain outstanding and constitute "restricted securities" under Rule 144 under the Securities Act, it shall furnish to the Holders and to securities analysts and prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

(g) [Reserved].

(h) Any and all Defaults or Events of Default arising from a failure to furnish or file in a timely manner a report or other information required by this covenant shall be deemed cured (and PHH shall be deemed to be in compliance with this Section 4.03) upon furnishing or filing such report or other information as contemplated by this Section 4.03 (but without regard to the date on which such report or other information is so furnished or filed); *provided* that such cure shall not otherwise affect the rights of Holders under Article 6 if payment of the Notes has been accelerated in accordance with the terms of this Indenture and such acceleration has not been rescinded or cancelled prior to such cure.

(i) Delivery of such reports, information and documents to the Trustee is for informational purposes only and the Trustee's receipt of such shall not constitute actual or constructive notice of any information contained therein or determinable from information contained therein, including PHH's compliance with any of its covenants under this Indenture (as to which the Trustee is entitled to rely exclusively on Officers' Certificates).

SECTION 4.04. *Compliance Certificate.*

(a) The Issuer shall deliver to the Trustee, within 120 days after the end of each fiscal year ending after the Issue Date, a certificate from an Officer of the Parent stating that a review of the activities of the Parent and its Restricted Subsidiaries during the preceding fiscal year has been made under the supervision of the signing Officer with a view to determining whether the Parent and its Restricted Subsidiaries have kept, observed, performed and fulfilled their obligations under this Indenture, and further stating, as to such Officer signing such certificate, that to the best of his or her knowledge the Parent and its Restricted Subsidiaries have kept, observed, performed and fulfilled each and every condition and covenant contained in this Indenture and are not in default in the performance or observance of any of the terms, provisions, covenants and conditions of this Indenture (or, if a Default shall have occurred, describing all such Defaults of which he or she may have knowledge and what action the Parent and its Restricted Subsidiaries are taking or propose to take with respect thereto).

(b) When any Default has occurred and is continuing under this Indenture, or if the Trustee or the holder of any other evidence of Indebtedness of the Parent or any Subsidiary of the Parent gives any notice or takes any other action with respect to a claimed Default, the Issuer shall, within five Business Days after becoming aware of such Default, deliver written notice to the Trustee specifying such event and what action the Issuer proposes to take with respect thereto.

SECTION 4.05. *Taxes.* The Parent shall pay, and shall cause its Restricted Subsidiaries to pay, prior to delinquency, all material taxes, assessments, and governmental levies except such as are contested in good faith and by appropriate negotiations or proceedings or where the failure to effect such payment is not adverse in any material respect to the Holders of the Notes.

SECTION 4.06. *Stay, Extension and Usury Laws.* The Issuer and any Guarantor covenants (to the extent that they may lawfully do so) that they shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Indenture; and the Issuer and any Guarantor (to the extent that they may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that they shall not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but shall suffer and permit the execution of every such power as though no such law has been enacted.

SECTION 4.07. *Limitation on Restricted Payments*.

(a) PHH shall not, and shall not cause or permit any of its Restricted Subsidiaries to, directly

or indirectly:

(i) declare or pay any dividend or make any distribution (other than dividends or distributions payable in Qualified Capital Stock of PHH or dividends or distributions by a Restricted Subsidiary so long as, in the case of any dividend or distribution payable on, or in respect of, any class or series of securities issued by a Restricted Subsidiary other than a Wholly Owned Restricted Subsidiary, PHH or a Restricted Subsidiary receives at least its *pro rata* share of such dividend or distribution in accordance with its Equity Interests in such class or series of securities) on or in respect of shares of PHH's Capital Stock to holders of such Capital Stock;

(ii) purchase, redeem or otherwise acquire or retire for value any Capital Stock of PHH or any warrants, rights or options to purchase or acquire shares of any class of such Capital Stock (other than in exchange for Qualified Capital Stock of PHH) held by Persons other than PHH or its Restricted Subsidiaries;

(iii) purchase, defease, redeem, prepay, decrease or otherwise acquire or retire for value, prior to any scheduled final maturity, scheduled repayment or scheduled sinking fund payment, any Indebtedness of PHH or any Restricted Subsidiary of PHH (other than Indebtedness owed by PHH or any Restricted Subsidiary of PHH to another Restricted Subsidiary of PHH or PHH, or any such payment on Indebtedness due within one year of the date of purchase, defeasance, redemption, prepayment, decrease or other acquisition or retirement) that is expressly contractually subordinate or junior in right of payment to the Notes or the Note Guarantees (for purposes of the foregoing, no Indebtedness will be deemed to be contractually subordinate or junior in right of payment to the Notes solely by virtue of being unsecured or secured by a junior priority lien (as a result of entering into intercreditor arrangements or otherwise) or by virtue of not having the benefit of any guarantees); or

(iv) make any Restricted Investment,

if, at the time of such action (each such payment and other actions set forth in clauses (i) through (iv) of this Section 4.07(a) being collectively referred to as, a "**Restricted Payment**"), or immediately after giving effect thereto:

(A) a Default or an Event of Default shall have occurred and be continuing (or would result therefrom); or

(B) immediately after giving effect thereto on a pro forma basis, PHH is not able to incur at least $1.00 of additional Indebtedness pursuant to the ratio of Corporate Indebtedness to Tangible Net Worth and the Total LTV Ratio tests set forth in Section 4.09(b); or

(C) the aggregate amount of Restricted Payments (including such proposed Restricted Payment) made subsequent to the Issue Date (the amount expended for such purposes, if other than in cash, being the Fair Market Value of such property) shall exceed the sum of:

(1) 50.0% of the Consolidated Net Income of PHH for the period (taken as one accounting period) from January 1, 2021 to the end of PHH's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (or, if such Consolidated Net Income for such period is a deficit, less 100.0% of such deficit); *plus*

(2) 100.0% of the aggregate net cash proceeds and the Fair Market Value of marketable securities or other property received by PHH (or in the case of clause (x) below, any Restricted Subsidiary of PHH) from any Person after the Issue Date including:

(x) any contribution to its common equity capital or from the issue or sale of Equity Interests of PHH (other than Disqualified Capital Stock and Excluded Contributions);

(y) the incurrence, issuance or sale of Indebtedness of PHH or any of its Restricted Subsidiaries or Preferred Stock of any Restricted Subsidiary of PHH, in each case, that has been converted into or exchanged for such Equity Interests of PHH (other than (i) Disqualified Capital Stock or (ii) Equity Interests sold to a Subsidiary of PHH); *plus*

(3) to the extent not included in Consolidated Net Income, 100% of the aggregate net cash proceeds, and the Fair Market Value of property other than cash, in each case received by PHH or any of its Restricted Subsidiaries by means of any sale, disposition, transfer, liquidation or repayment (including by way of dividends, payment of interest or repayment of principal) of any Restricted Investments made by PHH or any of its Restricted Subsidiaries after the Issue Date in any Person in an amount up to the amount of the original Investment made in such Person, less the cost of the disposition of such Investment; *plus*

(4) to the extent that any Unrestricted Subsidiary of PHH is designated as a Restricted Subsidiary of PHH (or is merged, consolidated or amalgamated with or into, or otherwise transfers or conveys assets to, PHH or any of its Restricted Subsidiaries) after the Issue Date, the Fair Market Value of PHH's Investment in such Subsidiary as of the date of such designation or transaction;

provided, *however*, that all net cash proceeds from the incurrence of the Parent Notes that are contributed to the Issuer shall be excluded from the calculation of amounts under this clause (C) and clause (ii) in the immediately succeeding paragraph.

(b) Section 4.07(a) shall not prohibit:

(i) the payment of any dividend or the consummation of any irrevocable redemption within 60 days after the date of declaration of such dividend or notice of such redemption if the dividend or payment of the redemption price, as the case may be, would have been permitted on the date of declaration or notice under this Indenture;

(ii) the making of any Restricted Payment, either (A) solely in exchange for shares of Qualified Capital Stock of PHH, (B) through the application of net proceeds of a substantially concurrent sale for cash (other than to a Subsidiary of PHH) of shares of Qualified Capital Stock of PHH, or (C) through the application of a substantially concurrent cash capital contribution received by PHH from its shareholders (which sale for cash of Qualified Capital Stock or capital contribution (to the extent so used) shall be excluded from the calculation of amounts under clause (C)(2) of Section 4.07(a)) and which sale or contribution being deemed substantially concurrent if such Restricted Payment occurs within 60 days of such sale or contribution);

(iii) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of Indebtedness of PHH or any Restricted Subsidiary (including the acquisition of any shares of Disqualified Capital Stock of PHH) that is contractually subordinated to the Notes or to any Note Guarantee in exchange for, or out of the net cash proceeds from a substantially concurrent incurrence of Refinancing Indebtedness (with an incurrence being deemed substantially concurrent if such Restricted Payment occurs within 60 days of such incurrence); *provided*, *however*, that such purchase, repurchase, redemption, defeasance or other acquisition or retirement for value shall be excluded in the calculation of the amount of Restricted Payments;

(iv) so long as no Default or Event of Default shall have occurred and be continuing (or would result therefrom), the repurchase, retirement or other acquisition or retirement for value by PHH (or any Restricted Payment by PHH to Parent to fund the repurchase, retirement or other acquisition or retirement for value by Parent) of Common Stock of Parent (or options, warrants or other rights to acquire Common Stock of Parent) from any future, current or former officer, director, manager or employee (or any spouses, successors, executors, administrators, heirs or legatees of any of the foregoing) of Parent, PHH or any of their Subsidiaries or their authorized representatives, in an aggregate amount not to exceed $10.0 million in any calendar year; *plus* (A) the aggregate net cash proceeds received by PHH after the Issue Date from the issuance of such Equity Interests by Parent to, or the exercise of options to purchase such Equity Interests by, any current or former director, officer or employee of Parent, PHH or any of their Subsidiaries *(provided* that the amount of such net cash proceeds received by PHH and utilized pursuant to this clause (iv)(A) for any such repurchase, redemption, acquisition or retirement will be excluded from clause (C)(2) of Section 4.07(a)) and (B) the proceeds of "key-man" life insurance policies that are used to make such redemptions or repurchases; *provided* that amounts available pursuant to this clause (iv) to be utilized for Restricted Payments during any calendar year may be carried forward and utilized in the succeeding calendar years; and *provided*, *further*, that the cancellation of Indebtedness owing to PHH from any future, current or former officer, director, manager or employee (or any spouses, successors, executors, administrators, heirs or legatees of any of the foregoing) of Parent, PHH or any of their Subsidiaries in connection with any repurchase of Capital Stock of such entities (or warrants or options or rights to acquire such Capital Stock) will not be deemed to constitute a Restricted Payment under this Indenture;

(v) (A) the repurchase of Equity Interests deemed to occur upon the exercise of stock options, warrants or other convertible or exchangeable securities to the extent such Equity Interests represent a portion of the exercise price of those stock options, warrants or other convertible or exchangeable securities and (B) repurchases of Equity Interests or options to purchase Equity Interests deemed to occur in connection with the exercise of stock options, warrants or other convertible or exchangeable securities to the extent necessary to pay applicable withholding taxes;

(vi) any payment of cash by PHH (or any Restricted Payment of cash by PHH to Parent to fund the payment of cash by Parent) in respect of fractional shares of PHH's or Parent's Capital Stock upon the exercise, conversion or exchange of any stock options, warrants, other rights to purchase Capital Stock or other convertible or exchangeable securities;

(vii) so long as no Default or Event of Default shall have occurred and be continuing, (or would result therefrom) the declaration and payment of regularly scheduled or accrued dividends to holders of any class or series of Disqualified Capital Stock of PHH or Preferred Stock of any Restricted Subsidiary of PHH issued on or after the Issue Date in accordance with Section 4.09;

(viii) the payment of any dividend (or, in the case of any partnership or limited liability company, any similar distribution) by a Restricted Subsidiary of PHH to the holders of its Equity Interests on a *pro rata* basis;

(ix) Restricted Payments so long as, after giving pro forma effect thereto (including any incurrence and/or repayment of Indebtedness in connection therewith), (i) the Total LTV Ratio of PHH and its Restricted Subsidiaries is no higher than 0.25 to 1.0, (ii) the ratio of Corporate Indebtedness of PHH and its Restricted Subsidiaries to Tangible Net Worth of Parent and its Subsidiaries is no higher than 0.75 to 1.0 and (iii) no Default or Event of Default shall have occurred and be continuing (or would result therefrom);

(x) Restricted Payments that are made with Excluded Contributions;

(xi) any Restricted Payment in the form of cash to the extent such cash is used by Parent to substantially simultaneously pay cash interest in respect of interest accrued on the Parent Notes in an amount not to exceed 7% of the aggregate principal amount thereof per annum;

(xii) upon occurrence of a Change of Control or Asset Sale and within 60 days after the completion of the Change of Control Offer or Asset Sale Offer pursuant to Section 4.10 or Section 4.14, as applicable (including the purchase of all Notes tendered), any purchase or redemption of Obligations of PHH or any of its Restricted Subsidiaries that are subordinate or junior in right of payment to the Notes or any Note Guarantee required pursuant to the terms thereof as a result of such Change of Control or Asset Sale at a purchase or redemption price not to exceed 101.0% (in the case of a Change of Control) or 100.0% (in the case of an Asset Sale) of the outstanding principal amount thereof, plus accrued and unpaid interest thereon, if any; *provided*, *however*, that at the time of such purchase or redemption, no Default or Event of Default shall have occurred and be continuing (or would result therefrom);

(xiii) Restricted Payments together with all other Restricted Payments made pursuant to this clause (xiii) in an amount not to exceed the greater of $50.0 million and 0.5% of Total Assets of PHH and its Restricted Subsidiaries as of the date of such Restricted Payment;

(xiv)Permitted Payments to Parent; and

(xv) Restricted Payments made to fund Investments by Parent, PHH or any of their Subsidiaries in MAV Canopy HoldCo I, LLC in the form of cash or MSRs (i) in an aggregate amount not to exceed $37.5 million and (ii) in an aggregate amount in excess of $37.5 million provided that, with respect to this clause (ii), (a) PHH or a Restricted Subsidiary is the primary servicer or sub-servicer of MSRs held by MAV Canopy HoldCo I, LLC or its subsidiaries and (b) at time of making such Investment the Total LTV Ratio of PHH and its Restricted Subsidiaries is no higher than 0.4 to 1.0 and the ratio of Corporate Indebtedness of PHH and its Restricted Subsidiaries to Tangible Net Worth of Parent and its Subsidiaries is no higher than 1.1 to 1.0.In determining the aggregate amount of Restricted Payments made subsequent to the Issue Date in accordance with clause (C) of Section 4.07(a), amounts expended pursuant to clauses (i), (iv) and (vii) of this Section 4.07(b) shall be included, and amounts expended pursuant to clauses (ii), (iii), (v), (vi), (viii), (ix), (x), (xi), (xii), (xiii) and (xiv) shall be excluded, in such calculation.

For purposes of determining compliance with this Section 4.07, if any Investment or Restricted Payment would be permitted pursuant to one or more of the provisions described in Section 4.07(b) and/or one or more exceptions contained in the definition of "Permitted Investments," PHH may classify all or any portion of such Investment or Restricted Payment in any manner that complies with this Section 4.07 or the definition of "Permitted Investment" and may later reclassify all or any portion of any such Investment or Restricted Payment in any manner that complies with this Section 4.07 or the definition of "Permitted Investment" so long as the Investment or Restricted Payment (as so reclassified) would be permitted to be made in reliance on the applicable exceptions as of the date of such reclassification.

SECTION 4.08. *Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries.*

(a) PHH shall not, and shall not cause or permit any of its Restricted Subsidiaries to, directly or indirectly, create or otherwise cause or permit to exist or become effective any consensual encumbrance or consensual restriction on the ability of any Restricted Subsidiary of PHH to:

(i) pay dividends or make any other distributions on or in respect of its Capital Stock to PHH or any of its Restricted Subsidiaries;

(ii) make loans or advances or to pay any Indebtedness or other obligation owed to PHH or any Restricted Subsidiary of PHH; or

(iii) transfer any of its property or assets to PHH or any other Restricted Subsidiary of PHH.

(b) Section 4.08(a) shall not apply to encumbrances or restrictions existing under or by reason of:

(i) applicable law, rule, regulation or order;

(ii) this Indenture, the Notes and any Note Guarantees;

(iii) customary provisions of any contract, lease or license restricting assignments, subservicing, subcontracting or other transfers;

(iv) any instrument governing Acquired Indebtedness, which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person or the properties or assets of the Person so acquired;

(v) the Existing Facilities as each exists on the Issue Date and any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings thereof; *provided* that any restrictions imposed pursuant to any such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing are ordinary and customary with respect to facilities similar to the Existing Facilities (under the relevant circumstances) and will not materially affect the Issuer's ability to make anticipated principal, premium and interest payments on the Notes (as determined in good faith by the Issuer);

(vi) agreements existing on the Issue Date to the extent and in the manner such agreements are in effect on the Issue Date;

(vii) restrictions on the transfer of assets (other than cash) held in a Restricted Subsidiary of PHH imposed under any agreement governing Indebtedness incurred in accordance with this Indenture;

(viii) provisions in agreements evidencing MTM MSR Indebtedness or Permitted Funding Indebtedness, in each case, that impose restrictions on the collateral securing such Indebtedness, provide for financial covenants, limitations on affiliate transactions, the transfer of all or substantially all assets, other fundamental changes or other customary limitations which, in each case as determined in good faith by the Issuer, are customary or will not materially affect the ability of the Issuer to pay the principal, interest and premium on the Notes;

(ix) restrictions on the transfer of assets subject to any Lien permitted under this Indenture imposed by the holder of such Lien;

(x) restrictions imposed by any agreement to sell assets or Capital Stock permitted under this Indenture to any Person pending the closing of such sale;

(xi) any agreement or instrument governing Capital Stock of any Person that is acquired; *provided* that such encumbrances or restrictions are not created in contemplation of such acquisition;

(xii) the requirements of any Securitization, Warehouse Facility or MSR Facility that are exclusively applicable to any Securitization Entity, Warehouse Facility Trust, MSR Facility Trust or special purpose Subsidiary of PHH formed in connection therewith;

(xiii) customary provisions in joint venture and other similar agreements relating solely to the assets or the Equity Interests of such joint venture;

(xiv) customary provisions in leases, licenses and other agreements entered into in the ordinary course of business;

(xv) restrictions on cash or other deposits or net worth imposed by customers or other counterparties of PHH and its Restricted Subsidiaries under contracts entered into in the ordinary course of business;

(xvi) purchase money obligations for property acquired in the ordinary course of business and Capitalized Lease Obligations that impose restrictions on the property purchased or leased of the nature described in clause (iii) of Section 4.08(a);

(xvii) restrictions that are or were created by virtue of any transfer of, agreement to transfer or option or right with respect to any property not otherwise prohibited under this Indenture;

(xviii) other Indebtedness, Disqualified Capital Stock or Preferred Stock permitted to be incurred subsequent to the Issue Date pursuant to the provisions of Section 4.09; *provided* that the restrictions will not materially affect the ability of the Issuer to pay the principal, interest and premium on the Notes, as determined in good faith by the Issuer; and

(xix) any encumbrances or restrictions imposed by any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to in clauses (ii) through (iv) and (vi) through (xviii) of this Section 4.08(b); *provided* that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are, in the good faith judgment of the Issuer's Board of Directors whose judgment shall be conclusively binding, not materially more restrictive with respect to such dividend and other payment restrictions, taken as a whole, than those contained in the dividend or other payment restrictions prior to such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing.

SECTION 4.09. *Limitation on Incurrence of Indebtedness and Issuance of Preferred Stock*.

(a) PHH shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee, become liable, contingently or otherwise, with respect to, or otherwise become responsible for payment of (collectively, "**incur**") any Indebtedness (including, without limitation, Acquired Indebtedness) and PHH shall not permit any of its Restricted Subsidiaries to issue any shares of Preferred Stock, in each case other than Permitted Indebtedness.

(b) Notwithstanding Section 4.09(a), if no Default or Event of Default shall have occurred and be continuing at the time of or as a consequence of the incurrence of any such Indebtedness or Preferred Stock, PHH or any of its Restricted Subsidiaries may incur Indebtedness (including, without limitation, Acquired Indebtedness), and PHH's Restricted Subsidiaries may issue Preferred Stock, in each case, if on the date of the incurrence of such Indebtedness or Preferred Stock, as applicable, after giving effect to the incurrence thereof and the use of proceeds thereof, (a) the Total LTV Ratio of PHH and its Restricted Subsidiaries is no higher than 0.45 to 1.0 and (b) the ratio of Corporate Indebtedness of PHH and its Restricted Subsidiaries to Tangible Net Worth of Parent and its Subsidiaries is no higher than 1.25 to 1.0; *provided* that the aggregate principal amount of Indebtedness and Preferred Stock that may be incurred and outstanding at any one time by Restricted Subsidiaries of PHH that are not the Issuer or a Subsidiary Guarantor pursuant to this paragraph does not exceed $35.0 million.

SECTION 4.10. *Asset Sales*.

(a) PHH shall not, and shall not permit any of its Restricted Subsidiaries to, consummate an Asset Sale, other than a Required Asset Sale, unless:

(i) PHH (or the Restricted Subsidiary, as the case may be) receives consideration at the time of the Asset Sale at least equal to the Fair Market Value (measured as of the date of the definitive agreement with respect to such Asset Sale) of the assets or Equity Interests issued or sold or otherwise disposed of; and

(ii) except in the case of an Asset Swap, at least 75.0% of the consideration received in the Asset Sale by PHH or such Restricted Subsidiary is in the form of cash or Cash Equivalents. For purposes of this provision, each of the following will be deemed to be cash:

(A) any liabilities, as shown on PHH's or such Restricted Subsidiary's most recent consolidated balance sheet, of PHH or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the Notes or any Note Guarantee) that are assumed by the transferee of any such assets (or a third party on behalf of such transferee) pursuant to a customary novation or other agreement that releases PHH or such Restricted Subsidiary from further liability;

(B) any securities, notes or other obligations or assets received by PHH or any such Restricted Subsidiary from such transferee that are converted by PHH or such Restricted Subsidiary into cash within 180 days of the receipt thereof, to the extent of the cash received in that conversion;

(C) any Designated Noncash Consideration received by PHH or any of its Restricted Subsidiaries in such Asset Sale having an aggregate Fair Market Value, taken together with all other Designated Noncash Consideration received pursuant to this clause (C) that is at that time outstanding, not to exceed the greater of (x) $50.0 million and (y) 0.5% of Total Assets of PHH and its Restricted Subsidiaries, at the time of the receipt of such Designated Noncash Consideration (with the Fair Market Value of each item of Designated Noncash Consideration being measured at the time received and without giving effect to subsequent changes in value); and

(D) any stock or assets of the kind referred to in clauses (ii) and (iii) of Section 4.10(b).

(b) Within 365 days after the receipt of any Net Proceeds from an Asset Sale, including a Required Asset Sale, PHH (or the applicable Restricted Subsidiary, as the case may be) may apply such Net Proceeds at its option, in any combination of the following:

(i) to prepay or repay Obligations under (1) First Priority Obligations (and to correspondingly reduce commitments with respect thereto) through redemptions, open-market purchases, tender offers or privately negotiated transactions (to the extent such purchases with respect to Notes Obligations are at or above 100% of the principal amount thereof) or by making an Asset Sale Offer in accordance with the procedures set forth below or (2) in the case of Net Proceeds from any assets not constituting Collateral, (x) Indebtedness secured by a Lien on the asset or assets that were subject to such Asset Sale or Indebtedness of a Restricted Subsidiary that is not a Guarantor (*provided*, *however*, that Net Proceeds may not be applied to the prepayment or repayment of Non-Recourse Indebtedness, Indebtedness under Existing Facilities, MTM MSR Indebtedness or Permitted Funding Indebtedness, other than Non-Recourse Indebtedness, Indebtedness under Existing Facilities, MTM MSR Indebtedness or Permitted Funding Indebtedness secured by a Lien on the asset or assets that were subject to such Asset Sale) or (y) other unsubordinated Indebtedness of the Issuer or a Guarantor (other than Parent); *provided* that, in each case, to the extent PHH (or the applicable Restricted Subsidiary, as the case may be) repays any Obligations under clause (i)(1) or (1)(2)(y) that do not constitute Note Obligations, the Issuer will equally and ratably reduce the Note Obligations pursuant to Section 3.07, through open-market purchases (*provided* that such purchases are at or above 100% of the principal amount thereof) or make an offer (in accordance with the procedures set forth below for an Asset Sale Offer) to all Holders to equally and ratably purchase their Notes at a purchase price equal to 100% of the principal amount thereof, plus accrued and unpaid interest on the principal amount of Notes so purchased;

(ii) to acquire all or substantially all of the assets of, or any Capital Stock of, another Permitted Business, if, after giving effect to any such acquisition of Capital Stock, the Permitted Business is or becomes a Restricted Subsidiary of PHH; or

(iii) to acquire or invest in other assets that are used or useful in a Permitted Business (including, without limitation, Securitization Assets and assets that consist of Servicing Advances, MSRs, mortgages and other loans (including the origination of mortgages, other loans, MSRs and advances), mortgage related securities and derivatives, other mortgage related receivables, REO Assets, Residual Interests and other similar assets (or any interest in any of the foregoing) that are used to support or pledged to secured Permitted Funding Indebtedness or MTM MSR Indebtedness) or to make capital expenditures;

provided that, in the case of clauses (ii) and (iii) above, a binding commitment shall be treated as a permitted application of the Net Proceeds from the date of such commitment so long as PHH or such Restricted Subsidiary enters into such commitment with the good faith expectation that such Net Proceeds will be applied to satisfy such commitment within 180 days of such commitment (an "**Acceptable Commitment**"); *provided*, *further*, that if any Acceptable Commitment is later cancelled or terminated for any reason before such Net Proceeds are applied, then such Net Proceeds shall constitute Excess Proceeds. Any Asset Sale Offer made by the Issuer with the Net Proceeds from an Asset Sale pursuant to clause (i) above shall be deemed applied pursuant to clause (1) to the extent of the amount of Net Proceeds proposed to be applied toward the purchase of Notes in such Asset Sale Offer regardless of how many Notes are actually tendered and purchased in such Asset Sale Offer, *provided* that the Issuer purchases the maximum amount of Notes validly tendered and not revoked in such Asset Sale Offer. If any Net Proceeds that were proposed to be used to repurchase Notes in any such Asset Sale Offer remain after consummation of such Asset Sale Offer, the Issuer may use those Net Proceeds for any purpose not otherwise prohibited by this Indenture.

(c) Pending the final application of any Net Proceeds, PHH (or the applicable Restricted Subsidiary, as the case may be) may temporarily reduce revolving credit borrowings and/or borrowings under Permitted Funding Indebtedness, MTM MSR Indebtedness or otherwise invest the Net Proceeds in any manner that is not prohibited by this Indenture.

(d) Any Net Proceeds from Asset Sales that are not applied or invested within 365 days (as extended by any Acceptable Commitment) as provided in Section 4.10(b) will constitute "**Excess Proceeds.**" When the aggregate amount of Excess Proceeds exceeds $50.0 million, within thirty days thereof, the Issuer shall make an Asset Sale Offer to all Holders of Notes (with a copy to the Trustee) and, if and to the extent required by the terms of any Indebtedness that is *pari passu* with the Notes ("**Pari Passu Debt**"), to the holders of such Pari Passu Debt containing provisions similar to those set forth in this Indenture with respect to offers to purchase or redeem with the proceeds of sales of assets to purchase the maximum principal amount of Notes and such Pari Passu Debt that may be purchased out of the Excess Proceeds in accordance with the procedures set forth in Section 3.09 (an "**Asset Sale Offer**"); *provided* that the Net Proceeds from an Asset Sale of Collateral may not be applied to make an offer to any Pari Passu Debt that is not Other Pari Passu Secured Indebtedness. The offer price in any Asset Sale Offer shall be equal to 100.0% of the principal amount (or, in the case of any other Pari Passu Debt offered at a significant original issue discount, 100.0% of the accreted value thereof, if permitted by the relevant indenture or other agreement governing such Pari Passu Debt) plus accrued and unpaid interest to, but excluding, the date of purchase, and will be payable in cash. If any Excess Proceeds remain after consummation of an Asset Sale Offer, the Issuer and PHH may use those Excess Proceeds for any purpose not otherwise prohibited by this Indenture. If the aggregate principal amount of Notes and Pari Passu Debt tendered into such Asset Sale Offer exceeds the amount of Excess Proceeds, the Issuer shall determine the amount of the Notes and such Pari Passu Debt to be purchased on a *pro rata* basis or as nearly a *pro rata* basis as is practicable (subject to the Applicable Procedures) and the Trustee will select the Notes to be purchased on a *pro rata* basis, by lot or by such method as the Trustee shall deem fair and appropriate; *provided* that if the Notes are in global form, interest in such global notes will be selected for purchase by DTC in accordance with its Applicable Procedures. Upon completion of each Asset Sale Offer, the amount of Excess Proceeds shall be reset at zero.

(e) The Issuer shall comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with each repurchase of Notes pursuant to an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the Asset Sale provisions of this Indenture, the Issuer shall comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations under the Asset Sale provisions of this Indenture by virtue of such compliance.

SECTION 4.11. *Limitation on Transactions with Affiliates*.

(a) PHH shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, enter into any transaction or series of related transactions (including, without limitation, the purchase, sale, lease or exchange of any property or the rendering of any service) with, or for the benefit of, any of its Affiliates (each an "**Affiliate Transaction**") involving an aggregate payment of consideration in excess of $5.0 million other than:

(i) Affiliate Transactions permitted pursuant to Section 4.11(c); and

(ii) Affiliate Transactions on terms that, in the good faith judgment of PHH or the applicable Restricted Subsidiary, are no less favorable than those that might reasonably have been obtained in a comparable transaction at such time on an arm's-length basis from a Person that is not an Affiliate of PHH or such Subsidiary.

(b) All Affiliate Transactions (and each series of related Affiliate Transactions which are similar or part of a common plan) involving aggregate payments or other property with a Fair Market Value in excess of $15.0 million shall be approved by the Board of Directors of PHH or such Subsidiary, as the case may be, such approval to be evidenced by a Board Resolution stating that such Board of Directors has determined that such transaction complies with the provisions of Section 4.11(a).

(c) The restrictions set forth in Sections 4.11(a) and 4.11(b) shall not apply to:

(i) any employment or consulting agreement, employee or director benefit plan, officer or director compensation or indemnification agreement or any similar arrangement entered into by Parent, PHH or any of their Subsidiaries in the ordinary course of business or approved in good faith by the Board of Directors of PHH or Parent and payments pursuant thereto and the issuance of Equity Interests of PHH (other than Disqualified Capital Stock) to directors, employees and consultants pursuant to stock option or stock ownership, bonus or benefit plans;

(ii) transactions between or among PHH and any of its Restricted Subsidiaries or between or among such Restricted Subsidiaries;

(iii) transactions between PHH or one of its Restricted Subsidiaries and any Person in which PHH or one of its Restricted Subsidiaries has made an Investment in the ordinary course of business and such Person is an Affiliate solely because of such Investment;

(iv) transactions between PHH or one of its Restricted Subsidiaries and any Person in which PHH, any of its Restricted Subsidiaries, Parent or any of its Subsidiaries holds an interest as a joint venture partner and such Person is an Affiliate solely because of such interest;

(v) any agreement or arrangement as in effect as of the Issue Date and any such agreement or arrangement as it may be amended or replaced from time to time and any transactions or payments contemplated thereby (including pursuant to any such agreement or arrangement as so amended or replaced) so long as any such agreement or arrangement as so amended or replaced, taken as a whole, is not materially more disadvantageous to the Holders than the original agreement or arrangement as in effect on the Issue Date (as determined by PHH in good faith);

(vi) an agreement between a Person and an Affiliate of such Person existing at the time such Person is acquired by, or merged into, PHH or a Restricted Subsidiary and not entered into in contemplation of such acquisition or merger;

(vii) Restricted Payments or Permitted Investments (other than pursuant to clause (16) of the definition of "Permitted Investments") permitted by this Indenture or any Permitted Payments to Parent that are not made as a Restricted Payment but as a reimbursement of expenses incurred or paid on behalf of PHH or any of its Restricted Subsidiaries and entering into any agreement pursuant to which any such Restricted Payment, Permitted Investment or Permitted Payments to Parent are made;

(viii) sales of Qualified Capital Stock by PHH or any Restricted Subsidiary and capital contributions to PHH from Affiliates;

(ix) the existence of, or the performance by PHH or any of its Restricted Subsidiaries of its obligations under the terms of, any stockholders' agreement (including any registration rights agreement or purchase agreement related thereto) to which it is a party as of the Issue Date and any similar agreements which it may enter into thereafter; *provided*, *however*, that the existence of, or the performance by PHH or any of its Restricted Subsidiaries of obligations under any future amendment to any such existing agreement or under any similar agreement entered into after the Issue Date shall only be permitted by this clause (ix) to the extent that the terms of any such amendment or new agreement, taken as a whole, are not materially more disadvantageous to the Holders of the Notes (as determined by PHH in good faith);

(x) transactions in which PHH or any Restricted Subsidiary of PHH, as the case may be, receives an opinion from a nationally recognized investment banking, appraisal or accounting firm that such Affiliate Transaction is fair, from a financial standpoint, to PHH or such Restricted Subsidiary;

(xi) (A) the provision of mortgage servicing, mortgage loan origination, real estate logistics, brokerage and management and similar services to Affiliates in the ordinary course of business and otherwise not prohibited by this Indenture that are fair to PHH and its Restricted Subsidiaries (as determined by PHH in good faith) or are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated party (as determined by PHH in good faith), and (B) transactions or agreements (and payments pursuant to such transactions or agreements) with customers, clients, suppliers, vendors, contractors, lenders, joint venture partners or purchasers or sellers of assets or services that are Affiliates, in each case in the ordinary course of business and otherwise in compliance with the terms of this Indenture that are fair to PHH and its Restricted Subsidiaries (as determined by PHH in good faith) or are on terms at least as favorable as might reasonably have been obtained at such time from an unaffiliated party (as determined by PHH in good faith);

(xii) Co-Investment Transactions;

(xiii) payroll, travel, relocation and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business consistent with industry practice; and

(xiv)sales of accounts receivable, or participations therein, or Securitization Assets or related assets in connection with any Permitted Securitization Indebtedness, MTM MSR Indebtedness or Permitted Funding Indebtedness.

SECTION 4.12. *Limitation on Liens.* Parent, PHH and the Issuer shall not, and shall not cause or permit any Guarantor to, directly or indirectly, create, incur, assume or permit or suffer to exist any Liens of any kind on the assets of the Issuer or any Guarantor securing Indebtedness of PHH or any Restricted Subsidiaries except for:

(a) Liens existing on the Issue Date (excluding Liens securing Indebtedness permitted to be incurred pursuant to clauses (1) and (3) of the definition of "Permitted Indebtedness") to the extent and in the manner such Liens are in effect on the Issue Date;

(b) Liens securing Non-Recourse Indebtedness so long as such Lien shall encumber only (i) any Equity Interests of the Subsidiary which owes such Indebtedness, (ii) the assets originated, acquired or funded with the proceeds of such Non-Recourse Indebtedness and (iii) any intangible contract rights and other accounts, documents, records and other property directly related to the foregoing;

(c) (A) Liens securing Permitted Funding Indebtedness or MTM MSR Indebtedness so long as any such Lien shall encumber only (1) the assets originated, acquired or funded with the proceeds of such Indebtedness, assets that consist of Servicing Advances, MSRs, loans, mortgages and other secured loans, mortgage related securities and derivatives, other mortgage related receivables, REO Assets, Residual Interests and other similar assets (or any interests in any of the foregoing) subject to and pledged to secure such Indebtedness, and (2) any intangible contract rights and other accounts, documents, records and other assets directly related to the assets set forth in the preceding clause (1) of this clause (c)(A) and any proceeds thereof, and (B) Liens in any cash collateral or restricted accounts securing Permitted Funding Indebtedness;

(d) Liens securing Refinancing Indebtedness that is incurred to Refinance any Indebtedness that was previously so secured by a Lien permitted under this Indenture and that has been incurred in accordance with the provisions of this Indenture; *provided*, *however*, that such Liens (A) are, when taken as a whole, not materially less favorable to the Holders than the Liens in respect of the Indebtedness being Refinanced, and (B) do not extend to or cover any property or assets of Parent, PHH or its Restricted Subsidiaries not securing the Indebtedness so Refinanced (or property of the same type and value); and

(e) Permitted Liens.

SECTION 4.13. *Conduct of Business.* PHH shall not, and shall not permit any of its Restricted Subsidiaries to, engage in any business other than Permitted Businesses, except to such extent as would not be material to the Issuer and its Restricted Subsidiaries taken as a whole.

SECTION 4.14. *Offer to Repurchase Upon Change of Control*.

(a) Upon the occurrence of a Change of Control, each Holder shall have the right to require that the Issuer purchase all or a portion of such Holder's Notes pursuant to the offer described below (the "**Change of Control Offer**") at a purchase price equal to 101.0% of the principal amount of the Notes purchased, plus accrued and unpaid interest to, but excluding, the date of purchase (subject to the rights of Holders of Notes on the relevant regular Record Date to receive interest due on the relevant Interest Payment Date that is on or prior to the applicable date of repurchase).

(b) Within 30 days following the date upon which a Change of Control occurs, the Issuer must send, a notice to each Holder, with a copy to the Trustee, or otherwise in accordance with the procedures of DTC, which notice shall govern the terms of the Change of Control Offer. Such notice shall state the following information:

(i) that a Change of Control Offer is being made pursuant to this Section 4.14 and that all Notes properly tendered pursuant to such Change of Control Offer will be accepted for payment by the Issuer;

(ii) the purchase price (the "**Change of Control Payment**");

(iii) the purchase date, which must be no earlier than 30 days nor later than 60 days from the date such notice is mailed (or, in the case of Global Notes, delivered), other than as may be required by law (the "**Change of Control Payment Date**");

(iv) that any Note not tendered or accepted for payment will remain outstanding and continue to accrue interest;

(v) that unless the Issuer defaults in the payment of the Change of Control Payment, all Notes accepted for payment pursuant to the Change of Control Offer shall cease to accrue interest after the Change of Control Payment Date;

(vi) that Holders electing to have a Note purchased pursuant to a Change of Control Offer shall be required to surrender the Note, with the form entitled "Option of Holder to Elect Purchase," which is attached to the form of Note attached as Exhibit A hereto, on the reverse of the Note completed, to the paying agent at the address specified in the notice (or transfer by book-entry transfer to the Depositary, as applicable) prior to the close of business on the third Business Day prior to the Change of Control Payment Date;

(vii) that Holders shall be entitled to withdraw their tendered Notes and their election to require the Issuer to purchase such Notes; *provided* that the Paying Agent receives, not later than the close of business on the last day of the offer period, a facsimile transmission or letter, or otherwise in accordance with the Applicable Procedures of DTC, setting forth the name of the Holder of the Notes, the principal amount of the Notes tendered for purchase, and a statement that such Holder is withdrawing its tendered Notes and its election to have such Notes purchased; and

(viii) any other instructions, as determined by the Issuer, consistent with this Section 4.14, that a Holder must follow.

(c) The Issuer shall not be required to make a Change of Control Offer upon a Change of Control if (i) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in this Section 4.14 applicable to a Change of Control Offer made by the Issuer and purchases all Notes properly tendered and not withdrawn under the Change of Control Offer, or (ii) an unconditional and irrevocable notice of redemption as to all outstanding Notes has been given pursuant to Sections 3.07, unless and until there is a default in payment of the applicable redemption price.

(d) Notwithstanding anything to the contrary herein, a Change of Control Offer may be made in advance of a Change of Control conditioned upon such Change of Control if at the time of making of the Change of Control Offer a definitive agreement is in place with respect to such Change of Control.

(e) The Issuer shall comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable in connection with the repurchase of Notes pursuant to a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with this Section 4.14, the Issuer shall comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Section 4.14 by virtue thereof.

(f) The Issuer will have the right to redeem the Notes at 101.0% of the principal amount thereof following the consummation of a Change of Control if at least 90.0% of the Notes outstanding prior to such consummation are purchased pursuant to a Change of Control Offer with respect to such Change of Control.

SECTION 4.15. *Limitation on the Issuance of Guarantees of Indebtedness by Restricted Subsidiaries*. If after the Issue Date, PHH or any Restricted Subsidiary of PHH acquires or forms a Restricted Subsidiary that is not an Excluded Subsidiary, or any Excluded Subsidiary ceases to fit within the definition thereof, then within 30 days of the date on which such Restricted Subsidiary is acquired or formed or such Excluded Subsidiary ceases to constitute an Excluded Subsidiary, PHH shall cause such Restricted Subsidiary to fully and unconditionally guarantee the Notes, jointly and severally with any other Guarantors, to execute joinders to the Security Documents and supplements to any Intercreditor Agreements and take all actions required thereunder or hereunder to perfect the Liens created thereunder, and to execute a supplemental indenture, the form of which is attached as Exhibit D hereto (together with Opinions of Counsel as to the enforceability of such Note Guarantee).

SECTION 4.16. *Limitation on Sale and Leaseback Transactions*. PHH shall not, and shall not permit any of its Restricted Subsidiaries to, enter into any sale and leaseback transaction; *provided* that PHH and any Restricted Subsidiary of PHH may enter into a sale and leaseback transaction if:

(a) PHH or that Restricted Subsidiary, as applicable, could have (i) incurred Indebtedness in an amount equal to the Attributable Debt relating to such sale and leaseback transaction pursuant to Section 4.09 and (ii) incurred a Lien to secure such Indebtedness pursuant to Section 4.12;
(b) the consideration of that sale and leaseback transaction is at least equal to the Fair Market Value of the property that is the subject of that sale and leaseback transaction; and
(c) the transfer of assets in that sale and leaseback transaction is permitted by, and PHH applies the proceeds of such transaction in compliance with Section 4.10.

SECTION 4.17. *Designation of Unrestricted and Restricted Subsidiaries*.

i. The Board of Directors of PHH may designate any Restricted Subsidiary of PHH (other than the Issuer) to be an Unrestricted Subsidiary if that designation would not cause a Default or Event of Default. If a Restricted Subsidiary of PHH is designated as an Unrestricted Subsidiary, the aggregate Fair Market Value of all outstanding Investments owned by PHH and its Restricted Subsidiaries in the Subsidiary designated as Unrestricted will be deemed to be an Investment made as of the time of the designation and will reduce the amount available for Restricted Payments under Section 4.07 or under one or more clauses of the definition of "Permitted Investments," as determined by PHH. That designation will only be permitted if the Investment would be permitted at that time and if the Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary.

ii. Any designation of a Subsidiary of PHH as an Unrestricted Subsidiary will be evidenced to the Trustee by filing with the Trustee a certified copy of a Board Resolution of PHH giving effect to such designation and an Officers' Certificate certifying that such designation complied with the preceding conditions and was permitted by Section 4.07. The Board of Directors of PHH may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary of PHH; *provided* that such designation will be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of PHH of any outstanding Indebtedness of such Unrestricted Subsidiary and such designation will only be permitted if (i) such Indebtedness is permitted under Section 4.09, calculated on a pro forma basis as if such designation had occurred at the beginning of the four-quarter reference period; and (ii) no Default or Event of Default would occur and be continuing following such designation. Any such designation of an Unrestricted Subsidiary to a Restricted Subsidiary will be evidenced to the Trustee by filing with the Trustee a certified copy of a Board Resolution of the Parent giving effect to such designation and an Officers' Certificate certifying that such designation complied with the preceding conditions and was permitted by Section 4.07 and Section 4.09.

SECTION 4.18. *Covenant Suspension.* During any period of time that the Notes are rated Investment Grade and no Default or Event of Default has occurred and is then continuing, PHH and its Restricted Subsidiaries will not be subject to Sections 4.07, 4.08, 4.09, 4.10, 4.11, 4.13, 4.15 and 5.01(a)(B) (collectively, the "**Suspended Covenants**"). In the event that PHH and its Restricted Subsidiaries are not subject to the Suspended Covenants for any period of time (the "**Suspension Period**") as a result of the preceding sentence and, subsequently, one or both of the Rating Agencies, as applicable, withdraws its ratings or downgrades the ratings assigned to the Notes such that the Notes are not rated Investment Grade (the "**Reversion Date**"), then PHH and its Restricted Subsidiaries will thereafter again be subject to the Suspended Covenants, it being understood that no actions taken by (or omissions of) PHH or any of its Restricted Subsidiaries during the suspension period shall constitute a Default or an Event of Default under the Suspended Covenants. Furthermore, after the Reversion Date, (a) calculations with respect to Restricted Payments will be made in accordance with the terms of Section 4.07 as though such covenant had been in effect prior to, and throughout the Suspension Period and accordingly, Restricted Payments made during the Suspension Period will reduce the amount available to be made as Restricted Payments under Section 4.07(a), (b) all Indebtedness incurred during the Suspension Period will be classified to have been incurred or issued pursuant to clause (4) of the definition of "Permitted Indebtedness," (c) for purposes of Section 4.08, on the Reversion Date, any consensual encumbrances or restrictions of the type specified in Section 4.08(a)(i), (ii) or (iii) entered into during the Suspension Period will be deemed to have been in effect on the Issue Date, so that they are permitted by Section 4.08(b)(vi), (d) for purposes of Section 4.10, on the Reversion Date, the unutilized Excess Proceeds amount will be reset to zero and (e) for purposes of Section 4.11, any Affiliate Transaction entered into after the Reversion Date pursuant to a contract, agreement, loan, advance or guaranty with, or for the benefit of, any Affiliate of PHH entered into during the Suspension Period will be deemed to have been in effect as of the Issue Date for purposes of Section 4.11(c)(v).

During a Suspension Period, PHH may not designate any of its Subsidiaries as Unrestricted Subsidiaries. The Issuer will provide the Trustee with prompt written notice of the commencement of any Suspension Period or Reversion Date. The Trustee shall have no duty to monitor the ratings of the Notes and shall have no duty to inform the Holders if the Notes achieve Investment Grade ratings.

SECTION 4.19. *[Reserved]*

SECTION 4.20. *[Reserved]*

SECTION 4.21. *[Reserved]Post-Closing Obligations* . The Issuer and the Guarantors shall use commercially reasonable efforts to deliver to the Collateral Trustee, no later than forty-five (45) days following the Issue Date, to the extent not delivered on or prior to the Issue Date, the insurance certificates and each of its insurance policies to be endorsed or otherwise amended to name the Collateral Trustee as additional insured (in the case of liability insurance) or loss payee (in the case of property insurance), as applicable, to the extent such insurance certificates and insurance policies are endorsed or name the Collateral Trustee as an insured.

To the extent any security interests required by this Indenture and the Security Documents cannot be perfected by filing or delivery, the Issuer will use commercially reasonable efforts to have all such security interests (including, control agreements with respect to deposit accounts) to be in place and perfected within 90 days after the Issue Date.

ARTICLE 5
SUCCESSORS

SECTION 5.01. *[Reserved]Post-Closing Obligations* . The Issuer and the Guarantors shall use commercially reasonable efforts to deliver to the Collateral Trustee, no later than forty-five (45) days following the Issue Date, to the extent not delivered on or prior to the Issue Date, the insurance certificates and each of its insurance policies to be endorsed or otherwise amended to name the Collateral Trustee as additional insured (in the case of liability insurance) or loss payee (in the case of property insurance), as applicable, to the extent such insurance certificates and insurance policies are endorsed or name the Collateral Trustee as an insured.*Merger, Consolidation or Sale of All or Substantially All Assets.*

(a) PHH and the Issuer shall not, in a single transaction or series of related transactions, consolidate or merge with or into any Person, and PHH will not sell, assign, transfer, lease, convey or otherwise dispose of (or cause or permit any Restricted Subsidiary of PHH to sell, assign, transfer, lease, convey or otherwise dispose of) all or substantially all of the properties and assets of PHH and its Restricted Subsidiaries, taken as a whole, to any Person unless:

(A) either:

(1) PHH or the Issuer, as applicable, shall be the surviving or continuing entity; or

(2) the Person (if other than PHH or the Issuer) formed by such consolidation or into which PHH or the Issuer is merged or the Person which acquires by sale, assignment, transfer, lease, conveyance or other disposition the properties and assets of PHH and its Restricted Subsidiaries taken as a whole (the "**Surviving Entity**"):

(i) shall be a Person organized and validly existing under the laws of the United States or any State thereof or the District of Columbia; *provided* that in the case where the Surviving Entity is not a corporation, a co-obligor of the Notes is a corporation;

(ii) shall expressly assume, by supplemental indenture, executed and delivered to the Trustee and Collateral Trustee, the due and punctual payment of the principal of, and premium, if any, and interest on all of the Notes and the performance of every covenant of the Notes, this Indenture and the Security Documents on the part of PHH or the Issuer to be performed or observed; and

(iii) shall take all actions necessary to cause the First Priority Liens created by the Security Documents to continue to be duly perfected to the extent required by such agreement in accordance with all applicable law, including making all filings under the Uniform Commercial Code or otherwise that are required by applicable law in order for the Collateral Trustee to continue at all times following such transaction to have a valid, legal and perfected security interest in all the Collateral with the priority required by the Intercreditor Agreements;

(B) immediately after giving effect to such transaction and the assumption contemplated by clause (A)(2)(ii) of this Section 5.01(a) (including giving effect to any Indebtedness and Acquired Indebtedness incurred or anticipated to be incurred in connection with or in respect of such transaction), (x) the Total LTV Ratio of PHH and its Restricted Subsidiaries on a pro forma basis would be either (i) no higher than 0.45 to 1.0 or (ii) no higher than the Total LTV Ratio of PHH and its Restricted Subsidiaries immediately prior to such transaction and (y) the ratio of Corporate Indebtedness of PHH and its Restricted Subsidiaries to Tangible Net Worth of Parent and its Subsidiaries on a pro forma basis would be (i) no higher than 1.25 to 1.0 or (ii) no higher than the ratio of Corporate Indebtedness of PHH and its Restricted Subsidiaries to Tangible Net Worth of Parent and its Subsidiaries immediately prior to such transaction;

(C) immediately before and immediately after giving effect to such transaction and the assumption contemplated by clause (A)(2)(ii) of this Section 5.01(a) (including, without limitation, giving effect to any Indebtedness and Acquired Indebtedness incurred or anticipated to be incurred and any Lien granted in connection with or in respect of the transaction), no Default or Event of Default shall have occurred or be continuing; and

(D) PHH, the Issuer or the Surviving Entity shall have delivered to the Trustee and the Collateral Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger, sale, assignment, transfer, lease, conveyance or other disposition and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture comply with the applicable provisions of this Indenture and that all conditions precedent in this Indenture relating to such transaction have been satisfied and that the supplemental indenture and such other agreements constitute the legal, valid and binding obligation of the Surviving Entity.

(b) For purposes of Section 5.01(a), the transfer (by lease, assignment, sale or otherwise, in a single transaction or series of transactions) of all or substantially all of the properties or assets of one or more Restricted Subsidiaries of PHH, the Capital Stock of which constitutes all or substantially all of the properties and assets of PHH and its Restricted Subsidiaries, taken as a whole, shall be deemed to be the transfer of all or substantially all of the properties and assets of PHH and its Restricted Subsidiaries, taken as a whole.

(c) Parent may not sell or otherwise dispose of all or substantially all of its assets to, or consolidate with or merge with or into (whether or not Parent is the surviving Person) another Person, other than PHH, the Issuer or another Subsidiary Guarantor, unless:

(i) except in the case of a merger entered into solely for the purpose of reincorporating Parent in another jurisdiction, immediately after giving effect to that transaction, no Default or Event of Default shall have occurred and be continuing;

(ii) the Person acquiring the property in any such sale or disposition or the Person formed by or surviving any such consolidation or merger (if not Parent) assumes all the obligations of Parent under this Indenture and its Note Guarantee pursuant to a supplemental indenture and the Security Documents; and

(iii) the Issuer shall have delivered to the Trustee and Collateral Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such sale, disposition, consolidation or merger and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture will comply with the applicable provisions of this Indenture and that all conditions precedent in this Indenture relating to such transaction have been satisfied and that the supplemental indenture and such other agreements constitute the legal, valid and binding obligation of the surviving entity.

(d) Notwithstanding the foregoing, Section 5.01 shall not apply to:

(i) a merger of PHH or the Issuer with an Affiliate solely for the purpose of reorganizing PHH or the Issuer in another jurisdiction;

(ii) any consolidation or merger by any Restricted Subsidiary of PHH (other than the Issuer) with or into, or any sale, assignment, transfer, conveyance, lease or other disposition of assets by any Restricted Subsidiary to, PHH or any of its Restricted Subsidiaries; or

(iii) any Required Asset Sale that complies with Section 4.10.

Any reference in this Indenture to a merger, transfer, consolidation, amalgamation, assignment, sale, disposition or transfer, or similar term, shall be deemed to apply to a division of, or by, a limited liability company, limited partnership or trust, or an allocation of assets to a series of a limited liability company, limited partnership or trust (or the unwinding of such a division or allocation), as if it were a merger, transfer, consolidation, amalgamation, assignment, sale or transfer, or similar term, as applicable, to, of or with a separate Person. Any division of a limited liability company, limited partnership or trust shall constitute a separate Person under this Indenture (and each division of any limited liability company, limited partnership or trust that is a Subsidiary, Unrestricted Subsidiary, joint venture or any other like term shall also constitute such a Person or entity).

SECTION 5.02. *Surviving Entity Substituted.* Upon any consolidation, combination or merger by PHH or the Issuer or any transfer of all or substantially all of the properties and assets of PHH and its Restricted Subsidiaries, taken as a whole in accordance with Section 5.01, in which PHH or the Issuer, as applicable, is not the continuing entity, the successor Person formed by such consolidation or into which PHH or the Issuer is merged or to which such conveyance, lease or transfer is made shall succeed to, and be substituted for, and may exercise every right and power of, PHH or the Issuer, as the case may be, under this Indenture and the Notes with the same effect as if such Surviving Entity had been named as such.

ARTICLE 6
DEFAULTS AND REMEDIES

SECTION 6.01. *Events of Default.* An "**Event of Default**" wherever used herein, means any one of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(i) the failure to pay interest on any Notes when the same becomes due and payable and the default continues for a period of 30 days;

(ii) the failure to pay the principal or premium on any Notes, when such principal becomes due and payable, at maturity, upon redemption or otherwise;

(iii) a default in the observance or performance of any other covenant or agreement contained in this Indenture and such default continues for a period of 60 days (or, in the case of Section 4.03, 120 days) after the Issuer receives written notice specifying the default (and demanding that such default be remedied) from the Trustee or the Holders of at least 25.0% of the then outstanding principal amount of all Notes issued under this Indenture;

(iv) the failure to pay at final maturity (giving effect to any applicable grace periods and any extensions thereof) the principal amount of any Indebtedness (other than Non-Recourse Indebtedness) of Parent, PHH or any Restricted Subsidiary of PHH, or the acceleration of the final stated maturity of any such Indebtedness due to an event of default thereunder if the aggregate principal amount of such Indebtedness, together with the principal amount of any other such Indebtedness in default for failure to pay principal at final maturity or which has been accelerated, aggregates $50.0 million or more at any time; *provided* that in connection with any series of convertible or exchangeable securities (A) any conversion or exchange of such securities by a holder thereof into shares of Capital Stock, cash or a combination of cash and shares of Capital Stock, (B) the rights of holders of such securities to convert or exchange into shares of Capital Stock, cash or a combination of cash and shares of Capital Stock and (C) the rights of holders of such securities to require any repurchase by Parent, PHH or any Restricted Subsidiary of PHH of such securities in cash shall not, in itself, constitute an Event of Default under this clause (iv);

(v) one or more judgments in an aggregate amount in excess of $50.0 million shall have been rendered against PHH or any of PHH's Restricted Subsidiaries that is a Significant Subsidiary (or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for PHH and its Restricted Subsidiaries), would constitute a Significant Subsidiary) and such judgments remain undischarged, unpaid or unstayed for a period of 60 days after such judgment or judgments become final and non-appealable (other than any judgments as to which, and only to the extent, a solvent and unaffiliated insurance company has acknowledged coverage of such judgments in writing);

(vi) Parent, PHH or any of PHH's Restricted Subsidiaries that is a Significant Subsidiary (including the Issuer) or any group of Restricted Subsidiaries of PHH that, taken together (as of the latest audited consolidated financial statements for PHH and its Restricted Subsidiaries), would constitute a Significant Subsidiary, pursuant to or within the meaning of any Bankruptcy Law:

(A) commences proceedings to be adjudicated bankrupt or insolvent;

(B) consents to the institution of bankruptcy or insolvency proceedings against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under applicable Bankruptcy Law;

(C) consents to the appointment of a receiver, liquidator, assignee, trustee, sequestrator or other similar official of it or for all or substantially all of its property;

(D) makes a general assignment for the benefit of its creditors; or

(E) generally is not paying its debts as they become due;

(vii) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(A) is for relief against Parent, PHH or any Restricted Subsidiary of PHH that is a Significant Subsidiary (including the Issuer) or any group of Restricted Subsidiaries of PHH that, taken together (as of the latest audited consolidated financial statements for PHH and its Restricted Subsidiaries), would constitute a Significant Subsidiary, in a proceeding in which Parent, PHH, any such Restricted Subsidiary or any such group of Restricted Subsidiaries is to be adjudicated bankrupt or insolvent;

(B) appoints a receiver, liquidator, assignee, trustee, sequestrator or other similar official of Parent, PHH or any Restricted Subsidiary of PHH that is a Significant Subsidiary or any group of Restricted Subsidiaries of PHH that, taken together, would constitute a Significant Subsidiary, or for all or substantially all of the property of Parent, PHH, any such Restricted Subsidiary or any such group of Restricted Subsidiaries; or

(C) orders the liquidation of Parent, PHH or any Restricted Subsidiary of PHH that is a Significant Subsidiary or any group of Restricted Subsidiaries of PHH that, taken together, would constitute a Significant Subsidiary;

and the order or decree remains unstayed and in effect for 60 consecutive days;

(viii) the Note Guarantee of Parent, PHH or any Subsidiary Guarantor that is a Significant Subsidiary of PHH (or group of Subsidiary Guarantors that, taken together (as of the latest audited consolidated financial statements for PHH and its Restricted Subsidiaries), would constitute a Significant Subsidiary) shall for any reason cease to be in full force and effect or be declared null and void or any responsible officer of Parent, PHH or any Subsidiary Guarantor that is a Significant Subsidiary of PHH (or group of Subsidiary Guarantors that, taken together (as of the latest audited consolidated financial statements for PHH and its Restricted Subsidiaries), would constitute a Significant Subsidiary), as the case may be, denies that it has any further liability under its Note Guarantee or gives notice to such effect, other than by reason of the termination of this Indenture or the release of any such Note Guarantee in accordance with this Indenture; or

(ix) so long as the Security Documents have not been otherwise terminated in accordance with terms of this Indenture or the Security Documents and the Collateral as a whole has not been released from the Lien of the Security Documents securing the Notes or the Note Guarantees in accordance with the terms of this Indenture or the Security Documents, with respect to a material portion of the Collateral, (a) any of the Security Documents ceases to be in full force and effect, (b) any of the Security Documents ceases to give the Collateral Trustee the Liens purported to be created thereby with the priority required by the relevant Security Document, in each case for any reason other than the failure of the Collateral Trustee or any Secured Party to maintain possession of Collateral delivered to it or (c) the Issuer or any Guarantor denies in writing that it has any further liability under any Security Document or gives written notice to such effect, in each case, other than in accordance with the terms of this Indenture or the Security Documents except to the extent that any loss of perfection of a Lien results from the failure of the Collateral Trustee to maintain possession of certificates actually delivered to it representing securities pledged under the Security Documents, or otherwise results from the gross negligence or willful misconduct of the Trustee or the Collateral Trustee; *provided* that if a failure of the sort described in this clause (ix) is susceptible of cure, no Event of Default shall arise under this clause (ix) with respect thereto until 45 days after notice of such failure shall have been given to the Issuer by the Trustee or the Holders of at least 25.0% in principal amount of the then outstanding Notes.

In the event of a declaration of acceleration of the Notes because an Event of Default described in clause (iv) of Section 6.01 has occurred and is continuing, the declaration of acceleration of the Notes shall be automatically annulled if the default triggering such Event of Default pursuant to Section 6.01(iv) shall be remedied or cured by PHH or the applicable Restricted Subsidiary of PHH or waived by the holders of the relevant Indebtedness within thirty days after the declaration of acceleration with respect thereto and if (1) the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction and (2) all existing Events of Default, except nonpayment of principal, premium, if any, or interest on the Notes that became due solely because of the acceleration of the Notes, have been cured or waived.

The Issuer shall provide an Officers' Certificate to the Trustee within five (5) Business Days of any Default or Event of Default (*provided* that such Officers shall provide such certificate at least annually whether or not they know of any Default or Event of Default) that has occurred and is continuing and, if applicable, describe such Default or Event of Default and the status thereof.

SECTION 6.02. *Acceleration*.

(a) If an Event of Default (other than an Event of Default specified in clause (vi) or (vii) of Section 6.01 with respect to Parent, PHH or the Issuer) shall occur and be continuing, the Trustee or the Holders of at least 25.0% in principal amount of the then outstanding Notes issued under this Indenture may declare the principal of, premium, if any, and accrued and unpaid interest on all the Notes issued under this Indenture to be due and payable by notice in writing to the Issuer (and the Trustee if given by the Holders) specifying the respective Event of Default and that it is a "**notice of acceleration,**" and the Notes shall become immediately due and payable.

(b) If an Event of Default specified in clause (vi) or (vii) of Section 6.01 with respect to Parent, PHH or the Issuer occurs and is continuing, then all unpaid principal of, and premium, if any, and accrued and unpaid interest on all of the then outstanding Notes issued under this Indenture shall *ipso facto* become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holder.

(c) At any time after a declaration of acceleration with respect to the Notes as described in Section 6.02(a) or 6.02(b), the Holders of a majority in principal amount of all Notes issued under this Indenture may rescind and cancel such declaration and its consequences:

(i) if the rescission would not conflict with any judgment or decree;

(ii) if all existing Events of Default have been cured or waived except nonpayment of principal or interest that has become due solely because of the acceleration;

(iii) to the extent the payment of such interest is lawful, interest on overdue installments of interest and overdue principal, which has become due otherwise than by such acceleration, has been paid;

(iv) if the Issuer has paid the Trustee (including its agents and counsel) its reasonable compensation and reimbursed the Trustee for its expenses, disbursements and advances; and

(v) in the event of the cure or waiver of an Event of Default of the type described in clause (vi) or (vii) of Section 6.01, the Trustee shall have received an Officers' Certificate and an Opinion of Counsel that such Event of Default has been cured or waived.

No such rescission shall affect any subsequent Default or impair any right consequent thereto.

SECTION 6.03. *Other Remedies*.

(a) If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy to collect the payment of principal, premium, if any, and interest on the Notes or to enforce the performance of any provision of the Notes or this Indenture.

(b) The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Holder of a Note in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. All remedies are cumulative to the extent permitted by law.

SECTION 6.04. *Waiver of Past Defaults.* Holders of a majority in aggregate principal amount of the then outstanding Notes by written notice to the Trustee may, on behalf of the Holders of all of the Notes, waive any existing Default or Event of Default and its consequences hereunder, except a continuing Default in the payment of the principal of, premium, if any, interest on any Note held by a non-consenting Holder (including in connection with an Asset Sale Offer or a Change of Control Offer); *provided*, subject to Section 6.02, that the Holders of a majority in aggregate principal amount of the then outstanding Notes may rescind an acceleration and its consequences, including any related payment default that resulted from such acceleration. Upon any such waiver, such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of this Indenture; but no such waiver shall affect any subsequent or other Default or impair any right consequent thereto.

SECTION 6.05. *Control by Majority.* Subject to all provisions of this Indenture and applicable law, the Holders of a majority in principal amount of the then outstanding Notes may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee. The Trustee, however, may refuse to follow any direction that conflicts with law or this Indenture or that the Trustee determines is unduly prejudicial to the rights of any other Holder of a Note or that would involve the Trustee in personal liability.

SECTION 6.06. *Rights of Holders of Notes to Receive Payment.* Notwithstanding any other provision of this Indenture, the contractual right of any Holder of a Note to receive payment of principal, premium, if any, interest on the Note, on or after the respective due dates expressed in the Note (including in connection with an Asset Sale Offer or a Change of Control Offer), or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder.

SECTION 6.07. *Collection Suit by Trustee.* If an Event of Default specified in Section 6.01(i) or (ii) occurs and is continuing, the Trustee is authorized to recover judgment in its own name and as trustee of an express trust against the Issuer for the whole amount of principal of, premium, if any, interest remaining unpaid on the Notes and interest on overdue principal and, to the extent lawful, interest and such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

SECTION 6.08. *Restoration of Rights and Remedies.* If the Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then and in every such case, subject to any determination in such proceedings, the Issuer, the Trustee and the Holders shall be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Trustee and the Holders shall continue as though no such proceeding has been instituted.

SECTION 6.09. *Rights and Remedies Cumulative.* Except as otherwise provided with respect to the replacement or payment of mutilated, destroyed, lost or stolen Notes in Section 2.07, no right or remedy herein conferred upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

SECTION 6.10. *Delay or Omission Not Waiver.* No delay or omission of the Trustee or of any Holder of any Note to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

SECTION 6.11. *Trustee May File Proofs of Claim.* The Trustee is authorized to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and the Holders of the Notes allowed in any judicial proceedings relative to the Issuer (or any other obligor upon the Notes including any Guarantor), its creditors or its property and shall be entitled and empowered to participate as members in any official committee of creditors appointed in such matter and to collect, receive and distribute any money or other property payable or deliverable on any such claims and any custodian in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee, and in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07. To the extent that the payment of any such compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07 out of the estate in any such proceeding, shall be denied for any reason, payment of the same shall be secured by a Lien on, and shall be paid out of, any and all distributions, dividends, money, securities and other properties that the Holders may be entitled to receive in such proceeding whether in liquidation or under any plan of reorganization or arrangement or otherwise. Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

SECTION 6.12. *Undertaking for Costs.* In any suit for the enforcement of any right or remedy under this Indenture, the Security Documents or the Intercreditor Agreements or in any suit against the Trustee for any action taken or omitted by it as a Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section 6.12 does not apply to a suit by the Trustee, a suit by a Holder pursuant to Section 6.06, or a suit by Holders of more than 10.0% in principal amount of the then outstanding Notes.

SECTION 6.13. *Trustee May Enforce Claims without Possession of Notes.* All rights of action and claims under this Indenture, any of the Notes, the Security Documents or the Intercreditor Agreements may be prosecuted and enforced by the Trustee without the possession of any of the Notes or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery or judgment, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, shall be for the ratable benefit of each and every Holder of a Note in respect of which such judgment has been recovered.

SECTION 6.14. *Limitation on Suits.* Subject to Section 6.06, no Holder may pursue any remedy with respect to this Indenture, any of the Notes, the Security Documents or the Intercreditor Agreements unless:

(a) such Holder has previously given the Trustee notice that an Event of Default is continuing;

(b) Holders of at least 25.0% of the then outstanding principal amount of all Notes issued under this Indenture have requested the Trustee to pursue the remedy;

(c) Holders have offered the Trustee security or indemnity satisfactory to it against any loss, liability or expense;

(d) the Trustee has not complied with such request within 60 days after the receipt thereof and the offer of security or indemnity; and

(e) Holders of a majority in principal amount of the total outstanding Notes have not given the Trustee a direction inconsistent with such request within such 60-day period.

A Holder of Notes may not use this Indenture to prejudice the rights of another Holder of Notes or to obtain a preference or priority over another Holder.

ARTCLE 6 *Priorities.* If the Trustee or any agent collects any money or property pursuant to this Article 6, it shall pay out the money in the following order:

(a) FIRST, to the Trustee, the Collateral Trustee, each Agent, their agents and attorneys for amounts due under this Indenture, any of the Security Documents or Intercreditor Agreements, including payment of all fees, expenses and liabilities incurred, and all advances made, by the Trustee or such Agent and the costs and expenses of collection;

(b) SECOND, to Holders of the Notes for amounts due and unpaid on the Notes for principal, premium, if any, interest ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for principal, premium, if any, and interest, respectively; and

(c) THIRD, to the Issuer or to such party as a court of competent jurisdiction shall direct including any Guarantor, if applicable.

The Trustee may fix a record date and payment date for any payment to Holders pursuant to this Section 6.15.

ARTCLE 7
TRUSTEE

SECTION 7.01. *Duties of Trustee.*

(a) If an Event of Default has occurred and is continuing, of which a Responsible Officer of the Trustee has actual knowledge or has received written notice thereof as provided in Section 7.02(g), the Trustee shall exercise such of the rights and powers vested in it by this Indenture and use the same degree of care and skill in its exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

(b) Except during the continuance of an Event of Default:

(i) the duties of the Trustee shall be determined solely by the express provisions of this Indenture and the Trustee need perform only those duties that are specifically set forth in this Indenture and no others, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, in the case of any such certificates or opinions which by any provision of this Indenture are specifically required to be furnished to the Trustee, the Trustee shall examine the certificates and opinions to determine whether or not they conform to the requirements of this Indenture (but need not confirm or investigate the accuracy of mathematical calculations or other facts stated therein).

(c) The Trustee may not be relieved from liabilities for its own grossly negligent action, its own grossly negligent failure to act, or its own willful misconduct, except that:

(i) this paragraph does not limit the effect of paragraph (b) of this Section 7.01;

(ii) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it is proved in a court of competent jurisdiction that the Trustee was negligent in ascertaining the pertinent facts; and

(iii) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to Section 6.05.

(d) Whether or not therein expressly so provided, every provision of this Indenture that in any way relates to the Trustee is subject to paragraphs (a), (b) and (c) of this Section 7.01.

(e) The Trustee shall be under no obligation to exercise any of its rights or powers under this Indenture, the Intercreditor Agreements and the Security Documents at the request or direction of any of the Holders of the Notes unless the Holders have offered to the Trustee indemnity or security satisfactory to the Trustee against any loss, liability or expense.

(f) The Trustee shall not be liable for interest or investment income on any money received by it except as the Trustee may agree in writing with the Issuer. Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

(g) The Trustee is hereby appointed as the Collateral Trustee hereunder.

SECTION 7.02. *Rights of Trustee*.

(a) The Trustee may conclusively rely upon, and shall be fully protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, judgment, bond, debenture, note, or other evidence of indebtedness or other paper or document believed by it to be genuine and to have been signed or presented by the proper Person. The Trustee need not investigate any fact or matter stated in the document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Issuer, personally or by agent or attorney at the sole cost of the Issuer and shall incur no liability or additional liability of any kind by reason of such inquiry or investigation.

(b) Before the Trustee acts or refrains from acting, it may require an Officers' Certificate of the Issuer or an Opinion of Counsel or both. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on such Officers' Certificate or Opinion of Counsel. The Trustee may consult with counsel of its selection and the advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection from liability in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(c) The Trustee may act through its attorneys and agents and shall not be responsible for the misconduct or negligence of any agent or attorney appointed with due care.

(d) The Trustee shall not be liable for any action it takes or omits to take in good faith that it believes to be authorized or within the rights or powers conferred upon it by this Indenture.

(e) Unless otherwise specifically provided in this Indenture, the Intercreditor Agreements or the Security Documents, any demand, request, direction or notice from the Issuer shall be sufficient if signed by an Officer of the Issuer.

(f) None of the provisions of this Indenture, the Intercreditor Agreements and the Security Documents shall require the Trustee to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or indemnity satisfactory to it against such risk or liability is not assured to it.

(g) The Trustee shall not be deemed to have notice of any Default or Event of Default unless a Responsible Officer of the Trustee has actual knowledge thereof or unless written notice of any event which is in fact such a Default is received by the Trustee at the Corporate Trust Office of the Trustee, and such notice references the Notes and this Indenture and states it is a "Notice of Event of Default."

(h) In no event shall the Trustee be responsible or liable for special, indirect, incidental, punitive or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

(i) The rights, privileges, protections, immunities and benefits given to the Trustee and Collateral Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee and Collateral Trustee in each of their capacities hereunder, and each agent, custodian and other Person employed to act hereunder.

(j) [Reserved].

(k) The Trustee may request that the Issuer and any Guarantor deliver an Officers' Certificate setting forth the names of individuals and/or titles of officers (with specimen signatures) authorized at such times to take specific actions pursuant to this Indenture, which Officers' Certificate may be signed by any person specified as so authorized in any such certificate previously delivered and not superseded.

(l) The permissive rights of the Trustee to take certain actions under this Indenture, the Intercreditor Agreements and the Security Documents shall not be construed as a duty.

(m) The Trustee shall not be required to give any bond or surety in respect of the performance of its powers and duties hereunder.

(n) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the holders pursuant to this Indenture, unless such holders shall have offered to the Trustee security or indemnity satisfactory to the Trustee against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

(o) The Trustee shall not be responsible or liable for any action taken or omitted by it in good faith at the direction of the holders of not less than a majority in principal amount of the Notes as to the time, method and place of conducting any proceedings for any remedy available to the Trustee or the exercising of any power conferred by this Indenture.

(p) Any action taken, or omitted to be taken, by the Trustee in good faith pursuant to this Indenture upon the request or authority or consent of any person who, at the time of making such request or giving such authority or consent, is the Holder of any Note shall be conclusive and binding upon future holders of Notes and upon Notes executed and delivered in exchange therefor or in place thereof.

SECTION 7.03. *Individual Rights of Trustee.* The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Issuer or any Affiliate of the Issuer with the same rights it would have if it were not Trustee. However, in the event that the Trustee acquires any conflicting interest as described in the Trust Indenture Act, it must eliminate such conflict within 90 days or resign. Any Agent may do the same with like rights and duties. The Trustee is also subject to Section 7.09.

SECTION 7.04. *Trustee's Disclaimer.* Neither the Trustee nor the Collateral Trustee shall be responsible for and makes no representation as to the existence, genuineness, value or protection of or insurance with respect to any Collateral, for the legality, effectiveness or sufficiency of any Security Document, or for the creation, perfection, priority, sufficiency or protection of any Liens securing the Notes and Notes Obligations. Neither the Trustee nor the Collateral Trustee shall be responsible for filing any financing or continuation statements or recording any documents or instruments in any public office at any time or times or otherwise perfecting or maintaining the perfection of any Lien or security interest in the Collateral. Neither the Trustee nor the Collateral Trustee shall be liable or responsible for the failure of the Issuer to effect or maintain insurance on the Collateral as provided in this Indenture or any Security Document nor shall either of them be responsible for any loss by reason of want or insufficiency in insurance or by reason of the failure of any insurer in which the insurance is carried to pay the full amount of any loss against which it may have insured the Issuer, the Trustee, the Collateral Trustee, or any other person. By their acceptance of the Notes, the Holders will be deemed to have approved the terms of, and to have authorized the Trustee or the Collateral Trustee, as applicable to enter into and to perform the Intercreditor Agreements and each of the Security Documents. Neither the Trustee nor the Collateral Trustee shall be responsible for the existence, genuineness, value or protection of any Collateral (except for the safe custody of Collateral in its possession in the case of the Collateral Trustee), for the legality, effectiveness, enforceability or sufficiency of any Security Document, or for the creation, perfection, priority, sufficiency or protection of any First Priority Lien. Neither the Trustee nor Collateral Trustee shall have any obligation to take any action with respect to any Collateral in a foreign non-U.S. jurisdiction.

Neither the Trustee nor the Collateral Trustee shall be responsible for and makes no representation as to the validity or adequacy of this Indenture, the Notes, the Intercreditor Agreements and the Security Documents, it shall not be accountable for the Issuer's use of the proceeds from the Notes or any money paid to the Issuer or upon the Issuer's direction under any provision of this Indenture, it shall not be responsible for the use or application of any money received by any Paying Agent other than the Trustee or the Collateral Trustee, and it shall not be responsible for any statement or recital herein or any statement in the Notes or any other document in connection with the sale of the Notes or pursuant to this Indenture other than its certificate of authentication. Neither the Trustee nor the Collateral Trustee shall be obligated to monitor or confirm, on a continuing basis or otherwise, the Issuer's, any Guarantor's or any other Person's compliance with the covenants described herein or with respect to any reports or other documents filed under this Indenture or Security Documents.

SECTION a.. *Trustee's Disclaimer.* Neither the Trustee nor the Collateral Trustee shall be responsible for and makes no representation as to the existence, genuineness, value or protection of or insurance with respect to any Collateral, for the legality, effectiveness or sufficiency of any Security Document, or for the creation, perfection, priority, sufficiency or protection of any Liens securing the Notes and Notes Obligations. Neither the Trustee nor the Collateral Trustee shall be responsible for filing any financing or continuation statements or recording any documents or instruments in any public office at any time or times or otherwise perfecting or maintaining the perfection of any Lien or security interest in the Collateral. Neither the Trustee nor the Collateral Trustee shall be liable or responsible for the failure of the Issuer to effect or maintain insurance on the Collateral as provided in this Indenture or any Security Document nor shall either of them be responsible for any loss by reason of want or insufficiency in insurance or by reason of the failure of any insurer in which the insurance is carried to pay the full amount of any loss against which it may have insured the Issuer, the Trustee, the Collateral Trustee, or any other person. By their acceptance of the Notes, the Holders will be deemed to have approved the terms of, and to have authorized the Trustee or the Collateral Trustee, as applicable to enter into and to perform the Intercreditor Agreements and each of the Security Documents. Neither the Trustee nor the Collateral Trustee shall be responsible for the existence, genuineness, value or protection of any Collateral (except for the safe custody of Collateral in its possession in the case of the Collateral Trustee), for the legality, effectiveness, enforceability or sufficiency of any Security Document, or for the creation, perfection, priority, sufficiency or protection of any First Priority Lien. Neither the Trustee nor Collateral Trustee shall have any obligation to take any action with respect to any Collateral in a foreign non-U.S. jurisdiction.

SECTION 7.05. *Notice of Defaults.* If an Event of Default occurs and is continuing and if it is actually known to the Responsible Officer of the Trustee, the Trustee shall send to Holders of Notes a notice of the Event of Default within 90 days after it obtains actual knowledge thereof. Except in the case of an Event of Default relating to the payment of principal, premium, if any, or interest, if any, on any Note, the Trustee may withhold from the Holders notice of any continuing Event of Default if and so long as a Responsible Officer in good faith determines that withholding the notice is in the interests of the Holders of the Notes. The Trustee shall not be deemed to know of any Event of Default unless a Responsible Officer of the Trustee has actual knowledge thereof or unless written notice of any event which is such an Event of Default is received by the Trustee at the Corporate Trust Office of the Trustee, references the Notes, references this Indenture and indicates it is a "Notice of Event of Default."

SECTION 7.06. *Compensation and Indemnity.* The Issuer shall pay to the Trustee and the Collateral Trustee from time to time such compensation for their acceptance of this Indenture and services hereunder as the parties shall agree in writing from time to time. The Trustee's and the Collateral Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Issuer shall reimburse the Trustee and the Collateral Trustee promptly upon request for all reasonable disbursements, advances and expenses incurred or made by it in addition to the compensation for its services. Such expenses shall include the reasonable fees, disbursements and reasonable expenses of the Trustee's and the Collateral Trustee's agents and counsel.

The Issuer and any Guarantors, jointly and severally, shall indemnify the Trustee and the Collateral Trustee for, and hold the Trustee and the Collateral Trustee harmless against, any and all loss, damage, claims, liability or expense (including attorneys' fees and expenses) incurred by them in connection with the acceptance or administration of this trust and the performance of its duties hereunder (including the costs and expenses of enforcing this Indenture against the Issuer or any Guarantor (including this Section 7.06), the Intercreditor Agreements and the Security Documents or defending themselves against any claim whether asserted by any Holder, the Issuer, any Guarantor or any other Person, or liability in connection with the acceptance, exercise or performance of any of their powers or duties hereunder and under the Security Documents or the Intercreditor Agreements). The Trustee (or the Collateral Trustee, as the case may be) shall notify the Issuer promptly of any third-party claim for which it may seek indemnity. Failure by the Trustee (or the Collateral Trustee, as the case may be) to so notify the Issuer shall not relieve the Issuer of its obligations hereunder. The Issuer shall defend the claim and the Trustee (or the Collateral Trustee, as the case may be) may have separate counsel and the Issuer shall pay the fees and expenses of such counsel. The Issuer need not reimburse any expense or indemnify against any loss, liability or expense incurred by the Trustee or the Collateral Trustee through the Trustee's or the Collateral Trustee's, as applicable, own willful misconduct or gross negligence (as determined by a court of competent jurisdiction in a final and non-appealable order).

Notwithstanding the provisions of Section 4.12, to secure the payment obligations of the Issuer and any Guarantors in this Section 7.06, the Trustee and Collateral Trustee shall have a Lien prior to the Notes on all money or property held or collected by the Trustee from the Issuer or any Guarantor, except that held in trust to pay principal and interest on particular Notes. Such Lien shall survive the satisfaction and discharge of this Indenture.

When the Trustee (or the Collateral Trustee, as the case may be) incurs expenses or renders services after an Event of Default specified in Section 6.01(vi) or (vii) occurs, the expenses and the compensation for the services (including the fees and expenses of its agents and counsel) are intended to constitute expenses of administration under any Bankruptcy Law.

The obligations of the Issuer under this Section 7.06 shall survive the satisfaction and discharge of this Indenture, payment of the Notes Obligations in full or the earlier resignation or removal of the Trustee or Collateral Trustee

SECTION 7.07. *Replacement of Trustee.* A resignation or removal of the Trustee and appointment of a successor Trustee shall become effective only upon the successor Trustee's acceptance of appointment as provided in this Section 7.07. The Trustee may resign in writing at any time and be discharged from the trust hereby created by so notifying the Issuer. The Holders of a majority in principal amount of the then outstanding Notes may remove the Trustee by so notifying the Trustee and the Issuer in writing not less than 30 days prior to the effective date of such removal. The Issuer may remove the Trustee if:

(a) the Trustee fails to comply with Section 7.09 or Section 310 of the Trust Indenture Act;

(b) the Trustee is adjudged a bankrupt or an insolvent or an order for relief is entered with respect to the Trustee under any Bankruptcy Law;

(c) a custodian or public officer takes charge of the Trustee or its property; or

(d) the Trustee becomes incapable of acting.

If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason, the Issuer shall promptly appoint a successor Trustee. Within one year after the successor Trustee takes office, the Holders of a majority in principal amount of the then outstanding Notes may appoint a successor Trustee to replace the successor Trustee appointed by the Issuer.

If a successor Trustee does not take office within 60 days after the retiring Trustee resigns or is removed, the retiring Trustee (at the Issuer's expense), the Issuer or the Holders of at least 10% in principal amount of the then outstanding Notes may petition any court of competent jurisdiction for the appointment of a successor Trustee.

If the Trustee, after written request by any Holder who has been a Holder for at least six months, fails to comply with Section 7.09, such Holder may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Issuer. Thereupon, the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee shall mail a notice of its succession to Holders. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee; *provided* all sums owing to the Trustee hereunder have been paid and subject to the Lien provided for in Section 7.06. Notwithstanding replacement of the Trustee pursuant to this Section 7.07, the Issuer's obligations under Section 7.06 shall continue for the benefit of the retiring Trustee. A successor Trustee may also act as a successor Collateral Trustee.

SECTION 7.08. *Successor Trustee by Merger, etc.* If the Collateral Trustee or Trustee consolidates, merges or converts into, or transfers all or substantially all of its corporate trust business to, another corporation, the successor corporation without any further act shall be the successor Collateral Trustee or Trustee and will have and succeed to the rights, powers, duties, immunities and privileges as its predecessor.

SECTION 7.09. *Eligibility; Disqualification.* There shall at all times be a Trustee hereunder that is a corporation organized and doing business under the laws of the United States of America or of any state thereof that is authorized under such laws to exercise corporate trustee power, that is subject to supervision or examination by federal or state authorities and that has a combined capital and surplus of at least $50,000,000 as set forth in its most recent published annual report of condition. The Trustee is subject to Trust Indenture Act Section 310(b).

ARTICLE 8
LEGAL DEFEASANCE AND COVENANT DEFEASANCE

SECTION 8.01. *Option to Effect Legal Defeasance or Covenant Defeasance*. The Issuer may, at its option and at any time, elect to have either Section 8.02 or Section 8.03 applied to all outstanding Notes upon compliance with the conditions set forth below in this Article 8.

SECTION 8.02. *Legal Defeasance and Discharge*. Upon the Issuer's exercise under Section 8.01 of the option applicable to this Section 8.02, the Issuer and any Guarantors shall, subject to the satisfaction of the conditions set forth in Section 8.04, be deemed to have been discharged from their obligations with respect to all outstanding Notes and any Note Guarantees on the date the conditions set forth below are satisfied ("**Legal Defeasance**"). For this purpose, Legal Defeasance means that the Issuer shall be deemed to have paid and discharged the entire Indebtedness represented by the outstanding Notes, which shall thereafter be deemed to be "outstanding" only for the purposes of Section 8.05 and the other Sections of this Indenture referred to in (a) and (b) below, and to have satisfied all its other obligations under such Notes and this Indenture including that of any Guarantors (and the Trustee, at the expense of the Issuer, shall execute proper instruments acknowledging the same (in form satisfactory to the Trustee)), except for the following provisions which shall survive until otherwise terminated or discharged hereunder:

(a) the rights of Holders to receive payments in respect of the principal of, premium, if any, and interest on the Notes when such payments are due solely out of the trust created pursuant to this Indenture referred to in Section 8.04;

(b) the Issuer's obligations with respect to the Notes concerning issuing temporary Notes, registration of Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payments under Article 2 and money for security payments held in trust;

(c) the rights, powers, trusts, duties, indemnities and immunities of the Trustee and the Collateral Trustee and the Issuer's and the Guarantors' obligations in connection therewith; and

(d) this Section 8.02.

Subject to compliance with this Article 8, the Issuer may exercise its option under this Section 8.02 notwithstanding the prior exercise of its option under Section 8.03.

SECTION 8.03. *Covenant Defeasance.* Upon the Issuer's exercise under Section 8.01 of the option applicable to this Section 8.03, the Issuer and any Guarantors shall, subject to the satisfaction of the conditions set forth in Section 8.04, be released from their obligations under the covenants contained in Sections 4.03, 4.04, 4.07, 4.08, 4.09, 4.10, 4.11, 4.12, 4.13, 4.14, 4.15, 4.16 and 4.17 and Section 5.01(a) with respect to the outstanding Notes on and after the date the conditions set forth in Section 8.04 are satisfied ("**Covenant Defeasance**"), and the Notes shall thereafter be deemed not "outstanding" for the purposes of any direction, waiver, consent or declaration or act of Holders (and the consequences of any thereof) in connection with such covenants, but shall continue to be deemed "outstanding" for all other purposes hereunder (it being understood that such Notes shall not be deemed outstanding for accounting purposes). For this purpose, Covenant Defeasance means that, with respect to the outstanding Notes, the Issuer may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other document and such omission to comply shall not constitute a Default or an Event of Default under Section 6.01, but, except as specified above, the remainder of this Indenture and such Notes and any Note Guarantees shall be unaffected thereby. In addition, upon the Issuer's exercise under Section 8.01 of the option applicable to this Section 8.03, subject to the satisfaction of the conditions set forth in Section 8.04, Sections 6.01(iii) (solely with respect to the covenants that are released upon a Covenant Defeasance), 6.01(iv), 6.01(v), 6.01(vi) (solely with respect to the Issuer's Restricted Subsidiaries that are not Significant Subsidiaries), 6.01(vii) (solely with respect to the Issuer's Restricted Subsidiaries that are not Significant Subsidiaries) and 6.01 (viii) shall not constitute Events of Default.

SECTION 8.04. *Conditions to Legal or Covenant Defeasance.* The following shall be the conditions to the application of either Section 8.02 or Section 8.03 to the outstanding Notes:

In order to exercise either Legal Defeasance or Covenant Defeasance with respect to the Notes:

(a) the Issuer must irrevocably deposit with the Trustee, in trust, for the benefit of the Holders cash in Dollars, non-callable U.S. government obligations, or a combination thereof, in such amounts as will be sufficient without consideration of reinvestment, in the opinion of a nationally recognized firm of independent public accountants, to pay the principal of, premium, if any, and interest, on the Notes on the stated date for payment thereof or on the applicable redemption date, as the case may be, and any other amounts owing under this Indenture (in the case of an optional redemption date prior to electing to exercise either Legal Defeasance or Covenant Defeasance, the Issuer has delivered to the Trustee an irrevocable notice to redeem all of the outstanding Notes on such redemption date);

(b) in the case of Legal Defeasance, the Issuer shall have delivered to the Trustee an Opinion of Counsel in the United States confirming that, subject to customary assumptions and exclusions:

(i) the Issuer has received from, or there has been published by, the Internal Revenue Service a ruling; or

(ii) since the date of this Indenture, there has been a change in the applicable federal income tax law,

in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, subject to customary assumptions and exclusions, the beneficial owners of the Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Legal Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(c) in the case of Covenant Defeasance, the Issuer shall have delivered to the Trustee an Opinion of Counsel in the United States confirming that, subject to customary assumptions and exclusions, the beneficial owners of the Notes will not recognize income, gain or loss for federal income tax purposes as a result of such Covenant Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(d) no Default or Event of Default shall have occurred and be continuing on the date of such deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit (and any similar concurrent deposit relating to other Indebtedness) (and the incurrence of Liens associated with any such borrowings));

(e) such Legal Defeasance or Covenant Defeasance shall not result in a breach or violation of, or constitute a default under any material agreement or instrument (other than this Indenture and the agreements governing any other Indebtedness being defeased, discharged or replaced) to which PHH or any of its Restricted Subsidiaries is a party or by which PHH or any of its Restricted Subsidiaries is bound;

(f) the Issuer shall have delivered to the Trustee an Officers' Certificate stating that the deposit was not made by the Issuer with the intent of preferring the Holders over any other creditors of the Issuer or with the intent of defeating, hindering, delaying or defrauding any other creditors of the Issuer or others; and

(g) the Issuer shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel (which Opinion of Counsel may be subject to customary assumptions and exclusions), each stating that all conditions precedent provided for or relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

Notwithstanding the foregoing, the Opinion of Counsel required by clause (b) of this Section 8.04 with respect to a Legal Defeasance need not be delivered if all Notes not theretofore delivered to the Trustee for cancellation (x) have become due and payable or (y) will become due and payable on the maturity date within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Issuer.

SECTION a.01.

SECTION 8.05. *Deposited Money and Government Securities to Be Held in Trust; Other Miscellaneous Provisions.* Subject to Section 8.06, all money and Government Securities (including the proceeds thereof) deposited with the Trustee (or other qualifying trustee, collectively for purposes of this Section 8.05, the "**Trustee**") pursuant to Section 8.04 in respect of the outstanding Notes shall be held in trust and applied by the Trustee, in accordance with the provisions of the Notes and this Indenture, to the payment, either directly or through any Paying Agent (including the Issuer or any Guarantor acting as Paying Agent) as the Trustee may determine, to the Holders of such Notes of all sums due and to become due thereon in respect of principal, premium, if any, and interest, but such money need not be segregated from other funds except to the extent required by law.

The Issuer shall pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the cash or Government Securities deposited pursuant to Section 8.04 or the principal, and interest, received in respect thereof other than any such tax, fee or other charge which by law is for the account of the Holders of the outstanding Notes.

Anything in this Article 8 to the contrary notwithstanding, the Trustee shall deliver or pay to the Issuer from time to time, upon the written request of the Issuer, any money or Government Securities held by it as provided in Section 8.04 which, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee (which may be the opinion delivered under Section 8.04(a)), are in excess of the amount thereof that would then be required to be deposited to effect an equivalent Legal Defeasance or Covenant Defeasance.

SECTION 8.06. *Repayment to Issuer.* Subject to any abandoned property law, any money deposited with the Trustee or any Paying Agent, or then held by the Issuer, in trust for the payment of the principal of, premium, if any, and interest on any Note and remaining unclaimed for two years after such principal, and premium, if any, and interest has become due and payable shall be paid to the Issuer on its written request or (if then held by the Issuer) shall be discharged from such trust; and the Holder of such Note shall thereafter look only to the Issuer for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Issuer as trustee thereof, shall thereupon cease.

SECTION 8.07. *Reinstatement.* If the Trustee or Paying Agent is unable to apply any United States dollars or Government Securities in accordance with Section 8.02 or 8.03, as the case may be, by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the Issuer's obligations under this Indenture and the Notes shall be revived and reinstated as though no deposit had occurred pursuant to Section 8.02 or 8.03 until such time as the Trustee or Paying Agent is permitted to apply all such money in accordance with Section 8.02 or 8.03, as the case may be; *provided* that, if the Issuer makes any payment of principal of, premium, if any, and interest on any Note following the reinstatement of its obligations, the Issuer shall be subrogated to the rights of the Holders of such Notes to receive such payment from the money held by the Trustee or Paying Agent.

ARTICLE 9
AMENDMENT, SUPPLEMENT AND WAIVER

SECTION 9.01. *Without Consent of Holders of Notes.* Notwithstanding Section 9.02, the Issuer, any Guarantor, the Trustee and the Collateral Trustee, without the consent of the Holders, may amend or supplement this Indenture, the Notes, the Security Documents or the Intercreditor Agreements to:

(a) cure any mistakes, ambiguities, defects or inconsistencies;

(b) provide for uncertificated Notes in addition to or in place of certificated Notes or to alter the provisions of this Indenture relating to the form of the Notes (including the related definitions) in a manner that does not materially adversely affect any Holder;

(c) provide for the assumption of the Parent's, PHH's, the Issuer's or a Subsidiary Guarantor's obligations to the Holders of the Notes by a successor to Parent, PHH, the Issuer or such Subsidiary Guarantor, as the case may be, pursuant to Article 5;

(d) make any change that would provide any additional rights or benefits to the Holders of the Notes (including to expand the Collateral securing the Notes or the Note Guarantees) or that does not materially adversely affect the legal rights under this Indenture of any Holder of the Notes (as determined by the Issuer in good faith and as evidenced by an Officers' Certificate) or to add covenants for the benefit of the Holders or to surrender any right or power conferred upon the Issuer or any Guarantor;

(e) [reserved];

(f) provide for the issuance of Additional Notes issued after the Issue Date in accordance with the limitations set forth in this Indenture;

(g) allow any new Guarantor to execute a supplemental indenture and/or a Note Guarantee and joinders to Security Documents and Intercreditor Agreements with respect to the Notes or to effect the release of any Guarantor from any of its obligations under its Note Guarantee or this Indenture (to the extent permitted by this Indenture);

(h) secure the Notes;

(i) provide for the issuance of exchange Notes or private exchange notes;

(j) conform the text of this Indenture, the Note Guarantees, the Notes, the Security Documents and the Intercreditor Agreements to any provision of the "Description of the Notes" section of the Offering Memorandum to the extent that such provision in such "Description of the Notes" section was intended to conform to a provision of this Indenture, the Note Guarantees, the Notes, the Security Documents and the Intercreditor Agreements (as evidenced in an Officers' Certificate);

(k) evidence and provide for the acceptance and appointment under this Indenture of a successor Trustee or a successor Collateral Trustee thereunder pursuant to the requirements thereof;

(l) provide for the accession or succession of any parties to the Intercreditor Agreements or the Security Documents (and other amendments that are administrative or ministerial in nature) in connection with an amendment, renewal, extension, substitution, refinancing, restructuring, replacement, supplementing or other modification from time to time of the Notes or Other Pari Passu Secured Indebtedness or any other agreement or action that is not prohibited by this Indenture;

(m) provide for the release of Collateral in accordance with the terms of this Indenture, the Intercreditor Agreements and the Security Documents; and

(n) to expand the Collateral securing the Notes or the Note Guarantees.

Upon the request of the Issuer accompanied by a resolution of its Board of Directors authorizing the execution of any such amendment or supplement, and upon receipt by the Trustee and/or the Collateral Trustee of the documents described in Section 9.06, the Trustee and/or the Collateral Trustee shall join with the Issuer and any Guarantors in the execution of any amendment or supplement authorized or permitted by the terms of this Indenture and to make any further appropriate agreements and stipulations that may be therein contained, but the Trustee and/or the Collateral Trustee shall not be obligated to enter into such amended or supplemental indenture that affects its own rights, duties or immunities under this Indenture or otherwise.

SECTION 9.02. *With Consent of Holders of Notes*. Except as provided below in this Section 9.02, the Issuer, any Guarantors, the Trustee and Collateral Trustee may amend or supplement this Indenture, the Security Agreements, Intercreditor Agreements, the Notes and any Note Guarantees with the consent of the Holders of at least a majority in principal amount of the Notes (including Additional Notes, if any) then outstanding voting as a single class (including, without limitation, consents obtained in connection with a tender offer or exchange offer for, or purchase of, the Notes), and, subject to Sections 6.04 and 6.06, any existing Default or Event of Default (other than a Default or Event of Default in the payment of the principal of, premium, if any, and interest on the Notes, except a payment default resulting from an acceleration that has been rescinded) or compliance with any provision of this Indenture, the Security Documents, Intercreditor Agreements, the Notes or any Note Guarantees may be waived with the consent of the Holders of at least a majority in principal amount of the then outstanding Notes (including Additional Notes, if any) voting as a single class (including consents obtained in connection with a tender offer or exchange offer for, or purchase of, the Notes), except that, without the consent of each Holder affected thereby, no amendment under this Section 9.02 may:

(a) reduce the amount of Notes whose Holders must consent to an amendment, supplement or waiver;

(b) reduce the rate of or change or have the effect of changing the time for payment of interest, including defaulted interest once due, on any Notes;

(c) reduce the principal of or change or have the effect of changing the fixed maturity of any Notes, or change the date on which any Notes may be subject to redemption or reduce the redemption price therefor (other than the provisions relating to Sections 4.10 and 4.14 prior to the time that any obligation to repurchase has arisen under such Sections);

(d) make any Notes payable in money other than that stated in the Notes;

(e) make any change in the contracted right of each Holder to receive payment of principal of and interest on such Note on or after the due date thereof or to bring suit to enforce such payment;

(f) waive a Default or Event of Default in the payment of principal of, or interest or premium on the Notes (except a rescission of acceleration of the Notes by the holders of at least a majority in aggregate principal amount of the Notes and a waiver of the payment default that resulted from such acceleration);

(g) after the Issuer's obligation to purchase Notes arises thereunder, amend, change or modify in any material respect the obligation of the Issuer to make and consummate a Change of Control Offer in the event of a Change of Control or modify any of the provisions or definitions with respect thereto;

(h) modify or change any provision of this Indenture or the related definitions affecting the ranking of the Notes in a manner which adversely affects the Holders;

(i) release any Guarantor from any of its obligations under its Note Guarantee or this Indenture, except in accordance with the terms of this Indenture; or

(j) make any change in the preceding amendment and waiver provisions.

In addition, no amendment to the Security Documents or the Intercreditor Agreements without the consent of the Holders of sixty-six and two-thirds percent ($66^{2}/_{3}\%$) in aggregate principal amount of the Notes then outstanding (voting as a single class), may release all or substantially all of the Collateral other than in accordance with this Indenture, the Intercreditor Agreements and the Security Documents.

Upon the request of the Issuer accompanied by a resolution of its Board of Directors authorizing the execution of any such amendment or supplement, and upon the filing with the Trustee of evidence satisfactory to the Trustee and/or Collateral Trustee of the consent of the Holders of Notes as aforesaid, and upon receipt by the Trustee and/or Collateral Trustee of the documents described in Section 9.06, the Trustee and/or the Collateral Trustee shall join with the Issuer and any Guarantors, if applicable, in the execution of such amendment or supplement unless such amendment or supplement directly affects the Trustee's and/or Collateral Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee and/or Collateral Trustee may in its discretion, but shall not be obligated to, enter into such amendment or supplement.

It shall not be necessary for the consent of the Holders of Notes under this Section 9.02 to approve the particular form of any proposed amendment or waiver, but it shall be sufficient if such consent approves the substance thereof.

After an amendment, supplement or waiver under this Section 9.02 becomes effective, the Issuer shall deliver to the Holders of Notes affected thereby a notice briefly describing the amendment, supplement or waiver. Any failure of the Issuer to deliver such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such amended or supplemental indenture or waiver.

SECTION 9.03. *[Reserved]*.

SECTION 9.04. *Revocation and Effect of Consents.* Until an amendment, supplement or waiver becomes effective, a consent to it by a Holder of a Note is a continuing consent by the Holder of a Note and every subsequent Holder of a Note or portion of a Note that evidences the same debt as the consenting Holder's Note, even if notation of the consent is not made on any Note. However, any such Holder of a Note or subsequent Holder of a Note may revoke the consent as to its Note if the Trustee receives written notice of revocation before the date the waiver, supplement or amendment becomes effective. An amendment, supplement or waiver becomes effective in accordance with its terms and thereafter binds every Holder.

The Issuer may, but shall not be obligated to, fix a record date for the purposes of determining the Holders entitled to consent to any amendment, supplement, or waiver. If a record date is fixed, then, notwithstanding the preceding paragraph, those Persons who were Holders at such record date (or their duly designated proxies), and only such Persons, shall be entitled to consent to such amendment, supplement, or waiver or to revoke any consent previously given, whether or not such Persons continue to be Holders after such record date. No such consent shall be valid or effective for more than 90 days after such record date unless the consent of the requisite number of Holders has been obtained.

SECTION 9.05. *Notation on or Exchange of Notes.* The Issuer may place an appropriate notation about an amendment, supplement or waiver on any Note thereafter authenticated. The Issuer in exchange for all Notes may issue and the Trustee shall, upon receipt of an Authentication Order, authenticate new Notes that reflect the amendment, supplement or waiver.

Failure to make the appropriate notation or issue a new Note shall not affect the validity and effect of such amendment, supplement or waiver.

SECTION 9.06. *Notation on or Exchange of Notes.* The Issuer may place an appropriate notation about an amendment, supplement or waiver on any Note thereafter authenticated. The Issuer in exchange for all Notes may issue and the Trustee shall, upon receipt of an Authentication Order, authenticate new Notes that reflect the amendment, supplement or waiver.*Trustee or Collateral Trustee to Sign Amendments, etc.* The Trustee and the Collateral Trustee, as the case may be, shall sign any amendment, supplement or waiver authorized pursuant to this Article 9 if the amendment or supplement does not adversely affect the rights, duties, liabilities or immunities of the Trustee or Collateral Trustee, as the case may be. In executing any amendment, supplement or waiver to this Indenture, the Notes, the Security Documents or the Intercreditor Agreements, the Trustee and the Collateral Trustee, as the case may be, shall receive and (subject to Section 7.01) shall be fully protected in relying upon, in addition to the documents required by Section 13.04, an Officers' Certificate of the Issuer and an Opinion of Counsel stating that the execution of such amendment, supplement or waiver is authorized or permitted by this Indenture and that such amendment, supplement or waiver is the legal, valid and binding obligation of the Issuer and any Guarantors party thereto, enforceable against them in accordance with its terms, subject to customary exceptions, and complies with the provisions hereof. Notwithstanding the foregoing, no Opinion of Counsel will be required for the Trustee and the Collateral Trustee (other than as required in accordance with Section 4.15) to execute any supplemental indenture substantially in the form of Exhibit D and any related Security Document supplement or joinder or related Intercreditor Agreement supplement or joinder adding a new Guarantor under this Indenture if such supplemental indenture and any related Security Document supplement or joinder or related Intercreditor Agreement supplement or joinder is entered into pursuant to Section 9.01, and the Trustee and the Collateral Trustee shall be fully protected in conclusively relying upon an Officer's Certificate stating that the execution of such supplemental indenture is authorized or permitted by Section 9.01 of this Indenture.

ARTICLE 10
NOTE GUARANTEES

SECTION 10.01. *Note Guarantee.* Subject to this Article 10, each of the Guarantors party to this Indenture and each of the Guarantors that joins this Indenture pursuant to Section 4.15 or otherwise hereby, jointly and severally, unconditionally guarantees to each Holder of a Note authenticated and delivered by the Trustee and to the Trustee and the Collateral Trustee and their respective successors and assigns, irrespective of the validity and enforceability of this Indenture, the Notes or the obligations of the Issuer hereunder or thereunder, that: (a) the principal of, premium, if any, and interest on the Notes shall be promptly paid in full when due, whether at maturity, by acceleration, redemption or otherwise, and interest on the overdue principal of and accrued and unpaid interest on the Notes, if lawful, and all other obligations of the Issuer to the Holders, the Trustee or the Collateral Trustee hereunder or thereunder shall be promptly paid in full or performed, all in accordance with the terms hereof and thereof, and (b) in case of any extension of time of payment or renewal of any Notes or any of such other obligations, that same shall be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise. Failing payment when due of any amount so guaranteed or any performance so guaranteed for whatever reason, the Guarantors shall be jointly and severally obligated to pay the same immediately. Each Guarantor agrees that this is a guarantee of payment and not a guarantee of collection.

The Guarantors hereby agree that their obligations hereunder shall be unconditional, irrespective of the validity, regularity or enforceability of the Notes or this Indenture, the absence of any action to enforce the same, any waiver or consent by any Holder of the Notes with respect to any provisions hereof or thereof, the recovery of any judgment against the Issuer, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor. Each Guarantor hereby waives (to the extent it may lawfully do so) diligence, presentment, demand of payment, filing of claims with a court in the event of insolvency or bankruptcy of the Issuer, any right to require a proceeding first against the Issuer, protest, notice and all demands whatsoever and covenants that the Note Guarantee of such Guarantor shall not be discharged except by full payment or complete performance of the obligations contained in the Notes and this Indenture.

Each Guarantor also agrees to pay any and all costs and expenses (including reasonable attorneys' fees and expenses) incurred by the Trustee or any Holder in enforcing any rights under this Section 10.01.

If any Holder, the Trustee or the Collateral Trustee is required by any court or otherwise to return to the Issuer, the Guarantors or any custodian, trustee, liquidator or other similar official acting in relation to either the Issuer or the Guarantors, any amount paid either to the Trustee, Collateral Trustee or such Holder, each Note Guarantee, to the extent theretofore discharged, shall be reinstated in full force and effect.

Each Guarantor further agrees that, as between the Guarantors, on the one hand, and the Holders and the Trustee, on the other hand, (x) the maturity of the obligations guaranteed hereby may be accelerated as provided in Article 6 for the purposes of each Note Guarantee, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby, and (y) in the event of any declaration of acceleration of such obligations as provided in Article 6, such obligations (whether or not due and payable) shall forthwith become due and payable by the Guarantors for the purpose of each Note Guarantee. The Guarantors shall have the right to seek contribution from any non-paying Guarantor so long as the exercise of such right does not impair the rights of the Trustee and Holders under the Note Guarantees.

Each Note Guarantee shall remain in full force and effect and continue to be effective should any petition be filed by or against the Issuer for liquidation, reorganization, should the Issuer become insolvent or make an assignment for the benefit of creditors or should a receiver or trustee be appointed for all or any significant part of the Issuer's assets, and shall, to the fullest extent permitted by law, continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Notes are, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee on the Notes or Note Guarantees, whether as a "voidable preference," "fraudulent transfer" or otherwise, all as though such payment or performance had not been made. In the event that any payment or any part thereof, is rescinded, reduced, restored or returned, the Notes shall, to the fullest extent permitted by law, be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

In case any provision of any Note Guarantee shall be invalid, illegal or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

The Note Guarantee issued by any Guarantor shall be a general unsecured senior obligation of such Guarantor and shall rank equally in right of payment with all existing and future unsubordinated indebtedness of such Guarantor, if any.

Each payment to be made by a Guarantor in respect of its Note Guarantee shall be made without set-off, counterclaim, reduction or diminution of any kind or nature.

SECTION 10.02. *Limitation on Guarantor Liability.* Each Guarantor, and by its acceptance of Notes, each Holder, hereby confirms that it is the intention of all such parties that the Note Guarantee of such Guarantor not constitute a fraudulent transfer or conveyance for purposes of Bankruptcy Law or fraudulent conveyance laws to the extent applicable to any Note Guarantee. To effectuate the foregoing intention, the Trustee, the Holders and the Guarantors hereby irrevocably agree that the obligations of each Guarantor shall be limited as necessary (i) to the maximum amount as will, after giving effect to such maximum amount and all other contingent and fixed liabilities of such Guarantor that are relevant under such laws and after giving effect to any collections from, rights to receive contribution from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under this Article 10, result in the obligations of such Guarantor under its Note Guarantee not constituting a fraudulent conveyance or fraudulent transfer under, applicable law and (ii) with respect to any Restricted Subsidiary that is a regulated entity in order for such Restricted Subsidiary to be able to provide a Note Guarantee and also comply any applicable regulations of any governmental or regulatory authority or any requirements of Fannie Mae, Freddie Mac or Ginnie Mae, including, but not limited to minimum net worth or capital requirements. Each Guarantor that makes a payment under its Note Guarantee shall be entitled upon payment in full of all guaranteed obligations under this Indenture to a contribution from each other Guarantor in an amount equal to such other Guarantor's *pro rata* portion of such payment based on the respective net assets of all the Guarantors at the time of such payment determined in accordance with GAAP.

SECTION 10.03. *Execution and Delivery.* To evidence its Note Guarantee set forth in Section 10.01, each Guarantor hereby agrees that a supplemental indenture attached hereto as Exhibit D or its signature to this Indenture shall be executed on behalf of such Guarantor by an Officer of such Guarantor.

Each Guarantor hereby agrees that its Note Guarantee set forth in Section 10.01 shall remain in full force and effect notwithstanding the absence of the endorsement of any notation of such Note Guarantee on the Notes.

If an Officer whose signature is on a supplemental indenture attached hereto as Exhibit D no longer holds that office at the time the Trustee authenticates the Note, such Note Guarantee shall be valid nevertheless.

The delivery of any Note by the Trustee, after the authentication thereof hereunder, shall constitute due delivery of the Note Guarantee set forth in this Indenture on behalf of the Guarantors.

If required by Section 4.15, the Issuer shall cause any newly created or acquired Subsidiary to comply with the provisions of Section 4.15 and this Article 10, to the extent applicable.

SECTION 10.04. *Subrogation.* Each Guarantor shall be subrogated to all rights of Holders of Notes against the Issuer in respect of any amounts paid by any Guarantor pursuant to the provisions of Section 10.01; *provided* that, if an Event of Default has occurred and is continuing, no Guarantor shall be entitled to enforce or receive any payments arising out of, or based upon, such right of subrogation until all amounts then due and payable by the Issuer under this Indenture or the Notes shall have been paid in full.

SECTION 10.05. *Benefits Acknowledged.* Each Guarantor acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by this Indenture and that the guarantee and waivers made by it pursuant to its Note Guarantee are knowingly made in contemplation of such benefits.

SECTION 10.06. *Merge, Consolidation or Sale of All or Substantially All Assets*. A Subsidiary Guarantor may not sell or otherwise dispose of all or substantially all of its assets to, or consolidate with or merge with or into (whether or not such Subsidiary Guarantor is the surviving Person) another Person, other than PHH, the Issuer or another Subsidiary Guarantor, unless:

(a) except in the case of a merger entered into solely for the purpose of reincorporating a Subsidiary Guarantor in another jurisdiction, immediately after giving effect to that transaction, no Default or Event of Default shall have occurred and be continuing;

(b) either:

(i) the Person acquiring the property in any such sale or disposition or the Person formed by or surviving any such consolidation or merger (if not the Subsidiary Guarantor) assumes all the obligations of that Subsidiary Guarantor under this Indenture and its Note Guarantee pursuant to a supplemental indenture and the Security Documents; or

(ii) such sale or other disposition or consolidation or merger is in compliance with Section 4.10; and

(c) the Issuer shall have delivered to the Trustee and the Collateral Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such sale, disposition, consolidation or merger and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture will comply with the applicable provisions of this Indenture and that all conditions precedent in this Indenture relating to such transaction have been satisfied and that the supplemental indenture and such other agreements constitute the legal, valid and binding obligation of the surviving entity.

SECTION 10.07. *Release of Note Guarantees.* A Note Guarantee of a Subsidiary Guarantor shall be automatically and unconditionally released and discharged, and no further action by such Guarantor, the Issuer or the Trustee is required for the release of such Guarantor's Note Guarantee (other than delivery of the Officers' Certificate referred to in this Section 10.07), in the following circumstances:

(a) in connection with any sale, transfer or other disposition of all or substantially all of the assets of that Subsidiary Guarantor (including by way of merger or consolidation) to a Person that is not (either before or after giving effect to such transaction) PHH or a Restricted Subsidiary of PHH, if the sale or other disposition complies with Section 4.10;

(b) in connection with any sale, transfer or other disposition of all of the Capital Stock of that Subsidiary Guarantor (including by way of merger or consolidation) to a Person that is not (either before or after giving effect to such transaction) PHH or a Restricted Subsidiary of PHH, if the sale or other disposition does not violate Section 4.10;

(c) if PHH designates any Restricted Subsidiary of the Parent that is a Guarantor to be an Unrestricted Subsidiary in accordance with Section 4.17; or

(d) upon Legal Defeasance, Covenant Defeasance or satisfaction and discharge of this Indenture by the Issuer pursuant to Article 12.

In connection with any such release, the Issuer shall deliver to the Trustee an Officers' Certificate of such Guarantor confirming the effective date of such release and stating that all conditions precedent provided for in this Indenture relating to such transaction have been complied with.

Upon any release of a Subsidiary Guarantor from its Note Guarantee, such Subsidiary Guarantor will also be automatically and unconditionally released from its obligations under the Security Documents and the Intercreditor Agreements.

ARTICLE 11
SECURITY

SECTION 11.01. *Collateral and Security Documents.*

The Notes Obligations shall be secured as provided in the Security Documents, which define the terms of the Liens that secure the Notes Obligations, subject to the terms of the Equal Priority Intercreditor Agreement, if any. Each Holder, by accepting a Note, consents and agrees to the terms of and otherwise be bound by the Security Documents (including the provisions providing for the possession, use, release and foreclosure of Collateral) and the Junior Priority Intercreditor Agreement and the Equal Priority Intercreditor Agreement (if in effect) as the same may be in effect or may be amended from time to time in accordance with their terms and this Indenture, the Junior Priority Intercreditor Agreement and the Equal Priority Intercreditor Agreement (if in effect) and authorizes and directs the Collateral Trustee to enter into the Security Documents and the Junior Priority Intercreditor Agreement and the Equal Priority Intercreditor Agreement (if in effect) and to perform its obligations and exercise its rights thereunder in accordance therewith. The Issuer and the Guarantors will, to the extent required under the Security Documents and subject to the limitations therein, do or cause to be done all things (including the filing of UCC financing statements, continuation statements and amendments thereto) which are necessary to confirm that the Collateral Trustee holds a Lien in the Collateral, including property that becomes Collateral after the Issue Date.

SECTION 11.02. *Release of Collateral*.

(a) The Liens on the Collateral under the Security Documents securing the Obligations under the Notes and the Note Guarantees, as applicable, will be released, subject to this Section 11.02:

(i) in whole, upon payment in full of the principal of, accrued and unpaid interest, and premium, if any, on the Notes;

(ii) in whole, upon satisfaction and discharge of this Indenture in accordance with Article 12;

(iii) in whole, upon a legal defeasance or a covenant defeasance as set forth under Article 8;

(iv) as to any asset constituting Collateral (A) that is sold or otherwise disposed of by any Grantor (to a person that is not a Grantor) in a transaction permitted by Section 4.10 (to the extent of the interest sold or disposed of and other than any sale or disposition among the Issuer and any Guarantor) or otherwise permitted by this Indenture, if all other Liens on that asset securing any Other Pari Passu Secured Indebtedness then secured by that asset (including all commitments thereunder) are released; or (B) that is otherwise released in accordance with, and as expressly provided for in accordance with the Equal Priority Intercreditor Agreement;

(v) as set forth under Section 9.02, as to property that constitutes less than all or substantially all of the Collateral, with the consent of Holders of at least a majority in aggregate principal amount of the Notes then outstanding, voting as one class (or, in the case of a release of all or substantially all of the Collateral, with the consent of the Holders of at least sixty-six and two-thirds percent ($66^{2}/_{3}\%$) in aggregate principal amount of the Notes then outstanding, voting as one class), including consents obtained in connection with a tender offer or exchange offer for, or purchase of, Notes; and

(vi) with respect to assets of a Guarantor upon release of such Guarantor from its Note Guarantee as set forth under Article 10.

Upon compliance by the Issuer or any Guarantor, as the case may be, with the conditions precedent required by this Indenture, the Trustee or the Collateral Trustee, as applicable, shall promptly cause to be released and reconveyed to the Issuer or the Guarantor, as the case may be, the released Collateral. Prior to each proposed release, the Issuer and each Guarantor will furnish to the Trustee and the Collateral Trustee, as applicable, all documents required by this Indenture and the Security Documents (including an officer's certificate and an Opinion of Counsel (which Opinion of Counsel may be subject to customary assumptions and exclusions), each stating that all conditions precedent provided for or relating to the release have been complied with). In executing or authorizing any release, the Trustee and/or Collateral Trustee may conclusively rely upon an Officer's Certificate and Opinion of Counsel stating that all conditions precedent under this Indenture, Security Documents and Intercreditor Agreements have been complied with.

SECTION 11.03. *Authorization of Receipt of Funds by the Collateral Trustee Under the Security Documents.*

Subject to the provisions of the Intercreditor Agreements, the Collateral Trustee is authorized to receive any funds for the benefit of the Holders distributed under the Security Documents, and to make further distributions of such funds to the Holders according to the provisions of this Indenture and the Security Documents. Such funds shall be held on deposit by the Collateral Trustee without investment, and the Collateral Trustee shall have no liability for interest or other compensation thereon.

SECTION 11.04. *Powers Exercisable by Receiver or Collateral Trustee.*

In case the Collateral shall be in the possession of a receiver or trustee, lawfully appointed, the powers conferred in this Article 11 upon the Issuer or a Guarantor with respect to the release, sale or other disposition of such property may be exercised by such receiver or trustee, and an instrument signed by such receiver or trustee shall be deemed the equivalent of any similar instrument of the Issuer or such Guarantor or of any officer or officers thereof required by the provisions of this Article 11; and if the Collateral shall be in the possession of the Collateral Trustee under any provision of this Indenture, then such powers may be exercised by the Collateral Trustee.

SECTION 11.05. *Appointment and Authorization of Collateral Trustee*.

(a) The Trustee and each of the Holders by acceptance of the Notes hereby designates and appoints the Collateral Trustee as its agent under this Indenture, the Security Documents and the Intercreditor Agreements and the Trustee and each of the Holders by acceptance of the Notes hereby irrevocably authorizes the Collateral Trustee to enter into the Security Documents and the Intercreditor Agreements and to take such action on its behalf under the provisions of this Indenture, the Security Documents and the Intercreditor Agreements and to exercise such powers and perform such duties as are expressly delegated to the Collateral Trustee by the terms of this Indenture, the Security Documents and the Intercreditor Agreements, together with such powers as are reasonably incidental thereto. The Collateral Trustee agrees to act as such and agrees to act pursuant to the instructions of the Holders and the Trustee with respect to the Security Documents and the Collateral on the express conditions contained in this Section 11.05. The provisions of this Section 11.05 are solely for the benefit of the Collateral Trustee and none of the Trustee, any of the Holders nor the Issuer or any of the Guarantors shall have any rights as a third party beneficiary of any of the provisions contained herein other than as expressly provided in Section 11.02. Notwithstanding any provision to the contrary contained elsewhere in this Indenture, the Security Documents and the Intercreditor Agreements, the Collateral Trustee shall not have any duties or responsibilities, except those expressly set forth herein, in the Intercreditor Agreements or the Security Documents to which it is a party, nor shall the Collateral Trustee have or be deemed to have any fiduciary relationship with the Trustee, any Holder, the Issuer or any Subsidiary of the Issuer, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Indenture, the Security Documents and the Intercreditor Agreements or otherwise exist against the Collateral Trustee. The grant of permissive rights or powers to the Collateral Trustee shall not be construed to impose duties to act. The obligations of the Collateral Trustee with respect to the Collateral shall be governed exclusively by the express terms of this Indenture, the Security Documents and the Intercreditor Agreements and not by the UCC except to the extent required by applicable law. Neither duties of, nor any adverse consequence to, a secured party under the UCC shall be read into this Indenture or the Security Documents and the Intercreditor Agreements as obligations against the Collateral Trustee to the extent such obligations are not reflected in the express terms of this Indenture, the Security Documents or the Intercreditor Agreements. Without limiting the generality of the foregoing sentence, the use of the term “trustee” in this Indenture with reference to the Collateral Trustee is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used merely as a matter of market custom, and is intended to create or reflect only an administrative relationship between independent contracting parties. Except as expressly otherwise provided in this Indenture, the Collateral Trustee shall have and may use its sole discretion with respect to exercising or refraining from exercising any discretionary rights or taking or refraining from taking any actions which the Collateral Trustee is expressly entitled to take or assert under this Indenture, the Security Documents and the Intercreditor Agreements, including the exercise of remedies pursuant to Article 6, and any action so taken or not taken shall be deemed consented to by the Trustee and the Holders; *provided* that it is understood that in all cases the Collateral Trustee shall be fully protected in refraining from taking any such action until it shall be directed by the majority of Holders of the aggregate principal amount of Notes then outstanding as provided herein.

(b) The Collateral Trustee may execute any of its duties under this Indenture, the Security Documents or the Intercreditor Agreements by or through agents, employees, attorneys-in-fact or through its related Persons and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Collateral Trustee shall not be responsible for the negligence or misconduct of any agent, employee, attorney-in-fact or related Person that it selects as long as such selection was made without gross negligence or willful misconduct.

(c) None of the Collateral Trustee, nor any of its respective related Persons shall (i) be liable for any action taken, suffered or omitted to be taken by any of them in good faith and reasonably believed by them to be authorized or within the discretion or rights of powers under or in connection with this Indenture or the transactions contemplated hereby (except for its own gross negligence or willful misconduct) or under or in connection with any Security Document or Intercreditor Agreements or the transactions contemplated thereby (except for its own gross negligence or willful misconduct), or (ii) be responsible in any manner to any of the Trustee or any Holder for any recital, statement, representation, warranty, covenant or agreement made by the Issuer or any Guarantor, officer or related Person thereof, contained in this Indenture or any of the Security Documents or the Intercreditor Agreements, or in any certificate, report, statement or other document referred to or provided for in, or received by the Collateral Trustee under or in connection with, this Indenture or any of the Security Documents or the Intercreditor Agreements, or the validity, effectiveness, genuineness, enforceability or sufficiency of this Indenture or any of the Security Documents or the Intercreditor Agreements, or for any failure of the Issuer, any Guarantor or any other party to this Indenture, the Security Documents or the Intercreditor Agreements to perform its obligations hereunder or thereunder. None of the Collateral Trustee or any of its related Persons shall be under any obligation to the Trustee or any Holder to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Indenture or any of the Security Documents or the Intercreditor Agreements or to inspect the properties, books, or records of the Issuer or any Guarantor.

(d) The Collateral Trustee shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, instrument, opinion, report, request, direction, order, judgment, bond, debenture, note, notice, consent, certificate, affidavit, letter, telegram, facsimile, telex, or telephone message, statement, or other document or conversation believed by it to be genuine and correct and to have been signed, sent, or made by the proper Person or Persons, and upon advice and statements of legal counsel (including, without limitation, counsel to the Issuer or any Guarantor), independent accountants and other experts and advisors selected by the Collateral Trustee. The Collateral Trustee shall be fully justified in failing or refusing to take any action under this Indenture or any of the Security Documents or the Intercreditor Agreements unless it shall first receive such direction from the Holders of a majority of the aggregate principal amount of Notes then outstanding as it deems appropriate and, if it so requests, it shall first be indemnified to its satisfaction by the Holders against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. The Collateral Trustee shall in all cases be fully protected in acting, or in refraining from acting, under this Indenture or any of the Security Documents or the Intercreditor Agreements in accordance with a request or consent of the Trustee and such request and any action taken or failure to act pursuant thereto shall be binding upon all of the Holders.

(e) The Collateral Trustee shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default, unless the Collateral Trustee shall have received written notice from the Trustee or the Issuer or a Guarantor referring to this Indenture, describing such Default or Event of Default and stating that such notice is a “notice of default.” The Collateral Trustee shall take such action with respect to such Default or Event of Default as may be requested by the Trustee in accordance with Article 6 (subject to this Section 11.05); *provided*, *however*, that unless and until the Collateral Trustee has received any such request, the Collateral Trustee may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable.

(f) Wilmington Trust, National Association and its Affiliates (and any successor Collateral Trustee and its affiliates) may make loans to, issue letters of credit for the account of, accept deposits from, acquire equity interests in and generally engage in any kind of banking, trust, financial advisory, underwriting, or other business with the Issuer or any Guarantor and its Affiliates as though it was not the Collateral Trustee hereunder and without notice to or consent of the Trustee. The Trustee and the Holders acknowledge that, pursuant to such activities, Wilmington Trust, National Association or its Affiliates (and any successor Collateral Trustee and its affiliates) may receive information regarding the Issuer or any Guarantor or its Affiliates (including information that may be subject to confidentiality obligations in favor of the Issuer, such Guarantor or such Affiliate) and acknowledge that the Collateral Trustee shall not be under any obligation to provide such information to the Trustee or the Holders. Nothing herein shall impose or imply any obligation on the part of Wilmington Trust, National Association (or any successor Collateral Trustee) to advance funds.

(g) The Collateral Trustee may resign at any time upon thirty (30) days' prior written notice to the Trustee and the Issuer and the Guarantors, such resignation to be effective upon the acceptance of a successor agent to its appointment as Collateral Trustee. If the Collateral Trustee resigns under this Indenture, the Issuer or the Holders of at least 25% of the aggregate principal amount of Notes then outstanding, shall appoint a successor Collateral Trustee. If no successor Collateral Trustee is appointed prior to the intended effective date of the resignation of the Collateral Trustee (as stated in the notice of resignation), the Collateral Trustee may appoint, subject to the consent of the Issuer (which shall not be unreasonably withheld and which shall not be required during a continuing Event of Default), a successor Collateral Trustee. If no successor Collateral Trustee is appointed and consented to by the Issuer pursuant to the preceding sentence within thirty (30) days after the intended effective date of resignation (as stated in the notice of resignation) the Collateral Trustee shall be entitled to petition a court of competent jurisdiction to appoint a successor. Upon the acceptance of its appointment as successor collateral agent hereunder, such successor Collateral Trustee shall succeed to all the rights, powers and duties of the retiring Collateral Trustee, and the term "Collateral Trustee" shall mean such successor Collateral Trustee, and the retiring Collateral Trustee's appointment, powers and duties as the Collateral Trustee shall be terminated. After the retiring Collateral Trustee's resignation hereunder, the provisions of this Section 11.05 (and Section 11.06) shall continue to inure to its benefit and the retiring Collateral Trustee shall not by reason of such resignation be deemed to be released from liability as to any actions taken or omitted to be taken by it while it was the Collateral Trustee under this Indenture. The Trustee shall initially act as Collateral Trustee and shall be authorized to appoint co-Collateral Trustees as necessary in its sole discretion. Except as otherwise explicitly provided herein or in the Security Documents or the Intercreditor Agreements, neither the Collateral Trustee nor any of its respective officers, directors, employees or agents or other related Persons shall be liable for failure to demand, collect or realize upon any of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of any other Person or to take any other action whatsoever with regard to the Collateral or any part thereof. The Collateral Trustee shall be accountable only for amounts that it actually receives as a result of the exercise of such powers, and neither the Collateral Trustee nor any of its officers, directors, employees or agents shall be responsible for any act or failure to act hereunder, except for its own willful misconduct or gross negligence.

(h) The Trustee agrees that the Collateral Trustee shall not be obliged to, and the Trustee shall not be obligated to instruct the Collateral Trustee to, unless specifically requested to do so by a majority of the aggregate principal amount of the Notes then outstanding, take or cause to be taken any action to enforce rights under this Indenture, the Notes or any of the Security Documents or the Intercreditor Agreement, or against the Issuer or any Guarantor, including the commencement of any legal or equitable proceedings, to foreclose any Lien on, or otherwise enforce any security interest in, any of the Collateral. The Collateral Trustee shall not be liable with respect to any action taken or omitted to be taken by it in accordance with the direction from the Trustee or the Holders of a majority in aggregate principal amount of the then outstanding Notes. If the Collateral Trustee shall request direction from the Trustee or the Holders of a majority in aggregate principal amount of the then outstanding Notes with respect to any action, the Collateral Trustee shall be entitled to refrain from such action unless and until the Collateral Trustee shall have received direction from the Trustee or the Holders of a majority in aggregate principal amount of the then outstanding Notes and security or indemnity satisfactory to the Collateral Trustee, and the Collateral Trustee shall not incur liability to any Person by reason of so refraining. The Issuer and the Guarantors recognize and agree that the interest in the Collateral is vested in the Collateral Trustee, and that the Collateral Trustee shall be designated as secured party for UCC purposes pursuant to this Indenture and the Security Documents for the express purpose of providing security on the Notes Obligations, and not for the purpose of advancing any personal interests of the Collateral Trustee or the Trustee therein. Consequently, notwithstanding the provisions of Section 9-210 of the UCC, the Issuer and each Guarantor agrees that any request for issuance of an estoppel certificate, request for accounting, list of Collateral, or status of the account in any manner relating to the existence or perfection of any portion of the Collateral shall be delivered to the Trustee, the Collateral Trustee and to the Holders of the Notes. The Trustee and the Collateral Trustee shall have no duty or obligation to the Secured Parties (as defined in the Junior Priority Intercreditor Agreement) under any provision of the UCC with respect to any request for issuance of an estoppel certificate, request for accounting, list of Collateral, or status of the account in any manner relating to the existence or perfection of any portion of the Collateral, including but not limited to any obligation under Sections 9-210 of the UCC.

(i) If at any time or times the Trustee shall receive (i) by payment, foreclosure, set-off or otherwise, any proceeds of Collateral or any payments with respect to the Obligations secured by the Security Documents arising under, or relating to, this Indenture, except for any such proceeds or payments received by the Trustee from the Collateral Trustee pursuant to the terms of this Indenture, the Security Documents or the Intercreditor Agreements, or (ii) payments from the Collateral Trustee in excess of the amount required to be paid to the Trustee pursuant to this Indenture, the Security Documents or the Intercreditor Agreements, the Trustee shall promptly turn the same over to the Collateral Trustee, in kind, and with such endorsements as may be required to negotiate the same to the Collateral Trustee.

(j) The Collateral Trustee is each Holder’s agent for the purpose of perfecting the Holders’ security interest in assets which, in accordance with Article 9 of the UCC can be perfected only by possession or control.

(k) The Collateral Trustee shall have no obligation whatsoever to the Trustee or any of the Holders to assure that the Collateral exists or is owned by the Issuer or any Guarantor or is cared for, protected, or insured or has been encumbered, or that the Collateral Trustee's Liens have been properly or sufficiently or lawfully created, perfected, protected, maintained or enforced or are entitled to any particular priority, or to determine whether all of the Issuer's or Guarantor's property constituting collateral intended to be subject to the Lien and security interest of the Security Documents has been properly and completely listed or delivered, as the case may be, or the genuineness, validity, marketability or sufficiency thereof or title thereto, or to exercise at all or in any particular manner or under any duty of care, disclosure, or fidelity, or to continue exercising, any of the rights, authorities, and powers granted or available to the Collateral Trustee pursuant to this Indenture, any of the Security Documents or the Intercreditor Agreements, it being understood and agreed that in respect of the Collateral, or any act, omission, or event related thereto, the Collateral Trustee may act in any manner it may deem appropriate, in its sole discretion given the Collateral Trustee's own interest in the Collateral and that the Collateral Trustee shall have no other duty or liability whatsoever to the Trustee or any Holder as to any of the foregoing.

(l) No provision of this Indenture or any Security Document shall require the Trustee or the Collateral Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or thereunder, or in the exercise of any of its rights or powers hereunder or thereunder if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(m) The Collateral Trustee (i) shall not be liable for any error of judgment made in good faith by a Responsible Officer unless it is proved that the Collateral Trustee was grossly negligent in ascertaining the pertinent facts, (ii) shall not be liable for interest on any money received by it (and money held in trust by the Collateral Trustee need not be segregated from other funds except to the extent required by law) and (iii) may consult with counsel of its selection and the advice or opinion of such counsel as to legal matters relating to this Indenture, the Notes, the Security Documents and the Intercreditor Agreements shall be full and complete authorization and protection from liability in respect of any action taken, omitted or suffered by it hereunder in good faith and in reliance upon the advice or opinion of such counsel.

(n) Neither the Collateral Trustee nor the Trustee shall be liable for any indirect, incidental, special, punitive or consequential damages (included but not limited to lost profits) whatsoever, even if it has been informed of the likelihood thereof and regardless of the form of action.

(o) Upon the receipt by the Collateral Trustee of a written request of the Issuer signed by any Officer (a "**Security Document Order**"), the Collateral Trustee is hereby authorized to execute and enter into, and if satisfactory in form to the Collateral Trustee, execute and enter into, without the further consent of any Holder or the Trustee, any Security Document to be executed after the Issue Date. Such Security Document Order shall (i) state that it is being delivered to the Collateral Trustee pursuant to, and is a Security Document Order referred to in, this Section 11.05(o), (ii) instruct the Collateral Trustee to execute and enter into such Security Document and (iii) certify that all conditions precedent to the execution and delivery of the Security Document have been satisfied. The Holders, by their acceptance of the Notes, hereby authorize and direct the Collateral Trustee to execute such Security Documents.

(p) In no event shall the Collateral Trustee be required to execute and deliver any landlord lien waiver, estoppel or collateral access letter, or any account control agreement or any instruction or direction letter delivered in connection with such document that the Collateral Trustee determines adversely affects it or otherwise subjects it to personal liability, including without limitation agreements to indemnify any contractual counterparty.

(q) Before the Collateral Trustee acts or refrains from acting in each case at the request or direction of the Issuer or the Guarantors, or in connection with any Security Document or Intercreditor Agreements, it may require an Officer's Certificate and an Opinion of Counsel, which shall conform to the provisions of Section 13.05. In the absence of gross negligence or willful misconduct on its part, the Collateral Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on such certificate or opinion.

(r) Neither the Trustee nor the Collateral Trustee shall be liable for the theft, loss, damage or destruction of any possessory collateral sent via overnight carrier by reason of the act or omission of such carrier.

SECTION 11.06. *Compensation and Indemnity.* The Collateral Trustee shall be entitled to the compensation and indemnity provisions set forth in Section 7.06.

SECTION 11.07. *[Reserved].*

SECTION 11.08. *Intercreditor Agreements and Security Documents.*

Each of the Trustee and Collateral Trustee is hereby directed and authorized to execute and deliver the Intercreditor Agreements or any Security Documents in which it is named as a party. It is hereby expressly acknowledged and agreed that, in doing so, the Trustee and the Collateral Trustee are not responsible for the terms or contents of such agreements, or for the validity or enforceability thereof, or the sufficiency thereof for any purpose. Whether or not so expressly stated therein, in entering into, or taking (or forbearing from) any action under pursuant to, the Intercreditor Agreements or any Security Document, the Trustee and Collateral Trustee each shall have all of the rights, protections, immunities, indemnities and other protections granted to it under this Indenture (in addition to those that may be granted to it under the terms of such other agreement or agreements).

ARTICLE 12
SATISFACTION AND DISCHARGE

SECTION 12.01. *Satisfaction and Discharge.* This Indenture shall be discharged and shall cease to be of further effect (except as to surviving rights or registration of transfer or exchange of the Notes, as expressly provided for in this Indenture) as to all Notes when:

(a) either:

(i) all the Notes theretofore authenticated and delivered (except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Issuer and thereafter repaid to the Issuer or discharged from such trust) have been delivered to the Trustee for cancellation; or

(ii) all Notes not theretofore delivered to the Trustee for cancellation have become due and payable by reason of mailing of a notice of redemption or otherwise or will become due and payable within one year or are to be called for redemption within one year under irrevocable arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name and at the expense of the Issuer, and the Issuer or any Guarantor has irrevocably deposited or caused to be deposited with the Trustee funds in US dollars in an amount sufficient without consideration of reinvestment to pay and discharge the entire Indebtedness on the Notes not theretofore delivered to the Trustee for cancellation, for principal of, premium, if any and interest on the Notes to the date of deposit together with irrevocable instructions from the Issuer directing the Trustee to apply such funds to the payment thereof at maturity or redemption, as the case may be;

(b) the Issuer or any Guarantor has paid all other sums payable under this Indenture by the Issuer; and

(c) the Issuer has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel stating that all conditions precedent under this Indenture relating to the satisfaction and discharge of this Indenture have been complied with.

Notwithstanding the satisfaction and discharge of this Indenture, if money shall have been deposited with the Trustee pursuant to clause (a)(ii) of this Section 12.01, the provisions of Section 12.02 and Section 8.06 shall survive.

SECTION 12.02. *Application of Trust Money.* Subject to the provisions of Section 8.06, all funds deposited with the Trustee pursuant to Section 12.01 shall be held in trust and applied by it, in accordance with the provisions of the Notes and this Indenture, to the payment, either directly or through any Paying Agent (including the Issuer or any Guarantor acting as their own Paying Agent) as the Trustee may determine, to the Persons entitled thereto, of the principal of, premium, if any, and interest for whose payment such money has been deposited with the Trustee; but such money need not be segregated from other funds except to the extent required by law.

If the Trustee or Paying Agent is unable to apply any funds in accordance with Section 12.01 by reason of any legal proceeding or by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Issuer's and any Guarantor's obligations under this Indenture and the Notes shall be revived and reinstated as though no deposit had occurred pursuant to Section 12.01; *provided* that if the Issuer has made any payment of principal of, premium, if any, and interest on any Notes because of the reinstatement of its obligations, the Issuer shall be subrogated to the rights of the Holders of such Notes to receive such payment from the funds held by the Trustee or Paying Agent.

ARTICLE 13
MISCELLANEOUS

SECTION 13.01. *[Reserved]*.

SECTION 13.02. *Notices*. Any notice or communication by the Issuer, any Guarantor or the Trustee to the others is duly given if in writing and delivered in person or mailed by first-class mail (registered or certified, return receipt requested), PDF transmission, fax or overnight air courier guaranteeing next day delivery, to the others' address:

SECTION a.01.

If to the Issuer:

PHH Mortgage Corporation
1 Mortgage Way
Mount Laurel, NJ 08054Email: ocwendebtagreementnotices@ocwen.com; cc: legalnotice@phhmail.com
Attention: General Counsel and Secretary

If to the Trustee or Collateral Trustee:

Wilmington Trust, National Association
246 Goose Lane, Suite 105
Guilford, CT 06437
Fax No.: (203) 453-1183
Attention: Ocwen Loan Servicing, LLC Administrator

The Issuer, any Guarantor or the Trustee and the Collateral Trustee, by notice to the others, may designate additional or different addresses for subsequent notices or communications.

All notices and communications (other than those sent to Holders) shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; five calendar days after being deposited in the mail, postage prepaid, if mailed by first-class mail; when receipt acknowledged, if faxed; and the next Business Day after timely delivery to the courier, if sent by overnight air courier guaranteeing next day delivery; *provided* that any notice or communication delivered to the Trustee and the Collateral Trustee shall be deemed effective upon actual receipt thereof.

Any notice or communication to a Holder shall be mailed by first-class mail, certified or registered, return receipt requested, or by overnight air courier guaranteeing next day delivery to its address (or, in the case of Global Notes, all in accordance with the Applicable Procedures) shown on the register kept by the Registrar.

If a notice or communication is mailed in the manner provided above within the time prescribed, it is duly given, whether or not the addressee receives it; *provided* that any notices or communications to the Trustee and the Collateral Trustee shall be deemed effective only upon actual receipt thereof.

If the Issuer mails a notice or communication to Holders, it shall mail a copy to the Trustee and the Collateral Trustee and each Agent at the same time.

The Trustee and the Collateral Trustee agree to accept and act upon notices, instructions or directions pursuant to this Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods. If the Issuer and the Guarantors, if any, elect to give the Trustee and the Collateral Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee and the Collateral Trustee in its discretion elects to act upon such instructions, the Trustee's and the Collateral Trustee's understanding of such instructions shall be deemed controlling. The Trustee and the Collateral Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Issuer and the Guarantors, if any, agree to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee and the Collateral Trustee, including without limitation the risk of the Trustee and the Collateral Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

SECTION 13.03. *Communication by Holders of Notes with Other Holders of Notes*. Holders may communicate with other Holders with respect to their rights under this Indenture, the Security Documents or the Notes.

SECTION 13.04. *Certificate and Opinion as to Conditions Precedent*. Upon any request or application by the Issuer or any of the Guarantors, if any, to the Trustee and the Collateral Trustee to take any action under this Indenture, the Issuer or such Guarantor, as the case may be, shall furnish to the Trustee and the Collateral Trustee:

(a) An Officers' Certificate of the Issuer in form and substance reasonably satisfactory to the Trustee and the Collateral Trustee (which shall include the statements set forth in Section 13.05) stating that, in the opinion of the signers, all conditions precedent and covenants, if any, provided for in this Indenture relating to the proposed action have been satisfied; and

(b) An Opinion of Counsel in form and substance reasonably satisfactory to the Trustee and the Collateral Trustee (which shall include the statements set forth in Section 13.05) stating that, in the opinion of such counsel, all such conditions precedent and covenants have been satisfied.

SECTION 13.05. *Statements Required in Certificate or Opinion*. Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture (other than a certificate provided pursuant to Section 4.04) shall include:

(a) a statement that the Person making such certificate or opinion has read such covenant or condition;

(b) brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of such Person, he or she has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with (and, in the case of an Opinion of Counsel, may be limited to reliance on an Officers' Certificate as to matters of fact); and

(d) a statement as to whether or not, in the opinion of such Person, such condition or covenant has been complied with.

SECTION 13.06. *Rules by Trustee and Agents*. The Trustee may make reasonable rules for action by or at a meeting of Holders. The Registrar or Paying Agent may make reasonable rules and set reasonable requirements for its functions.

SECTION 13.07. *No Personal Liability of Directors, Officers, Employees and Stockholders*. No director, officer, employee, incorporator or stockholder of the Issuer or any Guarantors shall have any liability for any obligation of the Issuer or any Guarantors, respectively, under the Notes, the Note Guarantees, this Indenture or the Security Documents or for any claim based on, in respect of, or by reason of such obligations or their creation; *provided* that the foregoing shall not limit any Guarantor's obligations under its Note Guarantee. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

SECTION 13.08. *Governing Law; Consent to Jurisdiction and Service*. THIS INDENTURE, THE NOTES AND ANY NOTE GUARANTEE, AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS INDENTURE, THE NOTES OR ANY NOTE GUARANTEE, WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

To the fullest extent permitted by applicable law, the Issuer and each Guarantor, if any, hereby irrevocably submits to the jurisdiction of any federal or State court located in the Borough of Manhattan in The City of New York, New York in any suit, action or proceeding based on or arising out of or relating to this Indenture or any Notes and irrevocably agrees that all claims in respect of such suit or proceeding may be determined in any such court. The Issuer and each Guarantor, if any, irrevocably waives, to the fullest extent permitted by law, any objection which they may have to the laying of the venue of any such suit, action or proceeding brought in an inconvenient forum. The Issuer and each Guarantor, if any, agrees that final judgment in any such suit, action or proceeding brought in such a court shall be conclusive and binding upon it, and may be enforced in any courts to the jurisdiction of which it is subject by a suit upon such judgment, *provided*, that service of process is effected upon it in the manner specified herein or as otherwise permitted by law. To the extent the Issuer or any Guarantor, if any, has or hereafter may acquire any immunity from jurisdiction of any court or from any legal process (whether through service of notice, attachment prior to judgment, attachment in aid of execution, executor or otherwise) with respect to itself or its property, it hereby irrevocably waives such immunity in respect of its obligations under this Indenture to the extent permitted by law.

SECTION 13.09. *Waiver of Jury Trial*. EACH OF THE ISSUER, THE GUARANTORS, IF ANY, AND THE TRUSTEE HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS INDENTURE, THE NOTES OR THE TRANSACTION CONTEMPLATED HEREBY.

SECTION 13.10. *Force Majeure.* In no event shall the Trustee and the Collateral Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, pandemics, epidemics ,and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services or the unavailability of the federal Reserve Bank wire or telex or other wire communication facility; it being understood that the Trustee and the Collateral Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

SECTION 13.11. *No Adverse Interpretation of Other Agreements*. This Indenture may not be used to interpret any other indenture, loan or debt agreement of the Issuer or its Subsidiaries or of any other Person. Any such indenture, loan or debt agreement may not be used to interpret this Indenture.

SECTION 13.12. *Successors.* All agreements of the Issuer in this Indenture and the Notes shall bind its successors. All agreements of the Trustee in this Indenture shall bind its successors. All agreements of each Guarantor, if any, in this Indenture shall bind its successors, except as otherwise provided in Section 10.06.

SECTION 13.13. *Severability; Entire Agreement.* In case any provision in this Indenture or in the Notes shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. This Indenture, the exhibits hereto, the Notes, the Security Documents and the Intercreditor Agreements and the other documents contemplated hereby and thereby set forth the entire agreement and understanding of the parties related to this transaction and supersedes all prior agreements and understandings, oral or written.

SECTION 13.14. *Counterpart Originals.* This Indenture may be executed in two or more counterparts, which when so executed shall constitute one and the same agreement. The exchange of copies of this Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Indenture as to the parties hereto and may be used in lieu of the original Indenture for all purposes. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes. Delivery of an executed counterpart of a signature page to this Agreement by telecopier, facsimile or other electronic transmission (i.e., a “pdf” or “tif”) shall be effective as delivery of a manually executed counterpart thereof. Counterparts may be delivered via facsimile, electronic mail (including any electronic signature complying with the New York Electronic Signatures and Records Act (N.Y. State Tech. §§ 301-309), as amended from time to time, or other applicable law, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes; provided that, notwithstanding anything herein to the contrary, neither the Trustee nor the Collateral Trustee is under any obligation to agree to accept electronic signatures in any form or in any format unless expressly agreed to by the Trustee or the Collateral Trustee, as applicable, pursuant to procedures approved by the Trustee or the Collateral Trustee, as applicable.

SECTION 13.15. *Table of Contents, Headings, etc.* The Table of Contents, Cross Reference Table and headings of the Articles and Sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part of this Indenture and shall in no way modify or restrict any of the terms or provisions hereof.

SECTION 13.16. *[Reserved]*.

SECTION 13.17. *U.S.A. Patriot Act.* The parties hereto acknowledge that in accordance with Section 326 of the U.S.A. Patriot Act, the Trustee and Collateral Trustee, like all financial institutions and in order to help fight the funding of terrorism and money laundering, is required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account with the Trustee. The parties to this Indenture agree that they will provide the Trustee and Collateral Trustee with such information as it may request in order for the Trustee and Collateral Trustee to satisfy the requirements of the U.S.A. Patriot Act.

SECTION 13.18. *FATCA.* In order to comply with Sections 1471 through 1474 of the Internal Revenue Code of 1986, as amended, any regulations or official interpretations thereof, and any intergovernmental agreements and related laws, rules or regulations to implement any of the foregoing (inclusive of directives, guidelines and interpretations promulgated by competent authorities) in effect from time to time ("Applicable Law") a foreign financial institution, issuer, trustee, paying agent, holder or other institution is or has agreed to be subject to related to this Indenture, the Issuer and Guarantors agree (i) to provide to Wilmington Trust, National Association sufficient information, to the extent it has such information in its possession, about holders or other applicable parties and/or transactions (including any modification to the terms of such transactions) so Wilmington Trust, National Association can determine whether it has tax related obligations under Applicable Law, (ii) that Wilmington Trust, National Association shall be entitled to make any withholding or deduction from payments under this Indenture to the extent necessary to comply with Applicable Law for which Wilmington Trust, National Association shall not have any liability, and (iii) to hold harmless Wilmington Trust, National Association for any losses it may suffer due to the actions it takes to comply with such Applicable Law, other than any loss suffered as a result of its own willful misconduct, negligence or bad faith. The terms of this section shall survive the termination of this Indenture.

[Signature Pages Follow]

PHH MORTGAGE CORPORATION,
as Issuer

By: /s/ John V. Britti
Name: John V. Britti
Title: Executive Vice President and Chief Investment Officer

GUARANTORS:

OCWEN FINANCIAL CORPORATION

By: /s/ John V. Britti
Name: John V. Britti
Title: Executive Vice President and Chief Investment Officer

PHH CORPORATION

By: /s/ John V. Britti
Name: John V. Britti
Title: President and Chief Executive Officer

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Trustee and as Collateral Trustee

By: /s/ Nedine P. Sutton
Name: Nedine P. Sutton
Title: Vice President

Exhibit A

FORM OF NOTE

[FACE OF NOTE]

[Insert the Global Note Legend, if applicable pursuant to the provisions of the Indenture]

[Insert the Private Placement Legend, if applicable pursuant to the provisions of the Indenture]

[Insert the Regulation S Temporary Global Note Legend, if applicable pursuant to the provisions of the Indenture]

[Insert the OID Legend, if applicable pursuant to the provisions of the Indenture]

CUSIP [ ]
ISIN [ ][1]

[RULE 144A][REGULATION S] GLOBAL NOTE
7.875% Senior Secured Notes due 2026

No. ___ [Initially][$___]

PHH MORTGAGE CORPORATION

PHH Mortgage Corporation, a New Jersey corporation (the "**Issuer**," which term includes any successor under the Indenture hereinafter referred to), for value received, promises to pay to [_____][CEDE & CO.], or its registered assigns, the principal sum [of _____ United States Dollars][as set forth on the Schedule of Exchanges of Interests in the Global Note attached hereto] on March 15, 2026.

Interest Payment Dates: March 15 and September 15 of each year, commencing on September 15, 2021[2]

Record Dates: March 1 and September 1

Reference is hereby made to the further provisions of this Note set forth on the reverse hereof, which will for all purposes have the same effect as if set forth at this place.

[Signature Page Follows]

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[11] Rule 144A Note CUSIP / ISIN: 69356N AA2 / US69356NAA28

Regulation S Note CUSIP / ISIN: U69347 AA7 / USU69347AA7

[22] With respect to the Initial Notes

IN WITNESS HEREOF, the Issuer has caused this instrument to be duly executed as of the 4th day of March, 2021.

PHH MORTGAGE CORPORATION

By: _____
Name:
Title:

This is one of the 7.875% Senior Secured Notes due 2026 referred to in the within mentioned Indenture:

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Trustee

By: _____
Name:
Title:

Date: March 4, 2021

[REVERSE OF NOTE]

7.875% Senior Secured Notes due 2026

Capitalized terms used herein shall have the meanings assigned to them in the Indenture referred to below unless otherwise indicated.

1. INTEREST. The Issuer shall pay interest on the principal amount of this Note at the rate of 7.875% per annum semiannually in arrears on March 15 and September 15 of each year, or if any such day is not a Business Day, on the next succeeding Business Day (each, an "**Interest Payment Date**"). Interest on the Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of issuance; *provided* that the first Interest Payment Date shall be September 15, 2021[3]. The Issuer shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal and premium, if any, from time to time on demand at the interest rate on the Notes; it shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest (without regard to any applicable grace periods) from time to time on demand at the interest rate on the Notes. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

2. METHOD OF PAYMENT. The Issuer shall pay interest on the Notes to the Persons who are registered Holders of Notes at the close of business on March 1 or September 1 (each, a "**Record Date**") (whether or not a Business Day), as the case may be, next preceding the Interest Payment Date, even if such Notes are canceled after such record date and on or before such Interest Payment Date, except as provided in the Indenture with respect to defaulted interest. Payment of interest will be made at the Trustee's corporate trust office in the United States, *provided* that payment by wire transfer of immediately available funds will be required with respect to principal of and interest and premium, if any, on, all Global Notes and all other Notes the Holders of which shall have provided wire transfer instructions to the Issuer or the Paying Agent at least ten business days prior to such date. Such payment shall be in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

3. PAYING AGENT AND REGISTRAR. Initially the Trustee will act as Paying Agent and Registrar. The Issuer may change any Paying Agent or Registrar without notice to the Holders. The Issuer or any of its Subsidiaries may act in any such capacity.

4. INDENTURE. The Issuer issued the Notes under an Indenture, dated as of March 4, 2021 (the "**Indenture**"), between the Issuer, Ocwen Financial Corporation, a Florida corporation (the "**Parent**"), the other Guarantor signatory thereto (together, with the Parent, the "**Guarantors**"), the Trustee and the Collateral Trustee. This Note is one of a duly authorized issue of notes of the Issuer designated as its 7.875% Senior Secured Notes due 2026. The Issuer shall be entitled to issue Additional Notes pursuant to Sections 2.01 and 4.09 of the Indenture. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended (the "**Trust Indenture Act**"). The Notes are subject to all such terms, and Holders are referred to the Indenture and such Act for a statement of such terms. To the extent any provision of this Note conflicts with the express provisions of the Indenture, the provisions of the Indenture shall govern and be controlling.

5. OPTIONAL REDEMPTION.

[33] With respect to the Initial Notes

(a) This Note is subject to the optional redemption provisions set forth in Section 3.07 of the Indenture.

(b) Any redemption pursuant to Section 3.07 of the Indenture shall be made pursuant to the provisions of Sections 3.01 through 3.07 of the Indenture.

(c) In addition to the Issuer's rights to redeem Notes pursuant to Section 3.07 of the Indenture, the Issuer may at any time and from time to time purchase Notes in open-market transactions, tender offers or otherwise.

6. MANDATORY REDEMPTION. The Issuer shall not be required to make mandatory redemption or sinking fund payments with respect to the Notes.

7. OFFERS TO REPURCHASE.

(a) Upon the occurrence of a Change of Control, the Issuer shall make an offer (a "**Change of Control Offer**") to each Holder to purchase all or a portion of such Holder's Notes (equal to $2,000 or an integral multiple of $1,000 in excess of $2,000) at a purchase price equal to 101.0% of the principal amount of the Notes purchased, plus accrued and unpaid interest thereon, if any, to the date of purchase (the "**Change of Control Payment**"). The Change of Control Offer shall be made in accordance with Section 4.14 of the Indenture.

(b) If the Issuer or any of its Restricted Subsidiaries consummate an Asset Sale, other than a Required Asset Sale, within 30 days after each date that the aggregate amount of Excess Proceeds from such Asset Sales exceeds $50.0 million, the Issuer shall make an offer to all Holders of Notes and all holders of Pari Passu Debt containing provisions similar to those set forth in the Indenture with respect to offers to purchase or redeem with the proceeds of sales of assets to purchase the maximum principal amount of Notes and such Pari Passu Debt that may be purchased out of the Excess Proceeds (an "**Asset Sale Offer**") in accordance with Section 4.10 of the Indenture.

8. DENOMINATIONS, TRANSFER, EXCHANGE. The Notes are in registered form without coupons in denominations of $2,000 and integral multiples of $1,000 in excess of $2,000. The transfer of Notes may be registered and Notes may be exchanged as provided in the Indenture. The Registrar and the Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and the Issuer may require a Holder to pay any taxes and fees required by law or permitted by the Indenture. The Issuer need not exchange or register the transfer of any Note or portion of a Note selected for redemption or tendered (and not validly withdrawn) for purchase, except for the unredeemed or unpurchased portion of any Note being redeemed or purchased in part. Also, the Issuer need not exchange or register the transfer of any Notes for a period of 15 days before a selection of Notes to be redeemed.

9. PERSONS DEEMED OWNERS. The registered Holder of a Note may be treated as its owner for all purposes.

10. AMENDMENT, SUPPLEMENT AND WAIVER. The Indenture, any Note Guarantees and the Notes may be amended or supplemented as provided in the Indenture.

11. DEFAULTS AND REMEDIES. The Events of Default relating to the Notes are defined in Section 6.01 of the Indenture. If any Event of Default occurs and is continuing and is actually known by or written notice thereof has been received by a Responsible Officer of the Trustee, the Trustee or the Holders of at least 25.0% in principal amount of the then outstanding Notes may declare the principal of, premium, if any, and accrued and unpaid interest on all of the Notes to be due and payable by notice in writing to the Issuer and the Trustee if given by the Holders specifying the respective Event of Default and that it is a "notice of acceleration**,**" and the same shall become immediately due and payable. Notwithstanding the foregoing, in the case of an Event of Default arising from certain events of bankruptcy or insolvency set forth in clauses (vi) and (vii) of Section 6.01 of the Indenture, all outstanding Notes will become due and payable immediately without any declaration or other act on the part of the Trustee or any Holder. Holders may not enforce the Indenture, the Notes or any Note Guarantees except as provided in the Indenture. Subject to certain limitations, Holders of a majority in principal amount of the then outstanding Notes may direct the Trustee in its exercise of any trust or power. The Holders of a majority in aggregate principal amount of the then outstanding Notes by notice to the Trustee may on behalf of the Holders of all of the Notes waive any existing Default or Event of Default under the Indenture except a continuing Default in the payment of the principal of, premium, if any, or interest on any Note held by a non-consenting Holder (including in connection with an Asset Sale Offer or a Change of Control Offer). The Issuer is required to deliver to the Trustee annually a statement regarding compliance with the Indenture, and the Issuer is required within five Business Days after becoming aware of any Default or Event of Default, to deliver to the Trustee a statement specifying such Default or Event of Default and the status thereof.

12. AUTHENTICATION. This Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose until authenticated by the manual signature of the Trustee.

13. [RESERVED].

14. GOVERNING LAW. THE NOTES, THE INDENTURE AND ANY NOTE GUARANTEES, AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THE NOTES, THE INDENTURE OR ANY NOTE GUARANTEES, WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

15. CUSIP NUMBERS. Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Issuer has caused CUSIP numbers and ISIN numbers to be printed on the Notes and the Trustee may use CUSIP numbers and ISIN numbers in notices of redemption, Change of Control Offers and Asset Sale Offers as a convenience to Holders. No representation is made as to the correctness of such numbers either as printed on the Notes or as contained in any such notice and reliance may be placed only on the other identification numbers printed on the Notes, and any such redemption or repurchase pursuant to a Change of Control Offer or Asset Sale Offer shall not be affected by any defect in or omission of such numbers.

16. NOTE GUARANTEE. The Issuer's obligations under the Notes will be fully and unconditionally guaranteed, jointly and severally by the Parent and the other Guarantors on the Issue Date, to the extent set forth in the Indenture. The Issuer's obligations under the Notes will be fully and unconditionally guaranteed, jointly and severally, by any Guarantors that execute a supplement to the Indenture following the Issue Date, setting forth such Note Guarantee.

17. ADDITIONAL INFORMATION. The Issuer shall furnish to any Holder upon written request and without charge a copy of the Indenture, the Security Documents and the Intercreditor Agreements. Requests may be made to the Issuer at the following address:

PHH Mortgage Corporation
1 Mortgage Way
Mount Laurel, NJ 08054
Email: ocwendebtagreementnotices@ocwen.com; cc: legalnotice@phhmail.com
Attention: General Counsel and Secretary

In the case of any conflict between this Note and the Indenture, the provisions of the Indenture shall govern and control.

ASSIGNMENT FORM

To assign this Note, fill in the form below:

(I) or (we) assign and transfer this Note to:_____
(Insert assignee' legal name)

_____
(Insert assignee's soc. sec. or tax I.D. no.)

_____

_____

_____

_____
(Print or type assignee's name, address and zip code)

and irrevocably appoint _____

to transfer this Note on the books of the Issuer. The agent may substitute another to act for him.

Date: _____

Your Signature: __
(Sign exactly as your name appears on the face of this Note)

Signature Guarantee*:_____

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by the Issuer pursuant to Section 4.10 or Section 4.14 of the Indenture, check the appropriate box below:

[ ] Section 4.10 [ ] Section 4.14

If you want to elect to have only part of this Note purchased by the Issuer pursuant to Section 4.10 or Section 4.14 of the Indenture, state the amount you elect to have purchased:

$ _____

Date: _____

Your Signature: __
(Sign exactly as your name appears on the face of this Note)

Tax Identification No.: __

Signature Guarantee*:_____

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

SCHEDULE OF EXCHANGES OF INTERESTS IN THE GLOBAL NOTE*

The initial outstanding principal amount of this Global Note is $_____. The following exchanges of a part of this Global Note for an interest in another Global Note or for a Definitive Note, or exchanges of a part of another Global or Definitive Note for an interest in this Global Note, have been made:

Date of Exchange	Amount of decrease in Principal Amount of this Global Note	Amount of increase in Principal Amount of this Global Note	Principal Amount of this Global Note following such decrease or increase	Signature of authorized signatory of Trustee or Note Custodian

_____

*This schedule should be included only if the Note is issued in global form.

[FORM OF NOTATION ON NOTE RELATING TO NOTE GUARANTEE]

THE OBLIGATIONS OF THE GUARANTORS TO THE HOLDERS OF THE NOTES PURSUANT TO THE NOTE GUARANTEES AND THE INDENTURE DATED AS OF MARCH 4, 2021, BETWEEN PHH MORTGAGE CORPORATION, THE GUARANTORS PARTY THERETO, THE TRUSTEE AND THE COLLATERAL TRUSTEE NAMED THEREIN (THE "**INDENTURE**") ARE EXPRESSLY SET FORTH IN ARTICLE 10 AND SECTION 4.15 OF THE INDENTURE, ANY SUPPLEMENT TO THE INDENTURE AND REFERENCE IS HEREBY MADE TO SUCH INDENTURE FOR THE PRECISE TERMS OF THE NOTE GUARANTEES. THE TERMS OF THE INDENTURE, INCLUDING WITHOUT LIMITATION ARTICLE 10 AND SECTION 4.15 OF THE INDENTURE AND ANY SUPPLEMENT TO THE INDENTURE, ARE INCORPORATED HEREIN BY REFERENCE.

Exhibit B

FORM OF CERTIFICATE OF TRANSFER

PHH Mortgage Corporation
1 Mortgage Way
Mount Laurel, NJ 08054
Email: ocwendebtagreementnotices@ocwen.com; cc: legalnotice@phhmail.com
Attention: General Counsel and Secretary

Wilmington Trust, National Association
246 Goose Lane, Suite 105
Guilford, CT 06437
Fax No.: (203) 453-1183
Attention: Ocwen Loan Servicing, LLC Administrator

Re: 7.875% Senior Secured Notes due 2026

Reference is hereby made to the Indenture, dated as of March 4, 2021 (the "**Indenture**"), between PHH Mortgage Corporation, Ocwen Financial Corporation, the other Guarantor named therein, the Trustee and the Collateral Trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

_____ (the "**Transferor**") owns and proposes to transfer the Note[s] or interest in such Note[s] specified in Annex A hereto, in the principal amount of $____ in such Note[s] or interests (the "**Transfer**"), to _____ (the "**Transferee**"), as further specified in Annex A hereto. In connection with the Transfer, the Transferor hereby certifies that:

[CHECK ALL THAT APPLY]

1. [ ] CHECK IF TRANSFEREE WILL TAKE DELIVERY OF A BENEFICIAL INTEREST IN THE 144A GLOBAL NOTE OR A DEFINITIVE NOTE PURSUANT TO RULE 144A. The Transfer is being effected pursuant to and in accordance with Rule 144A under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and, accordingly, the Transferor hereby further certifies that the beneficial interest or Definitive Note is being transferred to a Person that the Transferor reasonably believes is purchasing the beneficial interest or Definitive Note for its own account, or for one or more accounts with respect to which such Person exercises sole investment discretion, and such Person and each such account is a "qualified institutional buyer" within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A and such Transfer is in compliance with any applicable blue sky securities laws of any state of the United States.

2. [ ] CHECK IF TRANSFEREE WILL TAKE DELIVERY OF A BENEFICIAL INTEREST IN THE REGULATION S GLOBAL NOTE OR A DEFINITIVE NOTE PURSUANT TO REGULATION S. The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and, accordingly, the Transferor hereby further certifies that (i) the Transfer is not being made to a person in the United States and (x) at the time the buy order was originated, the Transferee was outside the United States or such Transferor and any Person acting on its behalf reasonably believed and believes that the Transferee was outside the United States or (y) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither such Transferor nor any Person acting on its behalf knows that the transaction was prearranged with a buyer in the United States, (ii) no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S under the Securities Act, (iii) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act and (iv) if the proposed transfer is being made prior to the expiration of the Restricted Period, the transfer is not being made to a U.S. Person or for the account or benefit of a U.S. Person (other than an initial purchaser). Upon consummation of the proposed transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will be subject to the restrictions on Transfer enumerated in the Indenture and the Securities Act.

3. [ ] CHECK AND COMPLETE IF TRANSFEREE WILL TAKE DELIVERY OF A BENEFICIAL INTEREST IN THE DEFINITIVE NOTE PURSUANT TO ANY PROVISION OF THE SECURITIES ACT OTHER THAN RULE 144A OR REGULATION S. The Transfer is being effected in compliance with the transfer restrictions applicable to beneficial interests in Restricted Global Notes and Restricted Definitive Notes and pursuant to and in accordance with the Securities Act and any applicable blue sky securities laws of any state of the United States, and accordingly the Transferor hereby further certifies that (check one):

(a) [ ] such Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act;

or

(b) [ ] such Transfer is being effected to the Issuer or a Subsidiary thereof;

or

(c) [ ] such Transfer is being effected pursuant to an effective registration statement under the Securities Act and in compliance with the prospectus delivery requirements of the Securities Act.

4. [ ] CHECK IF TRANSFEREE WILL TAKE DELIVERY OF A BENEFICIAL INTEREST IN AN UNRESTRICTED GLOBAL NOTE OR OF AN UNRESTRICTED DEFINITIVE NOTE.

(a) [ ] CHECK IF TRANSFER IS PURSUANT TO RULE 144. (i) The Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes, on Restricted Definitive Notes and in the Indenture.

(b) [ ] CHECK IF TRANSFER IS PURSUANT TO REGULATION S. (i) The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes, on Restricted Definitive Notes and in the Indenture.

(c) [ ] CHECK IF TRANSFER IS PURSUANT TO OTHER EXEMPTION. (i) The Transfer is being effected pursuant to and in compliance with an exemption from the registration requirements of the Securities Act other than Rule 144, Rule 903 or Rule 904 and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any State of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will not be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes or Restricted Definitive Notes and in the Indenture.

This certificate and the statements contained herein are made for your benefit and the benefit of the Issuer.

[Insert Name of Transferor]

By: ____
Name:
Title:

Dated: _____

ANNEX A TO CERTIFICATE OF TRANSFER

1. The Transferor owns and proposes to transfer the following:

[CHECK ONE OF (a) OR (b)]

(a) [ ] a beneficial interest in the:

(i) [ ] 144A Global Note (CUSIP: 69356N AA2), or

(ii) [ ] Regulation S Global Note (CUSIP: U69347 AA7), or

(b) [ ] a Restricted Definitive Note.

2. After the Transfer the Transferee will hold:

[CHECK ONE]

(a) [ ] a beneficial interest in the:

(i) [ ] 144A Global Note (CUSIP: 69356N AA2), or

(ii) [ ] Regulation S Global Note (CUSIP: U69347 AA7), or

(iii) [ ] Unrestricted Global Note ([ ]); or

(b) [ ] a Restricted Definitive Note; or

(c) [ ] an Unrestricted Definitive Note,

in accordance with the terms of the Indenture.

Exhibit C

FORM OF CERTIFICATE OF EXCHANGE

PHH Mortgage Corporation
1 Mortgage Way
Mount Laurel, NJ 08054
Email: ocwendebtagreementnotices@ocwen.com; cc: legalnotice@phhmail.com
Attention: General Counsel and Secretary

Wilmington Trust, National Association
246 Goose Lane, Suite 105
Guilford, CT 06437
Fax No.: (203) 453-1183
Attention: Ocwen Loan Servicing, LLC Administrator

Re: 7.875% Senior Secured Notes due 2026

Reference is hereby made to the Indenture, dated as of March 4, 2021 (the "**Indenture**"), between PHH Mortgage Corporation, Ocwen Financial Corporation, the other Guarantor party thereto, the Trustee and the Collateral Trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

_____ (the "**Owner**") owns and proposes to exchange the Note[s] or interest in such Note[s] specified herein, in the principal amount of $____ in such Note[s] or interests (the "**Exchange**"). In connection with the Exchange, the Owner hereby certifies that:

1) EXCHANGE OF RESTRICTED DEFINITIVE NOTES OR BENEFICIAL INTERESTS IN A RESTRICTED GLOBAL NOTE FOR UNRESTRICTED DEFINITIVE NOTES OR BENEFICIAL INTERESTS IN AN UNRESTRICTED GLOBAL NOTE

a) [ ] CHECK IF EXCHANGE IS FROM BENEFICIAL INTEREST IN A RESTRICTED GLOBAL NOTE TO BENEFICIAL INTEREST IN AN UNRESTRICTED GLOBAL NOTE. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for a beneficial interest in an Unrestricted Global Note in an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Global Notes and pursuant to and in accordance with the United States Securities Act of 1933, as amended (the "**Securities Act**"), (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest in an Unrestricted Global Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

b) [ ] CHECK IF EXCHANGE IS FROM BENEFICIAL INTEREST IN A RESTRICTED GLOBAL NOTE TO UNRESTRICTED DEFINITIVE NOTE. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for an Unrestricted Definitive Note, the Owner hereby certifies (i) the Definitive Note is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the Definitive Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

c) [ ] CHECK IF EXCHANGE IS FROM RESTRICTED DEFINITIVE NOTE TO BENEFICIAL INTEREST IN AN UNRESTRICTED GLOBAL NOTE. In connection with the Owner's Exchange of a Restricted Definitive Note for a beneficial interest in an Unrestricted Global Note, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

d) [ ] CHECK IF EXCHANGE IS FROM RESTRICTED DEFINITIVE NOTE TO UNRESTRICTED DEFINITIVE NOTE. In connection with the Owner's Exchange of a Restricted Definitive Note for an Unrestricted Definitive Note, the Owner hereby certifies (i) the Unrestricted Definitive Note is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the Unrestricted Definitive Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

2) EXCHANGE OF RESTRICTED DEFINITIVE NOTES OR BENEFICIAL INTERESTS IN RESTRICTED GLOBAL NOTES FOR RESTRICTED DEFINITIVE NOTES OR BENEFICIAL INTERESTS IN RESTRICTED GLOBAL NOTES

a) [ ] CHECK IF EXCHANGE IS FROM BENEFICIAL INTEREST IN A RESTRICTED GLOBAL NOTE TO RESTRICTED DEFINITIVE NOTE. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for a Restricted Definitive Note with an equal principal amount, the Owner hereby certifies that the Restricted Definitive Note is being acquired for the Owner's own account without transfer. Upon consummation of the proposed Exchange in accordance with the terms of the Indenture, the Restricted Definitive Note issued will continue to be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Definitive Note and in the Indenture and the Securities Act.

b) [ ] CHECK IF EXCHANGE IS FROM RESTRICTED DEFINITIVE NOTE TO BENEFICIAL INTEREST IN A RESTRICTED GLOBAL NOTE. In connection with the Exchange of the Owner's Restricted Definitive Note for a beneficial interest in the [CHECK ONE] [ ] 144A Global Note [ ] Regulation S Global Note, with an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer and (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Notes and pursuant to and in accordance with the Securities Act, and in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Exchange in accordance with the terms of the Indenture, the beneficial interest issued will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the relevant Restricted Global Note and in the Indenture and the Securities Act.

This certificate and the statements contained herein are made for your benefit and the benefit of the Issuer and are dated _____.

[Insert Name of Transferor]

By: ____
Name:
Title:

Date: _____

Exhibit D

FORM OF SUPPLEMENTAL INDENTURE TO BE DELIVERED BY SUBSEQUENT GUARANTORS

Supplemental Indenture (this "**Supplemental Indenture**"), dated as of _____, among _____ (the "**Guaranteeing Subsidiary**"), a subsidiary of Ocwen Financial Corporation, a Florida corporation (the "**Parent**"), PHH Mortgage Corporation, a New Jersey corporation (the "**Issuer**") and Wilmington Trust, National Association, as trustee (the "**Trustee**") and Collateral Trustee (the "**Collateral Trustee**").

W I T N E S S E T H

WHEREAS, the Issuer, the Parent and the other Guarantor party thereto have heretofore executed and delivered to the Trustee and the Collateral Trustee an indenture (the "**Indenture**"), dated as of March 4, 2021, providing for the issuance of 7.875% Senior Secured Notes due 2026 (the "**Notes**");

WHEREAS, the Indenture provides that under certain circumstances the Guaranteeing Subsidiary shall execute and deliver to the Trustee a supplemental indenture pursuant to which the Guaranteeing Subsidiary shall unconditionally guarantee all of the Issuer's Obligations under the Notes and the Indenture on the terms and conditions set forth herein and under the Indenture (the "**Note Guarantee**"); and

WHEREAS, pursuant to Section 9.01 of the Indenture, the Trustee is authorized to execute and deliver this Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties mutually covenant and agree for the equal and ratable benefit of the Holders of the Notes as follows:

(1) *Capitalized Terms*. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

(2) *Agreement to Guarantee*. The Guaranteeing Subsidiary acknowledges that it has received and reviewed a copy of the Indenture and all other documents it deems necessary to review in order to enter into this Supplemental Indenture, and acknowledges and agrees to (i) join and become a party to the Indenture as indicated by its signature below; (ii) be bound by the Indenture, as of the date hereof, as if made by, and with respect to, each signatory hereto; and (iii) perform all obligations and duties required of a Guarantor pursuant to the Indenture. The Guaranteeing Subsidiary hereby agrees to provide an unconditional Guarantee on the terms and subject to the conditions set forth in the Indenture, including, but not limited to, Article 10 and Section 4.15 thereof.

(3) *Execution and Delivery*. The Guaranteeing Subsidiary agrees that the Note Guarantee shall remain in full force and effect notwithstanding the absence of the endorsement of any notation of such Note Guarantee on the Notes.

(4) *No Recourse Against Others*. No director, officer, employee, incorporator or stockholder of the Guaranteeing Subsidiary shall have any liability for any obligations of the Issuer or the Guarantors (including the Guaranteeing Subsidiary), respectively, under the Notes, the Note Guarantees, the Indenture or this Supplemental Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation; *provided* that the foregoing shall not limit any Guarantor's obligations under its Note Guarantees. Each Holder by accepting Notes waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

(5) *Governing Law*. THIS SUPPLEMENTAL INDENTURE, AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS SUPPLEMENTAL INDENTURE, WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

(6) *Counterpart Originals*. This Supplemental Indenture may be executed in two or more counterparts, which when so executed shall constitute one and the same agreement. The exchange of copies of this Supplemental Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Supplemental Indenture as to the parties hereto and may be used in lieu of the original Supplemental Indenture for all purposes. Signatures of the parties hereto transmitted by facsimile or PDF shall be deemed to be their original signatures for all purposes. Delivery of an executed counterpart of a signature page to this Agreement by telecopier, facsimile or other electronic transmission (i.e., a "pdf" or "tif") shall be effective as delivery of a manually executed counterpart thereof. Counterparts may be delivered via facsimile, electronic mail (including any electronic signature complying with the New York Electronic Signatures and Records Act (N.Y. State Tech. §§ 301-309), as amended from time to time, or other applicable law, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

(7) *Effect of Headings*. The Sections of this Supplemental Indenture have been inserted for convenience of reference only, are not to be considered a part of this Supplemental Indenture and shall in no way modify or restrict any of the terms or provisions hereof.

(8) *The Trustee*. The Trustee and Collateral Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Guaranteeing Subsidiary.

(9) *Benefits Acknowledged*. The Guaranteeing Subsidiary acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by the Indenture and this Supplemental Indenture and that the guarantee and waivers made by it pursuant to this Note Guarantee are knowingly made in contemplation of such benefits.

(10) *Successors*. All agreements of the Guaranteeing Subsidiary in this Supplemental Indenture shall bind its successors, except as otherwise set forth in this Supplemental Indenture. All agreements of the Trustee in this Supplemental Indenture shall bind its successors.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed, all as of the date first above written.

[GUARANTEEING SUBSIDIARY]

By: ____
Name:
Title:

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Trustee and as Collateral Trustee

By: ____
Name:
Title:

Exhibit E

FORM OF FREE TRANSFERABILITY CERTIFICATE

[Date]

PHH Mortgage Corporation
1 Mortgage Way
Mount Laurel, NJ 08054
Email: ocwendebtagreementnotices@ocwen.com; cc: legalnotice@phhmail.com
Attention: General Counsel and Secretary

Wilmington Trust, National Association
246 Goose Lane, Suite 105
Guilford, CT 06437
Fax No.: (203) 453-1183
Attention: Ocwen Loan Servicing, LLC Administrator

Re: 7.875% Senior Secured Notes due 2026

Reference is hereby made to the Indenture, dated as of March 4, 2021 (the "**Indenture**"), between PHH Mortgage Corporation, a New Jersey corporation (the "**Issuer**"), Ocwen Financial Corporation, a Florida corporation (the "**Parent**"), the other Guarantor party thereto, and Wilmington Trust, National Association, as Trustee and Collateral Trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

Whereas the 7.875% Senior Secured Notes due 2026 (the "**Notes**") have become freely tradable without restrictions by non-affiliates of the Issuer pursuant to Rule 144(b)(1) under the Securities Act, in accordance with Section 2.06(g)(v) of the Indenture, pursuant to which the Notes were issued, the Issuer hereby instructs you that:

(i) the Private Placement Legend described in Section 2.06(g)(v) of the Indenture and set forth on the Notes shall be deemed removed from the Notes, in accordance with the terms and conditions of the Notes and as provided in the Indenture, without further action on the part of Holders; and

(ii) the restricted CUSIP number and restricted ISIN number for the Notes shall be deemed removed from the Notes and replaced with the unrestricted CUSIP number ([ ]) and unrestricted ISIN number ([ ]), respectively, set forth therein, in accordance with the terms and conditions of the Notes and as provided in the Indenture, without further action on the part of Holders.

[Signature Pages Follow]

PHH MORTGAGE CORPORATION

By: ____
Name:
Title:

Exhibit F

[FORM OF SECURITY AGREEMENT]

[Omitted]

Exhibit G

[FORM OF JUNIOR PRIORITY INTERCREDITOR AGREEMENT]

[Omitted]

Exhibit H

[FORM OF EQUAL PRIORITY INTERCREDITOR AGREEMENT]

[Omitted]

FORM OF NOTE

[FACE OF NOTE]

[Insert the Global Note Legend, if applicable pursuant to the provisions of the Indenture]

[Insert the Private Placement Legend, if applicable pursuant to the provisions of the Indenture]

[Insert the Regulation S Temporary Global Note Legend, if applicable pursuant to the provisions of the Indenture]

[Insert the OID Legend, if applicable pursuant to the provisions of the Indenture]

CUSIP [ ]
ISIN [ ][1]

[RULE 144A][REGULATION S] GLOBAL NOTE
7.875% Senior Secured Notes due 2026

No. ___ [Initially][$___]

PHH MORTGAGE CORPORATION

PHH Mortgage Corporation, a New Jersey corporation (the "**Issuer**," which term includes any successor under the Indenture hereinafter referred to), for value received, promises to pay to [_____][CEDE & CO.], or its registered assigns, the principal sum [of _____ United States Dollars][as set forth on the Schedule of Exchanges of Interests in the Global Note attached hereto] on March 15, 2026.

Interest Payment Dates: March 15 and September 15 of each year, commencing on September 15, 2021[2]

Record Dates: March 1 and September 1

Reference is hereby made to the further provisions of this Note set forth on the reverse hereof, which will for all purposes have the same effect as if set forth at this place.

[Signature Page Follows]

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[11] Rule 144A Note CUSIP / ISIN: 69356N AA2 / US69356NAA28

Regulation S Note CUSIP / ISIN: U69347 AA7 / USU69347AA7

[22] With respect to the Initial Notes

IN WITNESS HEREOF, the Issuer has caused this instrument to be duly executed as of the 4th day of March, 2021.

PHH MORTGAGE CORPORATION

By: _____
Name:
Title:

This is one of the 7.875% Senior Secured Notes due 2026 referred to in the within mentioned Indenture:

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Trustee

By: _____
Name:
Title:

Date: March 4, 2021

[REVERSE OF NOTE]

7.875% Senior Secured Notes due 2026

Capitalized terms used herein shall have the meanings assigned to them in the Indenture referred to below unless otherwise indicated.

1. INTEREST. The Issuer shall pay interest on the principal amount of this Note at the rate of 7.875% per annum semiannually in arrears on March 15 and September 15 of each year, or if any such day is not a Business Day, on the next succeeding Business Day (each, an "**Interest Payment Date**"). Interest on the Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of issuance; *provided* that the first Interest Payment Date shall be September 15, 2021[3]. The Issuer shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal and premium, if any, from time to time on demand at the interest rate on the Notes; it shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest (without regard to any applicable grace periods) from time to time on demand at the interest rate on the Notes. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

2. METHOD OF PAYMENT. The Issuer shall pay interest on the Notes to the Persons who are registered Holders of Notes at the close of business on March 1 or September 1 (each, a "**Record Date**") (whether or not a Business Day), as the case may be, next preceding the Interest Payment Date, even if such Notes are canceled after such record date and on or before such Interest Payment Date, except as provided in the Indenture with respect to defaulted interest. Payment of interest will be made at the Trustee's corporate trust office in the United States, *provided* that payment by wire transfer of immediately available funds will be required with respect to principal of and interest and premium, if any, on, all Global Notes and all other Notes the Holders of which shall have provided wire transfer instructions to the Issuer or the Paying Agent at least ten business days prior to such date. Such payment shall be in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

3. PAYING AGENT AND REGISTRAR. Initially the Trustee will act as Paying Agent and Registrar. The Issuer may change any Paying Agent or Registrar without notice to the Holders. The Issuer or any of its Subsidiaries may act in any such capacity.

4. INDENTURE. The Issuer issued the Notes under an Indenture, dated as of March 4, 2021 (the "**Indenture**"), between the Issuer, Ocwen Financial Corporation, a Florida corporation (the "**Parent**"), the other Guarantor signatory thereto (together, with the Parent, the "**Guarantors**"), the Trustee and the Collateral Trustee. This Note is one of a duly authorized issue of notes of the Issuer designated as its 7.875% Senior Secured Notes due 2026. The Issuer shall be entitled to issue Additional Notes pursuant to Sections 2.01 and 4.09 of the Indenture. The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended (the "**Trust Indenture Act**"). The Notes are subject to all such terms, and Holders are referred to the Indenture and such Act for a statement of such terms. To the extent any provision of this Note conflicts with the express provisions of the Indenture, the provisions of the Indenture shall govern and be controlling.

5. OPTIONAL REDEMPTION.

[33] With respect to the Initial Notes

(a) This Note is subject to the optional redemption provisions set forth in Section 3.07 of the Indenture.

(b) Any redemption pursuant to Section 3.07 of the Indenture shall be made pursuant to the provisions of Sections 3.01 through 3.07 of the Indenture.

(c) In addition to the Issuer's rights to redeem Notes pursuant to Section 3.07 of the Indenture, the Issuer may at any time and from time to time purchase Notes in open-market transactions, tender offers or otherwise.

6. MANDATORY REDEMPTION. The Issuer shall not be required to make mandatory redemption or sinking fund payments with respect to the Notes.

7. OFFERS TO REPURCHASE.

(a) Upon the occurrence of a Change of Control, the Issuer shall make an offer (a "**Change of Control Offer**") to each Holder to purchase all or a portion of such Holder's Notes (equal to $2,000 or an integral multiple of $1,000 in excess of $2,000) at a purchase price equal to 101.0% of the principal amount of the Notes purchased, plus accrued and unpaid interest thereon, if any, to the date of purchase (the "**Change of Control Payment**"). The Change of Control Offer shall be made in accordance with Section 4.14 of the Indenture.

(b) If the Issuer or any of its Restricted Subsidiaries consummate an Asset Sale, other than a Required Asset Sale, within 30 days after each date that the aggregate amount of Excess Proceeds from such Asset Sales exceeds $50.0 million, the Issuer shall make an offer to all Holders of Notes and all holders of Pari Passu Debt containing provisions similar to those set forth in the Indenture with respect to offers to purchase or redeem with the proceeds of sales of assets to purchase the maximum principal amount of Notes and such Pari Passu Debt that may be purchased out of the Excess Proceeds (an "**Asset Sale Offer**") in accordance with Section 4.10 of the Indenture.

8. DENOMINATIONS, TRANSFER, EXCHANGE. The Notes are in registered form without coupons in denominations of $2,000 and integral multiples of $1,000 in excess of $2,000. The transfer of Notes may be registered and Notes may be exchanged as provided in the Indenture. The Registrar and the Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and the Issuer may require a Holder to pay any taxes and fees required by law or permitted by the Indenture. The Issuer need not exchange or register the transfer of any Note or portion of a Note selected for redemption or tendered (and not validly withdrawn) for purchase, except for the unredeemed or unpurchased portion of any Note being redeemed or purchased in part. Also, the Issuer need not exchange or register the transfer of any Notes for a period of 15 days before a selection of Notes to be redeemed.

9. PERSONS DEEMED OWNERS. The registered Holder of a Note may be treated as its owner for all purposes.

10. AMENDMENT, SUPPLEMENT AND WAIVER. The Indenture, any Note Guarantees and the Notes may be amended or supplemented as provided in the Indenture.

11. DEFAULTS AND REMEDIES. The Events of Default relating to the Notes are defined in Section 6.01 of the Indenture. If any Event of Default occurs and is continuing and is actually known by or written notice thereof has been received by a Responsible Officer of the Trustee, the Trustee or the Holders of at least 25.0% in principal amount of the then outstanding Notes may declare the principal of, premium, if any, and accrued and unpaid interest on all of the Notes to be due and payable by notice in writing to the Issuer and the Trustee if given by the Holders specifying the respective Event of Default and that it is a "notice of acceleration**,**" and the same shall become immediately due and payable. Notwithstanding the foregoing, in the case of an Event of Default arising from certain events of bankruptcy or insolvency set forth in clauses (vi) and (vii) of Section 6.01 of the Indenture, all outstanding Notes will become due and payable immediately without any declaration or other act on the part of the Trustee or any Holder. Holders may not enforce the Indenture, the Notes or any Note Guarantees except as provided in the Indenture. Subject to certain limitations, Holders of a majority in principal amount of the then outstanding Notes may direct the Trustee in its exercise of any trust or power. The Holders of a majority in aggregate principal amount of the then outstanding Notes by notice to the Trustee may on behalf of the Holders of all of the Notes waive any existing Default or Event of Default under the Indenture except a continuing Default in the payment of the principal of, premium, if any, or interest on any Note held by a non-consenting Holder (including in connection with an Asset Sale Offer or a Change of Control Offer). The Issuer is required to deliver to the Trustee annually a statement regarding compliance with the Indenture, and the Issuer is required within five Business Days after becoming aware of any Default or Event of Default, to deliver to the Trustee a statement specifying such Default or Event of Default and the status thereof.

12. AUTHENTICATION. This Note shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose until authenticated by the manual signature of the Trustee.

13. [RESERVED].

14. GOVERNING LAW. THE NOTES, THE INDENTURE AND ANY NOTE GUARANTEES, AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THE NOTES, THE INDENTURE OR ANY NOTE GUARANTEES, WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

15. CUSIP NUMBERS. Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Issuer has caused CUSIP numbers and ISIN numbers to be printed on the Notes and the Trustee may use CUSIP numbers and ISIN numbers in notices of redemption, Change of Control Offers and Asset Sale Offers as a convenience to Holders. No representation is made as to the correctness of such numbers either as printed on the Notes or as contained in any such notice and reliance may be placed only on the other identification numbers printed on the Notes, and any such redemption or repurchase pursuant to a Change of Control Offer or Asset Sale Offer shall not be affected by any defect in or omission of such numbers.

16. NOTE GUARANTEE. The Issuer's obligations under the Notes will be fully and unconditionally guaranteed, jointly and severally by the Parent and the other Guarantors on the Issue Date, to the extent set forth in the Indenture. The Issuer's obligations under the Notes will be fully and unconditionally guaranteed, jointly and severally, by any Guarantors that execute a supplement to the Indenture following the Issue Date, setting forth such Note Guarantee.

17. ADDITIONAL INFORMATION. The Issuer shall furnish to any Holder upon written request and without charge a copy of the Indenture, the Security Documents and the Intercreditor Agreements. Requests may be made to the Issuer at the following address:

PHH Mortgage Corporation
1 Mortgage Way
Mount Laurel, NJ 08054
Email: ocwendebtagreementnotices@ocwen.com; cc: legalnotice@phhmail.com
Attention: General Counsel and Secretary

In the case of any conflict between this Note and the Indenture, the provisions of the Indenture shall govern and control.

ASSIGNMENT FORM

To assign this Note, fill in the form below:

(I) or (we) assign and transfer this Note to:_____
(Insert assignee' legal name)

_____
(Insert assignee's soc. sec. or tax I.D. no.)

_____

_____

_____

_____
(Print or type assignee's name, address and zip code)

and irrevocably appoint _____

to transfer this Note on the books of the Issuer. The agent may substitute another to act for him.

Date: _____

Your Signature: __
(Sign exactly as your name appears on the face of this Note)

Signature Guarantee*:_____

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by the Issuer pursuant to Section 4.10 or Section 4.14 of the Indenture, check the appropriate box below:

[ ] Section 4.10 [ ] Section 4.14

If you want to elect to have only part of this Note purchased by the Issuer pursuant to Section 4.10 or Section 4.14 of the Indenture, state the amount you elect to have purchased:

$ _____

Date: _____

Your Signature: __
(Sign exactly as your name appears on the face of this Note)

Tax Identification No.: __

Signature Guarantee*:_____

* Participant in a recognized Signature Guarantee Medallion Program (or other signature guarantor acceptable to the Trustee).

SCHEDULE OF EXCHANGES OF INTERESTS IN THE GLOBAL NOTE*

The initial outstanding principal amount of this Global Note is $_____. The following exchanges of a part of this Global Note for an interest in another Global Note or for a Definitive Note, or exchanges of a part of another Global or Definitive Note for an interest in this Global Note, have been made:

Date of Exchange	Amount of decrease in Principal Amount of this Global Note	Amount of increase in Principal Amount of this Global Note	Principal Amount of this Global Note following such decrease or increase	Signature of authorized signatory of Trustee or Note Custodian

_____

*This schedule should be included only if the Note is issued in global form.

[FORM OF NOTATION ON NOTE RELATING TO NOTE GUARANTEE]

THE OBLIGATIONS OF THE GUARANTORS TO THE HOLDERS OF THE NOTES PURSUANT TO THE NOTE GUARANTEES AND THE INDENTURE DATED AS OF MARCH 4, 2021, BETWEEN PHH MORTGAGE CORPORATION, THE GUARANTORS PARTY THERETO, THE TRUSTEE AND THE COLLATERAL TRUSTEE NAMED THEREIN (THE "**INDENTURE**") ARE EXPRESSLY SET FORTH IN ARTICLE 10 AND SECTION 4.15 OF THE INDENTURE, ANY SUPPLEMENT TO THE INDENTURE AND REFERENCE IS HEREBY MADE TO SUCH INDENTURE FOR THE PRECISE TERMS OF THE NOTE GUARANTEES. THE TERMS OF THE INDENTURE, INCLUDING WITHOUT LIMITATION ARTICLE 10 AND SECTION 4.15 OF THE INDENTURE AND ANY SUPPLEMENT TO THE INDENTURE, ARE INCORPORATED HEREIN BY REFERENCE.

Certain schedules and exhibits have been omitted in accordance with Item 601(a)(5) of Regulation S-K. A copy of any referenced schedules will be furnished supplementally to the SEC upon request.

FIRST AMENDMENT TO TRANSACTION AGREEMENT

THIS FIRST AMENDMENT (this "Amendment") dated as of March 4, 2021 amends the Transaction Agreement, dated as of December 21, 2020 (the "Transaction Agreement"), by and among OCW MAV Holdings, LLC, a Delaware limited liability company ("OMH"), Ocwen Financial Corporation, a Florida corporation ("Ocwen"), and solely for the purposes of Section 7, Oaktree Real Estate Opportunities Fund VIII, L.P., a Delaware limited partnership, Oaktree Opportunities Fund XI Holdings (Delaware), L.P., a Delaware limited partnership and Oaktree Opportunities Fund Xb Holdings (Delaware), L.P., a Delaware limited partnership. OMH and Ocwen are referred to herein as a "Party" or the "Parties" as applicable).

WHEREAS, Section 11 of the Transaction Agreement states that the Transaction Agreement and any schedules thereto may be amended if such amendment is agreed to in writing by the Parties; and

WHEREAS, the Parties desire to amend the form of Securities Purchase Agreement ("Form of SPA") attached as Exhibit H to the Transaction Agreement.

NOW, THEREFORE, based on the foregoing, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, agree as follows:

1. Capitalized terms used in this Amendment and not otherwise defined herein shall have the meanings given such terms in the Transaction Agreement.

2. Section 1.1 of the Form of SPA is hereby amended by adding a new defined term "Brookfield" defined to mean Brookfield Asset Management Inc. together with its managed funds and accounts and affiliated holding companies and its Affiliates.

3. Section 2.3(a)(v) of the Form of SPA is hereby amended by making the following changes shown in blackline form (with **bolded and underlined** text representing additions and ~~strikethrough~~ text representing deletions):

> "(v) receipt by the Company of the Registration Rights Agreement, dated ~~as of~~ **on or prior to** the Closing Date, ~~between~~ **among** the Company**,** ~~and~~ the Purchaser **and the other parties thereto**, a form of which is attached hereto as Exhibit B (the "Registration Rights Agreement"), which shall have been duly executed by the Purchaser; and"

4. The form of Registration Rights Agreement attached as Exhibit B to the Form of SPA is hereby replaced in its entirety by the form of Registration Rights Agreement attached as Exhibit A hereto.

5. Section 3.2(m) of the Form of SPA is hereby amended in its entirety as follows:

"(m) [Reserved]"

6. Section 3.2(n) of the Form of SPA is hereby amended by making the following changes shown in blackline form (with **bolded and underlined** text representing additions and ~~strikethrough~~ text representing deletions):

"(n) Issuance Cap. ~~In addition to the limitations set forth in Section 3.2(n) hereof, and notwithstanding~~ **Notwithstanding** any other provision of this **Agreement**~~Agreement~~, the Company shall not issue, the Purchaser shall not be entitled to receive, and the Purchaser shall not, and shall cause its Affiliates **(other than Brookfield)** to not, directly or indirectly acquire, offer to acquire, solicit an offer to sell, own, or purchase, any Shares or Warrants which, when aggregated with all other shares of Common Stock then beneficially owned (as calculated pursuant to Section 13(d) of the Exchange Act and Rule 13d-3 promulgated thereunder) by the Purchaser and its Affiliates **(other than Brookfield)**, would result in the beneficial ownership (as calculated pursuant to Section 13(d) of the Exchange Act and Rule 13d-3 promulgated thereunder) by the Purchaser of more than 19.9% of the then issued and outstanding shares of Common Stock of the Company (the "Maximum Percentage"), unless shareholder approval is obtained in accordance with the listing rules of the NYSE or is otherwise permitted by the NYSE. In addition, unless such shareholder approval is obtained **or otherwise permitted by the NYSE**, the Company shall not issue, the Purchaser shall not be entitled to receive, and the Purchaser shall not, and shall cause its Affiliates **(other than Brookfield)** to not, directly or indirectly acquire, offer to acquire, solicit an offer to sell, own, or purchase, any Shares or Warrants, in excess of the Maximum Percentage measured as of the day immediately preceding the Closing Date. The term "Affiliate" as used in **this** Section~~s~~ 3.2~~(m) and~~ (n)~~ of this Agreement~~ means, with respect to any person, any other person that, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with such person~~, and any officers, employees or partners of the Purchaser~~. ~~For the avoidance of doubt, for purposes of Sections 3.2(m) and (n) of this Agreement (i) Brookfield Asset Management Inc. together with its managed funds and accounts and affiliated holding companies and its Affiliates (collectively, "Brookfield") shall be deemed "Affiliates" of the Purchaser, and (ii) Brookfield's beneficial ownership of Common Stock shall be aggregated with the Purchaser's or its Affiliates' beneficial ownership of Common Stock.~~ The foregoing shall not constitute an admission by the Purchaser to a third party that Brookfield is an Affiliate of the Purchaser or that Brookfield's beneficial ownership of Common Stock should be aggregated with that of the Purchaser or its Affiliates for any purpose~~ other than Sections 3.2(m) and (n) of this Agreement~~."

7. The Transaction Agreement is amended only as expressly provided in this Amendment and shall otherwise remain in full force and effect. This Amendment may be executed in counterparts, which together shall constitute the executed original.

8. Sections 8 (Notice); 9 (Third Party Beneficiary); 10 (Severability); 11 (Entire Agreement; Amendment); 12 (Governing Law); 13 (Waiver); 14 (Waiver of Trial by Jury); 16 (Counterparts); and 17 (Non-Recourse) of the Transaction Agreement shall be incorporated herein by reference and made applicable, *mutatis mutandis*, to this Amendment as if set forth in their entirely herein.

[Remainder of Page Intentionally Left Blank; Signature Page Follows.]

IN WITNESS WHEREOF, each of the Parties hereto has caused this Amendment to be executed as of the day and year first above written.

OCWEN FINANCIAL CORPORATION

By: /s/ John V. Britti
Name: John V. Britti
Title: EVP & Chief Investment Officer

OCW MAV Holdings, LLC

By: Oaktree Fund GP, LLC
Its: Manager

By: Oaktree Fund GP I, L.P.
Its: Managing Member

By: /s/ Jordan Mikes
Name: Jordan Mikes
Title: Authorized Signatory

By: /s/ Cary Kleinman
Name: Cary Kleinman
Title: Authorized Signatory

EXHIBIT A

FORM OF REGISTRATION RIGHTS AGREEMENT

[filed separately]

PERFORMANCE STOCK UNIT AWARD AGREEMENT

THIS PERFORMANCE STOCK UNIT AWARD AGREEMENT (this "Agreement") is made as of March 2, 2021 (the "Award Date") between Ocwen Financial Corporation, a Florida corporation (the "Corporation"), and **[ ]**, an employee of the Corporation or of a Subsidiary (the "Participant").

WHEREAS, the Corporation desires, by granting to the Participant an award of stock units pursuant to the Corporation's 2017 Performance Incentive Plan (the "2017 Plan"), to further the objectives of the 2017 Plan;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth and for other good and valuable consideration, and intending to be legally bound hereby, the parties hereto have agreed, and do hereby agree, as follows:

1. STOCK UNIT GRANT

The Corporation hereby grants to the Participant, pursuant to and subject to the 2017 Plan, an aggregate "target" of **[ ]** stock units (the "Stock Units"), on the terms and conditions herein set forth (the "Award"). As used herein, the term "stock unit" shall mean a non-voting unit of measurement which is deemed for bookkeeping purposes to be equivalent to one outstanding share of the Corporation's Common Stock (subject to adjustment as provided in Section 7.1 of the 2017 Plan) solely for purposes of the 2017 Plan and this Agreement. The Stock Units shall be used solely as a device for the determination of the payment to eventually be made to the Participant if such Stock Units vest pursuant to Paragraph 2 below. The Stock Units shall not be treated as property or as a trust fund of any kind. Capitalized terms used herein and not otherwise defined herein shall have the meaning assigned to such terms in the 2017 Plan.

2. VESTING OF STOCK UNITS

A. Generally

Subject to the following provisions of this Paragraph 2 and Paragraph 4, the extent to which the Stock Units become vested and payable will be determined in accordance with the performance-based vesting conditions as set forth in Appendix A hereto, incorporated herein by this reference. The "Vesting Date" applicable to the Stock Units is the third anniversary of the Award Date, subject to adjustment as set forth in Paragraph 2 hereof.

B. Retirement or Termination by the Corporation Without Cause

If the Participant's employment with the Corporation or any of its Subsidiaries terminates by reason of the Participant's (i) Retirement or (ii) termination by the Participant's employer without Cause (other than following a 409A Change of Control (as defined below)) at any time on or before the Vesting Date, the Award shall remain outstanding and eligible to vest as though no such termination of the Participant's employment had occurred except as provided below and subject to the conditions below. In such circumstances, if the performance-based vesting conditions set forth in Appendix A are satisfied as of the Vesting Date, the Award shall vest as provided in Appendix A, provided that (i) the number of Stock Units eligible to vest shall be reduced such that the "target" number of Stock Units subject to the Award equals (x) such target number of Stock Units before giving effect to this adjustment multiplied by (y) percentage of the three-year period between the Award Date and the Vesting Date that the Participant was employed by the Corporation or one of its Subsidiaries prior to such termination of the Participant's employment; (ii) the Participant satisfies the release requirement set forth in the following sentence, and (iii) the Participant complies with the conditions set forth in Paragraph 5 hereof through the Vesting Date. As a condition of any such vesting, the Participant shall, not later than 21 days after such a termination of the Participant's employment (or such longer period as may be required under applicable law for the Participant to consider the release in order for the release to be effective) provide the Corporation with a valid, executed written release of claims in a form acceptable to the Corporation, and such release shall not have been revoked by the Participant pursuant to any revocation rights afforded by applicable law. Any such Stock Units that vest after the Participant's Retirement or termination by the Participant's employer without Cause shall be paid in accordance with Paragraph 7 hereof.

For purposes of this Agreement, "Retirement" shall mean termination (other than by reason of death, Disability (as defined below) or by the Participant's employer for Cause) of the Participant's employment with the Corporation or one of its Subsidiaries; provided, however, that for purposes of this Agreement only, the Participant must have attained the age of 60 and been an employee of the Corporation or any of its Subsidiaries for not less than 5 years as of the date of termination of employment by reason of Retirement.

For purposes of this Agreement, "Cause" shall mean that the Administrator, acting in good faith based on the information then available to it, determines that the Participant: (a) has been convicted of, or has pled guilty to, a felony (under the laws of the United States or any state thereof or other applicable jurisdiction); (b) has engaged in acts of fraud, material dishonesty or other acts of willful misconduct in the course of the Participant's duties for the Corporation or any of its Subsidiaries; (c) the Participant has willfully failed to substantially perform the Participant's duties for the Corporation or any of its Subsidiaries; (d) has materially breached any of the provisions of any agreement to which the Participant is a party with the Corporation or any of its Subsidiaries; or (e) has materially breached any written policy of the Corporation or any of its Subsidiaries that is applicable to the Participant in the course of the Participant's employment and has been communicated to the Participant; provided, however, as to clauses (c), (d) and (e) only, that Cause shall only exist if the Corporation or a Subsidiary (as the case may be) shall have provided written notice to the Participant of the condition(s) claimed to constitute Cause under such clause and the Participant shall have failed to remedy such circumstance(s) within 30 days following the date of such notice.

The Stock Units subject to the Award remain subject to forfeiture should the applicable performance conditions as provided in Appendix A not be met as of the Vesting Date.

For clarity, for purposes of this Agreement no termination of the Participant's employment shall be deemed to have occurred if the Participant ceases to be employed by the Corporation or a Subsidiary but, immediately thereafter, continues in the employ of another Subsidiary or the Corporation.

C. Death or Disability

If the Participant's employment with the Corporation or any of its Subsidiaries is terminated at any time prior to the Vesting Date by reason of the Participant's death or if the Participant incurs a Disability while employed by the Corporation or one of its Subsidiaries, the Award shall immediately vest on a pro-rata basis in proportion to the percentage of the three-year period between the Award Date and the Vesting Date that the Participant was employed by the Corporation or one of its Subsidiaries prior to such termination of the Participant's employment. In such circumstances, the performance-based vesting conditions shall be deemed to have been achieved at "Target", as set forth in Appendix A (including as to any otherwise-completed Measurement Period set forth in Appendix A) as of the date of such death or Disability. Such Stock Units shall be paid in accordance with Paragraph 7 hereof, provided that for the purposes of such payment the Vesting Date as to such Stock Units shall be deemed to be the date of the Participant's death or Disability and payment shall be made not later than 60 days after the date of the Participant's death or Disability. Any remaining unvested portion of the Award after giving effect to such acceleration shall terminate and be cancelled as of the date of the Participant's death or Disability (For clarity, if the Participant's employment with the Corporation or any of its Subsidiaries terminated by reason of the Participant's death, or if the Participant incurred a Disability while employed by the Corporation or one of its Subsidiaries, mid-way between the first anniversary of the Award Date and the second anniversary of the Award Date, the Participant would vest in one-half of the "target" number of Stock Units subject to the Award, and any remaining unvested portion of the Award would terminate and be cancelled.) For purposes of this Agreement, "Disability" shall mean the Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.

D. Change of Control

If a 409A Change of Control occurs on or before the Vesting Date, the Award shall remain outstanding and eligible to vest on the Vesting Date, provided that the performance-based vesting conditions for any outstanding and incomplete Measurement Period set forth in Appendix A shall be deemed to have been achieved at "Target" as set forth in Appendix A (that is, following the 409A Change of Control, the Award will be subject to only time-based vesting based on the Participant's continued employment, and not any additional performance-based measure). Such Stock Units shall be paid in accordance with Paragraph 7 hereof. As used herein, "409A Change of Control" shall mean the occurrence of (a) a "change in the ownership" of the Corporation within the meaning of Treasury Regulation 1.409A-3(i)(5)(v) (which, for illustrative purposes, is generally triggered if any one person (or persons acting as a group) acquire ownership of Corporation stock which constitutes more than 50% of the total fair market value or total voting power of the stock of the Corporation), (b) a "change in the effective control" of the Corporation within the meaning of Treasury Regulation 1.409A-3(i)(5)(vi)(A)(1) (which, for illustrative purposes, is generally triggered if any one person (or persons acting as a group) acquire during a period of not more than twelve months ownership of stock of the Corporation possessing 30% or more of the total voting power of the stock of the Corporation; or certain majority changes in the membership of the Board occur over a period of not more than twelve months), or (c) a change "in the ownership of a substantial portion of the assets" of the Corporation within the meaning of Treasury Regulation 1.409A-3(i)(5)(vii) (which, for illustrative purposes, is generally triggered if any one person (or persons acting as a group) acquire during a period of not more than twelve months assets from the Corporation that have a total gross fair market value equal to or more than 40% of the total gross fair market value of all assets of the Corporation immediately before such acquisition(s)).

Except as expressly otherwise provided in this Paragraph 2, the Participant's continued employment on the Vesting Date shall be a condition to the vesting of the Award and the rights and benefits under this Agreement.

If the Participant's employment terminated in the circumstances set forth in Paragraph 2.B prior to the 409A Change of Control and the conditions to vesting pursuant to Paragraph 2.B are satisfied, the performance-based vesting condition shall be deemed to have been achieved at "Target" as set forth in Appendix A as of the Vesting Date (including as to any otherwise-completed Measurement Period set forth in Appendix A) and such Stock Units shall be paid in accordance with Paragraph 7.

E. Post Change of Control Termination by the Corporation Without Cause or Resignation for Good Reason

If, following a 409A Change of Control and on or before the Vesting Date, (i) the Corporation (or Subsidiary that employs the Participant, as the case may be) terminates the Participant's employment for any reason other than Cause or (ii) the Participant resigns employment with the Corporation (or Subsidiary that employs the Participant, as the case may be) for Good Reason, the Stock Units subject to the Award shall vest as of the date of such termination of the Participant's employment with the Corporation and its Subsidiaries (the Participant's "Separation Date"), with the performance-based vesting conditions for any outstanding and incomplete Measurement Period set forth in Appendix A deemed to have been achieved at "Target" as set forth in Appendix A, subject, however, to the Participant satisfying the release requirement set forth in the following sentence. As a condition of any such vesting, the Participant shall, not later than 21 days after such a termination of the Participant's employment (or such longer period as may be required under applicable law for the Participant to consider the release in order for the release to be effective) provide the Corporation with a valid, executed written release of claims in a form acceptable to the Corporation, and such release shall not have been revoked by the Participant pursuant to any revocation rights afforded by applicable law. If this Paragraph 2.E applies, payment of the Stock Units that vest shall be made in accordance with Paragraph 7, except that if the Separation Date occurs within two years following the 409A Change of Control the Vesting Date shall be deemed to be the Separation Date as to such Stock Units and such Stock Units shall be paid within 60 days following the Separation Date.

For the purposes of this Agreement, "Good Reason" means, a (1) a material reduction by the Corporation in Participant's base salary; (2) a material diminution in Participant's position; or (3) a relocation of Participant's location of employment by more than 50 miles from the office where Participant is located as of the Award Date; provided, however, that any such condition or conditions, as applicable, shall not constitute grounds for a termination for Good Reason unless both (x) the Participant provides written notice to the Corporation of the condition(s) claimed to constitute grounds for Good Reason within 60 days of the initial existence of such condition(s), and (y) the Corporation or Subsidiary (as the case may be) fails to remedy such condition(s) within 30 days after receiving such written notice thereof; and provided, further, that in all events the termination of the Participant's employment shall not constitute a termination for Good Reason unless such termination occurs not more than 180 days following the initial existence of the condition claimed to constitute grounds for Good Reason.

F. Continued Employment

Except as expressly otherwise provided in this Paragraph 2, continued employment through the Vesting Date is a condition to the vesting of the Award and the rights and benefits under this Agreement. Except as expressly otherwise provided in this Paragraph 2, employment for only a portion of the vesting period, even if a substantial portion, will not entitle the Participant to any proportionate vesting or avoid or mitigate a termination of rights and benefits upon or following a termination of employment as provided in Paragraph 4 below or under the 2017 Plan. As used in this Agreement, references to the Participant's "employment" (and similar references to the Participant's being "employed" and an "employee") shall include any period when the Participant is either (i) an employee of the Corporation or any of its Subsidiaries or (ii) a member of the Board.

3. DIVIDEND AND VOTING RIGHTS

A. Limitations on Rights Associated with Units

The Participant shall have no rights as a stockholder of the Corporation, no dividend rights (except as expressly provided in Paragraph 3.B with respect to Dividend Equivalent Rights) and no voting rights, with respect to the Stock Units and any shares of Common Stock ("Shares") underlying or issuable in respect of such Stock Units until such Shares are actually issued to and held of record by the Participant. No adjustments will be made for dividends or other rights of a holder for which the record date is prior to the date of issuance of such Shares.

B. Dividend Equivalent Rights

As of any date that the Corporation pays an ordinary cash dividend on its Shares, the Corporation shall credit the Participant with an additional number of Stock Units equal to (i) the per share cash dividend paid by the Corporation on its Shares on such date, multiplied by (ii) the total number of Stock Units (including any dividend equivalents previously credited hereunder) (with such total number adjusted pursuant to Section 8 of the 2017 Plan) subject to the Award as of the related dividend payment record date, divided by (iii) the Fair Market Value of a Share on the date of payment of such dividend. Any Stock Units credited pursuant to the foregoing provisions of this Paragraph 3.B shall be subject to the same vesting, payment and other terms, conditions and restrictions as the original Stock Units to which they relate. No crediting of Stock Units shall be made pursuant to this Paragraph 3.B with respect to any Stock Units which, as of such record date, have either been paid pursuant to Paragraph 7 or terminated pursuant to Paragraph 4.

4. TERMINATION OF AWARD

If, on or before the Vesting Date, the Participant's employment with the Corporation or any of its Subsidiaries terminates other than under circumstances described in Paragraph 2, above (or if the termination occurs in circumstances described in Paragraph 2 above but a release or other condition to the treatment otherwise provided for in Paragraph 2 above in the circumstances is not satisfied), the Award shall terminate and be cancelled as of the last day of the Participant's employment with the Corporation or such Subsidiary. If the Award is terminated hereunder (including, without limitation, pursuant to Appendix A, Paragraph 2 or this Paragraph 4), the Stock Units shall automatically terminate and be cancelled as of the applicable termination date without payment of any consideration by the Corporation and without any other action by the Participant, or the Participant's beneficiary or personal representative, as the case may be.

5. CONDITIONS UPON RETIREMENT

If the Participant's employment with the Corporation or any of its Subsidiaries terminates by reason of Retirement, the rights of the Participant with respect to the Award shall be subject to the conditions that until the Award is vested, he/she shall (a) not engage, either directly or indirectly, in any manner or capacity as advisor, principal, agent, partner, officer, director, employee, member of any association or otherwise, in any business or activity which is at the time competitive with any business or activity conducted by the Corporation or any of its direct or indirect Subsidiaries, and (b) be available, unless he/she shall have died, at reasonable times for consultations at the request of the Corporation's management with respect to phases of the business with which he/she was actively connected during his/her employment, but such consultations shall not be required to be performed during usual vacation periods or periods of illness or other incapacity or without reasonable compensation and cost reimbursement. In the event that either of the above conditions is not fulfilled, the Participant shall forfeit all rights to the Award, as of the date of the breach of the conditions of this Paragraph 5. Any determination by the Board that the Participant is or has engaged in a competitive business or activity as aforesaid or has not been available for consultations as aforesaid shall be conclusive.

6. NO EMPLOYMENT COMMITMENT

Nothing contained in this Agreement or the 2017 Plan constitutes an employment or service commitment by the Corporation or any of its Subsidiaries, affects the Participant's status as an employee at will who is subject to termination with or without Cause, confers upon the Participant any right to remain employed by or in service to the Corporation or any Subsidiary, interferes in any way with the right of the Corporation or any Subsidiary at any time to terminate such employment or services, or affects the right of the Corporation or any Subsidiary to increase or decrease the Participant's other compensation or benefits. Nothing in this Agreement, however, is intended to adversely affect any independent contractual right of the Participant without his or her consent thereto.

7. TIMING AND MANNER OF PAYMENT OF STOCK UNITS

On or as soon as administratively practical following the Vesting Date as provided in Appendix A (or other applicable date determined pursuant to Paragraph 2 hereof), and in all events not later than 60 days after the Vesting Date (or such other period as may be provided for in Paragraph 2), the Corporation shall deliver to the Participant a number of Shares (either by delivering one or more certificates for such Shares or by entering such Shares in book entry form, as determined by the Corporation in its discretion) (subject to any withholding for taxes pursuant to Paragraph 8) equal to the number of Stock Units that vested on the Vesting Date; provided, however, that if the Corporation's Common Stock is not listed or admitted to trade on any national securities exchange on the Vesting Date, the Corporation shall deliver (i) if a 409A Change of Control has occurred on or prior to the Vesting Date and the Corporation's Common Stock has ceased to be so listed or admitted to trade in connection with such 409A Change of Control, an amount equal to (a) the number of Stock Units vesting on such date multiplied by (b) the amount of the cash consideration paid for a share of Corporation Common Stock in such transaction, or (ii) if clause (i) is not applicable, such other amount as the Administrator determines, in its sole and absolute discretion, to be fair and reasonable and consistent with the purposes of the Award. Notwithstanding the preceding sentence, in the event that the issuance of Shares in respect of the Stock Units would cause any applicable share limit of the 2017 Plan to be exceeded, the Corporation may pay one or more Stock Units that have vested in cash rather than by delivering Shares. In such event, payment of any Stock Units to be settled in cash will be made within the same period of time as provided in the first sentence of this Paragraph 7 and the amount of payment for such Stock Units shall (subject to any withholding for taxes pursuant to Paragraph 8) equal the number of Stock Units that vested on the Vesting Date to be settled in cash multiplied by the Payment Value as of the Vesting Date. The "Payment Value" as of the Vesting Date is the closing price (in regular trading) for a share of Common Stock on the principal stock exchange on which the Common Stock is then listed or admitted to trade (the "Exchange") on the Vesting Date or, if no sales of Common Stock were reported on the Exchange on that date, the closing price (in regular trading) for a share of Common Stock on the Exchange for the next preceding day on which sales of Common Stock were reported on the Exchange; provided, however, that if the Corporation's Common Stock is not listed or admitted to trade on any national securities exchange on the Vesting Date, the Payment Value with respect to the Vesting Date shall be either (i) if a 409A Change of Control has occurred on or prior to the Vesting Date and the Corporation's Common Stock has ceased to be so listed or admitted to trade in connection with such 409A Change of Control, the amount of the cash consideration paid for a share of Corporation Common Stock in such transaction, or (ii) if clause (i) is not applicable, such other amount as the Administrator determines, in its sole and absolute discretion, to be fair and reasonable and consistent with the purposes of the Award. The Participant shall have no further rights with respect to any Stock Units that are paid or that terminate pursuant to Appendix A, Paragraph 2 or Paragraph 4.

If the Participant is a “specified employee” within the meaning of Treasury Regulation Section 1.409A-1(i) as of the date of the Participant’s separation from service with the Corporation, and payment pursuant to the preceding paragraph is to be made in connection with such separation from services, the Participant shall not be entitled to any payment or benefit pursuant to the preceding paragraph until the earlier of (i) the date which is six (6) months after the Participant’s separation from service for any reason other than death, or (ii) the date of the Participant’s death. The provisions of this paragraph shall only apply if, and to the extent, required to avoid the imputation of any tax, penalty or interest pursuant to Code Section 409A. Any amounts otherwise payable to the Participant upon or in the six (6) month period following the Participant’s separation from service that are not so paid by reason of this paragraph shall be paid as soon as practicable (and in all events within thirty (30) days) after the date that is six (6) months after the Participant’s separation from service (or, if earlier, as soon as practicable, and in all events within thirty (30) days, after the date of the Participant’s death). If, in connection with the Participant’s separation from service, the Participant is required to provide the Corporation with a release of claims and the maximum period in which the Participant has to consider, execute, and revoke such release of claims spans two calendar years, any payment of the Stock Units vesting in connection with such separation from service shall be made in the second of such two calendar years.

The timing of payment of any Stock Units may not be changed by the Corporation (including pursuant to any provision of the Plan), except as would satisfy Treasury Regulation Section 1.409A-3(j)(4).

8. TAX WITHHOLDING

Upon any payment in respect of the Stock Units (whether in cash or Shares), the Corporation shall withhold from the amount of any such payment to the Participant with respect of the Award to be made in cash the amount of any tax withholding obligations of the Corporation or its Subsidiaries with respect to the payment in respect of the Stock Units (including any portion of such payment to be made in Shares). To the extent any tax withholding obligations of the Corporation or its Subsidiaries with respect to any payment in respect of the Stock Units remains unsatisfied after giving effect to the preceding sentence, then, subject to compliance with all applicable laws, rules and regulations and unless otherwise provided by the Committee, the Corporation shall automatically reduce (or otherwise reacquire) from the number of Shares to otherwise be delivered as part of such payment the appropriate number of whole Shares, valued at their then Fair Market Value, to satisfy any such remaining withholding obligations of the Corporation or its Subsidiaries with respect to such payment. In the event that the Corporation cannot legally satisfy such withholding obligations by such reduction of Shares or the Committee otherwise provides that the Corporation will not so reduce the number of Shares delivered to satisfy such withholding obligations, the Corporation (or a Subsidiary) shall be entitled to require a cash payment by or on behalf of the Participant and/or to deduct from other compensation payable to the Participant (or any amount payable pursuant to the Award) any sums required by federal, state or local tax law to be withheld with respect to such distribution or payment.

9. ADJUSTMENT UPON SPECIFIED EVENTS

Upon the occurrence of certain events relating to the Corporation’s stock contemplated by Section 7.1 of the 2017 Plan (including, without limitation, an extraordinary cash dividend on such stock), the Administrator shall make adjustments in accordance with such section to the number of Stock Units (or the consideration that may become payable with respect to a vested Stock Unit) then outstanding in respect of the Award. No such adjustment shall be made, however, as to any cash dividend or distribution that has already been taken into account in determining the Payment Value pursuant to Section 7.

10. NON-TRANSFERABILITY OF THE AWARD

The Award shall not be transferable otherwise than by will or by the applicable laws of descent and distribution. More particularly (but without limiting the generality of the foregoing), the Award may not be assigned, transferred (except as aforesaid), pledged or hypothecated in any way (whether by operation of law or otherwise) and shall not be subject to execution, attachment or similar process. Any attempted assignment, transfer, pledge, hypothecation or other disposition of the Award contrary to the provisions hereof, and the levy of any execution, attachment or similar process upon the Award, shall be null and void and without effect.

11. PAYMENT OF EXPENSES AND COMPLIANCE WITH LAWS

A. The Corporation shall pay all original issue and/or transfer taxes with respect to the issue and/or transfer of Shares pursuant hereto to the Participant and all other fees and expenses necessarily incurred by the Corporation in connection therewith and will from time to time use its best efforts to comply with all laws and regulations which, in the opinion of counsel for the Corporation, shall be applicable thereto.

B. The Participant hereby represents and covenants that (a) any Shares acquired upon the vesting of the Award will be acquired for investment and not with a view to the distribution thereof within the meaning of the Securities Act of 1933, as amended (the "Securities Act"), unless such acquisition has been registered under the Securities Act and any applicable state securities law; (b) any subsequent sale of any such Shares shall be made either pursuant to an effective registration statement under the Securities Act and any applicable state securities laws, or pursuant to an exemption from registration under the Securities Act and such state securities laws; and (c) if requested by the Corporation, the Participant shall submit a written statement, in form satisfactory to the Corporation, to the effect that such representation (x) is true and correct as of the date of acquisition of any Shares hereunder or (y) is true and correct as of the date of any sale of any such Shares, as applicable. As a further condition precedent to the delivery to the Participant of any Shares subject to the Award, the Participant shall comply with all regulations and requirements of any regulatory authority having control of or supervision over the issuance of the Shares and, in connection therewith, shall execute any documents which the Corporation shall in its sole discretion deem necessary or advisable.

C. The Award is subject to the condition that if the listing, registration or qualification of the Shares subject to the Award upon any securities exchange or under any law, or the consent or approval of any governmental body, or the taking of any other action is necessary or desirable as a condition of, or in connection with, the vesting or delivery of the Shares hereunder, the Shares subject to the Award shall not vest or be delivered, in whole or in part, unless such listing, registration, qualification, consent or approval shall have been effected or obtained, free of any conditions not acceptable to the Corporation. The Corporation agrees to use reasonable efforts to effect or obtain any such listing, registration, qualification, consent or approval.

12. AMENDMENT

In the event that the Board amends the 2017 Plan and such amendment modifies or otherwise affects the subject matter of this Agreement, this Agreement shall, to that extent, be deemed to be amended by such amendment to the 2017 Plan. However, the timing of payment of the Award (to the extent it becomes vested) shall be as set forth in this Award Agreement and may not be changed (pursuant to the Plan, any amendment thereto, or otherwise) except as would be compliant with (and not result in any tax, penalty or interest under) Section 409A of the Internal Revenue Code of 1986, as amended (the "Code").

13. CONSTRUCTION

In the event of any conflict between the 2017 Plan and this Agreement, the provisions of the 2017 Plan shall control. If any provision of this Agreement is held to be invalid or unenforceable for any reason, such provision shall be conformed to prevailing law rather than voided, if possible, in order to achieve the intent of the parties and, in any event, the remaining provisions of this Agreement shall remain in full force and effect and shall be binding upon the parties hereto. This Agreement shall be governed in all respects by the laws of the State of Florida.

14. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the Corporation and the Participant and supersedes all other discussions, correspondence, representations, understandings and agreements between the parties, with respect to the subject matter hereof.

15. HEADINGS

The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed a part hereof.

16. CLAWBACK POLICY

The Stock Units are subject to the terms of the Corporation's recoupment, clawback or similar policy as it may be in effect from time to time, as well as any similar provisions of applicable law, any of which could in certain circumstances require repayment or forfeiture of the Stock Units or cash received with respect to the Stock Units.

17. SECTION 409A

It is intended that any amounts payable under this Agreement shall either be exempt from or comply with Section 409A of the Code (including the Treasury regulations and other published guidance relating thereto) so as not to subject the Participant to payment of any additional tax, penalty or interest imposed under Code Section 409A. The provisions of this Agreement shall be construed and interpreted to avoid the imputation of any such additional tax, penalty or interest under Code Section 409A yet preserve (to the nearest extent reasonably possible) the intended benefit payable to the Participant.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

OCWEN FINANCIAL CORPORATION

By: _____

PARTICIPANT

By: _____

APPENDIX A

VESTING REQUIREMENTS

The Stock Units subject to the Award will be eligible to vest in a single installment on the Vesting Date based on the Corporation's achievement of certain performance goals as determined below and subject to the continued service requirements set forth in this Agreement.

The Stock Units that will be available to vest on the Vesting Date shall be determined based on the following four measurement periods (each, a "Measurement Period"), with the percentage of the "target" number of Stock Units allocated to each such Measurement Period as set forth in the chart below:

Measurement Period	Period Dates	Percentage of Stock Units Allocated
First Measurement Period	March 2, 2021 through March 2, 2022	15%
Second Measurement Period	March 2, 2022 through March 2, 2023	15%
Third Measurement Period	March 2, 2022 through March 2, 2024	15%
Fourth Measurement Period	March 2, 2021 through March 2, 2024	55%

For each Measurement Period, the target number of Stock Units subject to the Award that will be allocated to that Measurement Period will be determined by multiplying the total target number of Stock Units subject to the Award by the percentage of Stock Units allocated to that Measurement Period (as shown above) ("Allocated Stock Units").

The Stock Units for a particular Measurement Period that will be eligible to vest will be determined by multiplying the Allocated Stock Units for that Measurement Period by the percentage of Stock Units vesting based on the Relative TSR (as defined below) achieved by the Corporation for that Measurement Period as follows:

Relative TSR Achieved for the Measurement Period	Performance Level	Percentage of Allocated Stock Units Vesting
<25th percentile	Below Threshold	0%
25th percentile	Threshold	50%
50th percentile	Target	100%
100th percentile	Maximum	200%

Provided that the level of Relative TSR achieved for a Measurement Period is at least "Threshold," the percentage of the Allocated Stock Units for that Measurement Period that will be eligible to vest for a Relative TSR for that Measurement Period achieved between the levels set forth in the table above will be determined based on straight-line interpolation between points (for clarity, if the Relative TSR achieved for the Measurement Period was the 60th percentile, the percentage of the Allocated Stock Units for that Measurement Period that will be eligible to vest would be 120%). In no event will the vesting percentage exceed 200% for any Measurement Period.

Definitions. For purposes of this Appendix A, the following definitions shall apply:

"Absolute Total Shareholder Return" (or "Absolute TSR") means, as to the applicable company for the applicable Measurement Period, the cumulative (non-compounded) total return (expressed as a percentage) of an investment in the company's common stock for the Measurement Period, determined using the Beginning Stock Price to value the company's common stock at the start of the Measurement Period and the Ending Stock Price to value the company's common stock at the end of the Measurement Period. For purposes of such determination, the Ending Price (or one or more of the Closing Stock Prices used to determine the Ending Price, as the Administrator may determine) shall be equitably and proportionately adjusted by the Administrator to the extent (if any) determined necessary by the Administrator to preserve the intended incentives of the award and mitigate the impact of any stock split, stock dividend or reverse stock split occurring during the Measurement Period and the Beginning Price (or one or more of the Closing Stock Prices used to determine the Beginning Price, as the Administrator may determine) shall be equitably and proportionately adjusted by the Administrator to the extent (if any) determined necessary by the Administrator to preserve the intended incentives of the award and mitigate the impact of any stock split, stock dividend or reverse stock split occurring during the thirty (30) consecutive trading day period used to determine the Beginning Stock Price.

"Beginning Stock Price" as to a Measurement Period means the average of the Closing Stock Prices for the applicable company for the thirty (30) consecutive trading days ending with the first trading day of the Measurement Period.

"Closing Stock Price" means, as of any calendar day as to the applicable company for the applicable Measurement Period, the sum of (a) the closing price (in regular trading) for a share of the company's common stock on the principal stock exchange on which the company's common stock is then listed or admitted to trade (the "Exchange") for the date in question or, if no sales of the company's common stock were reported on the Exchange on that date, the closing price (in regular trading) for a share of the company's common stock on the Exchange for the next preceding day on which sales of the company's common stock were reported on the Exchange, plus (b) (as of any date after the Award Date) the amount of cash dividends paid by the company on a share of its common stock as to which the applicable ex-dividend date(s) are after the Award Date and on or before the particular calendar day in question. If the applicable company's common stock is no longer listed or admitted to trade on a national securities exchange as of any particular date, the Closing Stock Price for that date as to that company shall be the value as reasonably determined by the Administrator for purposes of the award in the circumstances.

"Ending Stock Price" means, as to a particular Measurement Period, the average of the Closing Stock Prices for the applicable company for the thirty (30) consecutive trading days ending with the last trading day of the Measurement Period.

"Performance Peer Group" means the following companies:

- Annaly Capital Management, Inc.

- BankUnited, Inc.
- Cherry Hill Mortgage Investment Corporation
- Flagstar Bancorp
- Guild Holdings Company
- Home Point Capital Inc.
- loanDepot, Inc.
- MGIC Investment Corporation
- Mr. Cooper Group Inc.
- Navient Corporation
- New Residential Investment Corp.
- PennyMac Financial Services, Inc.
- Radian Group Inc.
- Redwood Trust, Inc.
- Rocket Companies, Inc.
- Sterling Bancorp
- Two Harbors Investment Corp.
- UWM Holdings Corporation

To measure relative performance, the Performance Peer Group will consist of (1) companies that are in the Performance Peer Group and are publicly-traded for the entire Measurement Period and (2) companies that are initially in the Performance Peer Group and cease to be publicly-traded during the Measurement Period because of insolvency (with the Absolute TSRs of such companies being deemed equal to the lowest Absolute TSR of companies that are in the Performance Peer Group for the entire period). Companies that are initially included in the Performance Peer Group but that cease to be publicly-traded during the Measurement Period because they are acquired or for other reasons will not be included in assessing relative performance and shall be deemed to be excluded from the Performance Peer Group.

"Relative Total Shareholder Return" (or "**Relative TSR**") means the Corporation's Absolute TSR ranked relative to the Absolute TSR values of companies in its Performance Peer Group (as defined above), expressed as a percentile where the highest Absolute TSR achieved by the Corporation or other company in the Performance Peer Group is the 100^{th} percentile and the lowest Absolute TSR achieved by the Corporation or other company in the Performance Peer Group is the 0^{th} percentile.

Determination. Following the end of each Measurement Period, the Administrator shall make a determination as to the Corporation's achievement of the performance-based vesting requirements set forth in this Appendix A as to that Measurement Period. Any portion of the Allocated Stock Units subject to the Award for a particular Measurement Period that are outstanding at the end of that Measurement Period and are not eligible to vest in accordance with this Appendix A based on the Corporation's performance for that Measurement Period shall terminate as of the last day of that Measurement Period (except as provided in Paragraph 2 of the Agreement). In all events, the Administrator's determination of the Corporation's performance during each Measurement Period, and the number of Stock Units eligible to vest, pursuant to this Appendix A shall be final and binding.

* * *

PERFORMANCE STOCK UNIT AWARD AGREEMENT

THIS PERFORMANCE STOCK UNIT AWARD AGREEMENT (this "Agreement") is made as of March 2, 2021 (the "Award Date") between Ocwen Financial Corporation, a Florida corporation (the "Corporation"), and **[ ]**, an employee of the Corporation or of a Subsidiary (the "Participant").

WHEREAS, the Corporation desires, by granting to the Participant an award of stock units pursuant to the Corporation's 2017 Performance Incentive Plan (the "2017 Plan"), to further the objectives of the 2017 Plan;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth and for other good and valuable consideration, and intending to be legally bound hereby, the parties hereto have agreed, and do hereby agree, as follows:

1. STOCK UNIT GRANT

The Corporation hereby grants to the Participant, pursuant to and subject to the 2017 Plan, an aggregate "target" of **[ ]** stock units (the "Stock Units"), on the terms and conditions herein set forth (the "Award"). As used herein, the term "stock unit" shall mean a non-voting unit of measurement which is deemed for bookkeeping purposes to be equivalent to one outstanding share of the Corporation's Common Stock (subject to adjustment as provided in Section 7.1 of the 2017 Plan) solely for purposes of the 2017 Plan and this Agreement. The Stock Units shall be used solely as a device for the determination of the payment to eventually be made to the Participant if such Stock Units vest pursuant to Paragraph 2 below. The Stock Units shall not be treated as property or as a trust fund of any kind. Capitalized terms used herein and not otherwise defined herein shall have the meaning assigned to such terms in the 2017 Plan.

2. VESTING OF STOCK UNITS

A. Generally

Subject to the following provisions of this Paragraph 2 and Paragraph 4, the extent to which the Stock Units become vested and payable will be determined in accordance with the performance-based vesting conditions as set forth in Appendix A hereto, incorporated herein by this reference. The "Vesting Date" applicable to the Stock Units is the third anniversary of the Award Date, subject to adjustment as set forth in Paragraph 2 hereof.

B. Retirement or Termination by the Corporation Without Cause

If the Participant's employment with the Corporation or any of its Subsidiaries terminates by reason of the Participant's (i) Retirement or (ii) termination by the Participant's employer without Cause (other than following a 409A Change of Control (as defined below)) at any time on or before the Vesting Date, the Award shall remain outstanding and eligible to vest as though no such termination of the Participant's employment had occurred except as provided below and subject to the conditions below. In such circumstances, if the performance-based vesting conditions set forth in Appendix A are satisfied as of the Vesting Date, the Award shall vest as provided in Appendix A, provided that (i) the number of Stock Units eligible to vest shall be reduced such that the "target" number of Stock Units subject to the Award equals (x) such target number of Stock Units before giving effect to this adjustment multiplied by (y) percentage of the three-year period between the Award Date and the Vesting Date that the Participant was employed by the Corporation or one of its Subsidiaries prior to such termination of the Participant's employment; (ii) the Participant satisfies the release requirement set forth in the following sentence, and (iii) the Participant complies with the conditions set forth in Paragraph 5 hereof through the Vesting Date. As a condition of any such vesting, the Participant shall, not later than 21 days after such a termination of the Participant's employment (or such longer period as may be required under applicable law for the Participant to consider the release in order for the release to be effective) provide the Corporation with a valid, executed written release of claims in a form acceptable to the Corporation, and such release shall not have been revoked by the Participant pursuant to any revocation rights afforded by applicable law. Any such Stock Units that vest after the Participant's Retirement or termination by the Participant's employer without Cause shall be paid in accordance with Paragraph 7 hereof.

For purposes of this Agreement, "Retirement" shall mean termination (other than by reason of death, Disability (as defined below) or by the Participant's employer for Cause) of the Participant's employment with the Corporation or one of its Subsidiaries; provided, however, that for purposes of this Agreement only, the Participant must have attained the age of 60 and been an employee of the Corporation or any of its Subsidiaries for not less than 5 years as of the date of termination of employment by reason of Retirement.

For purposes of this Agreement, "Cause" shall mean that the Administrator, acting in good faith based on the information then available to it, determines that the Participant: (a) has been convicted of, or has pled guilty to, a felony (under the laws of the United States or any state thereof or other applicable jurisdiction); (b) has engaged in acts of fraud, material dishonesty or other acts of willful misconduct in the course of the Participant's duties for the Corporation or any of its Subsidiaries; (c) the Participant has willfully failed to substantially perform the Participant's duties for the Corporation or any of its Subsidiaries; (d) has materially breached any of the provisions of any agreement to which the Participant is a party with the Corporation or any of its Subsidiaries; or (e) has materially breached any written policy of the Corporation or any of its Subsidiaries that is applicable to the Participant in the course of the Participant's employment and has been communicated to the Participant; provided, however, as to clauses (c), (d) and (e) only, that Cause shall only exist if the Corporation or a Subsidiary (as the case may be) shall have provided written notice to the Participant of the condition(s) claimed to constitute Cause under such clause and the Participant shall have failed to remedy such circumstance(s) within 30 days following the date of such notice.

The Stock Units subject to the Award remain subject to forfeiture should the applicable performance conditions as provided in Appendix A not be met as of the Vesting Date.

For clarity, for purposes of this Agreement no termination of the Participant's employment shall be deemed to have occurred if the Participant ceases to be employed by the Corporation or a Subsidiary but, immediately thereafter, continues in the employ of another Subsidiary or the Corporation.

C. Death or Disability

If the Participant's employment with the Corporation or any of its Subsidiaries is terminated at any time prior to the Vesting Date by reason of the Participant's death or if the Participant incurs a Disability while employed by the Corporation or one of its Subsidiaries, the Award shall immediately vest on a pro-rata basis in proportion to the percentage of the three-year period between the Award Date and the Vesting Date that the Participant was employed by the Corporation or one of its Subsidiaries prior to such termination of the Participant's employment. In such circumstances, the performance-based vesting conditions shall be deemed to have been achieved at "Target", as set forth in Appendix A (including as to any otherwise-completed Measurement Period set forth in Appendix A) as of the date of such death or Disability. Such Stock Units shall be paid in accordance with Paragraph 7 hereof, provided that for the purposes of such payment the Vesting Date as to such Stock Units shall be deemed to be the date of the Participant's death or Disability and payment shall be made not later than 60 days after the date of the Participant's death or Disability. Any remaining unvested portion of the Award after giving effect to such acceleration shall terminate and be cancelled as of the date of the Participant's death or Disability (For clarity, if the Participant's employment with the Corporation or any of its Subsidiaries terminated by reason of the Participant's death, or if the Participant incurred a Disability while employed by the Corporation or one of its Subsidiaries, mid-way between the first anniversary of the Award Date and the second anniversary of the Award Date, the Participant would vest in one-half of the "target" number of Stock Units subject to the Award, and any remaining unvested portion of the Award would terminate and be cancelled.) For purposes of this Agreement, "Disability" shall mean the Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.

D. Change of Control

If a 409A Change of Control occurs on or before the Vesting Date, the Award shall remain outstanding and eligible to vest on the Vesting Date, provided that the performance-based vesting conditions for any outstanding and incomplete Measurement Period set forth in Appendix A shall be deemed to have been achieved at "Target" as set forth in Appendix A (that is, following the 409A Change of Control, the Award will be subject to only time-based vesting based on the Participant's continued employment, and not any additional performance-based measure). Such Stock Units shall be paid in accordance with Paragraph 7 hereof. As used herein, "409A Change of Control" shall mean the occurrence of (a) a "change in the ownership" of the Corporation within the meaning of Treasury Regulation 1.409A-3(i)(5)(v) (which, for illustrative purposes, is generally triggered if any one person (or persons acting as a group) acquire ownership of Corporation stock which constitutes more than 50% of the total fair market value or total voting power of the stock of the Corporation), (b) a "change in the effective control" of the Corporation within the meaning of Treasury Regulation 1.409A-3(i)(5)(vi)(A)(1) (which, for illustrative purposes, is generally triggered if any one person (or persons acting as a group) acquire during a period of not more than twelve months ownership of stock of the Corporation possessing 30% or more of the total voting power of the stock of the Corporation; or certain majority changes in the membership of the Board occur over a period of not more than twelve months), or (c) a change "in the ownership of a substantial portion of the assets" of the Corporation within the meaning of Treasury Regulation 1.409A-3(i)(5)(vii) (which, for illustrative purposes, is generally triggered if any one person (or persons acting as a group) acquire during a period of not more than twelve months assets from the Corporation that have a total gross fair market value equal to or more than 40% of the total gross fair market value of all assets of the Corporation immediately before such acquisition(s)).

Except as expressly otherwise provided in this Paragraph 2, the Participant's continued employment on the Vesting Date shall be a condition to the vesting of the Award and the rights and benefits under this Agreement.

If the Participant's employment terminated in the circumstances set forth in Paragraph 2.B prior to the 409A Change of Control and the conditions to vesting pursuant to Paragraph 2.B are satisfied, the performance-based vesting condition shall be deemed to have been achieved at "Target" as set forth in Appendix A as of the Vesting Date (including as to any otherwise-completed Measurement Period set forth in Appendix A) and such Stock Units shall be paid in accordance with Paragraph 7.

E. Post Change of Control Termination by the Corporation Without Cause or Resignation for Good Reason

If, following a 409A Change of Control and on or before the Vesting Date, (i) the Corporation (or Subsidiary that employs the Participant, as the case may be) terminates the Participant's employment for any reason other than Cause or (ii) the Participant resigns employment with the Corporation (or Subsidiary that employs the Participant, as the case may be) for Good Reason, the Stock Units subject to the Award shall vest as of the date of such termination of the Participant's employment with the Corporation and its Subsidiaries (the Participant's "Separation Date"), with the performance-based vesting conditions for any outstanding and incomplete Measurement Period set forth in Appendix A deemed to have been achieved at "Target" as set forth in Appendix A, subject, however, to the Participant satisfying the release requirement set forth in the following sentence. As a condition of any such vesting, the Participant shall, not later than 21 days after such a termination of the Participant's employment (or such longer period as may be required under applicable law for the Participant to consider the release in order for the release to be effective) provide the Corporation with a valid, executed written release of claims in a form acceptable to the Corporation, and such release shall not have been revoked by the Participant pursuant to any revocation rights afforded by applicable law. If this Paragraph 2.E applies, payment of the Stock Units that vest shall be made in accordance with Paragraph 7, except that if the Separation Date occurs within two years following the 409A Change of Control the Vesting Date shall be deemed to be the Separation Date as to such Stock Units and such Stock Units shall be paid within 60 days following the Separation Date.
For the purposes of this Agreement, "Good Reason" means, a (1) a material reduction by the Corporation in Participant's base salary; (2) a material diminution in Participant's position; or (3) a relocation of Participant's location of employment by more than 50 miles from the office where Participant is located as of the Award Date; provided, however, that any such condition or conditions, as applicable, shall not constitute grounds for a termination for Good Reason unless both (x) the Participant provides written notice to the Corporation of the condition(s) claimed to constitute grounds for Good Reason within 60 days of the initial existence of such condition(s), and (y) the Corporation or Subsidiary (as the case may be) fails to remedy such condition(s) within 30 days after receiving such written notice thereof; and provided, further, that in all events the termination of the Participant's employment shall not constitute a termination for Good Reason unless such termination occurs not more than 180 days following the initial existence of the condition claimed to constitute grounds for Good Reason.

F. Continued Employment

Except as expressly otherwise provided in this Paragraph 2, continued employment through the Vesting Date is a condition to the vesting of the Award and the rights and benefits under this Agreement. Except as expressly otherwise provided in this Paragraph 2, employment for only a portion of the vesting period, even if a substantial portion, will not entitle the Participant to any proportionate vesting or avoid or mitigate a termination of rights and benefits upon or following a termination of employment as provided in Paragraph 4 below or under the 2017 Plan. As used in this Agreement, references to the Participant's "employment" (and similar references to the Participant's being "employed" and an "employee") shall include any period when the Participant is either (i) an employee of the Corporation or any of its Subsidiaries or (ii) a member of the Board.

3. DIVIDEND AND VOTING RIGHTS

A. Limitations on Rights Associated with Units

The Participant shall have no rights as a stockholder of the Corporation, no dividend rights (except as expressly provided in Paragraph 3.B with respect to Dividend Equivalent Rights) and no voting rights, with respect to the Stock Units and any shares of Common Stock ("Shares") underlying or issuable in respect of such Stock Units until such Shares are actually issued to and held of record by the Participant. No adjustments will be made for dividends or other rights of a holder for which the record date is prior to the date of issuance of such Shares.

B. Dividend Equivalent Rights

As of any date that the Corporation pays an ordinary cash dividend on its Shares, the Corporation shall credit the Participant with an additional number of Stock Units equal to (i) the per share cash dividend paid by the Corporation on its Shares on such date, multiplied by (ii) the total number of Stock Units (including any dividend equivalents previously credited hereunder) (with such total number adjusted pursuant to Section 8 of the 2017 Plan) subject to the Award as of the related dividend payment record date, divided by (iii) the Fair Market Value of a Share on the date of payment of such dividend. Any Stock Units credited pursuant to the foregoing provisions of this Paragraph 3.B shall be subject to the same vesting, payment and other terms, conditions and restrictions as the original Stock Units to which they relate. No crediting of Stock Units shall be made pursuant to this Paragraph 3.B with respect to any Stock Units which, as of such record date, have either been paid pursuant to Paragraph 7 or terminated pursuant to Paragraph 4.

4. TERMINATION OF AWARD

If, on or before the Vesting Date, the Participant's employment with the Corporation or any of its Subsidiaries terminates other than under circumstances described in Paragraph 2, above (or if the termination occurs in circumstances described in Paragraph 2 above but a release or other condition to the treatment otherwise provided for in Paragraph 2 above in the circumstances is not satisfied), the Award shall terminate and be cancelled as of the last day of the Participant's employment with the Corporation or such Subsidiary. If the Award is terminated hereunder (including, without limitation, pursuant to Appendix A, Paragraph 2 or this Paragraph 4), the Stock Units shall automatically terminate and be cancelled as of the applicable termination date without payment of any consideration by the Corporation and without any other action by the Participant, or the Participant's beneficiary or personal representative, as the case may be.

5. CONDITIONS UPON RETIREMENT

If the Participant's employment with the Corporation or any of its Subsidiaries terminates by reason of Retirement, the rights of the Participant with respect to the Award shall be subject to the conditions that until the Award is vested, he/she shall (a) not engage, either directly or indirectly, in any manner or capacity as advisor, principal, agent, partner, officer, director, employee, member of any association or otherwise, in any business or activity which is at the time competitive with any business or activity conducted by the Corporation or any of its direct or indirect Subsidiaries, and (b) be available, unless he/she shall have died, at reasonable times for consultations at the request of the Corporation's management with respect to phases of the business with which he/she was actively connected during his/her employment, but such consultations shall not be required to be performed during usual vacation periods or periods of illness or other incapacity or without reasonable compensation and cost reimbursement. In the event that either of the above conditions is not fulfilled, the Participant shall forfeit all rights to the Award, as of the date of the breach of the conditions of this Paragraph 5. Any determination by the Board that the Participant is or has engaged in a competitive business or activity as aforesaid or has not been available for consultations as aforesaid shall be conclusive.

6. NO EMPLOYMENT COMMITMENT

Nothing contained in this Agreement or the 2017 Plan constitutes an employment or service commitment by the Corporation or any of its Subsidiaries, affects the Participant's status as an employee at will who is subject to termination with or without Cause, confers upon the Participant any right to remain employed by or in service to the Corporation or any Subsidiary, interferes in any way with the right of the Corporation or any Subsidiary at any time to terminate such employment or services, or affects the right of the Corporation or any Subsidiary to increase or decrease the Participant's other compensation or benefits. Nothing in this Agreement, however, is intended to adversely affect any independent contractual right of the Participant without his or her consent thereto.

7. TIMING AND MANNER OF PAYMENT OF STOCK UNITS

On or as soon as administratively practical following each Vesting Date as provided in Paragraph 2 hereof (and in all events not later than 60 days after the Vesting Date), the Corporation shall deliver to the Participant a number of Shares (either by delivering one or more certificates for such Shares or by entering such Shares in book entry form, as determined by the Corporation in its discretion) (subject to any withholding for taxes pursuant to Paragraph 8) equal to the number of Stock Units that vested on such Vesting Date; provided, however, that if the Corporation's Common Stock is not listed or admitted to trade on any national securities exchange on such Vesting Date, the Corporation shall deliver (i) if a 409A Change of Control has occurred on or prior to the Vesting Date and the Corporation's Common Stock has ceased to be so listed or admitted to trade in connection with such 409A Change of Control, an amount equal to (a) the number of Stock Units vesting on such date multiplied by (b) the amount of the cash consideration paid for a share of Corporation Common Stock in such transaction, or (ii) if clause (i) is not applicable, such other amount as the Administrator determines, in its sole and absolute discretion, to be fair and reasonable and consistent with the purposes of the Award. Notwithstanding the preceding sentence, in the event that the issuance of Shares in respect of the Stock Units would cause any applicable share limit of the 2017 Plan to be exceeded, the Corporation may pay one or more Stock Units that have vested in cash rather than by delivering Shares. In such event, payment of any Stock Units to be settled in cash will be made within the same period of time as provided in the first sentence of this Paragraph 7 and the amount of payment for such Stock Units shall (subject to any withholding for taxes pursuant to Paragraph 8) equal the number of Stock Units that vested on the Vesting Date to be settled in cash multiplied by the Payment Value as of the Vesting Date. The "Payment Value" as of the Vesting Date is the closing price (in regular trading) for a share of Common Stock on the principal stock exchange on which the Common Stock is then listed or admitted to trade (the "Exchange") on the Vesting Date or, if no sales of Common Stock were reported on the Exchange on that date, the closing price (in regular trading) for a share of Common Stock on the Exchange for the next preceding day on which sales of Common Stock were reported on the Exchange; provided, however, that if the Corporation's Common Stock is not listed or admitted to trade on any national securities exchange on the Vesting Date, the Payment Value with respect to the Vesting Date shall be either (i) if a 409A Change of Control has occurred on or prior to the Vesting Date and the Corporation's Common Stock has ceased to be so listed or admitted to trade in connection with such 409A Change of Control, the amount of the cash consideration paid for a share of Corporation Common Stock in such transaction, or (ii) if clause (i) is not applicable, such other amount as the Administrator determines, in its sole and absolute discretion, to be fair and reasonable and consistent with the purposes of the Award. The Participant shall have no further rights with respect to any Stock Units that are paid or that terminate pursuant to Paragraph 2 or Paragraph 4.

If the Participant is a “specified employee” within the meaning of Treasury Regulation Section 1.409A-1(i) as of the date of the Participant’s separation from service with the Corporation, and payment pursuant to the preceding paragraph is to be made in connection with such separation from services, the Participant shall not be entitled to any payment or benefit pursuant to the preceding paragraph until the earlier of (i) the date which is six (6) months after the Participant’s separation from service for any reason other than death, or (ii) the date of the Participant’s death. The provisions of this paragraph shall only apply if, and to the extent, required to avoid the imputation of any tax, penalty or interest pursuant to Code Section 409A. Any amounts otherwise payable to the Participant upon or in the six (6) month period following the Participant’s separation from service that are not so paid by reason of this paragraph shall be paid as soon as practicable (and in all events within thirty (30) days) after the date that is six (6) months after the Participant’s separation from service (or, if earlier, as soon as practicable, and in all events within thirty (30) days, after the date of the Participant’s death). If, in connection with the Participant’s separation from service, the Participant is required to provide the Corporation with a release of claims and the maximum period in which the Participant has to consider, execute, and revoke such release of claims spans two calendar years, any payment of the Stock Units vesting in connection with such separation from service shall be made in the second of such two calendar years.

The timing of payment of any Stock Units may not be changed by the Corporation (including pursuant to any provision of the Plan), except as would satisfy Treasury Regulation Section 1.409A-3(j)(4).

8. TAX WITHHOLDING

Upon any payment in respect of the Stock Units (whether in cash or Shares), the Corporation shall withhold from the amount of any such payment to the Participant with respect of the Award to be made in cash the amount of any tax withholding obligations of the Corporation or its Subsidiaries with respect to the payment in respect of the Stock Units (including any portion of such payment to be made in Shares). To the extent any tax withholding obligations of the Corporation or its Subsidiaries with respect to any payment in respect of the Stock Units remains unsatisfied after giving effect to the preceding sentence, then, subject to compliance with all applicable laws, rules and regulations and unless otherwise provided by the Committee, the Corporation shall automatically reduce (or otherwise reacquire) from the number of Shares to otherwise be delivered with respect to such payment the appropriate number of whole Shares, valued at their then Fair Market Value, to satisfy any such remaining withholding obligations of the Corporation or its Subsidiaries with respect to such payment. In the event that the Corporation cannot legally satisfy such withholding obligations by such reduction of Shares or the Committee otherwise provides that the Corporation will not so reduce the number of Shares delivered to satisfy such withholding obligations, the Corporation (or a Subsidiary) shall be entitled to require a cash payment by or on behalf of the Participant and/or to deduct from other compensation payable to the Participant (or any amount payable pursuant to the Award) any sums required by federal, state or local tax law to be withheld with respect to such distribution or payment.

9. ADJUSTMENT UPON SPECIFIED EVENTS

Upon the occurrence of certain events relating to the Corporation’s stock contemplated by Section 7.1 of the 2017 Plan (including, without limitation, an extraordinary cash dividend on such stock), the Administrator shall make adjustments in accordance with such section to the number of Stock Units (or the consideration that may become payable with respect to a vested Stock Unit) then outstanding in respect of the Award. No such adjustment shall be made, however, as to any cash dividend or distribution that has already been taken into account in determining the Payment Value pursuant to Section 7.

10. NON-TRANSFERABILITY OF THE AWARD

The Award shall not be transferable otherwise than by will or by the applicable laws of descent and distribution. More particularly (but without limiting the generality of the foregoing), the Award may not be assigned, transferred (except as aforesaid), pledged or hypothecated in any way (whether by operation of law or otherwise) and shall not be subject to execution, attachment or similar process. Any attempted assignment, transfer, pledge, hypothecation or other disposition of the Award contrary to the provisions hereof, and the levy of any execution, attachment or similar process upon the Award, shall be null and void and without effect.

11. PAYMENT OF EXPENSES AND COMPLIANCE WITH LAWS

A. The Corporation shall pay all original issue and/or transfer taxes with respect to the issue and/or transfer of Shares pursuant hereto to the Participant and all other fees and expenses necessarily incurred by the Corporation in connection therewith and will from time to time use its best efforts to comply with all laws and regulations which, in the opinion of counsel for the Corporation, shall be applicable thereto.

B. The Participant hereby represents and covenants that (a) any Shares acquired upon the vesting of the Award will be acquired for investment and not with a view to the distribution thereof within the meaning of the Securities Act of 1933, as amended (the "Securities Act"), unless such acquisition has been registered under the Securities Act and any applicable state securities law; (b) any subsequent sale of any such Shares shall be made either pursuant to an effective registration statement under the Securities Act and any applicable state securities laws, or pursuant to an exemption from registration under the Securities Act and such state securities laws; and (c) if requested by the Corporation, the Participant shall submit a written statement, in form satisfactory to the Corporation, to the effect that such representation (x) is true and correct as of the date of acquisition of any Shares hereunder or (y) is true and correct as of the date of any sale of any such Shares, as applicable. As a further condition precedent to the delivery to the Participant of any Shares subject to the Award, the Participant shall comply with all regulations and requirements of any regulatory authority having control of or supervision over the issuance of the Shares and, in connection therewith, shall execute any documents which the Corporation shall in its sole discretion deem necessary or advisable.

C. The Award is subject to the condition that if the listing, registration or qualification of the Shares subject to the Award upon any securities exchange or under any law, or the consent or approval of any governmental body, or the taking of any other action is necessary or desirable as a condition of, or in connection with, the vesting or delivery of the Shares hereunder, the Shares subject to the Award shall not vest or be delivered, in whole or in part, unless such listing, registration, qualification, consent or approval shall have been effected or obtained, free of any conditions not acceptable to the Corporation. The Corporation agrees to use reasonable efforts to effect or obtain any such listing, registration, qualification, consent or approval.

12. AMENDMENT

In the event that the Board amends the 2017 Plan and such amendment modifies or otherwise affects the subject matter of this Agreement, this Agreement shall, to that extent, be deemed to be amended by such amendment to the 2017 Plan. However, the timing of payment of the Award (to the extent it becomes vested) shall be as set forth in this Award Agreement and may not be changed (pursuant to the Plan, any amendment thereto, or otherwise) except as would be compliant with (and not result in any tax, penalty or interest under) Section 409A of the Internal Revenue Code of 1986, as amended (the "Code").

13. CONSTRUCTION

In the event of any conflict between the 2017 Plan and this Agreement, the provisions of the 2017 Plan shall control. If any provision of this Agreement is held to be invalid or unenforceable for any reason, such provision shall be conformed to prevailing law rather than voided, if possible, in order to achieve the intent of the parties and, in any event, the remaining provisions of this Agreement shall remain in full force and effect and shall be binding upon the parties hereto. This Agreement shall be governed in all respects by the laws of the State of Florida.

14. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the Corporation and the Participant and supersedes all other discussions, correspondence, representations, understandings and agreements between the parties, with respect to the subject matter hereof.

15. HEADINGS

The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed a part hereof.

16. CLAWBACK POLICY

The Stock Units are subject to the terms of the Corporation's recoupment, clawback or similar policy as it may be in effect from time to time, as well as any similar provisions of applicable law, any of which could in certain circumstances require repayment or forfeiture of the Stock Units or cash received with respect to the Stock Units.

17. SECTION 409A

It is intended that any amounts payable under this Agreement shall either be exempt from or comply with Section 409A of the Code (including the Treasury regulations and other published guidance relating thereto) so as not to subject the Participant to payment of any additional tax, penalty or interest imposed under Code Section 409A. The provisions of this Agreement shall be construed and interpreted to avoid the imputation of any such additional tax, penalty or interest under Code Section 409A yet preserve (to the nearest extent reasonably possible) the intended benefit payable to the Participant.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

OCWEN FINANCIAL CORPORATION

By: _____

PARTICIPANT

By: _____

APPENDIX A

VESTING REQUIREMENTS

The Stock Units subject to the Award will be eligible to vest in a single installment on the Vesting Date based on the Corporation's achievement of certain performance goals as determined below and subject to the continued service requirements set forth in this Agreement.

The Stock Units that will be available to vest on the Vesting Date shall be determined based on the following four measurement periods (each, a "Measurement Period"), with the percentage of the "target" number of Stock Units allocated to each such Measurement Period as set forth in the chart below:

Measurement Period	Period Dates	Percentage of Stock Units Allocated
First Measurement Period	March 2, 2021 through March 2, 2022	15%
Second Measurement Period	March 2, 2022 through March 2, 2023	15%
Third Measurement Period	March 2, 2022 through March 2, 2024	15%
Fourth Measurement Period	March 2, 2021 through March 2, 2024	55%

For each Measurement Period, the target number of Stock Units subject to the Award that will be allocated to that Measurement Period will be determined by multiplying the total target number of Stock Units subject to the Award by the percentage of Stock Units allocated to that Measurement Period (as shown above) ("Allocated Stock Units").

The Stock Units for a particular Measurement Period that will be eligible to vest will be determined by multiplying the Allocated Stock Units for that Measurement Period by the percentage of Stock Units vesting based on the Relative TSR (as defined below) achieved by the Corporation for that Measurement Period as follows:

Relative TSR Achieved for the Measurement Period	Performance Level	Percentage of Allocated Stock Units Vesting
$<25^{th}$ percentile	Below Threshold	0%
25^{th} percentile	Threshold	50%
50^{th} percentile	Target	100%
100^{th} percentile	Maximum	200%

Provided that the level of Relative TSR achieved for a Measurement Period is at least "Threshold," the percentage of the Allocated Stock Units for that Measurement Period that will be eligible to vest for a Relative TSR for that Measurement Period achieved between the levels set forth in the table above will be determined based on straight-line interpolation between points (for clarity, if the Relative TSR achieved for the Measurement Period was the 60th percentile, the percentage of the Allocated Stock Units for that Measurement Period that will be eligible to vest would be 120%). In no event will the vesting percentage exceed 200% for any Measurement Period.

Definitions. For purposes of this Appendix A, the following definitions shall apply:

"Absolute Total Shareholder Return" (or "Absolute TSR") means, as to the applicable company for the applicable Measurement Period, the cumulative (non-compounded) total return (expressed as a percentage) of an investment in the company's common stock for the Measurement Period, determined using the Beginning Stock Price to value the company's common stock at the start of the Measurement Period and the Ending Stock Price to value the company's common stock at the end of the Measurement Period. For purposes of such determination, the Ending Price (or one or more of the Closing Stock Prices used to determine the Ending Price, as the Administrator may determine) shall be equitably and proportionately adjusted by the Administrator to the extent (if any) determined necessary by the Administrator to preserve the intended incentives of the award and mitigate the impact of any stock split, stock dividend or reverse stock split occurring during the Measurement Period and the Beginning Price (or one or more of the Closing Stock Prices used to determine the Beginning Price, as the Administrator may determine) shall be equitably and proportionately adjusted by the Administrator to the extent (if any) determined necessary by the Administrator to preserve the intended incentives of the award and mitigate the impact of any stock split, stock dividend or reverse stock split occurring during the thirty (30) consecutive trading day period used to determine the Beginning Stock Price.

"Beginning Stock Price" as to a Measurement Period means the average of the Closing Stock Prices for the applicable company for the thirty (30) consecutive trading days ending with the first trading day of the Measurement Period.

"Closing Stock Price" means, as of any calendar day as to the applicable company for the applicable Measurement Period, the sum of (a) the closing price (in regular trading) for a share of the company's common stock on the principal stock exchange on which the company's common stock is then listed or admitted to trade (the "Exchange") for the date in question or, if no sales of the company's common stock were reported on the Exchange on that date, the closing price (in regular trading) for a share of the company's common stock on the Exchange for the next preceding day on which sales of the company's common stock were reported on the Exchange, plus (b) (as of any date after the Award Date) the amount of cash dividends paid by the company on a share of its common stock as to which the applicable ex-dividend date(s) are after the Award Date and on or before the particular calendar day in question. If the applicable company's common stock is no longer listed or admitted to trade on a national securities exchange as of any particular date, the Closing Stock Price for that date as to that company shall be the value as reasonably determined by the Administrator for purposes of the award in the circumstances.

"Ending Stock Price" means, as to a particular Measurement Period, the average of the Closing Stock Prices for the applicable company for the thirty (30) consecutive trading days ending with the last trading day of the Measurement Period.

"Performance Peer Group" means the following companies:

- Annaly Capital Management, Inc.

- BankUnited, Inc.
- Cherry Hill Mortgage Investment Corporation
- Flagstar Bancorp
- Guild Holdings Company
- Home Point Capital Inc.
- loanDepot, Inc.
- MGIC Investment Corporation
- Mr. Cooper Group Inc.
- Navient Corporation
- New Residential Investment Corp.
- PennyMac Financial Services, Inc.
- Radian Group Inc.
- Redwood Trust, Inc.
- Rocket Companies, Inc.
- Sterling Bancorp
- Two Harbors Investment Corp.
- UWM Holdings Corporation

To measure relative performance, the Performance Peer Group will consist of (1) companies that are in the Performance Peer Group and are publicly-traded for the entire Measurement Period and (2) companies that are initially in the Performance Peer Group and cease to be publicly-traded during the Measurement Period because of insolvency (with the Absolute TSRs of such companies being deemed equal to the lowest Absolute TSR of companies that are in the Performance Peer Group for the entire period). Companies that are initially included in the Performance Peer Group but that cease to be publicly-traded during the Measurement Period because they are acquired or for other reasons will not be included in assessing relative performance and shall be deemed to be excluded from the Performance Peer Group.

"Relative Total Shareholder Return" (or "**Relative TSR**") means the Corporation's Absolute TSR ranked relative to the Absolute TSR values of companies in its Performance Peer Group (as defined above), expressed as a percentile where the highest Absolute TSR achieved by the Corporation or other company in the Performance Peer Group is the 100th percentile and the lowest Absolute TSR achieved by the Corporation or other company in the Performance Peer Group is the 0th percentile.

Determination. Following the end of each Measurement Period, the Administrator shall make a determination as to the Corporation's achievement of the performance-based vesting requirements set forth in this Appendix A as to that Measurement Period. Any portion of the Allocated Stock Units subject to the Award for a particular Measurement Period that are outstanding at the end of that Measurement Period and are not eligible to vest in accordance with this Appendix A based on the Corporation's performance for that Measurement Period shall terminate as of the last day of that Measurement Period (except as provided in Paragraph 2 of the Agreement). In all events, the Administrator's determination of the Corporation's performance during each Measurement Period, and the number of Stock Units eligible to vest, pursuant to this Appendix A shall be final and binding.

* * *

STOCK UNIT AWARD AGREEMENT

THIS STOCK UNIT AWARD AGREEMENT (this "Agreement") is made as of March 2, 2021 (the "Award Date") between Ocwen Financial Corporation, a Florida corporation (the "Corporation"), and **[ ]**, an employee of the Corporation or of a Subsidiary (the "Participant").

WHEREAS, the Corporation desires, by granting to the Participant an award of stock units pursuant to the Corporation's 2017 Performance Incentive Plan (the "2017 Plan"), to further the objectives of the 2017 Plan;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth and for other good and valuable consideration, and intending to be legally bound hereby, the parties hereto have agreed, and do hereby agree, as follows:

1. STOCK UNIT GRANT

The Corporation hereby grants to the Participant, pursuant to and subject to the 2017 Plan, an aggregate of **[ ]** stock units (the "Stock Units"), on the terms and conditions herein set forth (the "Award"). As used herein, the term "stock unit" shall mean a non-voting unit of measurement which is deemed for bookkeeping purposes to be equivalent to one outstanding share of the Corporation's Common Stock (subject to adjustment as provided in Section 7.1 of the 2017 Plan) solely for purposes of the 2017 Plan and this Agreement. The Stock Units shall be used solely as a device for the determination of the payment to eventually be made to the Participant if such Stock Units vest pursuant to Paragraph 2 below. The Stock Units shall not be treated as property or as a trust fund of any kind. Capitalized terms used herein and not otherwise defined herein shall have the meaning assigned to such terms in the 2017 Plan.

2. VESTING OF STOCK UNITS

A. Generally

Subject to the following provisions of this Paragraph 2 and Paragraph 4, one-third of the total number of Stock Units subject to the award will vest on each of the first, second, and third anniversaries of the Award Date (each, a "Vesting Date", and with the Vesting Dates subject to adjustment as set forth in Paragraph 2 hereof).

B. Retirement or Termination by the Corporation Without Cause

If the Participant's employment with the Corporation or any of its Subsidiaries terminates by reason of the Participant's (i) Retirement or (ii) termination by the Participant's employer without Cause (other than following a 409A Change of Control (as defined below)) at any time on or before the third anniversary of the Award Date, the unvested portion of the Award that remains outstanding and is scheduled to vest on the next Vesting Date following the date of the termination of the Participant's employment (the "Separation Date") shall immediately vest on a pro-rata basis in proportion to the percentage of the corresponding vesting period the Participant was employed by the Corporation or one of its Subsidiaries prior to such termination of the Participant's employment, provided that the Participant satisfies the release requirement set forth in the following sentence. As a condition of any such vesting, the Participant shall, not later than 21 days after the Separation Date (or such longer period as may be required under applicable law for the Participant to consider the release in order for the release to be effective) provide the Corporation with a valid, executed written release of claims in a form acceptable to the Corporation, and such release shall not have been revoked by the Participant pursuant to any revocation rights afforded by applicable law.

Such Stock Units shall be paid in accordance with Paragraph 7 hereof, provided that the Vesting Date as to such Stock Units shall be deemed to be the Separation Date. Any remaining unvested portion of the Award after giving effect to such acceleration shall terminate and be cancelled as of the Separation Date. (For clarity, if the Participant's employment with the Corporation or any of its Subsidiaries terminated as set forth above mid-way between the first Vesting Date and the second Vesting Date, the Participant would vest in one-half of the number of Stock Units subject to the Award corresponding to the second Vesting Date (i.e., one-half of one-third of the number of Stock Units subject to the Award), and any remaining unvested portion of the Award would terminate and be cancelled.)

For purposes of this Agreement, "Retirement" shall mean termination (other than by reason of death, Disability (as defined below) or by the Participant's employer for Cause) of the Participant's employment with the Corporation or one of its Subsidiaries; provided, however, that for purposes of this Agreement only, the Participant must have attained the age of 60 and been an employee of the Corporation or any of its Subsidiaries for not less than 5 years as of the date of termination of employment by reason of Retirement.

For purposes of this Agreement, "Cause" shall mean that the Administrator, acting in good faith based on the information then available to it, determines that the Participant: (a) has been convicted of, or has pled guilty to, a felony (under the laws of the United States or any state thereof or other applicable jurisdiction); (b) has engaged in acts of fraud, material dishonesty or other acts of willful misconduct in the course of the Participant's duties for the Corporation or any of its Subsidiaries; (c) the Participant has willfully failed to substantially perform the Participant's duties for the Corporation or any of its Subsidiaries; (d) has materially breached any of the provisions of any agreement to which the Participant is a party with the Corporation or any of its Subsidiaries; or (e) has materially breached any written policy of the Corporation or any of its Subsidiaries that is applicable to the Participant in the course of the Participant's employment and has been communicated to the Participant; provided, however, as to clauses (c), (d) and (e) only, that Cause shall only exist if the Corporation or a Subsidiary (as the case may be) shall have provided written notice to the Participant of the condition(s) claimed to constitute Cause under such clause and the Participant shall have failed to remedy such circumstance(s) within 30 days following the date of such notice.

For clarity, for purposes of this Agreement no termination of the Participant's employment shall be deemed to have occurred if the Participant ceases to be employed by the Corporation or a Subsidiary but, immediately thereafter, continues in the employ of another Subsidiary or the Corporation.

C. Death or Disability

If the Participant's employment with the Corporation or any of its Subsidiaries is terminated by reason of the Participant's death or Disability on or before the third anniversary of the Award Date, the unvested portion of the Award that remains outstanding and is scheduled to vest on the next Vesting Date following the Separation Date shall immediately vest on a pro-rata basis in proportion to the percentage of the corresponding vesting period the Participant was employed by the Corporation or one of its Subsidiaries prior to such termination of the Participant's employment. Such Stock Units shall be paid in accordance with Paragraph 7 hereof, provided that the Vesting Date as to such Stock Units shall be deemed to be the Separation Date. Any remaining unvested portion of the Award after giving effect to such acceleration shall terminate and be cancelled as of the Separation Date. (For clarity, if the Participant's employment with the Corporation or any of its Subsidiaries terminated by reason of the Participant's death or Disability mid-way between the first Vesting Date and the second Vesting Date, the Participant would vest in one-half of the number of Stock Units subject to the Award corresponding to the second Vesting Date (i.e., one-half of one-third of the number of Stock Units subject to the Award), and any remaining unvested portion of the Award would terminate and be cancelled.) For purposes of this Agreement, "Disability" shall mean a physical or mental impairment which, as reasonably determined by the Administrator, renders the Participant unable to perform the essential functions of his employment with the Corporation or such Subsidiary, even with reasonable accommodation that does not impose an undue hardship on the Corporation or Subsidiary, for more than 180 days in any 12-month period, unless a longer period is required by federal or state law, in which case that longer period would apply.

D. Change of Control

If a 409A Change of Control occurs, the Award, to the extent then outstanding and unvested, shall remain outstanding and eligible to vest on the Vesting Dates that are scheduled to occur after the date of such 409A Change of Control. Such Stock Units shall be paid in accordance with Paragraph 7 hereof. As used herein, "409A Change of Control" shall mean the occurrence of (a) a "change in the ownership" of the Corporation within the meaning of Treasury Regulation 1.409A-3(i)(5)(v) (which, for illustrative purposes, is generally triggered if any one person (or persons acting as a group) acquire ownership of Corporation stock which constitutes more than 50% of the total fair market value or total voting power of the stock of the Corporation), (b) a "change in the effective control" of the Corporation within the meaning of Treasury Regulation 1.409A-3(i)(5)(vi)(A)(1) (which, for illustrative purposes, is generally triggered if any one person (or persons acting as a group) acquire during a period of not more than twelve months ownership of stock of the Corporation possessing 30% or more of the total voting power of the stock of the Corporation; or certain majority changes in the membership of the Board occur over a period of not more than twelve months), or (c) a change "in the ownership of a substantial portion of the assets" of the Corporation within the meaning of Treasury Regulation 1.409A-3(i)(5)(vii) (which, for illustrative purposes, is generally triggered if any one person (or persons acting as a group) acquire during a period of not more than twelve months assets from the Corporation that have a total gross fair market value equal to or more than 40% of the total gross fair market value of all assets of the Corporation immediately before such acquisition(s)).

Except as expressly otherwise provided in this Paragraph 2, the Participant's continued employment at each applicable Vesting Date following the 409A Change of Control shall be a condition to the vesting of the applicable installment of the Award and the rights and benefits under this Agreement.

E. Post Change of Control Termination by the Corporation Without Cause or Resignation for Good Reason

If, following a 409A Change of Control, (i) the Corporation (or Subsidiary that employs the Participant, as the case may be) terminates the Participant's employment for any reason other than Cause or (ii) the Participant resigns employment with the Corporation (or Subsidiary that employs the Participant, as the case may be) for Good Reason, the Stock Units subject to the Award that are outstanding and unvested as of such termination of the Participant's employment shall vest as of the Separation Date and such Stock Units shall be paid in accordance with Paragraph 7 hereof except that the Vesting Date shall be deemed to be the Separation Date as to such Stock Units, subject, however, to the Participant satisfying the release requirement set forth in the following sentence. As a condition of any such vesting, the Participant shall, not later than 21 days after such a termination of the Participant's employment (or such longer period as may be required under applicable law for the Participant to consider the release in order for the release to be effective) provide the Corporation with a valid, executed written release of claims in a form acceptable to the Corporation, and such release shall not have been revoked by the Participant pursuant to any revocation rights afforded by applicable law.
For the purposes of this Agreement, "Good Reason" means, a (1) a material reduction by the Corporation in Participant's base salary; (2) a material diminution in Participant's position; or (3) a relocation of Participant's location of employment by more than 50 miles from the office where Participant is located as of the Award Date; provided, however, that any such condition or conditions, as applicable, shall not constitute grounds for a termination for Good Reason unless both (x) the Participant provides written notice to the Corporation of the condition(s) claimed to constitute grounds for Good Reason within 60 days of the initial existence of such condition(s), and (y) the Corporation or Subsidiary (as the case may be) fails to remedy such condition(s) within 30 days after receiving such written notice thereof; and provided, further, that in all events the termination of the Participant's employment shall not constitute a termination for Good Reason unless such termination occurs not more than 180 days following the initial existence of the condition claimed to constitute grounds for Good Reason.

F. Continued Employment

Except as expressly otherwise provided in this Paragraph 2, continued employment through each applicable Vesting Date is a condition to the vesting of the applicable installment of the Award and the rights and benefits under this Agreement. Except as expressly otherwise provided in this Paragraph 2, employment for only a portion of the vesting period, even if a substantial portion, will not entitle the Participant to any proportionate vesting or avoid or mitigate a termination of rights and benefits upon or following a termination of employment as provided in Paragraph 4 below or under the 2017 Plan. As used in this Agreement, references to the Participant's "employment" (and similar references to the Participant's being "employed" and an "employee") shall include any period when the Participant is either (i) an employee of the Corporation or any of its Subsidiaries or (ii) a member of the Board.

3. DIVIDEND AND VOTING RIGHTS

A. Limitations on Rights Associated with Units

The Participant shall have no rights as a stockholder of the Corporation, no dividend rights (except as expressly provided in Paragraph 3.B with respect to Dividend Equivalent Rights) and no voting rights, with respect to the Stock Units and any shares of Common Stock ("Shares") underlying or issuable in respect of such Stock Units until such Shares are actually issued to and held of record by the Participant. No adjustments will be made for dividends or other rights of a holder for which the record date is prior to the date of issuance of such Shares.

B. Dividend Equivalent Rights

As of any date that the Corporation pays an ordinary cash dividend on its Shares, the Corporation shall credit the Participant with an additional number of Stock Units equal to (i) the per share cash dividend paid by the Corporation on its Shares on such date, multiplied by (ii) the total number of Stock Units (including any dividend equivalents previously credited hereunder) (with such total number adjusted pursuant to Section 8 of the 2017 Plan) subject to the Award as of the related dividend payment record date, divided by (iii) the Fair Market Value of a Share on the date of payment of such dividend. Any Stock Units credited pursuant to the foregoing provisions of this Paragraph 3.B shall be subject to the same vesting, payment and other terms, conditions and restrictions as the original Stock Units to which they relate. No crediting of Stock Units shall be made pursuant to this Paragraph 3.B with respect to any Stock Units which, as of such record date, have either been paid pursuant to Paragraph 7 or terminated pursuant to Paragraph 4.

4. TERMINATION OF AWARD

If, prior to vesting of the entire Award, the Participant's employment with the Corporation or any of its Subsidiaries terminates other than under circumstances described in Paragraph 2, above (or if the termination occurs in circumstances described in Paragraph 2 above but a release or other condition to the treatment otherwise provided for in Paragraph 2 above in the circumstances is not satisfied), the Award, to the extent then outstanding and unvested, shall terminate and be cancelled as of the last day of the Participant's employment with the Corporation or such Subsidiary. If any unvested Stock Units are terminated hereunder (including, without limitation, pursuant to Paragraph 2 or this Paragraph 4), such Stock Units shall automatically terminate and be cancelled as of the applicable termination date without payment of any consideration by the Corporation and without any other action by the Participant, or the Participant's beneficiary or personal representative, as the case may be.

5. CONDITIONS UPON RETIREMENT

If the Participant's employment with the Corporation or any of its Subsidiaries terminates by reason of Retirement, the rights of the Participant with respect to the Award shall be subject to the conditions that until the Award is vested, he/she shall (a) not engage, either directly or indirectly, in any manner or capacity as advisor, principal, agent, partner, officer, director, employee, member of any association or otherwise, in any business or activity which is at the time competitive with any business or activity conducted by the Corporation or any of its direct or indirect Subsidiaries, and (b) be available, unless he/she shall have died, at reasonable times for consultations at the request of the Corporation's management with respect to phases of the business with which he/she was actively connected during his/her employment, but such consultations shall not be required to be performed during usual vacation periods or periods of illness or other incapacity or without reasonable compensation and cost reimbursement. In the event that either of the above conditions is not fulfilled, the Participant shall forfeit all rights to any outstanding and unvested portion of the Award, as of the date of the breach of the conditions of this Paragraph 5. Any determination by the Board that the Participant is or has engaged in a competitive business or activity as aforesaid or has not been available for consultations as aforesaid shall be conclusive.

6. NO EMPLOYMENT COMMITMENT

Nothing contained in this Agreement or the 2017 Plan constitutes an employment or service commitment by the Corporation or any of its Subsidiaries, affects the Participant's status as an employee at will who is subject to termination with or without Cause, confers upon the Participant any right to remain employed by or in service to the Corporation or any Subsidiary, interferes in any way with the right of the Corporation or any Subsidiary at any time to terminate such employment or services, or affects the right of the Corporation or any Subsidiary to increase or decrease the Participant's other compensation or benefits. Nothing in this Agreement, however, is intended to adversely affect any independent contractual right of the Participant without his or her consent thereto.

7. TIMING AND MANNER OF PAYMENT OF STOCK UNITS

On or as soon as administratively practical following each Vesting Date as provided in Paragraph 2 hereof (and in all events not later than 60 days after the Vesting Date), the Corporation shall deliver to the Participant a number of Shares (either by delivering one or more certificates for such Shares or by entering such Shares in book entry form, as determined by the Corporation in its discretion) (subject to any withholding for taxes pursuant to Paragraph 8) equal to the number of Stock Units that vested on such Vesting Date; provided, however, that if the Corporation's Common Stock is not listed or admitted to trade on any national securities exchange on such Vesting Date, the Corporation shall deliver (i) if a 409A Change of Control has occurred on or prior to the Vesting Date and the Corporation's Common Stock has ceased to be so listed or admitted to trade in connection with such 409A Change of Control, an amount equal to (a) the number of Stock Units vesting on such date multiplied by (b) the amount of the cash consideration paid for a share of Corporation Common Stock in such transaction, or (ii) if clause (i) is not applicable, such other amount as the Administrator determines, in its sole and absolute discretion, to be fair and reasonable and consistent with the purposes of the Award. The Participant shall have no further rights with respect to any Stock Units that are paid or that terminate pursuant to Paragraph 2 or Paragraph 4.

If the Participant is a “specified employee” within the meaning of Treasury Regulation Section 1.409A-1(i) as of the date of the Participant’s separation from service with the Corporation, and payment pursuant to the preceding paragraph is to be made in connection with such separation from services, the Participant shall not be entitled to any payment or benefit pursuant to the preceding paragraph until the earlier of (i) the date which is six (6) months after the Participant’s separation from service for any reason other than death, or (ii) the date of the Participant’s death. The provisions of this paragraph shall only apply if, and to the extent, required to avoid the imputation of any tax, penalty or interest pursuant to Code Section 409A. Any amounts otherwise payable to the Participant upon or in the six (6) month period following the Participant’s separation from service that are not so paid by reason of this paragraph shall be paid as soon as practicable (and in all events within thirty (30) days) after the date that is six (6) months after the Participant’s separation from service (or, if earlier, as soon as practicable, and in all events within thirty (30) days, after the date of the Participant’s death). If, in connection with the Participant’s separation from service, the Participant is required to provide the Corporation with a release of claims and the maximum period in which the Participant has to consider, execute, and revoke such release of claims spans two calendar years, any payment of the Stock Units vesting in connection with such separation from service shall be made in the second of such two calendar years.

The timing of payment of any Stock Units may not be changed by the Corporation (including pursuant to any provision of the Plan), except as would satisfy Treasury Regulation Section 1.409A-3(j)(4).

8. TAX WITHHOLDING

Subject to compliance with all applicable laws, rules and regulations, upon any distribution of Shares in respect of the Stock Units, unless otherwise provided by the Committee, the Corporation shall automatically reduce the number of Shares to be delivered by (or otherwise reacquire) the appropriate number of whole Shares, valued at their then Fair Market Value, to satisfy any withholding obligations of the Corporation or its Subsidiaries with respect to such distribution of Shares. In the event that the Corporation cannot legally satisfy such withholding obligations by such reduction of Shares or the Committee otherwise provides that the Corporation will not so reduce the number of Shares delivered to satisfy such withholding obligations, or in the event of a cash payment or any other withholding event in respect of the Stock Units, the Corporation (or a Subsidiary) shall be entitled to require a cash payment by or on behalf of the Participant and/or to deduct from other compensation payable to the Participant (or any amount payable pursuant to the Award) any sums required by federal, state or local tax law to be withheld with respect to such distribution or payment.

9. ADJUSTMENT UPON SPECIFIED EVENTS

Upon the occurrence of certain events relating to the Corporation’s stock contemplated by Section 7.1 of the 2017 Plan (including, without limitation, an extraordinary cash dividend on such stock), the Administrator shall make adjustments in accordance with such section to the number of Stock Units (or the consideration that may become payable with respect to a vested Stock Unit) then outstanding in respect of the Award. No such adjustment shall be made, however, as to any cash dividend or distribution that has already been taken into account in determining the Payment Value pursuant to Section 7.

10. NON-TRANSFERABILITY OF THE AWARD

The Award shall not be transferable otherwise than by will or by the applicable laws of descent and distribution. More particularly (but without limiting the generality of the foregoing), the Award may not be assigned, transferred (except as aforesaid), pledged or hypothecated in any way (whether by operation of law or otherwise) and shall not be subject to execution, attachment or similar process. Any attempted assignment, transfer, pledge, hypothecation or other disposition of the Award contrary to the provisions hereof, and the levy of any execution, attachment or similar process upon the Award, shall be null and void and without effect.

11. PAYMENT OF EXPENSES AND COMPLIANCE WITH LAWS

A. The Corporation shall (for so long as the award is payable in Shares) reserve and keep available such number of Shares as will be sufficient to satisfy the requirements of this Agreement, shall pay all original issue and/or transfer taxes with respect to the issue and/or transfer of Shares pursuant hereto to the Participant and all other fees and expenses necessarily incurred by the Corporation in connection therewith and will from time to time use its best efforts to comply with all laws and regulations which, in the opinion of counsel for the Corporation, shall be applicable thereto.

B. The Participant hereby represents and covenants that (a) any Shares acquired upon the vesting of the Award will be acquired for investment and not with a view to the distribution thereof within the meaning of the Securities Act of 1933, as amended (the "Securities Act"), unless such acquisition has been registered under the Securities Act and any applicable state securities law; (b) any subsequent sale of any such Shares shall be made either pursuant to an effective registration statement under the Securities Act and any applicable state securities laws, or pursuant to an exemption from registration under the Securities Act and such state securities laws; and (c) if requested by the Corporation, the Participant shall submit a written statement, in form satisfactory to the Corporation, to the effect that such representation (x) is true and correct as of the date of acquisition of any Shares hereunder or (y) is true and correct as of the date of any sale of any such Shares, as applicable. As a further condition precedent to the delivery to the Participant of any Shares subject to the Award, the Participant shall comply with all regulations and requirements of any regulatory authority having control of or supervision over the issuance of the Shares and, in connection therewith, shall execute any documents which the Corporation shall in its sole discretion deem necessary or advisable.

C. The Award is subject to the condition that if the listing, registration or qualification of the Shares subject to the Award upon any securities exchange or under any law, or the consent or approval of any governmental body, or the taking of any other action is necessary or desirable as a condition of, or in connection with, the vesting or delivery of the Shares hereunder, the Shares subject to the Award shall not vest or be delivered, in whole or in part, unless such listing, registration, qualification, consent or approval shall have been effected or obtained, free of any conditions not acceptable to the Corporation. The Corporation agrees to use reasonable efforts to effect or obtain any such listing, registration, qualification, consent or approval.

12. AMENDMENT

In the event that the Board amends the 2017 Plan and such amendment modifies or otherwise affects the subject matter of this Agreement, this Agreement shall, to that extent, be deemed to be amended by such amendment to the 2017 Plan. However, the timing of payment of the Award (to the extent it becomes vested) shall be as set forth in this Award Agreement and may not be changed (pursuant to the Plan, any amendment thereto, or otherwise) except as would be compliant with (and not result in any tax, penalty or interest under) Section 409A of the Internal Revenue Code of 1986, as amended (the "Code").

13. CONSTRUCTION

In the event of any conflict between the 2017 Plan and this Agreement, the provisions of the 2017 Plan shall control. If any provision of this Agreement is held to be invalid or unenforceable for any reason, such provision shall be conformed to prevailing law rather than voided, if possible, in order to achieve the intent of the parties and, in any event, the remaining provisions of this Agreement shall remain in full force and effect and shall be binding upon the parties hereto. This Agreement shall be governed in all respects by the laws of the State of Florida.

14. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the Corporation and the Participant and supersedes all other discussions, correspondence, representations, understandings and agreements between the parties, with respect to the subject matter hereof.

15. HEADINGS

The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed a part hereof.

16. CLAWBACK POLICY

The Stock Units are subject to the terms of the Corporation's recoupment, clawback or similar policy as it may be in effect from time to time, as well as any similar provisions of applicable law, any of which could in certain circumstances require repayment or forfeiture of the Stock Units or cash received with respect to the Stock Units.

17. SECTION 409A

It is intended that any amounts payable under this Agreement shall either be exempt from or comply with Section 409A of the Code (including the Treasury regulations and other published guidance relating thereto) so as not to subject the Participant to payment of any additional tax, penalty or interest imposed under Code Section 409A. The provisions of this Agreement shall be construed and interpreted to avoid the imputation of any such additional tax, penalty or interest under Code Section 409A yet preserve (to the nearest extent reasonably possible) the intended benefit payable to the Participant.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

OCWEN FINANCIAL CORPORATION

By: _____

PARTICIPANT

By: _____

STOCK UNIT AWARD AGREEMENT

THIS STOCK UNIT AWARD AGREEMENT (this "Agreement") is made as of March 2, 2021 (the "Award Date") between Ocwen Financial Corporation, a Florida corporation (the "Corporation"), and **[ ]**, an employee of the Corporation or of a Subsidiary (the "Participant").

WHEREAS, the Corporation desires, by granting to the Participant an award of stock units pursuant to the Corporation's 2017 Performance Incentive Plan (the "2017 Plan"), to further the objectives of the 2017 Plan;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth and for other good and valuable consideration, and intending to be legally bound hereby, the parties hereto have agreed, and do hereby agree, as follows:

1. STOCK UNIT GRANT

The Corporation hereby grants to the Participant, pursuant to and subject to the 2017 Plan, an aggregate of **[ ]** stock units (the "Stock Units"), on the terms and conditions herein set forth (the "Award"). As used herein, the term "stock unit" shall mean a non-voting unit of measurement which is deemed for bookkeeping purposes to be equivalent to one outstanding share of the Corporation's Common Stock (subject to adjustment as provided in Section 7.1 of the 2017 Plan) solely for purposes of the 2017 Plan and this Agreement. The Stock Units shall be used solely as a device for the determination of the payment to eventually be made to the Participant if such Stock Units vest pursuant to Paragraph 2 below. The Stock Units shall not be treated as property or as a trust fund of any kind. Capitalized terms used herein and not otherwise defined herein shall have the meaning assigned to such terms in the 2017 Plan.

2. VESTING OF STOCK UNITS

A. Generally

Subject to the following provisions of this Paragraph 2 and Paragraph 4, one-third of the total number of Stock Units subject to the award will vest on each of the first, second, and third anniversaries of the Award Date (each, a "Vesting Date", and with the Vesting Dates subject to adjustment as set forth in Paragraph 2 hereof).

B. Retirement or Termination by the Corporation Without Cause

If the Participant's employment with the Corporation or any of its Subsidiaries terminates by reason of the Participant's (i) Retirement or (ii) termination by the Participant's employer without Cause (other than following a 409A Change of Control (as defined below)) at any time on or before the third anniversary of the Award Date, the unvested portion of the Award that remains outstanding and is scheduled to vest on the next Vesting Date following the date of the termination of the Participant's employment (the "Separation Date") shall immediately vest on a pro-rata basis in proportion to the percentage of the corresponding vesting period the Participant was employed by the Corporation or one of its Subsidiaries prior to such termination of the Participant's employment, provided that the Participant satisfies the release requirement set forth in the following sentence. As a condition of any such vesting, the Participant shall, not later than 21 days after the Separation Date (or such longer period as may be required under applicable law for the Participant to consider the release in order for the release to be effective) provide the Corporation with a valid, executed written release of claims in a form acceptable to the Corporation, and such release shall not have been revoked by the Participant pursuant to any revocation rights afforded by applicable law.

Such Stock Units shall be paid in accordance with Paragraph 7 hereof, provided that the Vesting Date as to such Stock Units shall be deemed to be the Separation Date. Any remaining unvested portion of the Award after giving effect to such acceleration shall terminate and be cancelled as of the Separation Date. (For clarity, if the Participant's employment with the Corporation or any of its Subsidiaries terminated as set forth above mid-way between the first Vesting Date and the second Vesting Date, the Participant would vest in one-half of the number of Stock Units subject to the Award corresponding to the second Vesting Date (i.e., one-half of one-third of the number of Stock Units subject to the Award), and any remaining unvested portion of the Award would terminate and be cancelled.)

For purposes of this Agreement, "Retirement" shall mean termination (other than by reason of death, Disability (as defined below) or by the Participant's employer for Cause) of the Participant's employment with the Corporation or one of its Subsidiaries; provided, however, that for purposes of this Agreement only, the Participant must have attained the age of 60 and been an employee of the Corporation or any of its Subsidiaries for not less than 5 years as of the date of termination of employment by reason of Retirement.

For purposes of this Agreement, "Cause" shall mean that the Administrator, acting in good faith based on the information then available to it, determines that the Participant: (a) has been convicted of, or has pled guilty to, a felony (under the laws of the United States or any state thereof or other applicable jurisdiction); (b) has engaged in acts of fraud, material dishonesty or other acts of willful misconduct in the course of the Participant's duties for the Corporation or any of its Subsidiaries; (c) the Participant has willfully failed to substantially perform the Participant's duties for the Corporation or any of its Subsidiaries; (d) has materially breached any of the provisions of any agreement to which the Participant is a party with the Corporation or any of its Subsidiaries; or (e) has materially breached any written policy of the Corporation or any of its Subsidiaries that is applicable to the Participant in the course of the Participant's employment and has been communicated to the Participant; provided, however, as to clauses (c), (d) and (e) only, that Cause shall only exist if the Corporation or a Subsidiary (as the case may be) shall have provided written notice to the Participant of the condition(s) claimed to constitute Cause under such clause and the Participant shall have failed to remedy such circumstance(s) within 30 days following the date of such notice.

For clarity, for purposes of this Agreement no termination of the Participant's employment shall be deemed to have occurred if the Participant ceases to be employed by the Corporation or a Subsidiary but, immediately thereafter, continues in the employ of another Subsidiary or the Corporation.

C. Death or Disability

If the Participant's employment with the Corporation or any of its Subsidiaries is terminated by reason of the Participant's death or Disability on or before the third anniversary of the Award Date, the unvested portion of the Award that remains outstanding and is scheduled to vest on the next Vesting Date following the Separation Date shall immediately vest on a pro-rata basis in proportion to the percentage of the corresponding vesting period the Participant was employed by the Corporation or one of its Subsidiaries prior to such termination of the Participant's employment. Such Stock Units shall be paid in accordance with Paragraph 7 hereof, provided that the Vesting Date as to such Stock Units shall be deemed to be the Separation Date. Any remaining unvested portion of the Award after giving effect to such acceleration shall terminate and be cancelled as of the Separation Date. (For clarity, if the Participant's employment with the Corporation or any of its Subsidiaries terminated by reason of the Participant's death or Disability mid-way between the first Vesting Date and the second Vesting Date, the Participant would vest in one-half of the number of Stock Units subject to the Award corresponding to the second Vesting Date (i.e., one-half of one-third of the number of Stock Units subject to the Award), and any remaining unvested portion of the Award would terminate and be cancelled.) For purposes of this Agreement, "Disability" shall mean a physical or mental impairment which, as reasonably determined by the Administrator, renders the Participant unable to perform the essential functions of his employment with the Corporation or such Subsidiary, even with reasonable accommodation that does not impose an undue hardship on the Corporation or Subsidiary, for more than 180 days in any 12-month period, unless a longer period is required by federal or state law, in which case that longer period would apply.

D. Change of Control

If a 409A Change of Control occurs, the Award, to the extent then outstanding and unvested, shall remain outstanding and eligible to vest on the Vesting Dates that are scheduled to occur after the date of such 409A Change of Control. Such Stock Units shall be paid in accordance with Paragraph 7 hereof. As used herein, "409A Change of Control" shall mean the occurrence of (a) a "change in the ownership" of the Corporation within the meaning of Treasury Regulation 1.409A-3(i)(5)(v) (which, for illustrative purposes, is generally triggered if any one person (or persons acting as a group) acquire ownership of Corporation stock which constitutes more than 50% of the total fair market value or total voting power of the stock of the Corporation), (b) a "change in the effective control" of the Corporation within the meaning of Treasury Regulation 1.409A-3(i)(5)(vi)(A)(1) (which, for illustrative purposes, is generally triggered if any one person (or persons acting as a group) acquire during a period of not more than twelve months ownership of stock of the Corporation possessing 30% or more of the total voting power of the stock of the Corporation; or certain majority changes in the membership of the Board occur over a period of not more than twelve months), or (c) a change "in the ownership of a substantial portion of the assets" of the Corporation within the meaning of Treasury Regulation 1.409A-3(i)(5)(vii) (which, for illustrative purposes, is generally triggered if any one person (or persons acting as a group) acquire during a period of not more than twelve months assets from the Corporation that have a total gross fair market value equal to or more than 40% of the total gross fair market value of all assets of the Corporation immediately before such acquisition(s)).

Except as expressly otherwise provided in this Paragraph 2, the Participant's continued employment at each applicable Vesting Date following the 409A Change of Control shall be a condition to the vesting of the applicable installment of the Award and the rights and benefits under this Agreement.

E. Post Change of Control Termination by the Corporation Without Cause or Resignation for Good Reason

If, following a 409A Change of Control, (i) the Corporation (or Subsidiary that employs the Participant, as the case may be) terminates the Participant's employment for any reason other than Cause or (ii) the Participant resigns employment with the Corporation (or Subsidiary that employs the Participant, as the case may be) for Good Reason, the Stock Units subject to the Award that are outstanding and unvested as of such termination of the Participant's employment shall vest as of the Separation Date and such Stock Units shall be paid in accordance with Paragraph 7 hereof except that the Vesting Date shall be deemed to be the Separation Date as to such Stock Units, subject, however, to the Participant satisfying the release requirement set forth in the following sentence. As a condition of any such vesting, the Participant shall, not later than 21 days after such a termination of the Participant's employment (or such longer period as may be required under applicable law for the Participant to consider the release in order for the release to be effective) provide the Corporation with a valid, executed written release of claims in a form acceptable to the Corporation, and such release shall not have been revoked by the Participant pursuant to any revocation rights afforded by applicable law.
For the purposes of this Agreement, "Good Reason" means, a (1) a material reduction by the Corporation in Participant's base salary; (2) a material diminution in Participant's position; or (3) a relocation of Participant's location of employment by more than 50 miles from the office where Participant is located as of the Award Date; provided, however, that any such condition or conditions, as applicable, shall not constitute grounds for a termination for Good Reason unless both (x) the Participant provides written notice to the Corporation of the condition(s) claimed to constitute grounds for Good Reason within 60 days of the initial existence of such condition(s), and (y) the Corporation or Subsidiary (as the case may be) fails to remedy such condition(s) within 30 days after receiving such written notice thereof; and provided, further, that in all events the termination of the Participant's employment shall not constitute a termination for Good Reason unless such termination occurs not more than 180 days following the initial existence of the condition claimed to constitute grounds for Good Reason.

F. Continued Employment

Except as expressly otherwise provided in this Paragraph 2, continued employment through each applicable Vesting Date is a condition to the vesting of the applicable installment of the Award and the rights and benefits under this Agreement. Except as expressly otherwise provided in this Paragraph 2, employment for only a portion of the vesting period, even if a substantial portion, will not entitle the Participant to any proportionate vesting or avoid or mitigate a termination of rights and benefits upon or following a termination of employment as provided in Paragraph 4 below or under the 2017 Plan. As used in this Agreement, references to the Participant's "employment" (and similar references to the Participant's being "employed" and an "employee") shall include any period when the Participant is either (i) an employee of the Corporation or any of its Subsidiaries or (ii) a member of the Board.

3. DIVIDEND AND VOTING RIGHTS

A. Limitations on Rights Associated with Units

The Participant shall have no rights as a stockholder of the Corporation, no dividend rights (except as expressly provided in Paragraph 3.B with respect to Dividend Equivalent Rights) and no voting rights, with respect to the Stock Units and any shares of Common Stock ("Shares") underlying or issuable in respect of such Stock Units until such Shares are actually issued to and held of record by the Participant. No adjustments will be made for dividends or other rights of a holder for which the record date is prior to the date of issuance of such Shares.

B. Dividend Equivalent Rights

As of any date that the Corporation pays an ordinary cash dividend on its Shares, the Corporation shall credit the Participant with an additional number of Stock Units equal to (i) the per share cash dividend paid by the Corporation on its Shares on such date, multiplied by (ii) the total number of Stock Units (including any dividend equivalents previously credited hereunder) (with such total number adjusted pursuant to Section 8 of the 2017 Plan) subject to the Award as of the related dividend payment record date, divided by (iii) the Fair Market Value of a Share on the date of payment of such dividend. Any Stock Units credited pursuant to the foregoing provisions of this Paragraph 3.B shall be subject to the same vesting, payment and other terms, conditions and restrictions as the original Stock Units to which they relate. No crediting of Stock Units shall be made pursuant to this Paragraph 3.B with respect to any Stock Units which, as of such record date, have either been paid pursuant to Paragraph 7 or terminated pursuant to Paragraph 4.

4. TERMINATION OF AWARD

If, prior to vesting of the entire Award, the Participant's employment with the Corporation or any of its Subsidiaries terminates other than under circumstances described in Paragraph 2, above (or if the termination occurs in circumstances described in Paragraph 2 above but a release or other condition to the treatment otherwise provided for in Paragraph 2 above in the circumstances is not satisfied), the Award, to the extent then outstanding and unvested, shall terminate and be cancelled as of the last day of the Participant's employment with the Corporation or such Subsidiary. If any unvested Stock Units are terminated hereunder (including, without limitation, pursuant to Paragraph 2 or this Paragraph 4), such Stock Units shall automatically terminate and be cancelled as of the applicable termination date without payment of any consideration by the Corporation and without any other action by the Participant, or the Participant's beneficiary or personal representative, as the case may be.

5. CONDITIONS UPON RETIREMENT

If the Participant's employment with the Corporation or any of its Subsidiaries terminates by reason of Retirement, the rights of the Participant with respect to the Award shall be subject to the conditions that until the Award is vested, he/she shall (a) not engage, either directly or indirectly, in any manner or capacity as advisor, principal, agent, partner, officer, director, employee, member of any association or otherwise, in any business or activity which is at the time competitive with any business or activity conducted by the Corporation or any of its direct or indirect Subsidiaries, and (b) be available, unless he/she shall have died, at reasonable times for consultations at the request of the Corporation's management with respect to phases of the business with which he/she was actively connected during his/her employment, but such consultations shall not be required to be performed during usual vacation periods or periods of illness or other incapacity or without reasonable compensation and cost reimbursement. In the event that either of the above conditions is not fulfilled, the Participant shall forfeit all rights to any outstanding and unvested portion of the Award, as of the date of the breach of the conditions of this Paragraph 5. Any determination by the Board that the Participant is or has engaged in a competitive business or activity as aforesaid or has not been available for consultations as aforesaid shall be conclusive.

6. NO EMPLOYMENT COMMITMENT

Nothing contained in this Agreement or the 2017 Plan constitutes an employment or service commitment by the Corporation or any of its Subsidiaries, affects the Participant's status as an employee at will who is subject to termination with or without Cause, confers upon the Participant any right to remain employed by or in service to the Corporation or any Subsidiary, interferes in any way with the right of the Corporation or any Subsidiary at any time to terminate such employment or services, or affects the right of the Corporation or any Subsidiary to increase or decrease the Participant's other compensation or benefits. Nothing in this Agreement, however, is intended to adversely affect any independent contractual right of the Participant without his or her consent thereto.

7. TIMING AND MANNER OF PAYMENT OF STOCK UNITS

On or as soon as administratively practical following each Vesting Date as provided in Paragraph 2 hereof (and in all events not later than 60 days after the Vesting Date), the Corporation shall deliver to the Participant a number of Shares (either by delivering one or more certificates for such Shares or by entering such Shares in book entry form, as determined by the Corporation in its discretion) (subject to any withholding for taxes pursuant to Paragraph 8) equal to the number of Stock Units that vested on such Vesting Date; provided, however, that if the Corporation's Common Stock is not listed or admitted to trade on any national securities exchange on such Vesting Date, the Corporation shall deliver (i) if a 409A Change of Control has occurred on or prior to the Vesting Date and the Corporation's Common Stock has ceased to be so listed or admitted to trade in connection with such 409A Change of Control, an amount equal to (a) the number of Stock Units vesting on such date multiplied by (b) the amount of the cash consideration paid for a share of Corporation Common Stock in such transaction, or (ii) if clause (i) is not applicable, such other amount as the Administrator determines, in its sole and absolute discretion, to be fair and reasonable and consistent with the purposes of the Award. Notwithstanding the preceding sentence, in the event that the issuance of Shares in respect of the Stock Units would cause any applicable share limit of the 2017 Plan to be exceeded, the Corporation may pay one or more Stock Units that have vested in cash rather than by delivering Shares. In such event, payment of any Stock Units to be settled in cash will be made within the same period of time as provided in the first sentence of this Paragraph 7 and the amount of payment for such Stock Units shall (subject to any withholding for taxes pursuant to Paragraph 8) equal the number of Stock Units that vested on the Vesting Date to be settled in cash multiplied by the Payment Value as of the Vesting Date. The "Payment Value" as of the Vesting Date is the closing price (in regular trading) for a share of Common Stock on the principal stock exchange on which the Common Stock is then listed or admitted to trade (the "Exchange") on the Vesting Date or, if no sales of Common Stock were reported on the Exchange on that date, the closing price (in regular trading) for a share of Common Stock on the Exchange for the next preceding day on which sales of Common Stock were reported on the Exchange; provided, however, that if the Corporation's Common Stock is not listed or admitted to trade on any national securities exchange on the Vesting Date, the Payment Value with respect to the Vesting Date shall be either (i) if a 409A Change of Control has occurred on or prior to the Vesting Date and the Corporation's Common Stock has ceased to be so listed or admitted to trade in connection with such 409A Change of Control, the amount of the cash consideration paid for a share of Corporation Common Stock in such transaction, or (ii) if clause (i) is not applicable, such other amount as the Administrator determines, in its sole and absolute discretion, to be fair and reasonable and consistent with the purposes of the Award. The Participant shall have no further rights with respect to any Stock Units that are paid or that terminate pursuant to Paragraph 2 or Paragraph 4.

If the Participant is a “specified employee” within the meaning of Treasury Regulation Section 1.409A-1(i) as of the date of the Participant’s separation from service with the Corporation, and payment pursuant to the preceding paragraph is to be made in connection with such separation from services, the Participant shall not be entitled to any payment or benefit pursuant to the preceding paragraph until the earlier of (i) the date which is six (6) months after the Participant’s separation from service for any reason other than death, or (ii) the date of the Participant’s death. The provisions of this paragraph shall only apply if, and to the extent, required to avoid the imputation of any tax, penalty or interest pursuant to Code Section 409A. Any amounts otherwise payable to the Participant upon or in the six (6) month period following the Participant’s separation from service that are not so paid by reason of this paragraph shall be paid as soon as practicable (and in all events within thirty (30) days) after the date that is six (6) months after the Participant’s separation from service (or, if earlier, as soon as practicable, and in all events within thirty (30) days, after the date of the Participant’s death). If, in connection with the Participant’s separation from service, the Participant is required to provide the Corporation with a release of claims and the maximum period in which the Participant has to consider, execute, and revoke such release of claims spans two calendar years, any payment of the Stock Units vesting in connection with such separation from service shall be made in the second of such two calendar years.

The timing of payment of any Stock Units may not be changed by the Corporation (including pursuant to any provision of the Plan), except as would satisfy Treasury Regulation Section 1.409A-3(j)(4).

8. TAX WITHHOLDING

Upon any payment in respect of the Stock Units (whether in cash or Shares), the Corporation shall withhold from the amount of any such payment to the Participant with respect of the Award to be made in cash the amount of any tax withholding obligations of the Corporation or its Subsidiaries with respect to the payment in respect of the Stock Units (including any portion of such payment to be made in Shares). To the extent any tax withholding obligations of the Corporation or its Subsidiaries with respect to any payment in respect of the Stock Units remains unsatisfied after giving effect to the preceding sentence, then, subject to compliance with all applicable laws, rules and regulations and unless otherwise provided by the Committee, the Corporation shall automatically reduce (or otherwise reacquire) from the number of Shares to otherwise be delivered with respect to such payment the appropriate number of whole Shares, valued at their then Fair Market Value, to satisfy any such remaining withholding obligations of the Corporation or its Subsidiaries with respect to such payment. In the event that the Corporation cannot legally satisfy such withholding obligations by such reduction of Shares or the Committee otherwise provides that the Corporation will not so reduce the number of Shares delivered to satisfy such withholding obligations, the Corporation (or a Subsidiary) shall be entitled to require a cash payment by or on behalf of the Participant and/or to deduct from other compensation payable to the Participant (or any amount payable pursuant to the Award) any sums required by federal, state or local tax law to be withheld with respect to such distribution or payment.

9. ADJUSTMENT UPON SPECIFIED EVENTS

Upon the occurrence of certain events relating to the Corporation’s stock contemplated by Section 7.1 of the 2017 Plan (including, without limitation, an extraordinary cash dividend on such stock), the Administrator shall make adjustments in accordance with such section to the number of Stock Units (or the consideration that may become payable with respect to a vested Stock Unit) then outstanding in respect of the Award. No such adjustment shall be made, however, as to any cash dividend or distribution that has already been taken into account in determining the Payment Value pursuant to Section 7.

10. NON-TRANSFERABILITY OF THE AWARD

The Award shall not be transferable otherwise than by will or by the applicable laws of descent and distribution. More particularly (but without limiting the generality of the foregoing), the Award may not be assigned, transferred (except as aforesaid), pledged or hypothecated in any way (whether by operation of law or otherwise) and shall not be subject to execution, attachment or similar process. Any attempted assignment, transfer, pledge, hypothecation or other disposition of the Award contrary to the provisions hereof, and the levy of any execution, attachment or similar process upon the Award, shall be null and void and without effect.

11. PAYMENT OF EXPENSES AND COMPLIANCE WITH LAWS

A. The Corporation shall pay all original issue and/or transfer taxes with respect to the issue and/or transfer of Shares pursuant hereto to the Participant and all other fees and expenses necessarily incurred by the Corporation in connection therewith and will from time to time use its best efforts to comply with all laws and regulations which, in the opinion of counsel for the Corporation, shall be applicable thereto.

B. The Participant hereby represents and covenants that (a) any Shares acquired upon the vesting of the Award will be acquired for investment and not with a view to the distribution thereof within the meaning of the Securities Act of 1933, as amended (the "Securities Act"), unless such acquisition has been registered under the Securities Act and any applicable state securities law; (b) any subsequent sale of any such Shares shall be made either pursuant to an effective registration statement under the Securities Act and any applicable state securities laws, or pursuant to an exemption from registration under the Securities Act and such state securities laws; and (c) if requested by the Corporation, the Participant shall submit a written statement, in form satisfactory to the Corporation, to the effect that such representation (x) is true and correct as of the date of acquisition of any Shares hereunder or (y) is true and correct as of the date of any sale of any such Shares, as applicable. As a further condition precedent to the delivery to the Participant of any Shares subject to the Award, the Participant shall comply with all regulations and requirements of any regulatory authority having control of or supervision over the issuance of the Shares and, in connection therewith, shall execute any documents which the Corporation shall in its sole discretion deem necessary or advisable.

C. The Award is subject to the condition that if the listing, registration or qualification of the Shares subject to the Award upon any securities exchange or under any law, or the consent or approval of any governmental body, or the taking of any other action is necessary or desirable as a condition of, or in connection with, the vesting or delivery of the Shares hereunder, the Shares subject to the Award shall not vest or be delivered, in whole or in part, unless such listing, registration, qualification, consent or approval shall have been effected or obtained, free of any conditions not acceptable to the Corporation. The Corporation agrees to use reasonable efforts to effect or obtain any such listing, registration, qualification, consent or approval.

12. AMENDMENT

In the event that the Board amends the 2017 Plan and such amendment modifies or otherwise affects the subject matter of this Agreement, this Agreement shall, to that extent, be deemed to be amended by such amendment to the 2017 Plan. However, the timing of payment of the Award (to the extent it becomes vested) shall be as set forth in this Award Agreement and may not be changed (pursuant to the Plan, any amendment thereto, or otherwise) except as would be compliant with (and not result in any tax, penalty or interest under) Section 409A of the Internal Revenue Code of 1986, as amended (the "Code").

13. CONSTRUCTION

In the event of any conflict between the 2017 Plan and this Agreement, the provisions of the 2017 Plan shall control. If any provision of this Agreement is held to be invalid or unenforceable for any reason, such provision shall be conformed to prevailing law rather than voided, if possible, in order to achieve the intent of the parties and, in any event, the remaining provisions of this Agreement shall remain in full force and effect and shall be binding upon the parties hereto. This Agreement shall be governed in all respects by the laws of the State of Florida.

14. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the Corporation and the Participant and supersedes all other discussions, correspondence, representations, understandings and agreements between the parties, with respect to the subject matter hereof.

15. HEADINGS

The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed a part hereof.

16. CLAWBACK POLICY

The Stock Units are subject to the terms of the Corporation's recoupment, clawback or similar policy as it may be in effect from time to time, as well as any similar provisions of applicable law, any of which could in certain circumstances require repayment or forfeiture of the Stock Units or cash received with respect to the Stock Units.

17. SECTION 409A

It is intended that any amounts payable under this Agreement shall either be exempt from or comply with Section 409A of the Code (including the Treasury regulations and other published guidance relating thereto) so as not to subject the Participant to payment of any additional tax, penalty or interest imposed under Code Section 409A. The provisions of this Agreement shall be construed and interpreted to avoid the imputation of any such additional tax, penalty or interest under Code Section 409A yet preserve (to the nearest extent reasonably possible) the intended benefit payable to the Participant.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

OCWEN FINANCIAL CORPORATION

By: _____

PARTICIPANT

By: _____

EXHIBIT 31.1

CERTIFICATIONS

I, Glen A. Messina, certify that:

(1) I have reviewed this quarterly report on Form 10-Q of Ocwen Financial Corporation;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and the other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

(4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a—15(e) and 15d—15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a—15(f) and 15d—15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

(5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

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Date: May 4, 2021

/s/ Glen A. Messina

Glen A. Messina, President
and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATIONS

I, June C. Campbell, certify that:

(1) I have reviewed this quarterly report on Form 10-Q of Ocwen Financial Corporation;

(2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

(3) Based on my knowledge, the financial statements, and the other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

(4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a—15(e) and 15d—15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a—15(f) and 15d—15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

(5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 4, 2021

/s/ June C. Campbell

June C. Campbell, Executive Vice President and Chief Financial Officer

EXHIBIT 32.1

CERTIFICATIONS

I, Glen A. Messina, state and attest that:

(1) I am the principal executive officer of Ocwen Financial Corporation (the Registrant).

(2) I hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that

- the Quarterly Report on Form 10-Q of the Registrant for the quarter ended March 31, 2021 (the periodic report) containing financial statements fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

- the information contained in the periodic report fairly represents, in all material respects, the financial condition and results of operations of the Registrant for the periods presented.

Name: /s/ Glen A. Messina
Title: President and Chief Executive Officer
Date: May 4, 2021

EXHIBIT 32.2

CERTIFICATIONS

I, June C. Campbell, state and attest that:

(1) I am the principal financial officer of Ocwen Financial Corporation (the Registrant).

(2) I hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that

- the Quarterly Report on Form 10-Q of the Registrant for the quarter ended March 31, 2021 (the periodic report) containing financial statements fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

- the information contained in the periodic report fairly represents, in all material respects, the financial condition and results of operations of the Registrant for the periods presented.

Name: /s/ June C. Campbell
Title: Executive Vice President and Chief Financial Officer
Date: May 4, 2021